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 03.A.13 and with all state and federal laws and regulations. (IRS Publication 521)

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. Normally, 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 full time in the new location for 39 weeks during the 12 month period following the move from a distance in excess of 100 miles from the University of Houston. 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.pdfhttp://www.uh.edu/finance/Travel/AddA.pdfhttp://www.uh.edu/hr/employment/relocationprocess.htm) shall be submitted with each moving/relocation payment document; and a copy of the correspondence authorizing payment of moving expenses shall be attached to the Concur expense report and submitted. 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.

H. New employees for whom moving and relocation expenses have been authorized will be provided information regarding University moving contracts, and will be provided with a copy of MAPP 02.02.05 along with payment/reimbursement procedures. Payment may be made directly to the moving company (via PO Voucher using account code 54806) or reimbursement (via Concur Travel Management System) for moving household goods and personal effects may be made to the employee up to the amount authorized for moving expenses. Note: Payments using the Department Travel Card is never allowed.

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 family to select new housing, referred to as house-hunting (taxable).
2. Transportation costs associated with moving the employee and all of the members of the employee’s household as follows:

a. Lodging (non-taxable) *(account code 56120)* except see temporary quarters below

b. Public transportation, such as airplane, train, bus, shuttle or rental moving truck or rental car (non-taxable) *(account code 56120)*

c. Personal car mileage specified by the IRS as non-taxable (non-taxable)* *(account code 56120)*

d. Personal car mileage over the amount specified by the IRS as non-taxable up to the maximum mileage rate allowed by the IRS (taxable)* *(account code 56121)*

e. Moving rental truck Rental car gasoline (non-taxable) *(account code 56120)*

f. Meals (taxable) *(account code 56121)*

*Note: Personal car mileage rates specified by the IRS as non-taxable and taxable for moving expenses can be found on the UH Tax Department web site: IRS Mileage Rates Schedule *

3. Expenses for packing and moving of household goods and personal effects by an approved moving company (non-taxable). *(account code 56120)*

4. Cost of employee and household members living in temporary quarters for a short period of time when required by the University to move to a new location before permanent housing can be found (taxable, unless first day leaving home city or first day upon arriving at new home city). *(account code 56121)*

5. Cost of storing personal effects during the move to a new location (storage costs for the first 30 consecutive days following their removal from the former home are not taxable [account code 56132]; storage costs beyond that period are taxable [account code 56123]).

J. The following *(from IRS Publication 521)* represents a sample of moving and relocation expenses that are not allowable. Other expenses may be disallowed, subject to independent evaluation.

1. Costs for shipping a boat Any part of the purchase price of the employee’s new home.

2. Costs of more than one moving trip Car Tags Cost of more than one moving trip, including return trips to the employee’s former residence.

3. Costs associated with breaking a lease, selling a house, or purchasing a new house Expenses for new driver’s license or vehicle registrations/car tags Driver’s License.
4. Baby-sitting, house-sitting, or pet-sitting costs while on househunting trip to Houston.

5. Expenses of buying or selling a home (including closing costs, mortgage fees/penalties, and points).

6. Purchases of household items in lieu of moving possessions from former residence.

7. Expenses of entering into or breaking a lease.

8. Expenses for any extraordinary insurance beyond the limits of that included under the moving vendor’s contract.

9. Home improvements to help sell employee’s home.

10. Loss on the sale of employee’s home.

11. Losses from disposing of memberships in clubs.

12. Mortgage penalties.

13. Pre-move house-hunting expenses.


15. Pre-move house hunting expenses.

16. Real estate taxes.

17. Refitting of carpet and draperies.

18. Return trips to the employee’s former residence.

19. Return trips to the employee’s former residence.

20. Security deposits (including any given up due to the move).

21. Storage charges except those incurred in transit and for foreign moves.

K. Certain expenses authorized for moving and relocation from University funds may be taxable, and reported on employee’s paycheck as additional wages. Those expenses will also be reported and will appear on the employee’s W-2 form as taxable income.

L. 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 moving companies.

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 or purchase order. The employee will be responsible for paying any amount that exceeds authorized moving expenses.

