

Memo to: All UH-Downtown/PS Holders

UH-Downtown/PS 02.A.24

Issue No. 2

From: Max Castillo, President

Effective date: 07/11/08

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Subject: Moving and Relocation Expenses Policy

## **1. PURPOSE**

This policy statement outlines the processes to be followed for authorization, payment, and reimbursement of moving and relocation expenses for new University of Houston-Downtown employees.

## **2. DEFINITIONS**

2.1 Household goods: Furniture, household appliances, and other items used for furnishing and maintaining a residence.

2.2 Personal effects: Clothing, books, and other items of a personal nature.

2.3 OMB Circular A-21: A federal document from the Office of Management and Budget that establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

## **3. POLICY**

3.1 In every case, payment of moving and relocation expenses from university funds for prospective university employees must be authorized by the appropriate dean or director, and vice president prior to making any offers or commitments.

3.2 Normally, payment for moving and relocation expenses may be authorized only for full-time faculty and administrative and professional staff employees at the director level and above who are moving from a distance in excess of 100 miles from the University of Houston-Downtown (UHD). Authorization of expenses for any individual not meeting this definition requires the prior approval of the appropriate vice president.

3.3 Payment of moving/relocation expenses may be made from designated funds or auxiliary funds available to the hiring department or college. Gift funds may be used only when its use is authorized by or consistent with donor intent. Payment of moving/relocation expenses from sponsored project cost centers requires the prior written approval of the sponsor. State appropriated funds may not be used for payment of moving and relocation expenses.

3.4 The commitment, level of expenses authorized, and responsibility of the employee to reimburse the university if the employee leaves shall be specified in the offer letter to the prospective employee.

- 3.5 The Authorization for Moving and Relocation Expenses (Exhibit A) form shall be submitted with each moving/relocation payment document; along with a copy of the correspondence authorizing payment of moving expenses. Expenses may be added as each payment document is processed, up to the maximum amount authorized. The college/division administrator shall certify this form, ensuring the monitoring of accumulated expenditures within the approved level.
- 3.6 The maximum amount of university funds that may be authorized for moving and relocation expenses, regardless of fund source, shall not exceed an amount equal to one-tenth of the individual's annual salary, or \$10,000, whichever is greater. (Division Heads and Deans may choose to set lower limits based on the college budgeting policies.)
- 3.7 To ensure maximum cost effectiveness, the Purchasing Department at UHD will maintain or have access to contracts with national moving companies to transport household effects.
- 3.8 New employees for whom moving and relocation expenses have been authorized will be provided information regarding university moving contracts, along with payment/reimbursement procedures. This information may be obtained from the Purchasing Department. Payment may be made directly to the moving company or reimbursement for moving household goods and personal effects may be made to the employee up to the amount authorized for moving expenses.
- 3.9 Authorized moving expenses include the reasonable costs resulting from the moving of the faculty or staff members' household goods and personal possessions. Allowable moving and relocation expenses are restricted to the following:
- a. Cost of one trip of up to one week in length for the employee and spouse to select housing, referred to as "house-hunting" (taxable)
  - b. Transportation costs associated with moving the employee and all of the members of the employee's household as follows:
    - Lodging (non-taxable);
    - Public transportation, such as airplane, train, bus, or rental car (non-taxable);
    - Personal car mileage up to \$0.585 per mile (non-taxable);
    - Rental car gasoline (non-taxable); and
    - Meals (taxable)
  - c. Expenses for packing and moving of household goods and personal effects by an approved moving company (non-taxable).
  - d. Cost of employee and household members living in temporary quarters for a short period of time when required by the University to move to a new location before permanent housing can be found (taxable).

