

COLUMBUS STATE UNIVERSITY

Policy Name:	Relocation Reimbursement Policy
Policy Owner:	Vice President of Business and Finance
Responsible University Office:	Office of Human Resources
Approval Date:	August 2, 2019
Effective Date:	August 7, 2019
Revisions:	None
Policy Number:	TBD
Related Policies:	BOR Business Procedures 5.3.7 BOR Human Resources Administrative Practice Manual IRS Publication 521

I. PURPOSE

The purpose of this policy is to establish guidelines to pay relocation expenses to prospective employees consistent with gratuities clause of the Constitution of the State of Georgia.

II. SCOPE OF POLICY

This policy applies to new employees and hiring managers.

III. DEFINITIONS

NONE

IV. POLICY

Relocation expenses and payment options should be negotiated with the new employee during the hiring process. The letter of offer must define the maximum amount. It is important to inform the new employee that applicable taxes are withheld as defined in the IRS guidelines and in the policy. The offer letter should specify the payment option (direct payment or reimbursement). The new employee must sign a relocation and moving expense agreement.

VI. PROCEDURES TO IMPLEMENT POLICY

A. Funding:

Funds for relocation expenses should be available in the department budget. If insufficient funds are in the department budget, a request for additional funds should be submitted to the Vice President for Business and Finance as a budget amendment

request. Funding will be contingent upon the current budget availability of the institution as a whole.

When the University provides moving and relocation expenses from state or local funds, the amount is dependent upon the position and funding availability. To be eligible to receive moving and relocation expense reimbursement, the position to be filled must either be a full-time faculty line, or an administrative level position. Moving and relocation expenses must not exceed one-twelfth of the new person's annual salary or one-ninth of the new person's academic year salary rate. Any exceptions to position eligibility or the amount to be provided requires approval from the Executive Vice President for Academic Affairs and/or Vice President for Business and Finance, in consultation with the Director of Human Resources. IRS guidelines should be reviewed at the time of any incurrence of relocation expenses to determine applicable guidelines.

B. Eligibility:

In order to attract the best qualified faculty and staff possible, CSU should be competitive in the employment offers it makes. The President or Vice President for Business and Finance must approve the relocation expenses.

To be eligible for reimbursement, the employee's relocation must meet all of the following conditions:

1. **Availability of Qualified Applicants.** CSU must ascertain that the new employee is the best qualified applicant available to fill the position.
2. **At the Institution's request.** The relocation must be at the request of the University and for the good of the State of Georgia as determined by the President or Vice President for Business and Finance. Expenses will not be paid when the move is at the request of, or for the convenience of, the employee.
3. **Distance.** The distance between the employee's new work location and the former residence must be 50 miles greater than the distance between the employee's old work location and the former residence. The employee's commuting distance must have increased by at least 50 miles one way.
4. **Regular.** The employee must be reasonably expected to work on a regular full-time basis for at least 1 year, commencing on the date that the employee starts work on a regular basis at the new location.

Note: If the **employee's spouse** is a State employee and otherwise eligible for moving and relocation expenses, reimbursements of any such expenses will be paid to one employee only and to move the primary household only to the new location.

C. Taxing Reimbursement

Reimbursement of expenses may be made in accordance with current IRS regulations. Effective January 1, 2019, reimbursement of relocation expenses is subject to withholding of applicable income and employment taxes and is reported in box 12 of the employee's

Form W-2. The employee should review IRS Publications (including Publication 521) for complete rules regarding relocation expenses and taxability.

D. Reimbursable Expenses

Expenses that qualify for reimbursement

1. Commercial moving company
2. Charges for packing, crating, mailing and/or shipping household goods; and other miscellaneous packing supplies
3. Optional insurance on items such as furniture, clothing, and utensils
4. Rental truck
5. In-transit storage for up to 30 consecutive days
6. Shipment of car(s), if not used in the move
7. Travel and lodging costs for one trip (employee and family) from the old residence to the new residence.
8. Cost of meals at any point in the relocation process subject to the State of Georgia travel regulations per diem limits.
9. A lump sum payment for relocation expenses for which documentation is not submitted.

Non-Reimbursable Expenses *(list is not comprehensive)*

Expenses not paid by the University include:

1. Storage (excluding 30 days in transit)
2. Meals and travel costs incurred by laborers
3. Expenses incurred by persons not considered to be dependents for tax purposes
4. Costs related to immigration
5. Utility and telephone installation charges
6. Loss of security deposits
7. Real estate expenses
8. Postage costs for realty and mortgage documents
9. Personal telephone calls, tips, movies, or other entertainment
10. Extraordinary items requiring special handling (e.g., boats)
11. Bank fee for cashier's checks
12. Cleaning costs

E. Payment of Moving Expenses

Payment for shipping of household goods, as provided in these guidelines, may be processed as individual reimbursements, or direct payment to the carrier(s) via purchase orders. If a third party is utilized for the move, the employees is required to obtain three quotes and to submit the quotes to the institution as evidence that the lowest quote was selected. These payments will be submitted and processed by Procurement. If payment is made directly to vendors on behalf of the employee, all State of Georgia purchasing regulations apply.

