POLICY STATEMENT

This Policy provides for the reimbursement of moving expenses when necessary to attract a new, full-time, employee hired by the University. The Policy defines the types of expenses that are reimbursable, the procedures for processing reimbursement payments, and the treatment of such payments for tax purposes. The reimbursement of moving expenses is at the sole discretion of the University and subject to the availability of funds. The authority to approve such reimbursements is limited to a small number of high-level University officials. See Authorization.

Moving expenses of full-time faculty and non-administrative professional librarians are subject to the reimbursement limits set forth in the collective bargaining agreement between the University and the USF Faculty Association. See Faculty and Librarian Expense Reimbursements.

Departments may establish more restrictive procedures, if desired, consistent with the requirements contained in the collective bargaining agreement.
REASON FOR POLICY

This Policy has been established to provide the reimbursement standards for employee moving expenses. The Policy conforms to the Internal Revenue Code (IRC) and applicable Treasury Regulations governing the tax treatment of moving and relocation expense reimbursements.

WHO SHOULD READ THIS POLICY

Any new employee who incurs moving-related expenses in accepting a position with the University; the members of the Leadership Team, as well as supervisors and Business Managers who supervise an employee incurring moving expenses.

POLICY TEXT

Actual moving expenses may be paid for a new employee appointed to a full-time academic position or a full-time staff position requiring specialized training and/or experience of a technical, professional, or administrative nature, if approved in accordance with this Policy. The new employee must reside outside a reasonable commuting distance of the University location where the individual will be assigned to work. See Distance Test.

All or part of the moving expenses listed below may be reimbursed, subject to the availability of funds.

Household Goods
Actual and reasonable costs for the use of a moving company to pack, crate, and transport an employee’s household goods and personal effects from the appointee’s former residence to his or her new residence may be reimbursed. Such costs are limited to one household move for the employee and the members of his or her household. Items placed in storage for removal and transport to the employee’s new residence at a later date will be treated as one move.

Expenses related to moving scholarly books, records, and equipment, including laboratory supplies, of a faculty appointee should be documented separately. Such expenses are reimbursable if the items will be made generally available to students and faculty.

If an employee elects to move household goods and personal effects on his or her own, costs of renting a moving van, truck, or trailer and moving equipment (e.g., hand truck) are reimbursable, as are moving supplies (e.g., packing materials and boxes). The cost of insuring the employee’s household goods and effects, however, is not reimbursable.
The reimbursement of costs related to the moving of household goods and effects is generally not taxable to the employee.

**Storage and Insurance**
Actual and reasonable expenses related to storage and insurance of household goods and personal effects while in transit with a moving company are reimbursable. Such expenses must be incurred within any consecutive 30-day period after the day the goods and effects are removed from the employee's former residence and prior to delivery at the employee's new residence.

The reimbursement of storage and insurance costs during the 30-day period described above is generally not taxable.

**Automobile**
Actual and reasonable expenses related to moving two (2) personal motor vehicles per household, which may include motorcycles but excludes certain other vehicles, are reimbursable. See **Unallowable Expenses**.

The vehicles may be shipped or driven. If the employee decides to drive his or her personal vehicle, the employee will be reimbursed at the moving mileage rate published in the **Travel and Entertainment Policy**.

The reimbursement of automobile-related expenses is generally not taxable.

**Travel**
Actual, one-way, air travel expenses for the employee and the members of his or her household, but not to exceed the cost of economy class, at the lowest air fare available may be reimbursed. All members of the employee’s household do not have to travel together or at the same time, but only one trip per person is reimbursable. Meals and lodging while en route to the new primary residence are reimbursable, including one day's lodging in the area of the former primary residence if the residence is not suitable for occupancy due to the move, and one day’s lodging on the date of arrival at the new primary residence. Such expenses must be reimbursed in accordance with the **Travel and Entertainment Policy**.

The reimbursement of travel expenses is generally not taxable except for meals, which are taxable.

**Temporary Lodging**
Actual and reasonable costs of furnished temporary lodging within the general location of the University or new residence for up to 30 days and meals for up to 30 days of residence in the temporary lodging if it does not have cooking facilities are reimbursable. Such reimbursements will be made in accordance with the **Travel and Entertainment Policy**.
The reimbursement of temporary lodging and meals is taxable.

**House Hunting**
Actual and reasonable expenses associated with looking for new living accommodations by the employee and a member of his or her household (e.g., spouse, domestic partner, etc.) are reimbursable, including:

- Cost of transportation (e.g., economy airfare, car rental, parking fees, tolls, gas, etc.),
- Meals, and
- Lodging.

