



Campus Administrative Policy

Policy Title: Moving and Relocation Expense Reimbursement

Policy Number: 2012 Functional Area: Finance

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Approved by: Associate Vice Chancellor for Finance and Administration

Prepared by: Controller
 Reviewing Office: Executive Vice Chancellor for Administration and Finance and CFO (CU Anschutz Medical Campus)
 Senior Vice Chancellor for Administration and Finance and CFO (CU Denver)

Responsible Officer: Finance Office

Applies to: CU Anschutz Medical Campus
 CU Denver Campus

A. INTRODUCTION

The purpose of this policy is to set forth guidelines for reimbursement of CU Denver | CU Anschutz employees for expenses incurred in moving or relocating because of accepting a job offer, a change in assignment, promotion, or other reason related to the employee’s duties.

It is the responsibility of Fiscal Officers, Principals and Managers to assure compliance with this policy. It is the responsibility of the Finance Office to review moving expense reimbursement requests for compliance with University policies and IRS tax withholding rules.

B. TABLE OF CONTENTS

A. Introduction

- B. Table of Contents
- C. Applicability
- D. Definitions
- E. Policy Statement
 - 1. General
 - 2. Faculty and Exempt Professionals
 - 3. Covered Moving Expenses
 - 4. Nonreimbursable Items
 - 5. Tax Reporting and Withholding of Moving Expense Reimbursement
 - 6. Procedures for Moving and Relocation Expense Reimbursement

C. APPLICABILITY

This fiscal rule applies to CU Denver | CU Anschutz faculty and exempt staff. Moving of classified employees is regulated by Chapter 2, Section 9 of the State of Colorado Fiscal Rules, which do not allow moving reimbursement for newly hired classified staff. Payments for moving and relocation expense from grants or contracts are also subject to the regulations of the awarding agency.

D. DEFINITIONS

Eligible Employee is defined as a faculty, officer, or exempt professional with whom a moving expense reimbursement agreement has been reached. Excluded from this definition are classified employees and student employees (including Graduate School students).

Household Effects include only household and personal effects such as furniture, clothing, household appliances, foods, and other items that are usual and necessary for the maintenance of a household.

Installation includes normal hookup of appliances to existing utilities. It does not include adding wiring, plumbing, or vents.

Pre-Move House Hunting means travel for the purpose of obtaining a new residence, which occurs after the individual has formally accepted an offer of employment from the CU Denver | CU Anschutz.

Immediate Family Members are members of the employee’s household including a spouse, spousal equivalent, and dependents (whether or not related). To qualify as immediate family members for tax purposes, these individuals must have both the taxpayer’s former residence and the new residence as their principal place of abode.

D. POLICY STATEMENT

1. General

This policy precludes the payment of moving expenses for Eligible Employees when a move is made solely for personal reasons. Expense receipts must accompany any request for a moving expense reimbursement. Eligible Employees

should consult a tax advisor to fully understand the tax implications of moving expense reimbursements.

2. **Letter of Agreement**

All moving expenses to be reimbursed to Faculty and Exempt Professionals by CU Denver | CU Anschutz must be negotiated prior to the time the Eligible Employee moves. This agreement will be in writing and signed by both the Eligible Employee and the Chancellor or designee. Such agreements shall be appended to any letters of offer or employment contracts as applicable.

This agreement must specifically state the expenses allowable for both the Eligible Employee and their Immediate Family Members. Any moving-related expenses submitted for reimbursement by the department not clearly addressed in the letter of offer, which are otherwise allowable by policy, will be assumed by the Finance Office to be allowed by the terms of agreement in letter of offer. The following list indicates the items that must be included in the agreement:

- a. Reference to this policy.
- b. Instructions to keep all original receipts
- c. The total allowable amount of all moving expenses that the CU Denver | CU Anschutz will reimburse. The amount specified in the letter of offer may be increased at management's sole discretion upon approval by the department head and the appropriate officer. If the letter of offer improperly omits a total amount reimbursable, the Finance Office will deem any reimbursement request approved by the department as implicitly falling within approved limits.
- d. Any additional limitations on allowable expenses listed in section E-3
- e. If the move requires moving of a laboratory or office equipment and supplies, the agreement must include the extent to which CU Denver | CU Anschutz will pay for these moving expenses.

NOTE - Because of IRS tax reporting requirements, costs for moving laboratory or office equipment and supplies must be reported separately from moving of household effects. This includes, getting separate bids and using separate purchase orders for these moves. The Eligible Employee, with assistance from the hiring department, is solely responsible for making arrangements with the Procurement Service Center (PSC). If such costs are inseparable from costs of moving household items, there may be tax consequences.