C. If the new employee seeks reimbursement for out-of-pocket moving expenses, receipts must be provided to the responsible department. Requests for reimbursement, with appropriate documentation, should be made no more than 60 days after the expense has been incurred.

VI. PAYMENT OF TRAVEL COSTS

A. Travel-related moving expenses for house hunting, temporary quarters and storage, 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 (see MAPP 04.02.01B Travel Paid From Local Funds) on a voucher. Original The letter of acceptance of employment (offer letter) should be uploaded to the Travel Request in Concur. The Authorization for Moving and Relocation Expenses (Addendum A), Moving Expense Reimbursement Template, Taxable Payments or Reimbursements to Employees Form (Exhibit B), itemized original 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/finance/pages/tax_info.htm for more information on how to create the Travel Request and Expense Report in Concur for moving and relocation expenses. Be sure to choose "Moving and Relocation" expense types on the Concur Expense Report and not "regular travel" expense types attached to the voucher, along with a completed and approved Moving and Relocation Expenses form. The department must also attach to the voucher the completed Moving Expense Reimbursement Template found on the Tax Website.

B. Employee must submit reimbursement If the new employee seeks reimbursement for out-of-pocket moving expenses (with appropriate documentation), receipts must be provided to the responsible department no more than 60 days after the expense has incurred (MAPP 04.01.03). Requests for reimbursement, with appropriate documentation, should be submitted no more than 60 days after the expense has been incurred. See MAPP 04.01.03. After 60 days, the reimbursement is considered taxable, and the department must complete Exhibit B (Taxable Payments or Reimbursements to Employees), from SAM 02.F.06.

VII. MOVING AND RELOCATION ACCOUNTS

54806 Direct Payment to Moving Company (Non-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)

56120 Non-taxed Travel While Moving (One trip per household person)
New employee (and members of household) travel while moving to their University assignment. Not for meals or moving of personal effects. This includes lodging while traveling to a new home. If traveling by personal car, includes mileage up to the amount specified by the IRS as non-taxable (IRS Mileage Rate Schedule) or the actual cost of transportation, such as gas, oil, parking fees, and tolls. If traveling by
plane, bus, train, 

56121  Taxed Travel While Associated with Moving  
Non-direct [1] Travel expenses (includes any expenses incurred locally after relocating) of new employees (and members of household) while associated with their moving to a University assignment. Includes expenses such as temporary housing, unless first day leaving home city or first day upon arriving at new home city, temporary housing, unless first day leaving home city or first day upon arriving at new home city, meals, and mileage greater than the non-taxable amount specified by the IRS as non-taxable (IRS Mileage Rate Schedule) up to the maximum mileage rate allowed by the IRS if traveling by personal car. Also include temporary housing. Requires coordination with Payroll for taxation as benefit. (IRS Mileage Rate Schedule)

56122  House-hunting Travel (Taxable)  
Prospective and new employee travel expenses while house hunting. Must be coordinated with Payroll for taxation as fringe benefit. This expense refers specifically to the travel cost associated with a new employee and family 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.

56123  Temporary Storage (not housing) Beyond the First 30 Days (Taxable)  
All expenses for the storage of a new employee’s personal effects and insurance beyond the first 30 consecutive days after the removal of personal effects from the former home. This must be coordinated with Payroll for taxation as fringe benefit.

56132  Short-Term (not housing) Storage while Moving (Non-Taxable)  
Personal effects’ storage costs, and related insurance, incurred by new employees for the first 30 consecutive days after their personal effects have been removed from their former home.

