Employee Relocation Policy

Effective Date: January 1, 2019
Last Revision Date: September 17, 2019

1. PURPOSE

The purpose of this policy is to provide guidance regarding the approval and authorization, and well as the reimbursement and payment of relocation expenses.

2. RESPONSIBLE CAMPUS DIRECTOR

Controller
Director of Human Resources

1. DEFINITIONS

**Approving Authority**: Chancellor, Vice-Chancellor or delegated division dean or director who approves expense reimbursements for relocation

**Authorization Letter**: a letter that specifically outlines and approves university funding for relocation expense types and amounts, including relocation stipends

**Direct Costs of Relocation**: costs associated with the relocation of household goods (i.e. shipping containers and supplies, rental truck costs, packing/unpacking costs)

**Incidental [Indirect] Costs of Relocation**: costs associated with a move which are not reimbursable as a direct cost of relocation (i.e. house hunting costs, en route travel costs such as tolls and lodging, extra storage)

**Household Goods**: personal effects of the employee and the immediate family of the employee, which are usual and necessary for the maintenance of a household

**Relocation Stipend**: lump-sum, tax-reportable payment an employee for relocation costs

**Temporary Lodging**: the IRS looks as all facts to determine whether the travel assignment was intended to be temporary or indefinite; to set-up payment for temporary lodging, contact the Controller

2. POLICY

UWSP Financial Operations Policy and Procedures
Employee Relocation Policy
Taxable Reimbursement
In accordance with IRS regulations, effective January 1, 2018, reimbursement or payment of any relocation costs under this policy is considered taxable income and subject to applicable income and employment taxes.

Eligibility and Approval for Relocation Allowance
New employees, including Faculty, Academic Staff and University Staff, may be paid for expenses associated with relocation for their employment. A relocation allowance will generally not be authorized for short term or temporary positions. Approval for a relocation allowance must be obtained during the search process and prior to the final hire of a prospective employee. Relocation allowances may be offered up to the maximum amounts allowed for the reimbursement of expenses or payment of a stipend, and the negotiated amounts must be defined by the employee’s appointment letter and included in an authorization letter. To be eligible for the relocation allowance, the employee must move no later than one year from the effective date of the appointment or the end of the probation, whichever is later. If employment is terminated prior to one year of service, reimbursement of any relocation allowance already paid to the employee will be prorated due payable to the University.

Maximum Relocation Allowance
Hiring Managers may authorize reimbursement of relocation expenses or payment of a relocation stipend up to the maximum amounts outlined below. Individual units may establish a maximum reimbursement amounts less than the amounts outlined below. Authorization to exceed the relocation allowance must be approved in writing by the appropriate divisional Vice Chancellor.

1. Academic Staff and University Staff
   a. IRS distance test: former residence must be at least 50 miles from the University
   b. Reimbursement of actual direct costs of relocation: up to $2,000
   c. Relocation stipend for indirect costs of relocation: of up to $1,000
   d. Mileage for driving one vehicle from former residence to new residence: standard rate.

2. Positions titled Faculty, Director or above
   a. IRS distance test: former residence must be at least 50 miles from the University.
   b. Reimbursement of actual direct costs of relocation: up to $6,000
   c. Relocation stipend for indirect costs of relocation: of up to $2,000
   d. Mileage for driving one vehicle from former residence to new residence: standard rate.

Reimbursement or Payment of Relocation Allowance
Costs associated with an employee relocation will be reimbursed and/or paid as a relocation stipend. Reimbursement of direct costs will require submission of all
invoices and receipts to receive payment. The relocation stipend for indirect costs may be paid to an employee up to 30 days in advance of the employee’s relocation date.

**Relocating without a Commercial Carrier (Self-Moves)**
Should an employee relocate without the use of a commercial carrier, reimbursement claims will be limited to actual, reasonable, and necessary costs associated with any hired labor in loading and unloading the household goods and for the rental trucks, trailers, moving equipment, or other expenses directly related to the relocation. Neither the employee nor the employee’s spouse or dependents may be reimbursed for their labor. Original receipts must support the reimbursement claim. Estimates are not required from commercial carriers to support self-moves.

**University Responsibility**
Proper approval of the reimbursement of relocation expenses, per this policy, is obtained by the appropriate divisional Vice Chancellor. The negotiated amount is then recorded on the Human Resources Form 10 and confirmed via the signed Appointment Letter or Contract. Both the employee and Financial Operations is provided a copy of the Appointment Letter or Contract stating the maximum amount the employee can be reimbursed for direct costs and the amount of the stipend the employee will receive.

Additionally, an Authorization Letter must be drafted by the Human Resources department and forwarded to the employee. The authorization letter is used to support the total relocation allowance paid as a relocation stipend.

**Employee Responsibility**
1. Obtain Authorization Letter for relocation allowance from Human Resources department. This letter and any additional required documentation must be submitted to support reimbursement or payment of relocation costs.
2. When using a commercial carrier, use a UW System contracted commercial carrier.
3. Be advised that for piecemeal moves (moves that require more than one trip on self-moves), the cumulative cost of moving household goods on a piecemeal basis may not exceed the amount that would have been charge if the relocation had been accomplished in one trip. To make that determination, an estimate from the contract commercial carrier showing the cost to accomplish the move in one trip must be obtained.
4. If applicable, airfare must be reserved through the University travel program. Reach out to the hiring department or University Travel Coordinator for further guidance.

3. **PROCEDURES**
   A. **Approval to Authorize Relocation Allowance**
      a. Complete and submit Form 10 with confirmed details of negotiated relocation allowances
b. Human Resources department to complete Authorization Letter

B. Approval to Reimburse or Pay Relocation Costs
   a. Complete and submit request for relocation stipend via e-Reimbursement module. Attach Authorization Letter and documentation to support expenses, as appropriate.

4. REFERENCES and RELATED DOCUMENTS

   IRS Publication 521: Moving Expenses
   UW System Administrative Policy 240: Relocation (Household Moves) and Temporary or Indefinite Work Assignments

5. POLICY HISTORY
   Revision Date on Position Justification Form Removal: September 17, 2019
   Effective Date: 1/1/2019
   Approved: 11/14/2018

   Approved by: Vice Chancellor for Business Affairs

6. SCHEDULED REVIEW
   Month 2023