Relocation Expenses

Policy Statement
The sections of this policy include:

1.0 Eligibility
1.1 Written Letter of Offer
1.2 Relocation Expense Agreement
2.0 Payment/Reimbursement Rules and Guidelines
2.1 Reimbursement Overview
2.2 Documentation
2.3 Funding
2.4 Interview Expenses
2.5 Expenses for Moving Office and Lab Equipment
2.6 Employee Responsibilities
2.7 University Responsibilities
2.8 Payments to Vendors for Moving Services
2.9 Reimbursements to the Employee
2.10 Year End Reporting

1.0 Eligibility
1.1 Written Letter of Offer
Payment and/or reimbursement of relocation and moving expenses is allowable when expenses are included as a formal and specific component of the original written offer of employment (Letter of Offer) made to the qualified applicant (the employee) and accepted by the employee in connection with employment at the University. To be eligible for relocation and moving expense reimbursement, the employee’s relocation must meet the following conditions:

- Availability of Qualified Applicants – The employing department must determine that the employee is the best qualified applicant available for the position.
- Full-time Position - The employee must be assigned to a full-time, salaried position and must have agreed to work on a full-time basis for at least one year. For faculty appointed on an academic year basis, one year is defined as two concurrent regular academic sessions of fall and spring or spring and fall semesters equal to nine months. For all other annual faculty and employees, one year is defined as twelve months.
- If the employee’s spouse or partner is a State employee and otherwise eligible for moving and relocation expenses through the University or other State of Georgia agency, reimbursements of any moving or relocation expenses will be paid only once to move the primary household to the new location.
- Relocation for current employees is allowable in situations where the employee is reassigned and the relocation is in the best interest of the institution. In such cases, approval of a Vice President is required, and the Office of Planning and Budget Relocation Policy should be used.

1.2 Relocation and Moving Expense Agreement
To be reimbursed for moving and relocation expenses, the employee must accept the Letter of Offer and execute a Relocation and Moving Expense Agreement with the University prior to incurring any expenses. No University obligation exists, nor may any reimbursements be processed, until all parties execute the agreement. The Relocation and Moving Expense Agreement will be signed by the employee, Department Head, and Dean or Vice President. Departments may commit reasonable amounts for an employee’s relocation and moving expenses in accordance with this policy and procedure. For relocation and moving expense amounts of $15,000 or more (per employee), approval from a Vice President is required and the Vice President must sign the Relocation and Moving Expense Agreement. Relocation and moving expenses include amounts reimbursed to employees and the direct payment by the University to third-party moving companies.
2.0 Payment/Reimbursement Rules and Guidelines

2.1 Reimbursement Overview

In general, relocation and moving expenses will be paid on a reimbursement basis; however, sometimes the University may make payment directly to the third party commercial mover.

To be eligible for reimbursement, expenditures must be reasonable, necessary, and incurred after the employee executes a Relocation and Moving Expense Agreement. Expenses submitted for reimbursement will be considered taxable income. All relocation and moving expense documentation is open for public examination. University employees and management should take necessary steps to ensure that all reimbursements and payments are thoroughly documented and reviewed in each case.

2.2 Documentation

The hiring department will be responsible for retaining all relocation documentation. Credit card statements or record of charge slips may be used as supporting documentation but may not serve as the primary document or receipt. A receipt is defined as a written acknowledgment that a specified remittance, article or delivery has been made. At a minimum, the name of the payee, date, details of the purchase and amount should appear on the receipt. Receipts should be submitted for all expenses. Meals are limited to the per diem rates as defined in the Travel policy.

2.3 Funding

In general, most sources of funding available to departments can be used to pay relocation expenses. There are certain notable restrictions which should be considered:

- When using UGA restricted funds funded by the University Foundation, the underlying fund agreement must allow for payment of relocation expenses.
- Grant funding may be utilized only if allowed under the terms of the award or contract. Grants may include limitations on amounts for relocation expenses or may have limits on payment of certain types of relocation expenses. Any relocation expense charged to a grant fund must meet the requirements of the grant and or the requirements of the funding agency or sponsor.
- Agency (custodial) funds, student activity funds, and technology fee funds should not be used to pay relocation expenses.
- Departmental Sales and Service funds should only be used in those situations where the employee's work is directly associated with the sales or service operation and when the expense can be supported by the budget of the operation.