- e. Cost of storing personal effects during the move to a new location (storage costs for the first 30 consecutive days following their removal from the former home are not taxable; storage costs beyond that period are taxable.).
- 3.10 The following represents a sample of moving and relocation expenses that are not allowable. Other expenses may be disallowed, subject to independent evaluation.
- Costs for shipping a boat;
  - Costs of more than one moving trip;
  - Costs associated with breaking a lease, selling a house, or purchasing a new house;
  - Baby-sitting, house-sitting, or pet-sitting costs while on house hunting trip to Houston;
  - Purchases of household items in lieu of moving possessions from former residence; and
  - Expenses for any extraordinary insurance beyond the limits of that included under the moving vendor's contract.
- 3.11 Certain authorized expenses for moving and relocation paid from university funds may be taxable. Those expenses will be reported and will appear on the employee's W-2 form as taxable income.
- 3.12 If an employee for whom moving/relocation expenses were paid by the university leaves the university within 12 months of appointment date for reasons within their control, the individual is required to reimburse the university for the amount of the relocation expenses within 90 days of termination.
- 3.12.1 As a requirement of OMB Circular A-21, where relocation costs related to recruitment of a new employee have been allowed either as an allowable direct or indirect cost on a contract or grant, and the newly hired employee resigned for reasons within their control within 12 months after hire, the institution will be required to refund or credit the relocation costs to the granting federal agency.
- 3.13 The Purchasing Department will maintain information regarding the terms of preferential contracts available to the university employees and will make this information available to the business administrators upon requests.

## **4. PROCEDURES**

### **4.1 Arrangements with and Payment of Moving Companies**

- 4.1.1 Upon receipt of the letter of acceptance of employment from the new employee, the responsible departmental or college/division administrator shall provide to the employee a copy of this policy statement and specific information on university contracts with moving companies.

4.1.2 The employee may not contract directly with a self-service or full-service moving company. He/she must request the hiring department to make arrangements for moving services through the Purchasing Department, and have the department pay the moving company directly with a voucher or purchase order. The employee will be responsible for paying any amount that exceeds the authorized moving expenses.

4.1.3 If the new employee seeks reimbursement for out-of-pocket moving expenses, receipts must be provided to the hiring department. Requests for reimbursement, with appropriate documentation, should be made no more than 60 days after the expense has been incurred.

#### 4.2 Payment of Travel Costs

4.2.1 Travel-related moving expenses for house hunting, temporary quarters and storage, and the cost of transporting the new employee and members of his/her household to a new home should be reimbursed on a voucher. Original receipts, cancelled checks, credit card statements, odometer readings, or other documents that substantiate the expenses being reimbursed must be attached to the voucher, along with a completed and approved Authorization for Moving and Relocation Expenses form (Exhibit A).

4.2.2 Requests for reimbursement, with appropriate documentation, should be submitted no more than 60 days after the expense has been incurred.

### **5. EXHIBITS**

Exhibit A: Authorization for Moving and Relocation Expenses

### **6. REVIEW PROCESS**

Responsible Party (Reviewer): Vice President for Employment Services and Operations

Review: Every three years on or before June 1<sup>st</sup>.

Signed original in Employment Services and Operations.

### **7. POLICY HISTORY**

Issue #1: 10/01/03

### **8. REFERENCES**

UH System Administrative Memorandum 03.A.13



### AUTHORIZATION FOR MOVING AND RELOCATION EXPENSES

#### A. EMPLOYEE INFORMATION

Name of Employee: \_\_\_\_\_

Date of Hire: \_\_\_\_\_ Position: \_\_\_\_\_

Salary: \_\_\_\_\_ Moving from: \_\_\_\_\_  
(Copy of signed offer letter must be attached.)

Mileage: \_\_\_\_\_ Relocation Allowance: \_\_\_\_\_

#### B. DEPARTMENT/DIVISION INFORMATION

Department: \_\_\_\_\_ Division: \_\_\_\_\_

Cost center(s) to be charged: \_\_\_\_\_

#### C. RELOCATION EXPENSES CLAIMED (Attach copies of appropriate documentation.)

• Moving Company	\$ _____	
	\$ _____	\$ _____
• House-hunting travel expenses	\$ _____	
	\$ _____	\$ _____
• Other costs associated with travel while moving	\$ _____	
	\$ _____	\$ _____
<b>TOTAL:</b>		\$ _____
<b>ALLOWANCE BALANCE:</b>		\$ _____

#### D. CERTIFICATION AND APPROVALS

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Division Head Signature

\_\_\_\_\_  
Date