



Transition Procedure For Relocation Allowance

Prior fiscal policy provided for reimbursement of actual moving expenses, supported by receipts or other proof of costs incurred, up to a maximum amount identified in employee offer letters. The new Fiscal Policy – Rule #03-120-404 provides a relocation *allowance*, if included in the employee offer letter, but does *not* require additional documentation.

Relocating employees must move at their own expense. Under the new policy, direct bill transactions associated with the relocation of employees will no longer be allowed. This includes, but is not limited to moving companies, airfare and lodging.

In recognition of relocations in progress at the time of the policy change, the following procedures will accommodate the transition:

- 1) All outstanding relocation payments related to offers made prior to the new policy fall under this transition procedure and must be authorized for payment within 90 days of either the effective date of this policy change or the employee's official start date at OSU (whichever is later).
- 2) When the hiring manager received the **signed offer letter** from a new employee, he/she would have completed the **Relocation/Moving Allowance Agreement** (*subsequently replaced by the new Authorization for Relocation Allowance*). Both of these documents should have been forwarded to the appropriate Business Center for processing and become part of the employee's confidential hiring package.
- 3) Business Centers will work with hiring unit(s) to identify all employees with outstanding Relocation Agreements related to offer letters dated prior to the effective date of the new policy.
- 4) Any employee that has submitted all of their costs for reimbursement no longer has an outstanding claim, even if they did not use the full allowance. These employees will not be notified of this policy change and will not receive the remaining balance.
- 5) All other outstanding employees will be sent a notification letter by August 31 stating that any unpaid balance of the amount indicated in their offer letter for reimbursement of moving expenses will be paid in full with the next available payroll cycle. No receipts or other documentation will be required.
- 6) Business Centers and/or hiring managers will be responsible for responding to these employees as necessary (addressing any concerns, negotiating any reductions to the

original amount, identifying reimbursements/payments already in process, etc.) and ultimately determining the balance due to each employee.

- 7) The appropriate Business Center will complete the following information on the new Authorization for Relocation Allowance form and submit to Accounts Payable (A/P).
 - a. **Top Section: Employee Name & OSU ID** (*all other information should be documented on original agreement*).
 - b. **Bottom Section: Allowance Due** (amount listed on original agreement/offer letter less any payments identified); **Notes detailing how allowance amount differs from original agreement/offer letter** (i.e. reimbursements received, payments in process, direct bill transactions, negotiated change, etc.); **Index (Source of Funds) & Activity Code** (optional); *plus any other information or approvals not documented on original agreement*).
 - c. Provide a signature of approval to request payment of allowance.
 - d. Attach the approved form to the notification letter (#4), the original approved agreement and the signed offer letter before submitting to A/P (*instructions on form are to submit completed form directly to Central Payroll; however, any "transitional" relocations must be verified through Accounts Payable prior to payment*).
- 8) A/P will verify any moving expenses that have been partially reimbursed, are in the process of being reimbursed or have pending direct bill transactions. The Allowance Amount listed on the form will be adjusted as necessary and A/P will provide a signature of completion at the bottom of the form. The Authorization for Relocation Allowance form and all supporting documents will then be submitted to Central Payroll for processing payment.
- 9) A/P will monitor pending reimbursements and direct bill transactions to ensure expenses already reimbursed or in the process of being reimbursed and any pending direct bill charges that the university is obligated to pay are accounted for. A/P will work closely with Central Payroll during this transition period to confirm that all requested amounts are the actual balance due.
- 10) Once the Request for Payment of Relocation Allowance has been received and the new employee has an employee record established in the payroll system, the approved allowance will be processed for payment within the next available payroll cycle. Payment will be made to the employee for the verified balance due as supplemental wages subject to withholding taxes.