2.4 Interview Expenses

Interview expenses, unlike house hunting costs, occur prior to an accepted offer and do not fall within the scope of this policy. Job applicant travel does not include pre-move or house-hunting trips once an employment offer has been extended to the candidate. If travel is provided to the candidate between the time an offer has been made and the time the offer has been officially accepted, those travel expenditures cannot be made from a University fund; however, departments can request expenses be paid directly from a university affiliated foundation if funds are available and approved by the affiliate. Once the offer has been accepted by the candidate, payment for travel expenses that are not business related (i.e. pre-move or house hunting trips) must follow procedures as outlined in this policy. Please refer to the University of Georgia Travel Policy for more information.

2.5 Expenses for Moving Office and Lab Equipment

Expenses for moving office and lab equipment will be paid or reimbursed by the University of Georgia only if included in the Letter of Offer. However, these expenses also do not fall within the scope of this policy and are separate from the dollar amount offered to the employee to support moving the personal household. Please contact the Procurement Office at 542-2361 for more information on contracting for these services.

2.6 Employee Responsibilities

All expenses submitted for reimbursement must be actual, reasonable, necessary and within policy guidelines. Reimbursement can be requested by submitting an Employee Request for Reimbursement of Relocation Expenses to the funding department. Each employee eligible for moving and relocation reimbursement is responsible for:

- Assisting the department in completing the Relocation and Moving Expense Agreement for Employees;
- Obtaining and submitting receipts necessary to support all claims for reimbursement within sixty (60) days after paid or incurred;
- Submitting claims for expenses that were incurred at least after execution of the Relocation and Moving
Expense Agreement but in no case later than twelve (12) months following the first date of employment at the University of Georgia, unless the employee can show that circumstances existed to prevent moving within that time period;

- Submitting claims for reimbursement on the [Employee Request for Reimbursement of Relocation and Moving Expenses Form](#).
- Adhering to the stipulations outlined in the Relocation and Moving Expense Agreements

### 2.7 University Responsibilities

Relocation and moving expenses and payment protocol, in accordance with this policy, must be discussed and finalized with the employee during the hiring process. Hiring departments shall provide the employee with the written offer letter (which includes an amount for relocation expenses), execute the [Relocation and Moving Expense Agreement](#) for Employees, and determine the budget and funding sources for the expenses.

---

### Reason for policy

The purpose of this policy is to provide guidelines in accordance with the University of Georgia policies, the State of Georgia code, Internal Revenue Code provisions and Internal Revenue Service (IRS) regulations for reimbursement to employees for relocation and moving expenses and payment of relocation related expenses directly to vendors. Reimbursements and direct payments should comply with state and federal regulations. Individuals receiving the benefit of relocation and moving expenses should be aware of any personal income tax implications and should consult a tax professional with personal tax questions.

### Procedures

This section is designed to provide guidance for situations where a department has received approval(s) to pay relocation and moving expenses. The approvals are documented on Relocation and Moving Expense Agreement, and included with the official Offer of Employment letter for a newly hired employee. Payments made to or on behalf of Foreign Nationals shall be in compliance with all applicable federal laws and all relevant visa restrictions and may require additional procedures. For further information regarding Foreign Nationals, please contact the International Tax Coordinator in the Payroll Office at 706-542-6931.

Payments made to reimburse the employee for relocation and moving expenses will be considered taxable income. This tax determination is made based solely on the Internal Revenue Code (IRC) regulations. Reimbursements will be included on the employee’s W-2.

The University cannot determine the specific impact of taxable payments/reimbursements on the employee’s tax liabilities. Employees should consult with their personal tax advisor as necessary.

