

Standards for Moving and Relocation Expenses

1.1 Overview

- This is a post-employment benefit, it cannot be paid in advance, nor can payment be expected prior to the first pay period after a new employee's start date.
- Reasonable expenses for transporting the household goods of an employee and members of his or her household may be reimbursable from all funds available pursuant to OSBM State Budget Manual 6.6.
- There are two methods of payment:
 - Moving and Relocation Expense Reimbursement
 - Moving Allowance
- There are two forms based on the type of moving expense payment:
 - Moving Expense Reimbursement Pre-Approval Request – when state funds will be used and is required prior to any reimbursement.
 - Moving Expense Reimbursement/Allowance Request - this form is used for a one time lump sum payment (moving expense allowance) or for expense reimbursement if a pre-approval request was completed. In this case both forms need to be submitted to receive reimbursement.
 - Please see the Process Map at the end of this document for document flow requirements related to HR and payment through payroll.
- The entire amount of the moving and relocation expense reimbursements or allowance are considered additional taxable compensation and are processed through payroll.
- Lump sum undocumented moving and relocation allowance is permissible from discretionary non-state sources.
- Only one fund type can be used for an employee, either state or discretionary, but not both. If the desire is to gross up the payment to cover the tax impact, then only discretionary funds can be used.

1.2 Conditions and Limitations for Reimbursements

An employee's moving expenses may be reimbursed by the University

from state funds only when:

- A change of residence or relocation is deemed to be in the best interest of the University and is for the advantage and convenience of the hiring department.
- Move is accomplished within 90 days. The Chancellor or designee(s) may approve an extension beyond 90 days. The new duty station for existing employees is 50 miles or more from either the employees existing (or prior) duty station or residence, whichever is closer to the new duty station.
- The new hire to state employment is 50 miles or more from their existing residence.
- The moving expense reimbursements for the new hire are pre-approved by the Chancellor or designee(s).

1.3 Expenses Reimbursement

Maximum reimbursement for various categories of costs is enumerated in this section. Any additional costs must be borne fully by the employee.

1.3.1 Moving of household and personal goods

Reimbursement for movement of household and personal goods includes items such as furniture, clothing, and personal effects. Any items that require special handling and/or packing, such as an animal, a boat, airplane, motor vehicles, antiques, satellite dish, campers, woodworking equipment, workshop items, heavy machine equipment, and building materials are not considered as household or personal goods. Reimbursement includes, and is limited to, the cost of actual packing, transporting, and unpacking of a maximum of 15,000 pounds. If the move is on a weight basis (50 miles or more), the maximum cost to be reimbursed can be no more than the lowest available regulated tariff rates. If additional storage is required for any such items, it is the responsibility of the employee and is not reimbursable.

Total transportation charge on any shipment shall be no more than the charge that would apply on the same shipment under the next greater unit of weight at a rate applicable to such next greater unit of weight.

When a shipment exceeds 15,000 pounds, reimbursement shall be based upon the tariff rate of 15,000 pounds, provided reimbursement does not exceed actual poundage costs.

Except as otherwise provided specifically herein, reimbursement may be made only for basic services performed by the carrier. No

reimbursement may be made for expedited service, space reservation, or other special or non-routine services by the carrier.

1.3.1.1 Excess weight authorization

When due to extraordinary circumstances the total weight exceeds the maximum weight allowable, (15,000 pounds) a request for reimbursement for this excess, which sets forth in detail the nature of such extraordinary circumstances, may be granted by the Chancellor or his/her designee(s).

1.3.2 Insurance

Reimbursement of transit insurance costs, in addition to those included in the carrier's required base coverage of 60 cents per pound per article, is limited to \$1.25 per pound per article, and coverage for up to 15,000 pounds. Additional coverage is the responsibility of the employee and is not reimbursable.

1.3.3 Appliance Connections

The reasonable costs of disconnection of appliances, as defined in this section, at the old residence and reconnection or reinstallation of the same appliances at the new residence, by the carrier or by a service company may be allowed up to a maximum of \$200. This would include items typically found in performing household operations such as electrical, water, gas hook-up, household appliances, and connection of a single telephone. This would not include items considered unnecessary to household operations such as television antennas, cablevision connection, satellite dish, internet service nor any type of power tools or other equipment associated with home workshops, hobbies, or other activities. Also, utility deposits or the running of utility lines are not reimbursable expenses by the University.

