

 <b>UNIVERSITY of DENVER</b>	<b>UNIVERSITY OF DENVER POLICY MANUAL MOVING AND RELOCATION ALLOWANCES FOR NEW EMPLOYEES</b>	
<b><u>Responsible Department:</u></b> Business and Financial Affairs <b><u>Recommended By:</u></b> SVC Business and Financial Affairs <b><u>Approved By:</u></b> Chancellor	<b><u>Policy Number</u></b> FINA 2.30.018	<b><u>Effective Date</u></b> <span style="background-color: yellow;">TBD</span>

**I. INTRODUCTION**

The University of Denver recognizes that payment for reasonable costs associated with the relocation of new employees may be an important consideration in the recruitment process. Moving and relocation allowances may be paid when it is in the University's interest, when funding is available, and when approved in writing by the person with the budget authority to commit such funds. Moving and relocation allowances are intended to cover the reasonable costs of house-hunting, packing, and transporting household goods of the employee and members of employee's household, and the transportation and lodging for the employee and members of the employee's household while moving. Additionally, this policy guides the University in complying with applicable Internal Revenue Service regulations regarding the tax treatment of moving and relocation expenses provided to or on behalf of employees.

**II. POLICY OVERVIEW**

**A. Eligible Employees**

Only newly hired employees accepting appointed positions who have agreed to work at least one year (a calendar year or an academic year, as applicable to the employee's appointed position) are eligible to receive moving and relocation allowances. Employees who receive this benefit but who voluntarily terminate employment prior to completing one year of service will be required to return a prorated portion of their allowance to the University. If the employee fails to remain employed by the hiring department for one year for reasons beyond his/her control (e.g. illness or death), other than reasons of poor performance, the university may in its sole discretion waive all or part of the liability owed by the employee. Any such waiver must be approved in writing by the employee's department head or dean and the Senior Vice Chancellor of Business and Financial Affairs. Prior to such approval, the department head or dean must notify the University Controller's Office if the employee does not remain employed at the university for the requisite year.

No moving or relocation expenses will be paid for or allowed for new employees already living less than seventy-five (75) miles from their new employment

location.

The moving and relocation allowance must be included in the new employee's offer letter along with a reference and link to this policy. Accepted offers of employment without the written moving and relocation allowance in the initial offer cannot be subsequently requested by the unit or employee.

### **III. PROCESS OVERVIEW**

#### **A. Allowable Moving and Relocation Expenses**

Allowable expenses are limited to the following expense categories (Receipts required for any item over \$25):

1. The expense of up to two (2) pre-approved house hunting trips to cover the costs of economy class air travel to Denver, food and lodging, while on a trip for the purposes of locating a new residence.
2. Packing, crating, transportation, and storage of household goods and personal effects.
3. Cost of shipping one vehicle.
4. Cost of transporting household pets.
5. Storage after moving out of old residence and before moving into new residence (30-day maximum).
6. Transportation costs, including economy class airfare, for employee and immediate family.
7. If traveling by personal vehicle the new employee can claim reimbursement for actual expenses for fuel or the IRS approved standard mileage rate for moving.
8. Cost of lodging for employee and immediate family en-route is allowed, but not to exceed three (3) nights.
9. Costs of meals for employee and immediate family while en-route from old residence to new residence but not to exceed meals for three (3) days.

Departments may be more restrictive but may not allow for moving and relocation expenses beyond what is listed above.

Exceptions to allowable expenses require the pre-approval of the Provost for academic unit requests or the Senior Vice Chancellor for Business and Financial Affairs for operating unit requests.

#### **B. Non-allowable Moving and Relocation Expenses**

Expenses not specifically allowed in this policy are not reimbursable. This includes but is not limited to the cost of meals and lodging while occupying temporary housing in the area of the new job, costs connected to the sale, purchase, or lease of former or new residences, and/or costs to transport recreational vehicles.

**C. Payment of Moving and Relocation Allowances**

The moving and relocation allowance request must be submitted to the payroll office within normal processing deadlines. The allowance, net of required taxes withheld, will be paid after the employee’s official start date on the normal payroll cycle after all approvals are completed.

In certain situations, the new employee may have their moving and relocation expenses paid directly by the University to an approved third-party common carrier. Amounts paid through these arrangements will be reported as taxable income to the employee on the next regular payroll cycle after the employee’s official start date.

**D. Tax Reporting Requirements**

As a result of the Tax Cuts and Jobs Act of 2017, the federal income tax deduction for “qualified moving expenses” was eliminated. Amounts paid directly to employees for moving and relocation expenses, and amounts paid on behalf of employees to third-party vendors are now treated as taxable income subject to regular income and payroll taxes. This policy prohibits the reimbursement for any tax liabilities (“grossing-up”) incurred by the employee as the result of receiving a moving and relocation allowance.

**IV. DEFINITIONS**

**Grossing Up** - A gross-up is an additional amount of money added to a payment to cover the income taxes the recipient will owe on the payment.

<b>Revision Effective Date</b>	<b>Purpose</b>