Moving and Relocation Expenses

Purpose
The purpose of this policy is to assure compliance with the University’s SPG 201.68 and Flint campus policies, to assist the Deans, Chairs and Program Directors in effectively managing the budgets, and to provide uniformity across the various departments within the College of Arts and Sciences.

General
All expenses submitted for reimbursement are subject to review by Financial Operations in Ann Arbor as to their admissibility and tax status. Reimbursements may not be processed prior to receipt by the College of a signed offer letter. **Moving and Relocation Expense reimbursements are not an entitlement, but are at the discretion of the College.**

It’s important that all original receipts are retained for submission. Moving expenses may be reimbursed prior to the date of hire with a signed offer letter. Please provide an address where a check may be mailed. It is preferable but not required that all moving expenses be submitted at the same time. Hence, multiple expense reports are permissible. The total for all submitted reports may not exceed the allowable limits as defined below.

Departments may not provide in advance funding for any moving expenses, including house hunting, or use a PCard for such expenses. In the event an individual needs financial assistance with moving expenses, a moving advance is available through Ann Arbor. It’s important that we do not give the appearance of providing additional funds beyond the 1/9th of base salary cap for faculty, circumventing the SPG, or providing a given individual preferential treatment.

Moving
- Moving expenses are any costs of packing, shipping, and storing of household goods. Included are expenses directly associated with preparing your belongings for the move, such as boxes and packing tape. Belongings refer to your physical property, including any vehicles.
- Meals and other such normal daily activities are not included; hence these expenses while preparing household goods for moving are not permissible.
- Only expenses for an individual who is claimed on the employee’s income tax may be claimed as non-taxable on a moving expense report. If the individual cannot be claimed on the employee’s income tax, all expenses associated with the individual must be marked as taxable. Please explain this in the description for the expense on the moving expense report worksheet.
Relocation
- Relocation expenses are the costs of travel for the faculty or staff member and family en route to the position assigned, including transportation, food, and lodging; travel for trips necessary to secure living quarters; and temporary lodging or transportation to and from the designated work site. Temporary lodging and transportation apply only to employees of the University who are being relocated due to a change of their work place; they do not apply to new employees.

Relocation expense situations:
- Final travel to Flint for the employee and family: Individuals may travel from different locations and on different days. Hence, a child who has been living with someone else and is now joining the employee on a permanent basis is covered. However, a child who is living with someone else and is joining the employee for a short stay is not covered. The determining factor is where the child’s primary residence will be. Also, lodging and other living expenses once the employee arrives in the Flint area are not included.
- House hunting: Travel to secure living quarters is covered. Keep in mind these expenses are considered income by the IRS and are taxable upon being reimbursed. Departments may not supplement the funds available in total for moving expenses beyond the 1/9th limit of base salary for faculty by paying any of the expenses.
- Temporary lodging: If the appointment date, usually September 1st, proceeds when a permanent home is available, temporary lodging and/or transportation are not covered. This includes other living expenses. Hence, once an individual is located in the Flint area, he or she is no longer on relocation status.

Transportation
- If a new faculty member is using his or her personal vehicle for transportation, he or she is reimbursed for the miles traveled at the current rate established by the University. HR-Flint will determine the miles traveled by using Mapquest or a similar web site. Therefore, mileage for side trips, for instance to see the sites, are not reimbursable. Gas and repairs are not included. Airfare is limited to the economy/coach rate. If a rental vehicle is used, the rental expense and gas are covered, but there is no mileage reimbursement. Gas receipts need to be retained in this case.
- Mileage rates are subject to change. Effective 1/1/2014, the mileage reimbursement rate is $.56 per mile, of which $.325 is taxable and $.235 is non-taxable, as determined by the IRS.

Food
- Food includes buying snacks at a gas station, but not items such as aspirin and magazines. It also does not include buying groceries, nor does it include eating while packing. Think in terms of meals for the day while traveling.
- Alcohol is never reimbursed.
Lodging
- Lodging includes hotel stays while en route, but does not cover an extended stay at any location for vacationing, etc.

Total Reimbursement Limit
- The offer letter establishes the total reimbursement amount available to a new faculty or staff member. University policy sets the maximum upper limit of total reimbursement to be 1/9th of the new faculty’s base salary; 1/12th for staff positions.
- The individual is responsible for any expenses beyond these limits.
- Reimbursement of moving or relocation expenses is not an entitlement; one never knows if future budget constraints will limit or eliminate the amount available.

Non-taxable Expenses
- Expenses for moving household goods and personal effects from the new employee’s old residence to the new residence.
- Expenses for traveling (including lodging but not meals) from the old residence to the new residence.
- The distance between the employee’s new workplace and old residence must be at least 50 miles farther than the distance between the employee’s old workplace and old residence; otherwise all expenses are taxable.
- Reimbursements in excess of the current mileage reimbursement rate, as noted above, are taxable and are added to the employee’s income for the year.

Taxable Expenses
- All other moving and relocation expense reimbursements are taxable income and are reported on the new employee’s W-2.
- Any moving or relocation expenses submitted after one year from the date of hire are taxable.
- Any moving or relocation expenses under 50 miles, as noted above, are entirely taxable.
- Expenses to secure housing are taxable.

UHR Procedures: Moving and Relocation Expenses
- Procedure A: To arrange for reimbursement after relocation - http://hr.umich.edu/procedures/spg201-68.html
- Procedure B: To arrange an advance prior to relocation for faculty/staff member - http://hr.umich.edu/procedures/spg201-68.html
- PeoplePay forms - https://peoplepay.umich.edu/payment_type.php?ptype=5
  - Moving and Relocation Worksheet
  - Reimbursement/Reconciliation of Moving and Relocation Expense Form
  - Request for Moving and Relocation Advance Form