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:  Senior Associate Vice President for Finance

Review:  Every three years, on or before March 1

IX. APPROVAL

__________________________________________  
Carl P. Carlucci  
Executive Senior Vice President for Administration and Finance

__________________________________________  
Renu Khator  
President

Date of President’s Approval:  June 9, 2009
X. REFERENCES

Manual of Administrative Policies and Procedures (MAPP) 04.01.03 - Vouchers
System Administrative Memorandum (SAM) 02.F.06 – Taxable Fringe Benefits
SAM 03.A.13 – Moving and Relocation Expenses
Authorization for Moving and Relocation Expense Form (Addendum A)
Moving and Relocation Information (Office of Finance Web Site)
OMB Circular A-21
IRS Mileage Rate Schedule

REVISION LOG

<table>
<thead>
<tr>
<th>Revision Number</th>
<th>Approved Date</th>
<th>Description of Changes</th>
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<tbody>
<tr>
<td>1</td>
<td>07/30/1996; 08/02/1996</td>
<td>Initial edition (Written as a Policy and a Procedure)</td>
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<tr>
<td>2</td>
<td>04/03/2000</td>
<td>Applied revised MAPP template to meet current documentation standards. Policy and procedure documented into one MAPP. Included Addendum A</td>
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<td>3</td>
<td>05/02/2000</td>
<td>Rephrased information in Section I. Removed information for state-appropriated funds in Section III.C. Added information on transportation costs in Section III.I.2. Added Section III.I.4 on cost of employee and family members living in temporary quarters before permanent housing can be found. Added Section III.I.5 on costs for storing personal effects. Removed Section III.J.7 and Section III.J.8. Added requirement for Addendum A paperwork in Section V.C., V.D., and V.E. Removed references to MAPP procedures in Section VI.A. Removed Section VII on expenditures for moving state employees using state-appropriated funds. Revised Addendum A</td>
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<td>4</td>
<td>12/18/2000</td>
<td>Updated transportation costs in Section III.I.2. Updated Subcodes 7532 and 7533 in Section VII</td>
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<td>5</td>
<td>10/22/2002</td>
<td>Applied revised MAPP template. Changed Section III.F from $7,500 to $10,000. Removed information about payment directly to moving company in Section III.H. Revised Section III.I.2. Rewrote Section V.B on contracting directly with other moving companies. Updated Section V.C regarding receipts needed and removed $2,000 requirement. Removed Sections V.D. and V.E. Changed all Subcodes in Section VII. Changed Responsible Party to AVP for Finance. Revised Addendum A</td>
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<td>6</td>
<td>02/28/2004</td>
<td>Applied revised MAPP template. Updated Section III.I.2. Removed requirement of AP and Tax Department approval before processing payment in Section VII. Updated Subcodes 56120 and 56121. Added coordination with Payroll as a fringe benefit for Subcode 56122. Revised Addendum A</td>
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<td>02/28/2006</td>
<td>Applied revised MAPP template. Updated III.I.2. Revised Subcodes 56120 and 56121 in Section VII</td>
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<td>8</td>
<td>02/28/2007</td>
<td>Changed reference in Section I from SAM 02.E.04 to SAM 03.A.13. Updated III.I.2. Changed Subcodes 54806, 56120, and 56121</td>
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<td>9</td>
<td>06/09/2009</td>
<td>Added web link to Authorization for Moving and Relocation Expenses Form (Addendum A) in Section III.E and removed Addendum A from end of document. Changed formatting in Section III.I.2, and included note of where to find changes in personal car mileage. Added link to Addendum A to Section VI.A. Removed references to mileage in Section VII. Changed review period from every three years on or before June 1 to every three years on or before March 1. Changed approval title to Executive Vice President for Administration and Finance</td>
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<td>10</td>
<td>TBD</td>
<td>Applied revised MAPP template and added Revision Log. Revised Section II.B to include personal property that the taxpayer owns and uses. Added information to Section III.B on parameters to 50 miles farther than the employee's home and working full-time in the new location for 39 weeks. Added Concur information to Section III.E and Section III.H. Included note in Section III.I.1 on Account Code 56122. Added Account Codes to Section III.I.2.a through Section III.I.5. Expanded definitions of disallowable expenses to fifteen (15) different categories in Section III.J. Added expenses reported on employee's paycheck as additional wages in Section III.K. Removed Section V.C. Revised Section VI.A and B with Concur information, and included references to MAPP 04.01.03 and SAM 02.F.06. Provided minor edits for Section VII Subcodes. Updated links and titles as applicable. Added Section X, References</td>
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