Only one house-hunting trip, consisting of up to seven (7) nights of lodging, is reimbursable. Travel will be reimbursed in accordance with the Travel and Entertainment Policy.

The reimbursement of pre-move house-hunting expenses is taxable to the employee, unless a house-hunting trip is combined with a University employment interview or other business meeting. Only the expenses that would have been incurred had house-hunting not been included as part of the trip will be excluded from the employee’s taxable income.

**Household Pets**
The University will reimburse actual and reasonable expenses related to transportation of household pets (such as a cat or dog) but not the expenses of kenneling such pets. The cost of moving exotic pets (e.g., iguanas, venomous snakes, tarantulas, ferrets, etc.) is not reimbursable.

The reimbursement of expenses related to the transportation of pets is generally not taxable.

**Immigration Fees**
Expenses associated with visa applications and renewals (primarily J, H, and TN visas) and related travel and other expenses for a non-U.S. citizen may be reimbursed when such expenses are incurred in connection with the commencement of the appointee’s work for the University.

The reimbursement of immigration and related expenses is generally not taxable.

**Unallowable Expenses**
Unallowable moving expenses include, but are not limited to, costs associated with the following items:

- Animals (except for household pets);
- Plants;
• Motorized recreational vehicles, including boats, kayaks, canoes, airplanes, camping vehicles, trailers, snow machines, and jet skis;
• Frozen and perishable foodstuffs;
• Building supplies and similar bulk materials;
• Storage sheds;
• Farm equipment;
• Hazardous or flammable materials;
• Firewood; and
• Real estate expenses, except for the rental subsidy available to new faculty and librarians.

PROCEDURES

• Authorization
• Sponsored Projects and Other Restricted Funds
• Methods of Payment
• Documentation
• Tax Treatment of Moving Expenses
• Tax Reporting
• Faculty and Librarian Expense Reimbursements
• Violations

RELATED INFORMATION

<table>
<thead>
<tr>
<th>Type</th>
<th>Title</th>
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<tbody>
<tr>
<td>USF</td>
<td>Collective Bargaining Agreement with USF Faculty Association</td>
</tr>
<tr>
<td>USF</td>
<td>Purchasing Card Policy</td>
</tr>
<tr>
<td>USF</td>
<td>Travel and Entertainment Policy</td>
</tr>
<tr>
<td>External</td>
<td>IRS Publication 521, Moving Expenses</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Business Manager</td>
<td>A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the financial manager for the University account(s) being used for the expense. This may include the President, Vice Presidents, Vice Provosts, or Deans.</td>
</tr>
<tr>
<td>Business Purpose</td>
<td>A moving expense made in accordance with this Policy and in furtherance of the educational mission of the University.</td>
</tr>
<tr>
<td>Concur</td>
<td>The University’s online system for payment requests, expense reimbursements, cash advance requests, and reporting.</td>
</tr>
<tr>
<td>Members of the Household</td>
<td>Any individual who had the employee's former residence and the employee's new residence as his or her principal place of abode. A member of the household, however, does not include a tenant or an employee of the new appointee, unless that individual is a dependent of the appointee.</td>
</tr>
<tr>
<td>Moving Expenses</td>
<td>Moving expenses eligible for reimbursement are defined as the reasonable costs incurred by an employee in moving his or her household goods and personal effects to a new residence. Such expenses also include payments made to a third party on behalf of the employee (e.g., to a moving company) and the cost of travel to the University location for the individual and the members of his or her household. Although the University may pay all or part of an employee's moving expenses, a portion of the payment may constitute taxable wages.</td>
</tr>
<tr>
<td>Purchasing Card</td>
<td>A bank-issued Visa card with a standard single transaction limit of $1,000 and a monthly credit limit of $2,500. This card may be used for small dollar, business-related purchases. Cards may be used for moving expenses when authorized by a Business Manager or supervisor.</td>
</tr>
<tr>
<td>Reasonable Costs</td>
<td>Includes those costs or expenses that are reasonable under the circumstances of a particular move, i.e., a move from the old to the new residence must be made via a conventional mode of transportation using the shortest and most direct route available and in the shortest period of time normally required to travel such a distance.</td>
</tr>
</tbody>
</table>
Residence
The principal dwelling or home where an employee actually lives and is considered as his or her legal residence for income tax purposes.