F. Lump Sum Payments

CSU may, upon request and with approval of the President or designee and Vice President for Business & Finance, make a lump sum payment for relocation expenses for positions that have a direct reporting relationship to the President. This form of payment is provided as an option due to the difficult nature of recruiting for these high level positions, and the expense and complexity associated with relocations at this level. Any other position for consideration requires presidential approval. In order to be considered, these other position(s) must carry one of the following titles: Vice President, Associate/Assistant Vice President or Vice Provost, Dean, and employees formally appointed to a “Chief” officer position, with such “Chief” appointment being confirmed in writing. Tax Implications: CSU follows the non-accountable plan which means expenses will be paid as a taxable lump sum. Individuals receiving the benefit of a lump sum relocation expense payment should consult a tax professional with all personal income tax implications and questions.

G. Process for Payment of Expenses

Employee responsibilities

Notify the Office of Human Resources whether direct payment or reimbursement method will be requested.

Submit original itemized receipts (receipts not required for mileage and/or meal reimbursement) as well as the three quotes, if applicable, to the Office of Human Resources. The University will return all original receipts to the employee for tax filing purposes; however, it is strongly recommended that the Hiring Department or the employee retain copies for tax filing purposes. In accordance with IRS guidelines, receipts must be submitted within sixty (60) days of completion of the move.

If reimbursement is submitted after the initial 12 months of employment, a written explanation of the delay must accompany the request. The reimbursement and the explanation must be submitted to the Vice President for Business and Finance, who will render a decision, in consultation with the Chief Human Resources Officer.

Hiring Department responsibilities:

- Prior to offering relocation expenses:
 - For faculty, obtain approval of the Provost and Executive Vice President;
 - For non-faculty, obtain approval of Vice President for Business and Finance
- Submit the request on the hiring PAR form to the Office of Human Resources for inclusion in the original written offer letter.

Human Resources responsibilities

- Obtain a signed relocation and moving expenses agreement from the new employee.
- Obtain documentation of applicable quotes, receipts or expense reports from employee and provide copies of the offer letter to the Office of Business and Finance.
- Return original receipts directly to employee, retaining copies for the institution's records.
- For direct payments, enter a requisition utilizing the employee's home department for direct payment of commercial carriers for moving expenses.

Accounting responsibilities:

- Office of Business and Finance budgetary and compliance review and forward to Payroll for processing.
- For lump sum payments, Payroll calculates and withholds applicable income and employment taxes from the payment. For reimbursements, Payroll issues reimbursement in the next appropriate payroll cycle.
- Payroll report reimbursements and/or direct payment on Form W-2.
- HR/Payroll retains documentation for audit purposes.

Method of Payment:

- Payment is included in the employee's paycheck during the regular payroll cycle.

V. Forms

Relocation Expense Agreement

Questions regarding this policy should be directed to Chief Human Resources Officer, Department: Office of Human Resources

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Relocation Reimbursement Agreement

To be reimbursed for moving and relocation expenses, the employee must execute this Agreement prior to incurring any expenses.

- The employee must remain employed on a full-time basis for at least one year (twelve months), commencing on the date that the employee starts work at the University. For faculty appointed on an academic year basis, one year is defined as two (2) concurrent regular academic sessions of fall and spring or spring and fall semesters equal to nine (9) months of employment.
- If the employee fails to remain employed for the obligated one year of service, the hiring department is required to immediately notify the Payroll department so that agreed upon deductions can be processed in a timely manner against remaining payroll payments. If payroll deduction of these expenses cannot be achieved, the employee will refund to the University the gross amount of moving and relocation reimbursed directly to the employee as well as the gross amount of any payments made for the benefit of the employee to third parties. Unsuccessful efforts to collect the refund after thirty (30) days from the employee will be referred to the University Accounts Receivable Department for further collection efforts including referral to an outside collection agency if needed. Refunds collected through payroll deduction or directly from the employee will be returned to the original funding source(s). Failure to repay these expenses as agreed due to the breach of contract may result in legal action being taken against the employee. As part of this agreement, the employee agrees to pay all collection costs including attorney fees and other charges necessary for the collection of any amount due to the University.
- Repayment of relocation and moving expenses by employees who do not remain employed for a full year may be pro-rated or waived if the University employment is terminated for reasons beyond the employee's control and found acceptable to the University. Any such waiver must be approved in writing by the employee's Dean or Vice President and in the case of relocation and moving budgets of \$10,000 or more, by the President or designee.

I, _____ (Print Name), have read the relocation expense policy and agree to the terms as outlined in this Relocation Reimbursement Agreement.

Signature

Date