

# LEHIGH UNIVERSITY MOVING EXPENSE PROCEDURES

## 1. SCOPE

The University Moving Expense Procedure applies to all newly recruited employees. This procedure establishes responsibilities and procedures to ensure that the reimbursement of expenses associated with relocation are in accordance with IRS regulations and University procedure regarding allowable expenditures. **This procedure does not apply to expenses associated with interviewing.**

## 2. PROCEDURE

Lehigh University reimburses moving expenses under the regulations associated with an accountable plan as defined by the IRS. This plan requires employees to 1) provide original receipts for all expenses within a reasonable time period for which reimbursement is requested and 2) in the cases for which an advance has been granted, return any excess reimbursement to the University within a reasonable time period.

The terms of the reimbursement may vary from employee to employee. The Provost (for faculty members) or Vice President or Department Chairperson (for staff) must approve in advance and include in the written employment offer letter any reimbursement of a newly recruited employee's relocation costs. The amount of reimbursement is not to exceed that which is stated in the employment offer letter unless approved by the Provost (for faculty members), Vice President or Department Chairperson (for staff). A table listing the moving expenditures for which the University will reimburse is attached (Attachment A to this document).

## 3. DEFINITIONS

Members of Your Household – anyone who has both the former and the new home as his or her place of residence.

Reasonable Time Period - within 60 days after expenses were incurred or paid.

Standard Mileage Rate for Business Expenses – set each calendar year by the IRS, for reimbursement of use of a personal vehicle for business purposes. This is the rate used by Lehigh University to reimburse employees for university related business travel via personal vehicle. See Controller's Office web page for current rate.

## 4. TAXATION

As of January 1, 2018 with the "Tax Cuts & Jobs Act", all moving expenses that are reimbursed will be considered taxable income and subject to applicable income and employment taxes.

All expense documentation must comply with the terms of the University's Travel Policy and Procedures. Any expenses over \$75 must be accompanied by a receipt.

Lehigh University will comply with all applicable federal and state income tax withholding and W-2 reporting requirements for reimbursement of moving expenses. The moving expense reimbursement, net of applicable tax, will be included in the employee's pay check following review and processing of the Moving Expense Reimbursement Request Form.

## 5. RESPONSIBILITIES

#### SUPERVISOR/FINANCIAL MANAGER:

The hiring supervisor is responsible for documenting the terms of the relocation reimbursement in the employee's employment offer letter and obtaining appropriate approvals of the reimbursement terms.

Employees are only to be reimbursed on or after their first day of employment. To request a reimbursement the employee should send the completed the "Moving Expense Reimbursement Request" form to the Controller's Office for processing. Please note that the signature of the Financial Manager of the index to be charged is also required, along with original receipts and the employment letter (with salary dollars "blackened out") attached to the form.

Employees requesting a payment in advance of the move and/or the employee's first day of employment may be granted on an exception basis and with appropriate approvals (see Moving Expense Advance Request Form).

The Financial Manager is responsible for confirming that all expenses claimed for reimbursement are within the limits and guidelines defined by this Procedure.

#### EMPLOYEE:

The employee is responsible for completing the "Moving Expense Reimbursement Request Form", attaching all original receipts and forwarding it for required approval within a reasonable time period after the move is complete.

#### CONTROLLER'S OFFICE:

It is the responsibility of the Controller's Office to verify employment and ensure that all expenses listed are in accordance with the University guidelines. The payroll office will record the taxable benefits and include the moving expense reimbursement in the pay following the review and processing of the moving expense reimbursement form.

## 6. FORMS

A fill-in version of the form "Moving Expense Reimbursement Request Form" can be downloaded from the Payroll and Tax websites.

Any requests that are not explicitly allowable in this procedure must be approved in writing by the Provost (for faculty members) or Vice President or Department Chairperson (for staff).

**ATTACHMENT A**

Expenditure	Eligibility			Line on Moving Expense Summary Form
	Always Permissible	Permissible with Approval	Never Permissible	
Two <b>Pre-move</b> Househunting Trip(s) (includes travel, lodging, meals, etc.)	X			1
Airfare from former home to new home for the move trip for Employee and each Household Member	X			10
Airfare, cost of travel via motor vehicle (including tolls and parking), lodging and meals enroute from former home to new home for <b>Non-Household</b> member for the move trip.			X	6
Cost of Travel via motor vehicle from former home to new home at the standard mileage rate for business expenses or rental car costs for Employee and each Household member for the move trip.	X			3
Tolls and Parking Fees incurred in route to new home	X			6
Cost of lodging in route to new home for the move trip including day of arrival for Employee and Household members	X			11
Meals for Employee and Household members incurred in route to new home for the move trip.	X			4
Cost of Transportation of household goods and personal effects via Common Carrier (i.e., United Van Lines, etc.)	X			7
Cost of Transportation of household goods and personal effects via Non-Common Carrier (i.e., truck rental such as UHaul or Ryder)	X			8
Moving Supplies (boxes, tape, etc.)	X			9
Cost of packing, shipping household goods and personal effects	X			8
Cost of shipping car/pets to new home	X			6
Temporary Housing after day of Arrival (Max: 14 nights)	X			2
Rental car after the move for up to 7 consecutive days	X			6
Storage of household goods and personal effects until your household goods are moved from your former home and before they are delivered to your new home.		X		5
Any part of the purchase price of new home			X	N/A
Car tags and Driver's License			X	N/A
Expenses of buying or selling a home			X	N/A
Expenses of getting or breaking a lease			X	N/A
Home improvements to help sell your home			X	N/A
Loss on the sale of your home			X	N/A
Losses from disposing of memberships in clubs			X	N/A
Mortgage penalties			X	N/A
Real estate taxes			X	N/A
Refitting of carpets and draperies			X	N/A
Security deposits (including any given up due to the move)			X	N/A
Side trips outside the direct move from former to new home			X	N/A