- f. If a third party mover is to be paid directly by the University, a properly executed Purchase Request must be processed through the PSC so that a purchase order may be issued to an approved mover. Using an approved mover will ensure best prices and recourse to the eligible employee, and the University will pay the mover directly. Contact the PSC for detailed procedures.

3. **Covered Moving Expenses**

- a. Transportation of household goods and personal effects from the former residence to the new residence.

- b. Packing and crating of the Eligible Employee's household goods at the former residence and unpacking and installation of the household goods at the new location.
- c. For eligible faculty, transportation of laboratory or special equipment from the former residence or place of work to the new residence or place of work if it is inseparable from moving personal household goods (see p3, ¶E-2-e).
- d. Transportation for the Eligible Employee and Immediate Family Members from the former residence to the new residence, including:
 - i. Travel: transportation of the Eligible Employee and Immediate Family Members, not to exceed the cost of air coach transportation, and
 - ii. Meals and Lodging: meals and temporary lodging expenses incurred during transition and relocation from the old residence to the new. Meal expenses will be reimbursed to the maximum amount of the current per diem (established by PSC travel procedures <https://www.cu.edu/psc/payables/travel.htm>) for the Eligible Employee and each Immediate Family Member.
- e. Driving or shipping of up to two Eligible Employee automobiles from the former residence to the new residence. If driving, the employee may request reimbursement for actual costs or the standard mileage rate (at the State of Colorado approved rate). The cost of transportation at the new residence, including the rental of an automobile, is reimbursable if the individual's automobile is in transit and unavailable.
- f. Storage of and insurance on Eligible Employee's household goods and personal effects while in transit, if costs are incurred within any consecutive thirty (30) day period after removal of the household goods and effects from the old residence and before delivery to the new residence.
- g. Transportation of domestic pets from the former to the new residence, including necessary kenneling or boarding en route. Domestic pets do not include horses or livestock.
- h. Disconnecting and connecting of utilities, not to include refundable deposits.
- i. House-hunting for the Eligible Employee and spouse or spousal-equivalent. Expenses for such trips include transportation to and from the area of the new place of work, and meals and lodging during such travel (at the per diems and rates established by PSC travel procedures <https://www.cu.edu/psc/payables/travel.htm>). Ground Transportation will be reimbursed at existing state rates and Air Transportation cost is not to exceed coach airfare. Since house-hunting trips are not deductible for tax purposes, the university should not pay for them directly (e.g. via ghost card or travel voucher), but rather via the moving reimbursement process so the reimbursement gets properly reported on the employee's W- 2, however if the department does pay for a house hunting trip on their ghost card, they must report the payment to PBS.
- j. Temporary living expenses for the Eligible Employee (meals and lodging only) while occupying temporary quarters in the area of the new place of work, during any one period of thirty (30) consecutive days after approval of

employment. At the discretion of the authorized hiring authority, reimbursement of such expenses may be made for other members of the Eligible Employee's Immediate Family Members.

- k. Return trip expenses to the old home after relocation to close the sale of the old home.

4. **Non-Reimbursable Items**

- a. Purchase of Alcohol is non-reimbursable
- b. Security deposits
- c. Closing costs
- d. Recruitment trip expenses are not reimbursable through the moving expense reimbursement process. As a normal university business expense, they should be submitted to the Procurement Service Center on a travel voucher in accordance with travel policies and procedures.

5. **Tax Reporting and Withholding of Moving Expense Reimbursements**

To qualify as an Eligible Employee for tax purposes, the employee must be full-time for at least 39 weeks within the first 12 months of employment. Therefore reimbursements to employees meeting the definition of Eligible Employees in section D above, may be taxable in entirety if the employee does not also meet this tax definition.

Eligible Employees who are reimbursed for moving expenses should be aware that certain amounts reimbursed by CU Denver | CU Anschutz may be subject to state and federal income taxes. Eligible Employee reimbursement will be reported on the Eligible Employee's W-2 form. The table below shows the general categories of when moving expense reimbursements are reportable as income on W-2 and subject to tax withholding. This information is not intended to be exhaustive.

Moving and relocation expenses reimbursable to Eligible Employees that are not submitted by the employee within 90 days after expenses were paid or incurred are required by tax regulation to be reported as personal income to the Eligible Employee, and are subject to withholding for income, FICA and Medicare taxes. In keeping with IRS rules, the submission date shall be documented by the earlier of the moving expense reimbursement request form signed and dated by the employee or by a signed and dated letter from the employee to the department detailing by date the moving expenses to be reimbursed.