ADDITIONAL CONTACTS

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement Services</td>
<td>Dennis Miller</td>
<td>415.422.2102</td>
<td><a href="mailto:millerd@usfca.edu">millerd@usfca.edu</a></td>
</tr>
<tr>
<td>Human Resources</td>
<td>Diane Nelson</td>
<td>415.422.2441</td>
<td><a href="mailto:dlnelson3@usfca.edu">dlnelson3@usfca.edu</a></td>
</tr>
<tr>
<td>Payment Request</td>
<td>Disbursement</td>
<td>415.422.2735</td>
<td><a href="mailto:ap@usfca.edu">ap@usfca.edu</a></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Card</td>
<td>Kathy Seronio</td>
<td>415.422.2387</td>
<td><a href="mailto:pcard@usfca.edu">pcard@usfca.edu</a></td>
</tr>
<tr>
<td>Tax Compliance</td>
<td>Dominic Daher</td>
<td>415.422.5124</td>
<td><a href="mailto:dldaher@usfca.edu">dldaher@usfca.edu</a></td>
</tr>
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FORMS

<table>
<thead>
<tr>
<th>Form</th>
<th>Use</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>Payment Request</td>
<td>Used to initiate payment requests in the Concur system.</td>
<td>ABS</td>
</tr>
<tr>
<td>Purchasing Card Application</td>
<td>Used to request issuance of a Purchasing Card.</td>
<td>ABS</td>
</tr>
<tr>
<td>Rent Reimbursement Request,</td>
<td>Used by faculty and librarians to apply for reimbursement of first HR</td>
<td></td>
</tr>
<tr>
<td>Faculty and Librarians</td>
<td>and last months’ rent.</td>
<td></td>
</tr>
<tr>
<td>Relocation Reimbursement</td>
<td>Used by faculty and librarians to request reimbursement of relocation</td>
<td>HR</td>
</tr>
<tr>
<td>Request, Faculty and Librarians</td>
<td>Used by faculty and librarians to request relocation expenses.</td>
<td></td>
</tr>
</tbody>
</table>
RESPONSIBILITIES

Department/Business Manager

- Obtains approval for moving-related expenses in accordance with this Policy.
- Obtains documentation to substantiate moving expenses for submission to the Concur system.
- Ensures there are budgeted funds available for expenses.
- Reviews and approves charges in the Concur system.
- Ensures all expenses are business-related and are in compliance with this Policy.

Office of Accounting and Business Services

- Processes all moving expense payments and reimbursements, in accordance with this Policy and applicable University policies.
- Ensures that taxable moving expenses and rental subsidies are included in an employee’s gross income as additional wages.
- Reports taxable and nontaxable moving expense on an employee’s Form W-2, in accordance with the IRC and applicable Treasury Regulations.

Office of Internal Audit and Tax Compliance

- Provides departments and Accounting and Business Services (ABS) with advice on the tax treatment of moving-related expenses.

Office of Human Resources

- Ensures that offer letters provided to new employees reference this Policy and inform such individuals that some moving reimbursements may be taxable.

President and Vice Presidents

- Authorizes moving-related expenses.
- Ensures employees in his or her division are in compliance with this Policy.
- Approves any exceptions to this Policy for employees in his or her division.
- Reviews and approves charges in the Concur system for his or her direct reports.
REVISION HISTORY

- 08/09/2016 - Revised to include technical changes and clarifications only.
- 02/15/2014 - Updated to include references to the HR forms used by full-time faculty and non-administrative librarians to request reimbursement of rent and relocation expenses.
- 05/01/2012 - First publication of Policy.
AUTHORIZATION

Expenditures for moving must be authorized in advance by the President or applicable Vice President. These individuals are responsible for determining that budgeted funds are available for moving expenses and that the expenses are in compliance with this Policy. The cost of moving a current employee who transfers to another University location may be reimbursed, only if approved by the President or the employee’s Vice President as an exception to this Policy. Moving and relocation expenses that are not specifically allowed under this Policy also are not authorized for reimbursement unless approved as an exception by the President or applicable Vice President.

The offer letter given to a new (or current) employee approved for the reimbursement of moving expenses should include the maximum dollar amount reimbursable and state that a portion of the reimbursement may be taxable. Such employees should be provided with a copy of this Policy.

SPONSORED PROJECTS AND OTHER RESTRICTED FUNDS

Sponsored project funds and other restricted funds may not be used for moving-related expenses unless specifically allowed in the contract or grant agreement or other document governing the use of the funds.
METHODS OF PAYMENT

Purchasing Card
The preferred method of payment for moving expenses is the University-issued Purchasing Card. This card is issued to certain employees for making business-related purchases on behalf of the University. Departments are responsible for reconciling all Purchasing Card charges in the Concur system. See the Purchasing Card Policy.