### Procedure Steps:

1. The hiring official(s) will execute a Letter of Offer and a Relocation and Moving Expense Agreement with the employee. The Relocation and Moving Expense Agreement will be signed by the employee, Department Head, and Dean or Vice President. For relocation and moving expense amounts of $15,000 or more, Vice President’s approval is required and the cognizant Vice President must sign the Relocation and Moving Expense Agreement. These documents will be retained on file by the department to ensure the employee does not exceed the offer and agreement amount. The Relocation and Moving Expense Agreement will stipulate that:
   - The employee must remain employed on a full-time basis for at least one year (twelve months), commencing on the date that the employee starts work at the University. For faculty appointed on an academic year basis, one year is defined as two (2) concurrent regular academic sessions of fall and spring or spring and fall semesters equal to nine (9) months of employment.
   - If the employee fails to remain employed for the obligated one year of service, the hiring department is required to immediately notify the Payroll department so that agreed upon deductions can be processed in a timely manner against remaining payroll payments. If payroll deduction of these expenses cannot be achieved, the employee will refund to the University the gross amount of moving and relocation reimbursed directly to the employee as well as the gross amount of any payments made for the benefit of the employee to third parties. The hiring department is responsible for collecting any refund from the employee which cannot be deducted in payroll processing. Successful efforts to collect the refund after thirty (30) days from the payroll deduction or directly from the employee will be referred to the University Accounts Receivable Department for further collection efforts including referral to an outside collection agency if needed. Refunds collected through payroll deduction or directly from the employee will be returned to the original funding sources, including University foundations. Failure to repay these expenses as agreed due to the breach of contract may result in legal action to recover money being taken against the employee. As part of this agreement, the employee agrees to pay all collection costs including attorney fees and other charges necessary for the collection of any amount still due to the University.
   - Repayment of relocation and moving expenses by employees who do not remain employed for a full year.
be pro-rated or waived if the University employment is terminated for reasons beyond the employee’s control and found acceptable to the University. Any such waiver must be approved in writing by the employee’s Dean or Vice President and in the case of relocation and moving budgets of $15,000 or more, by the cognizant Vice President. Should the repayment be pro-rated, failure to repay the pro-rated amount may result in legal action to recover money being taken against the employee. As part of the agreement, the employee agrees to pay all the collection costs including attorney fees and other charges necessary for the collection of any amount still due to the University.

II. The hiring official(s) should provide the employee with a copy of this policy as it outlines the tax implications of these expenses.

III. Identify Funding Sources:
   o Departmental funds must be approved by the department head with budgetary responsibility for the state fund.
   o UGA Foundation funds must be approved by the appropriate dean or vice-president (or their delegate) as required by the respective fund agreement and then sent to the Development and Alumni Relations Office of Financial Services for approval,
   o UGA Research Foundation funds must be approved by the Office of the Vice President for Research Director of Fiscal Affairs.
   o Funds provided through the Office of the Vice President for Academic Affairs must be approved by the Provost.
   o Grant funds must be approved by the project’s principal investigator (PI), the department head, and the Sponsored Projects Administration Post Award Accounting department.
2.8 Payments to Vendors for Moving Services:

There are currently two ways to make payments directly to moving services vendors: A) Utilizing a contract vendor, and B) Utilizing a non-contract vendor. These methods are detailed below:

A) Utilizing a contract vendor: The University has established a contract with Armstrong Relocation. When utilizing this contracted vendor, the University will make payment directly to the vendor regardless of dollar value.

I. The employee or hiring official should email Laura LaRue of Armstrong relocation at llarue@goarmstrong.com or call 502-491-2807 extension 3326 so the moving services provider can arrange a time to meet with the employee to provide a quote.

II. Once the moving services vendor has provided the new employee with a quote, the employee should submit the quote to their hiring official for processing.

III. The hiring official will verify that sufficient funds remain on the Relocation Agreement and will authorize the vendor to perform the services as outlined in the approved quote and directly bill the University.

IV. Once services have been rendered by the moving services vendor, they will submit their invoice to the departmental billing contact, referencing the applicable reference number.

V. The departmental billing contact will then submit the invoice for payment utilizing a Payment Request.

VI. Relation Contract with Armstrong aka United Van Lines

B) Utilizing a non-contract vendor: While employees are encouraged to utilize one of the contracted vendors, they are permitted to use non-contract vendors for household goods moves. Employees may elect to have their moving companies submit their invoice directly to the University in cases where the moving company's total bill does not exceed $24,999.99. The moving company should submit the invoice to the employee's home department to be processed as described below. If Accounts Payable receives the invoice directly from the vendor, Accounts Payable will distribute the invoice to the department to be approved and processed as described below.

I. The original receipt or invoice and any other supporting documentation (for example quote and/or E-Verify Affidavits) should be attached to the Payment Request.

   o For moves below $24,999.99, the employee should obtain a quote from the company prior to services being rendered.

   o Moves of $25,000 or greater cannot be directly paid to the moving services supplier unless contracted through the Procurement Office. This often will require competitive bidding as the competitive bid threshold for the State of Georgia is $25,000. Please contact the Procurement Office in this situation.

II. E-Verify Affidavits: A direct payment to a moving company that is $2,500.00 and over requires that the moving company complete an E-Verify Affidavits Form. This form is only needed for non-contract suppliers. The completed form should be sent to Procurement before the move begins to confirm that it has been completed correctly. National moving companies have local agents. If a local agent is used to move the employee, the local agent must be registered with E-Verify and complete the form.

