

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Human Resources
AREA: Benefits

Number: 02.02.05

SUBJECT: Moving and Relocation Expenses
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I. PURPOSE AND SCOPE

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

This document outlines the conditions under which payment of household and personal expenses related to moving and relocation of newly hired University of Houston faculty or staff members may be authorized from University funds. This document applies to authorization of payment of expenses for moving household and personal effects and related relocation expenses for all applicable University faculty and staff, regardless of the source of funds from which the employee is paid. These directives comply with University of Houston [System Administrative Memorandum \(SAM\) 03.A.13](#) and with all state and federal laws and regulations.

Moving of equipment and other items for research laboratories and offices, or for temporary assignment of University of Houston employees to other locations, is not considered within these guidelines.

Payment of expenses for transportation of household goods and personal effects of new University of Houston faculty and exempt staff may be authorized from University funds within the limitations and restrictions provided in this document. Any exception to these restrictions requires the approval of the responsible vice president.

II. DEFINITIONS

- A. Household goods: Furniture, household appliances, and other items used for furnishing and maintaining residence.
- B. Personal effects: Includes, but is not limited to, moving personal property that the taxpayer owns and frequently uses (e.g. vehicles, clothing, books, and other items of a personal nature).

III. AUTHORIZATION

- A. In every case, payment of moving and relocation expenses from University funds for a prospective University employee must be authorized by the appropriate dean, director, or vice president prior to making any offer or commitment.
- B. 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 at least 50 miles farther than their former home was located to their old main job location. The employee must work in the new location for 39 weeks during the 12-month period following the move. Authorization of expenses for any individual not meeting this definition requires the prior approval of the appropriate vice president.
- C. Payment of moving/relocation expenses may be made from designated funds (fund 2XXX) or auxiliary funds (fund 3XXX) available to the hiring department or college. Gift funds

(fund 4XXX) 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.

- D. 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.
- E. The Authorization for Moving and Relocation Expenses form (available online at http://www.uh.edu/finance/TaxInformation/PDF_files/Addendum%20A.pdf) shall be submitted with each moving/relocation payment document; a copy of the correspondence authorizing payment of moving expenses shall be attached to the Expense Report in Concur Travel Management System. 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.
- F. Regardless of fund source, the maximum total of University funds that may be authorized for moving and relocation expenses shall not exceed an amount equal to one-tenth of the individual's annual salary, or \$10,000, whichever is greater. (Vice presidents and deans may choose to set lower limits based on the college budgeting policies.)
- G. To ensure maximum cost effectiveness, the University of Houston will maintain or have access to contracts with national moving companies to transport household effects. Depending upon the most efficient and cost-effective options, these contracts may be available through the Educational and Institutional Cooperative Service, Inc. or may be contracted directly by the University. [Pre-Approved Moving Companies link, http://www.uh.edu/office-of-finance/tax-information/moving-and-relocation/moving-companies.pdf](http://www.uh.edu/office-of-finance/tax-information/moving-and-relocation/moving-companies.pdf)
- H. New employees for whom moving and relocation expenses have been authorized will be provided information regarding University moving contracts, along with a copy of [MAPP 02.02.05](#).

Payment may be made directly to the moving company via PO voucher, and is taxable to the employee. Reimbursement for moving household goods and personal effects may be made to the employee up to the amount authorized for moving expenses. The reimbursement for moving relocation expenses should be processed through the Concur Travel Management System. Moving relocation payments are not allowed on the department Travel Card or Procurement Card.

- I. Authorized moving expenses include the reasonable costs resulting from the moving of the faculty or staff member's household goods and personal possessions. Allowable moving and relocation expenses are restricted to the following:
 - 1. Cost of one trip of up to one week in length for the employee and members of their household to select new housing, referred to as house-hunting (taxable).

Note: All expenses incurred while house-hunting are taxable under account code 56122. **Expense type used in Concur is House Hunting All Expenses (Taxed).**
 - 2. All of moving relocation expenses incurred while in transit from previous home residence to new job location are taxable to employee (account code 56121,

various expense types used in Concur are under Moving Expenses), and will be reported on employee's paycheck as additional wages. It will also be reported on the employee's W-2 as taxable income.