Payment Request
If a Purchasing Card is not an acceptable form of payment, the department should submit a Payment Request to Disbursement Services through the Concur system. A payment will be issued within 10 business days after Disbursement Services receives the properly completed Payment Request.

DOCUMENTATION

Departments are responsible for providing sufficient documentary evidence to support the business purpose of all moving-related expenses. Documentation for both Purchasing Card and Payment Request transactions should be in the form of an original bill or receipt and should include the date, vendor name and location, description of the items purchased, and total dollar amount. Receipts for all moving-related transactions should be faxed or scanned for submission to the Concur system.

TAX TREATMENT OF MOVING EXPENSES

Under the IRC and applicable Treasury Regulations, nontaxable (i.e., deductible) moving expenses reimbursed by an employer, or paid to a third party on behalf of an employee, are excludable from an employee’s gross income provided the following three requirements are met:

- **Related to the Start of Work** - The move must be made in connection with the commencement of work at a new job location and the moving expenses must be incurred within one year from the date the employee first reports to the new job.
- **Time Test** - During the 12-month period immediately following the move, the individual must be employed full-time for at least 39 weeks.
- **Distance Test** - The distance between the employee’s new job location and his or her former residence must be at least 50 miles more than the distance between the individual’s previous work location and his or her former residence. For example, if the employee’s old job location was 3 miles from the employee’s former home, the University job location must be at least 53 miles from that former home.
Unless all three requirements are met, any payments made for moving expenses will be taxable and must be reported as specified below.

**Taxable Expenses**
Any reimbursement or payment to a third party of taxable moving expenses must be included in an employee’s gross income as additional wages, subject to withholding. Taxable expenses include, but are not limited to, the following examples—some of which are not reimbursable under this Policy:

- Meal expenses incurred while moving from the old residence to the new residence;
- Meals and lodging charges incurred while occupying temporary quarters in the area of the new job location;
- Pre-move house-hunting expenses;
- Return trips to former residence;
- Storage charges, except those incurred in transit (for up to 30 consecutive days) and foreign moves;
- Mileage reimbursements in excess of the moving rate published in the *Travel and Entertainment Policy* and
- Real estate expenses, including expenses of buying or selling a home, rental payments, entering into or breaking a lease, mortgage penalties, property taxes, loss of security deposits, etc.

Only those expenses described in the **Policy Text** are eligible for reimbursement.

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**TAX REPORTING**

**Nontaxable Payments**
Although payments made directly to an employee for the reimbursement of nontaxable moving expenses are excludable from the employee’s gross income, the University must report the reimbursements to the Internal Revenue Service (IRS), for information purposes only, on the employee’s Form W-2. Nontaxable expenses paid directly to a third party (such as a moving company) on behalf of an employee, and similar nontaxable moving services that an employer furnishes in kind to an employee, are not reportable on the Form W-2.

**Taxable Payments**
A payment made directly to an employee, or on his or her behalf, for taxable moving expenses is includible in the employee’s gross income, subject to withholding of applicable income, social security, and Medicare taxes. Such payments must be reported as additional wages on the employee’s Form W-2.
Questions concerning the tax treatment and/or reporting of moving-related expenses should be referred to the Office of Internal Audit and Tax Compliance.

FACULTY AND LIBRARIAN EXPENSE REIMBURSEMENTS

Moving and relocation expenses incurred by full-time faculty and non-administrative professional librarians are governed by the requirements set forth in the collective bargaining agreement between the University and the USF Faculty Association. These requirements include the following:

**Moving and Relocation Expenses**

Moving expense reimbursements are limited to a maximum of $4,000 for a relocation from the East Coast; a maximum of $2,500 for a relocation from the Midwest; and a maximum of $2,000 for a relocation from the West Coast. Moving expenses eligible for reimbursement are subject to the requirements contained in this Policy. In addition, a new faculty or librarian employee requesting reimbursement must complete the **Relocation Reimbursement Request, Faculty and Librarians** form published by the Office of Human Resources (HR).

**Rental Subsidy**

New faculty and librarians are eligible to receive a one-time payment of up to $5,000 for the first and last month’s rent, subject to the submission of appropriate receipts to HR and completion of the **Rent Reimbursement Request, Faculty and Librarians** form. The rental subsidy payment must be paid through the payroll system and is subject to withholding of applicable income, social security, and Medicare taxes.

VIOLATIONS

A violation of any portion of this Policy may result in the suspension or termination of the cardholder’s right to use the declining balance card. Employees may also be subject to disciplinary action, up to and including termination of employment and/or legal action. In addition, the employee will be personally liable for any declining balance card charges determined not to be for a University business purpose.