

Moving Allowance Policy

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Effective Date: May 1, 2012
Last Updated: April 16, 2018

Responsible University Officer:
Vice President for Business and Finance

Policy Owner:
Associate Vice President for Accounting and
Business Services

Policy Contacts:
Dennis Miller
Diane Nelson
Dominic Daher

POLICY STATEMENT

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

Moving allowances for full-time faculty and non-administrative professional librarians are subject to the limits set forth in the collective bargaining agreement between the University and the USF Faculty Association. See **Faculty and Librarian Moving Allowances**.

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

Please note, effective January 1, 2018, the Internal Revenue Code (Sec. 11048(b) of P.L. 115-97) was amended to eliminate the exclusion from taxable income for qualified moving expense reimbursements. Accordingly, any amount provided to an employee for relocation expenses will be treated as taxable income and taxes relating to the amount will be withheld from the employee's paycheck during that calendar year.

REASON FOR POLICY

This Policy has been established to provide standards for providing a moving allowance to an employee. 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 will incur moving-related expenses the University has agreed to pay in whole or in part; the members of the Leadership Team, as well as supervisors and Business Managers who supervise an employee incurring moving expenses.

POLICY TEXT

A moving allowance may be paid to 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.

Please note, effective January 1, 2018, the Internal Revenue Code (Sec. 11048(b) of P.L. 115-97) was amended to eliminate the exclusion from income for qualified moving expense reimbursements. As such, any amount provided to an employee for relocation expenses will be treated as taxable income and all customary income and payroll taxes relating to the amount will be withheld from the employee's paycheck during that calendar year.

PROCEDURES

- **Authorization**
 - **Sponsored Projects and Other Restricted Funds**
 - **Methods of Payment**
 - **Documentation**
 - **Tax Treatment of Moving Expenses**
 - **Tax Reporting**
 - **Faculty and Librarian Moving Allowances**
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RELATED INFORMATION

Type	Title
USF	Collective Bargaining Agreement with USF Faculty Association
USF	Purchasing Card Policy
USF	Travel and Entertainment Policy

DEFINITIONS

Term	Definition
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Business Manager	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.
Moving Allowance	An amount provided to an employee to assist with the reasonable costs incurred in moving his or her household goods and personal effects to a new residence 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, the payment constitutes taxable wages which are subject to withholding and reporting on IRS Form W-2.
Reasonable Costs	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.
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

Subject	Contact	Phone	Email
Disbursement Services	Dennis Miller	415.422.2102	millerd@usfca.edu
Human Resources	Diane Nelson	415.422.2441	dlnelson3@usfca.edu
Tax Compliance	Dominic Daher	415.422.5124	dldaher@usfca.edu

FORMS

Form	Use	Location
Rent Reimbursement Request, Faculty and Librarians	Used by faculty and librarians to apply for reimbursement of first and last months' rent.	HR
Relocation Reimbursement Request, Faculty and Librarians	Used by faculty and librarians to request reimbursement of relocation expenses.	HR

RESPONSIBILITIES

Department/Business Manager

- Obtains approval for requesting a moving allowance in accordance with this Policy.
- Ensures there are budgeted funds available for expenses.
- Fills out appropriate Additional Pay EPAF as discussed under the **Procedures** below.

Office of Accounting and Business Services

- Processes all moving allowances in accordance with this Policy and applicable University policies.
- Ensures all moving allowances and rental subsidies are included in an employee's gross income as additional wages and reported on an employee's IRS Form W-2, in accordance with the IRC and applicable Treasury Regulations.

Office of Tax Compliance and Internal Audit

- 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 moving allowances are taxable.

President and Vice Presidents

- Authorizes moving allowances.
 - 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.
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FREQUENTLY ASKED QUESTIONS

(N/A)

REVISION HISTORY

- 04/02/2018 – Revised to reflect the payment of a taxable moving allowance rather than the reimbursement of moving expenses.
 - 01/26/2018 - Updated to reflect change in tax treatment of moving expense reimbursements.
 - 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.
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APPENDICES

(N/A)

PROCEDURES

Authorization

Sponsored Projects and Other Restricted Funds
Methods of Payment
Documentation
Tax Treatment of Moving Expenses
Faculty and Librarian Moving Allowances
Violations

AUTHORIZATION

Allowances for moving expenses 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 allowances and that the expenses are in compliance with this Policy. A moving allowance may be provided to a current employee who transfers to another University location only if approved by the President or the employee's Vice President as an exception to this Policy.

The offer letter given to a new (or current) employee approved for a moving allowance should include the maximum dollar amount and state that the amount is 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 allowances unless specifically allowed in the contract or grant agreement or other document governing the use of the funds.

METHODS OF PAYMENT

Additional Pay EPAF

Departments process an Additional Pay EPAF using the designated position number provided by HR so that it is charged to the appropriate FOAP. Moving allowances for 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. See **Faculty and Librarian Moving Allowances**.

Purchasing Card

Moving expenses may not be incurred on the University-issued Purchasing Card. See the **Purchasing Card Policy**.

DOCUMENTATION

Departments may require documentary evidence to support the business purpose of all moving-related expenses in order to determine the appropriate amount of the moving allowance; however, such documentation is not required under this Policy.

TAX TREATMENT OF MOVING EXPENSES

Moving allowances are includible in the employee's gross income, subject to withholding of applicable income and payroll taxes. Such payments must be reported as additional wages on the employee's IRS Form W-2.

Questions concerning the tax treatment and/or reporting of moving allowances and moving-related expenses should be referred to the Office of Tax Compliance and Internal Audit.

FACULTY AND LIBRARIAN MOVING ALLOWANCES

Moving allowances for 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 Allowances

Moving allowances 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; a maximum of \$2,000 for a relocation from the West Coast; and a maximum of \$4,000 for a relocation from outside the continental United States. In addition, a new faculty or librarian employee requesting an allowance 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 \$6,000 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 disciplinary action, up to and including termination of employment and/or legal action.
