

Title/Subject: **MOVING EXPENSE**

Applies to: faculty staff students student employees visitors contractors

Effective Date of This Revision: June 30, 2020

Contact for More Information: Faculty Personnel Services/Human Resources/Payroll

Board Policy Administrative Policy Procedure Guideline

BACKGROUND:

Reimbursement of moving expenses is intended to be used as a recruitment tool to assist in attracting qualified candidates to Central Michigan University and minimize inconvenience and expenses for new faculty and staff.

PURPOSE:

The purpose of this policy is to provide members of the CMU community a consistent set of guidelines, which state the terms of eligibility for reimbursement of moving expenses. The policy also has the purpose of stating specific procedures that must be followed in order to obtain reimbursement.

DEFINITIONS:

Senior Manager: senior officers and directors who report directly to a Vice President/Provost or the President.

POLICY:

All new employees hired into benefit eligible positions may be eligible for reimbursement of moving expenses. **All moving expenses are taxable as dictated by the Internal Revenue Service (Publication 521) and can be viewed at www.irs.gov.**

Moving expenses are subject to a maximum amount per CMU policy. All eligible employees are allowed the equivalent of two times the employee's monthly wage base, but not to exceed \$20,000. There are no exceptions, unless approved by the president.

The reimbursement amount of moving expenses (up to the maximum allowed) must be agreed upon in advance, between the hiring manager and the prospective employee during employment negotiations and prior to the expense being incurred. The hiring manager is responsible for obtaining approval from the Senior Manager before offering moving expenses to the employee.

The agreed upon dollar amount for the cost of moving expenses must be communicated to Faculty Personnel Services or Human Resources on the new hire transaction form and stated in the official appointment letter. If actual moving expenses result in higher than expected costs, the hiring manager may seek to reimburse the employee for an amount greater than originally included in the appointment letter (up to the maximum allowed by this policy), if approved by the Vice President or designee.

Authority: Robert O. Davies, President
History: 1-1-2005; 2-01-2010; 02-01-2015
Indexed as: Employees Moving Expense; New Employees Moving Expense

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Moving expenses are funded from departmental resources.

Moving expenses are only reimbursed for eligible employees who relocate to a CMU work location from outside of a 50-mile radius of that CMU work location. Reimbursement of moving expenses must occur within a one-year period of date of hire unless otherwise agreed upon between HR/FPS and the senior manager.

PROCEDURE:

Employees are encouraged to seek bids from several different moving companies. The University has agreements with several national moving firms that give CMU employees preferred rates. Contact information for the firms is located on Contracting and Purchasing Services' website. For intrastate moves, two or three bids are recommended. Not all moving expenses are reimbursable. Examples of non-reimbursable moving expenses are noted at the end of this policy.

Payment Procedures

There are two separate procedures available for handling expenses incurred in moving household goods to a CMU work location.

1. **The Direct Billing Procedure** can be used when a moving company has been contracted to do the moving and the cost is greater than \$500.
 - a. At least two weeks prior to the intended move, the employee should work to identify a pre-approved company (see pre-approved companies on Contracting and Purchasing Services' website under Purchasing – Relocation/Moving Services). The firm's name and mailing address must be submitted to the hiring department at least two weeks prior to the intended move. With this information, a letter of authorization will be prepared and mailed to the firm indicating the University's agreement to pay up to a maximum dollar amount toward your moving expenses. Usually, this letter of authorization is sufficient to allow the firm to transport goods although some firms may not be willing to participate in such a plan.
 - b. When the move is complete, the moving company will bill the University for up to the maximum amount approved or the total dollar expense amount if it's less than the maximum approved. The employee is responsible for directly paying the moving company for any expenses in excess of the approved maximum allowance. Questions regarding direct payments with the moving company may be referred to the Contracting and Purchasing Services department. Although the payment is made directly to the moving company, the employee (not the University) remains responsible for negotiating and contracting with the moving company. In the event a dispute arises between the moving company and the employee, responsibility for resolving the matter rests solely with the employee.
2. **The Reimbursement Procedure** can be used when the employee pays all expenses connected with the move to the CMU work location.
 - a. After the move is completed, the employee needs to submit an employee reimbursement voucher detailing expenses with all itemized original receipts* to her/his supervisor. The reimbursement voucher can be submitted up to 45 days prior to her/his start date at CMU. The employee's supervisor must approve the voucher and forward it to the Payroll & Travel Services Office (Warriner 204) along with a copy of the employee's appointment letter.
 - b. The reimbursed amount is directly deposited into the employee's bank account; therefore, the employee must complete the direct deposit form for employee reimbursements to occur. Both the direct deposit and the employee reimbursement voucher can be found on the Payroll and Travel Services website. The University will not pay amounts in excess of the maximum allowance stipulated in the appointment letter, unless an exception is approved (up to the maximum allowed by this policy) by the Vice President or designee.

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*Original itemized receipts are required for reimbursement for lodging, tolls, and parking (excluding metered parking which must be indicated on the expense report). Mileage is reimbursed for a one-way trip only at the standard rate in effect at the University.

All university covered moving expenses are subject to tax withholding (Federal, State, FICA Tax). These amounts will be included in the employee's taxable income, on the first pay following the payment or reimbursement of the moving expenses, and reported on the employee's W-2, regardless of the method of payment. Current tax information may be obtained by calling the Payroll and Travel Services office at (989) 774-3481.

REIMBURSABLE MOVING EXPENSES

All reimbursed moving expenses must meet the following, as dictated by the Internal Revenue Service guidelines (for more information view publication 521 on the IRS website).

Expenses are limited to:

1. Moving household goods and personal items, and/or
2. Storing and insuring household and personal effects for a single consecutive 30-day period; and/or
3. Transportation and lodging (not including meals) while traveling from the former home to the new home, including the day of arrival.
 - a. **Travel by car (or other vehicle):** If an eligible employee uses a car to transport her/himself, members of her/his household or personal artifacts to a new residence, reimbursement for expenses may be made by claiming either (1) or (2) below but not both:
 - 1) **Actual expenses**, such as gas for the car, as reflected by a detailed record of each expense (this does not include any maintenance expenses for the car),
or
 - 2) The **standard mileage** rate in effect at the University at the time of the move.
 - b. **Other Travel** (i.e. Boat, Train, Plane): One-way transportation expenses for employee and her/his immediate family members are reimbursable.

NON-REIMBURSABLE MOVING EXPENSES

- Any part of the purchase price of your new home
- Car tags
- Driver's license
- Expenses of buying or selling a home
- Expenses of getting or breaking a lease
- Home improvements to help sell your home
- Loss on the sale of your home
- Losses from disposing of memberships in clubs
- Mortgage penalties
- Real estate taxes
- Refitting of carpets and draperies
- Security deposits
- Cleaning supplies for your old or new residence
- Maintenance or repairs for a vehicle
- Meals for family members

Central Michigan University reserves the right to make exceptions, modify or eliminate this policy. This document supersedes all previous policies, procedures and directives relative to this subject. Please refer questions or concerns to the Originating Department.