



Fiscal Policy – Rule 03-120-404

Relocation Allowance

1. Summary

- 1.1. To attract top candidates during the recruitment process, a hiring manager may offer a relocation allowance. This allowance is not intended to cover the full cost of a move, but rather to defray a portion of the cost to relocate to a new place of employment. However, specific allowance amounts may reflect the competitive environment of particular hires.
- 1.2. The decision to offer a relocation allowance is at the discretion of the hiring unit based on recruitment needs, availability of funds and any guidelines set forth in this fiscal rule. Any such allowance must be approved prior to the written offer to the new employee.
- 1.3. Effective January 1, 2018 all payments made to employees related to Moving and Relocation are 100% tax reportable. Under Section 11048 of the Tax Cuts and Jobs Act, the 2017 Amendment of 1986 Internal Revenue Code, the exclusion from gross income for qualified moving expenses is suspended. Any payments to, or on behalf of, a new employee will be tax reportable as supplemental wages and subject to income tax withholdings.
- 1.4. Unit hiring managers, business center managers, financial accounting managers, any employee who may be involved in hiring a new employee at the university and any employee receiving a relocation allowance should be informed and understand this rule.

2. Specific Information

- 2.1. None

3. Process & Responsibilities

3.1. Eligibility & Determination of Relocation Allowance

- 3.1.1. Only Unclassified and Classified appointments are eligible to receive a relocation allowance, based on the needs of the hiring unit. To be eligible for a relocation allowance, the new employee is expected to work for the university at least one (1) year. If employee voluntarily separates from the university prior to meeting required length of service, the university may take action to recover the relocation allowance.

- 3.1.2. Following are general guidelines to assist the hiring unit in determining the amount of a relocation allowance to offer, based on distance from employee's current home to the new work location:
- a) For relocation outside the local area and within 300 miles:
 - Up to \$1,500 for classified staff
 - Up to \$3,500 for professional/fixed-term faculty
 - Up to \$5,000 for tenured/tenure-track faculty
 - b) For relocation greater than 300 miles, within the Continental United States:
 - Up to \$2,000 for classified staff
 - Up to \$6,500 for professional/fixed-term faculty
 - Up to \$8,000 for tenured/tenure-track faculty
 - c) For international and non-continental U.S. relocation:
 - Up to \$3,000 for classified staff
 - Up to \$10,000 for professional/fixed-term faculty
 - Up to \$12,000 for tenured/tenure-track faculty
- 3.1.3. Offers of allowances up to \$20,000 may be approved at the unit level and by the appropriate budget authority. The Provost or the Vice President for Finance and Administration (VPFA) must approve any relocation allowance offer exceeding \$20,000.
- 3.1.4. Financial Accounting & Analysis staff will provide an annual report (on a calendar year basis) to the Provost and VPFA on relocation allowance usage.

3.2. Authorization of Relocation Allowance

- 3.2.1. Relocating employees must move at their own expense. The relocation allowance is intended to assist a new employee in all aspects of relocating to their new place of employment. Direct reimbursement of any costs associated with house hunting, temporary living arrangements or actual moving expenses are not allowed beyond what is covered by the allowance.
- 3.2.2. The amount to be paid for relocation by the unit and the statement "If employee voluntarily separates from the university within one (1) year, the university may take action to recover this allowance." (see section 3.1.1) must be included in the offer letter. The new employee is required to sign the offer letter as acceptance of employment with the university.

- 3.2.3. The hiring unit is responsible for obtaining all required approvals prior to processing an offer of employment through the Office of Human Resources. When the offer includes a relocation allowance, this includes Budget Authority approval for any allowance offered, approval from the Provost or VPFA for any relocation allowance that exceeds \$20,000 (*see limit established in section 3.1.3*) and/or approval from the Office for Sponsored Research and Award Administration for any relocation allowance that is to be paid using grant or contract funds. The hiring unit is also responsible for notifying Business Center Payroll when relocation allowance is to be paid using an index different than the one setup for an employee’s regular pay.
- 3.2.4. The final signed offer letter serves as the official authorization of the relocation allowance, which becomes part of the employee’s hiring package and should be considered and flagged as “confidential” for auditing purposes.

3.3. Payment of Relocation Allowance

- 3.3.1. Because the taxable relocation allowance must be processed with actual wages through payroll, payment cannot be made until the employee begins working for the university and has an employee record established in the payroll system.
- 3.3.2. Once 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.
- 3.3.3. Account code 10217 is used for all payments to employees for relocation allowance.

4. Related Information

- 4.1. University Policy [03-100 Fiscal Policy Program Authority](#)
- 4.2. Please refer to all other fiscal rules that may be applicable.
- 4.3. Please check with your unit/college for unit-level procedures related to this rule.
- 4.4. Following are forms and other resources related to this policy:
 - 4.4.1. [Section 11048 of the Tax Cuts and Jobs Act](#) (P.L. 115-97)
 - 4.4.2. [Process for Payment of Relocation Allowance](#)
 - 4.4.3. [Transition Procedures for Relocation Allowance](#)
- 4.5. [Fiscal Policy Program Definitions of Terminology](#)
- 4.6. [Fiscal Policy Program Frequently Asked Questions](#) (FAQs)

5. History

- 5.1. Original Issue Date: 02/1982 (FIS 415 Relocation and Moving)
- 5.2. Last Version: 03/2016 (FIS 415 Relocation and Moving)
- 5.3. Last Review Date: 06/2018
- 5.4. Next Scheduled Review Date: 06/2021

6. Contacts

- 6.1. Policy Steward: Payroll Manager, Business Affairs
- 6.2. Program: Fiscal Policy Officer, Financial Accounting & Analysis
- 6.3. Link to full list of [Fiscal Policy Program Contacts](#)