

Policy and Procedures on Reimbursement of Moving Expenses for New Student Development Employees

When funds are available, the Division of Student Development may reimburse newly hired, full-time employees for expenses incurred in moving to the Boone area.

The Department needs to review all requests to confirm eligibility and to ensure all receipts are in order prior to sending to the Division of Student Development Central Office.

Policy

Moving reimbursements are governed by the [IRS regulations](#) for federal income tax purposes.

Reasonable expenses:

You can deduct only those expenses that are directly related to the moving of household items, personal effects and household members from the employee's former residence to new residence. For example, the cost of traveling from your former home to your new one should be by the shortest, most direct route available by conventional transportation. If during your trip to your new home, you stop over, or make side trips for sightseeing, the additional expenses for your stopover or side trips are not reimbursement as moving expenses.

Eligible Expenses for Reimbursement:

IRS regulations provide a distinction between "qualified" (not taxable) moving expenses and "non qualified" (taxable) moving expenses. These guidelines identify allowable moving expenses and a general determination of whether the expense is tax deductible based on IRS regulations. Each expense submitted for reimbursement will be reviewed and a determination made on whether the reimbursement will be taxable or not taxable.

The following categories of eligible reimbursement expenses are considered "qualified" moving expenses and any reimbursement by the university would be reported as an excludable fringe benefit, not subject to withholding and not included as income on Form W-2:

- a. En Route Travel Expenses -- Includes cost of transportation, lodging for employee, spouse/domestic partner and dependent children living at home; allowable for one trip by employee and members of household, not necessarily at the same time.
- b. Moving of Household and Personal Effects -- Includes actual costs of packing, transporting, unpacking household effects; in-transit storage costs; insurance; and moving household pets

- c. Vehicle Relocation -- Includes relocation of automobiles used as primary mode of transportation of the employee and spouse/domestic partner. Automobiles may be driven or shipped. For travel by private vehicle, eligible employees may claim either their actual out-of-pocket expenses for fuel or the current federal allowable mileage rate for moving expenses (23.5 cents per mile (IRS Standard 2014)).

Under IRS regulations, all reimbursements associated with the move other than “qualified moving expenses” are taxable income to the employee subject to tax withholding and reporting. The following categories of eligible reimbursement expenses are considered “non qualified” and any reimbursement by the university would be considered a taxable fringe benefit and any reimbursement must be treated as a supplemental wage payment, subject to applicable withholding deductions (i.e., federal and state tax, FICA, Medicare, etc.) and reported as income on Form W-2:

- a. En Route Meal Expenses -- Reimbursement of meals en route
- b. Temporary Living Expenses -- Expenses incurred for temporary living arrangements while relocating near the university

Ineligible Expenses for Reimbursement:

You cannot claim reimbursement for any of the following moving-related expenses:

- a. Any part of the purchase price of your new home
- b. Car tags
- c. Driver's license fees
- d. Expenses of buying or selling a home (including closing costs, mortgage fees, and points)
- e. Expenses of entering into or breaking a lease
- f. Home improvements to help sell your home
- g. House-hunting expenses
- h. Loss on the sale of your home
- i. Losses from disposing of memberships in clubs
- j. Mortgage penalties
- k. Payments associated with moving household and personal effects from a second home
- l. Real estate taxes
- m. Refitting of carpet and draperies
- n. Return trips to your former residence
- o. Security deposits (including any given up due to the move)
- p. Storage charges except those incurred in transit and for foreign moves

Moving expense reimbursements may only be made from non-state appropriated funding sources ([Policy 501.18](#)). The hiring department will be financially responsible for all moving expense reimbursements.

The university is unable to provide a payment of a lump sum relocation allowance. Documentation of expenses, including receipts, is required for any reimbursement.

Procedure

1. The Department Head should make a request to the Division of Student Development Central Office by completing the following request form. The Department Head must receive written confirmation from Student Development **prior** to notifying a candidate that moving expenses will be paid or before including such in any offer of employment.
 - a. [Request for Payment of Moving Expenses](#)
2. After approval is received from Student Development, the Department Head should specify, in writing, the maximum moving expense reimbursement approved by Student Development to be paid by the university. This will also be specified in writing in the employee's Contract. Ensure the employee understands that we will need receipts or similar documentation to reimburse expenses.
3. The Department should initiate the following paperwork and ensure the employee (claimant) signs both forms within 30 days of the date of last expenditure:
 - a. [Moving Expenses Reimbursement for New Student Development Employees Form](#)
 - b. [Direct Payment Form](#)
4. Attach all original receipts showing how payment was made for the move and ensure:
 - a. Receipts show a zero balance or have a receipt or bank statement showing how the payment was made, and;
 - b. All requests for reimbursement are reviewed to confirm eligibility
5. Submit request to Student Development for final review.
6. Request is reviewed and signed for payment and then submitted to the Controller for review.
7. After the Controller reviews and signs the request it is then sent to the Chancellor's Office for approval.
8. After the Controller and Chancellor approval the request is then sent to Payroll for processing.
9. Employee receives the reimbursement as a part of their paycheck.