

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 [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: 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 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/hr/employment/relocationprocess.htm>) shall be submitted with each moving/relocation payment document; a copy of the correspondence authorizing payment of moving expenses shall be attached. 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, along with payment/reimbursement procedures.

Payment may be made directly to the moving company or reimbursement for moving household goods and personal effects may be made to the employee up to the amount authorized for moving expenses.

- 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 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)
 - b. Public transportation, such as airplane, train, bus, or rental car (non-taxable)
 - c. Personal car mileage specified by the IRS as non-taxable (non-taxable)*
 - 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)*
 - e. Rental car gasoline (non-taxable)
 - f. Meals (taxable)
 3. Expenses for packing and moving of household goods and personal effects by an approved moving company (non-taxable).
 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).
 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; storage costs beyond that period are taxable).

*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 website: [IRS Mileage Rates Schedule](#).

- 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. Costs for shipping a boat.
 2. Costs of more than one moving trip.
 3. Costs associated with breaking a lease, selling a house, or purchasing a new house.
 4. Baby-sitting, house-sitting, or pet-sitting costs while on househunting trip to Houston.
 5. Purchases of household items in lieu of moving possessions from former residence.
 6. Expenses for any extraordinary insurance beyond the limits of that included under the moving vendor's contract.
- K. Certain expenses authorized for moving and relocation from University funds may be taxable. Those expenses will 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 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 househunting, temporary quarters and storage, and the cost of transporting the new employee and members of their household to a new home should be reimbursed on a voucher. Original receipts, cancelled checks, credit card statements, odometer readings, or other documents that substantiate the expenses being reimbursed must be attached to the voucher, along with a completed and approved [Moving and Relocation Expenses form](#).
- B. Requests for reimbursement, with appropriate documentation, should be submitted no more than 60 days after the expense has been incurred.

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.
- 56120 Non-taxed Travel While Moving
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 or the actual cost of transportation, such as gas, oil, parking fees, and tolls. If traveling by plane, bus, train, or rental car, includes all direct costs of transportation. ([IRS Mileage Rate Schedule](#))

- 56121 Taxed Travel While Moving
 Travel expenses of new employees (and members of household) while moving to a University assignment. Includes meals and mileage greater than the amount specified by the IRS as non-taxable up to the maximum mileage rate allowed by the IRS if traveling by personal car. Requires coordination with Payroll for taxation as benefit. ([IRS Mileage Rate Schedule](#))

- 56122 House-hunting Travel
 Prospective and new employee travel expenses while househunting. Must be coordinated with Payroll for taxation as fringe benefit.

- 56123 Temporary Storage Beyond the First 30 Days
 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 Storage while Moving
 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: Associate Vice President for Finance

Review: Every three years, on or before March 1

IX. APPROVAL

Carl P. Carlucci
 Executive Vice President for Administration and Finance

Renu Khator
 President

Date of President’s Approval: June 9, 2009