Note: Personal car mileage should be calculated by the current rate specified by the IRS. The IRS mileage rate can be found on the UH Tax Department website: [IRS Mileage Rates Schedule](#). Employee is only allowed to claim either mileage or gas receipts, not both. Only members of same household are allowed to claim mileage reimbursement. [Expense reimbursements are allowed for one trip per household member.](#)

3. Cost of employee and household members living in temporary quarters for a 60 day maximum period of time when required by the University to move to a new location before permanent housing can be found is taxable to employee under account code 56121.
 4. Cost of storing personal effects (maximum of 30 days) during and after the move to a new location is taxable to employee under account code 56121.
- J. The following represents a sample of moving and relocation expenses that are NOT allowable. Other expenses may be disallowed, subject to independent evaluation.
1. Any part of the purchase price of the employee's new home.
 2. Car tags.
 3. Driver's License.
 4. Expenses of buying or selling a home (including closing costs, mortgage fees, and points).
 5. Expenses of entering into or breaking a lease.
 6. Home improvements to help sell employee's home.
 7. Loss on the sale of employee's home.
 8. Losses from disposing of membership in clubs.
 9. Mortgage penalties.
 10. Real estate taxes.
 11. Relifting of carpet and draperies.
 12. Return trips to the employee's former residence
 13. Security deposits (including any given up due to the move).
- K. 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. Expenses not reimbursed may be reported as taxable income.

As a requirement of [OMB Circular A-21](#), where relocation costs related to recruitment of a new employee have been allowed either as an allocable direct or indirect cost on a contract or grant, and the newly-hired employee resigns 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.

IV. UNIVERSITY CONTRACTS WITH MOVING COMPANIES

Purchasing will maintain information regarding the terms of preferential contracts available to University employees and will make this information available to the business administrators upon request.

V. ARRANGEMENTS WITH AND PAYMENT OF MOVING COMPANIES

- A. 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 MAPP and specific information on University contracts with **pre-approved** moving companies.
<http://www.uh.edu/office-of-finance/tax-information/moving-and-relocation/moving-companies.pdf>
- B. The employee may contract directly with a self-service or full-service moving company or request the responsible University department pay a moving company directly with a PO voucher. The employee will be responsible for paying any amount that exceeds authorized moving expenses.

VI. PAYMENT OF TRAVEL COSTS

- A. Travel-related moving expenses for househunting, and the cost of transporting the new employee and members of their household to a new home should be reimbursed through the Concur Travel Management System. The letter of acceptance of employment (offer letter) should be uploaded to the **travel request expense report** in Concur. The Authorization for Moving and Relocation Expenses (Addendum A), Taxable Payments or Reimbursements to Employees Form (Exhibit B), itemized receipts, cancelled checks, credit card statements, odometer readings, or other documents that substantiate the expenses being reimbursed must be uploaded to the Expense Report in Concur. Refer to the Tax website <http://www.uh.edu/office-of-finance/tax-information/> for more information on how to create the Travel Request and Expense Report in Concur.
- B. Employee must submit reimbursement for out-of-pocket moving expenses (with appropriate documentation) to the responsible department no more than 60 days after the expense has been incurred ([MAPP 04.01.03](#)).

VII. MOVING AND RELOCATION ACCOUNTS

- 54806 Direct Payment to Moving Company Taxable
Payment made directly to moving company for moving the personal effects and household goods of a new staff or faculty member when they relocate to the area is required. (Paid through Accounts Payable with PO voucher)
- 56121 Taxed Travel While Moving
Travel expenses of new employees (and members of household) while moving to a University assignment. Includes lodging, meals and transportation costs on first day of arrival to new job location.
- 56122 House-hunting Travel - Taxable

Prospective and new employee travel expenses while househunting. Must be coordinated with Payroll for taxation as fringe benefit. This refers to specifically to the travel costs associated with a new employee and household members looking for a house or apartment in the vicinity of the new place of employment. The house hunting reimbursement is limited to one trip of no more than seven days.

52811 Freight/Transportation
Freight in and out, delivery, air express, hot shot, armored car, drayage, towing, shipping, detention of a freight haul. Not moving expenses or travel. Should be used for moving labs, offices where allowed.

VIII. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Human Resources

Review: Every five years

IX. APPROVAL

Jim McShan
Senior Vice President for Administration and Finance

Renu Khator
President

Date of President's Approval: 1/29/2020

X. REFERENCES

[Manual of Administrative Policies and Procedures \(MAPP\) 04.01.03 - Vouchers](#)

[System Administrative Memorandum \(SAM\) 03,D.06 – Taxable Fringe Benefits](#)

[SAM 03.A.13 – Moving and Relocation Expenses](#)

[Authorization for Moving and Relocation Expense Form \(Addendum A\)](#)

<http://www.uh.edu/office-of-finance/tax-information/>

[OMB Circular A-21](#)

[IRS Mileage Rate Schedule](#)

[Taxable Payments or Reimbursement to Employees \(Exhibit B\) <http://www.uh.edu/office-of-finance/tax-information/moving-and-relocation/exhibit-b.pdf>](#)

[UH Pre-Approved Moving Companies <http://www.uh.edu/office-of-finance/tax-information/moving-and-relocation/moving-companies.pdf>](#)