2.9 Reimbursement to the Employee:

Employees may pay the expenses directly and apply for reimbursement. All reimbursement requests will be processed through payroll.

   o The employee should attach receipts and any other supporting documentation to a request for Reimbursement of Relocation and Moving Expenses Form and submit it to the funding department for approval.

   o The funding department will review for completeness and determine if funding is available for the expenditure.

   o The funding department should retain all backup documentation and ONLY the fully approved Employee Request for Reimbursement of Relocation Expenses form should be submitted via Manager Self Service in OneUSG Connect (Compensation and Stock > Request Supplemental pay) by the HR/Payroll deadline on the monthly or biweekly practitioner payroll processing calendar.
2.10 Year End Reporting

All moving expenses are taxable and reported on the employee’s W-2.

All reimbursements included with an employee’s regular payroll payment will have federal, state and FICA taxes deducted. For example, a payment paid on the November or December 2020 payroll is reported on the 2020 W-2 because taxes have been withheld from the payment.

The value of benefits of payments made directly to moving expense vendors on an employee’s behalf is added as taxable income to an employee’s checks throughout the year. The first check that the taxable income is added to depends on the quarter that the expense is paid to the vendor and it will be divided evenly over the remaining checks for the calendar year. The taxable fringe year is from November 1 – October 31.

<table>
<thead>
<tr>
<th>Month of payment</th>
<th>Months taxable benefit is added to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov - Jan</td>
<td>Feb - Dec</td>
</tr>
<tr>
<td>Feb - Apr</td>
<td>May - Dec</td>
</tr>
<tr>
<td>May - July</td>
<td>Aug - Dec</td>
</tr>
<tr>
<td>Aug - Sept 15</td>
<td>Oct - Dec</td>
</tr>
<tr>
<td>Sept 16 - Oct 31</td>
<td>Nov &amp; Dec</td>
</tr>
</tbody>
</table>

Additional federal, state and FICA taxes are deducted from the checks that the taxable benefit is added to. A payment paid to a moving expense vendor in November or December is reported on the W-2 for the following calendar year because those expenses will be processed by Payroll in that calendar year.

The example below is only for illustrative purposes. Please note that state and federal taxes and their impact vary by person and level of income and that each individual’s situation is different. In addition, we cannot offer tax advice.

**Example:** Direct payment relocation expenses were paid in August for John Doe in the amount of $4,500. His state tax rate is 5.75%, his federal tax rate is 22%, and his FICA tax rate is 7.65%. The total of these three rates = 35.4%.

$4,500 benefit x 35.4% = $1,593.00.

Using the example above, $1,593.00 would be divided equally across the October, November and December checks which will result in his paychecks in those three months being around $531.00 ($1,593.00/3) less than normal.

**Forms/Instructions**

Relocation and Moving Expense Agreement
Employee Request for Reimbursement of Relocation Form
E-Verify Affidavits Form
Monthly or Biweekly practitioner payroll processing calendar
Relocation Expenses Quick Reference Guide
Requesting Supplemental Pay

**Responsibilities**

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President

**Policy Owner:** Payroll

**Policy Contact:** Julie Camp

**Phone Number:** 706-542-6931
<table>
<thead>
<tr>
<th>Record Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Grant</strong></td>
</tr>
<tr>
<td>Records Number</td>
</tr>
<tr>
<td>0472-09-006</td>
</tr>
<tr>
<td>These records relate to funded research grant proposals and research activity associated with grant funded projects. Examples of records include: supporting statistics, demographic data, draft proposals, suggested revisions, final proposals, forms, protocols, applications, research/activity reports, progress reports, and summary reports. Retention: Final research report is permanent. All other records: 7 years after the end of the grant period.</td>
</tr>
</tbody>
</table>

| **Accounting Records**               |
| Number 0472-03-001                    |
| This series includes bank statements, purchase requests, purchase orders, requisitions, financial reports, accounts payable and receivable records, write-off records, discrepancy, payment schedules, operating statements, year-end projections, reconciliation and expenditure reports, cancelled checks, check stubs, moving expense records, cost accounting reports, refund/disbursement request records, returned checks, deposit slips, travel records, credit voucher requisition records, cash balances and reconciliations, sales and cash reconciliation records, journal entries, outstanding obligations, refund/disbursement requests, receipts and invoices. Retention: Monthly and quarterly reports: 1 year. All other records: 5 years. |

<table>
<thead>
<tr>
<th>Policy Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date: 01/01/2016</td>
</tr>
<tr>
<td>Date Last Updated: 12/04/2020</td>
</tr>
<tr>
<td>Date of Last Review: 12/04/2020</td>
</tr>
<tr>
<td>Date of Approval:</td>
</tr>
<tr>
<td>Previous Version of Policy:</td>
</tr>
</tbody>
</table>