All moving expense reimbursements must be processed through Payroll to ensure proper W-2 reporting.

Eligible Employees receiving moving expense reimbursement from CU Denver | CU Anschutz should be aware that their tax liability may vary from the withholding requirements imposed by the IRS on the University based on their individual circumstances, therefore they should consult a tax advisor to determine

the full tax implications of these reimbursements.

Moving Expense Reimbursements Tax Withholding Table

Tax Withholding Required	No Withholding Required (within 90-day rule)
Mileage over IRS limit (Limit is listed on the Payroll & Benefit Services moving expense taxable and nontaxable forms).	Packing, crating, and transporting household goods and personal effects from former home to new home.
Meals expenses incurred in the moving trip.	Shipping cars and household pets from former home to new home.
Temporary living expense, including lodging, meals, and transportation at the new residence (other than as specified at right).	The cost of one trip per person from the former residence to the new residence, including transportation and lodging. Lodging includes lodging en route and for the day of arrival in the area of the new residence and for one day in the area of the former residence after you could no longer live in your former home.
Return trips to the former residence.	
Pre-move house hunting trip.	
	Connecting or disconnecting utilities.
	The cost of storing and insuring household goods and personal effects within any period of 30 consecutive days after the day things are moved from former home and before they are delivered to new home.

6. Procedures for Moving and Relocation Expense Reimbursement

Performed by: Action:

Hiring Authority	<ol style="list-style-type: none"> 1. Document an eligible employee’s allowable moving and relocation allowance in letter of offer. 2. Request eligible employees to submit their reimbursable expenses, including original receipts, to the department within 90 days of incurring the expense. Document the submission date by a reimbursement request form signed and dated by the employee or a signed and dated letter of transmittal from the employee to the department detailing by date the moving expenses to be reimbursed. Otherwise, the reimbursement will be reported as personal income to the eligible employee. 3. If the University is to pay a third-party mover directly, process a Purchase Request through the Procurement Service Center. Make arrangements with an approved 3rd party mover only after the purchase order has been issued by the PSC (see the PSC website at https://www.cu.edu/psc/procurement/commodities/how-buy-moving-services). The University has contracted with national companies and obtained excellent rates and standards of service for the care of household items, invoicing, and resolving problems. Also, when an approved vendor gives an estimate, it is binding which means they cannot “add-on” surprise charges later. Two bids are required from the approved vendor listing maintained by the Procurement Service Center. 4. To reimburse Eligible Employee for approved moving expenses: <ol style="list-style-type: none"> a. Process "Additional Pay" in HRMS for the total amount to be reimbursed. b. Print a copy of the "Additional Pay" fill it out and get required approval; c. Prepare a Moving Expense Taxable Worksheet and Moving Expense Nontaxable Worksheet (https://www.cu.edu/docs/moving-expense-worksheets). Attach receipt copies and a copy of the letter of offer approving the moving expense reimbursement. <i>Signatures and dates on these forms are critical!</i> d. Detail PO number or procurement card documentation showing any related costs counting toward total moving allowance, such as moving company and travel vouchers. e. Send items “b”, “c”, and “d” to the CU Denver CU Anschutz Finance Office at campus box D129. 5. Retain original receipts with copies of forms in department files.
Finance Office	<ol style="list-style-type: none"> 6. Review Moving Expense Reimbursement form and Additional Pay form for IRS tax reporting. 7. Forward to the CU Denver CU Anschutz HR Department for processing.

Notes

1. Dates of official enactment and amendments:
July 1, 2010: Adopted by the Associate Vice Chancellor for Finance and Administration

October 1, 2011: Updated
November 9, 2018: Formatting Updated

2. History:
February 1, 2019: Modified to reflect a Campus-wide effort to recast and revitalize Campus policy sites into a standardized and more coherent set of chaptered policy statements organized around the several operational divisions of the university. Article links, University branding, and formatting updated by the Provost's office.
3. Initial Policy Effective Date: July 1, 2010
4. Cross References/Appendix:
 - State of Colorado Fiscal Rules, Chapter 2, Section 9 (classified employees only)
 - State Purchasing Bulletin 99-1
 - Procurement Procedure Statement: After-the Fact Purchases
 - Section 24-50-134, C.R.S. 1995, as amended.
 - Payroll & Benefit Services Procedures Guide.
 - Administrative Policy Statement: Alcohol Purchase and Provision.
 - Procurement Procedure Statement: Alcohol.
 - Internal Revenue Code §217
 - PSC Procedural Statement: Travel Authorization and Expense.