1.3.4 Employee Travel and Subsistence

Reimbursement for travel expenses incurred in moving the employee and his or her family from the old residence to the new residence is authorized as follows:

- For locating new residence**

Transportation, mileage calculated at the University rate for a maximum of three round trips by automobile with each trip not to exceed two days (2 days, 1 night) with the total house hunting trips not to exceed 6 days (6 days, 3 nights). The Chancellor or his or her designees may approve an exception to the two days limit on each trip if the extended trip is more cost

efficient for the University and the total house hunting trips do not exceed 6 days, 3 nights. Subsistence for meal costs as shown in the State Budget Manual travel section for each member of the family per trip. If overnight lodging is necessary, subsistence for the following day is allowable. Lodging is limited to one double room.

- **For day of moving**

Mileage calculated at the University rate for a one-way automobile trip (a maximum of two cars). Subsistence for meal costs as shown in the State Budget Manual travel section for each member of the family. Employees have two days to complete the move. If overnight lodging is necessary, subsistence for the following day is allowable. Lodging is limited to one double room. The department head or his/her designee can approve any additional time needed.

- **New duty station**

Subsistence at the new duty station is not to exceed five days a week (Monday-Friday or a consecutive five-day period, if working a nontraditional schedule). Mileage is limited to one-round trip per week from the employee's current residence to the new duty station, subject to state travel laws and regulations, from the time he or she begins work until he or she moves into the new residence, not to exceed a total of 40 consecutive working days, excluding any leave time.

1.4 Procedure for Moving and Reimbursement

1.4.1 Procedure for Moving

Prior to incurring any expenses, the employee will submit a [Moving and Relocation Expense Authorization](#) request to the Chancellor or designee(s).

Moving by commercial movers: the request shall include bids from three movers and an estimate of other allowable expenses. These regulations require competitive bids that do not exceed the tariff rates and charges as published and filed with the North Carolina Utilities Commission. Bidders must have all required State and federal licenses and insurance.

Bids included in the request should include:

- Shipment weight; Number of cartons;

- Charges for loading and unloading;
- Cost of transit insurance coverage.

Transportation and loading shall be governed by the rules and regulations as contained in tariffs on file with the North Carolina Utilities Commission. The department head or designee should accept the low bid unless judged not to be in the State's advantage and interest.

Any exceptions to Procedure for Moving must be documented in a Memo and must be approved by the Chancellor or his/her designees.

Moving by other methods: the actual cash expenditure made by an eligible employee in moving his or her household goods by another method such as non-licensed mover, rental trailer or truck is permissible, provided such reimbursement does not exceed that which would have been made if a regulated common carrier had been used. It is the responsibility of the department head or designee to determine if this method is cost effective before approval is granted. At least one bid from a commercial mover is required to aid the department head or designee for decision making unless an exception is approved by the department head or designee.

1.4.2 Procedure for Reimbursement

Upon the completion of the move, the employee may submit to the Controller's Office a reimbursement request consisting of:

- A bill of lading from the carrier which shows the actual rates and charges for transporting, loading and insurance, itemized by miles, loading charges with numbers and sizes of cartons, insurance coverage, and appliance disconnections and connections, if applicable.
- Fully approved [Moving Expense Reimbursement Pre-Approval Request Form](#)
- Request for [Moving Expense Reimbursement/ Allowance Request](#)
- Receipts

1.5.1 Procedure for Moving Allowance and Payment

Moving allowances shall be capped at \$5,000, and the amount awarded to an eligible employee shall be decided by the Department Head prior to time of the move. The payment of a moving allowance shall be approved by the Chancellor or his/her designee, although pre-approval by the Chancellor or his/her designee

is not required for an allowance payment, only a reimbursement payment. Any request to exceed the \$5,000 allowance shall require the approval of the Chancellor. No supporting documentation is required; however, it is recommended the employee keep receipts for expenses incurred. Employees receiving an allowance shall not be eligible to receive additional amounts for appliance connections noted in section 1.3.3 hereinabove, or other reimbursable items noted in section 1.3, including but not limited to employee subsistence and travel. Request for payment of the moving allowance should be submitted to the Controller's Office on the [Moving Expense Reimbursement/Allowance Request form](#). Note: moving allowances can be paid from non-state funds only.

1.5.2 Policies Applicable to both Reimbursements and Allowance

- No moving-related expenses can be paid directly to an employee or to a vendor (e.g., via p-card, CataMart, or Check Request) outside of the Moving Expense Reimbursement/Allowance Form.
- Departments should avoid paying for any moving-related expenses outside of the Moving Expense Reimbursement/Allowance Form, as doing so creates unfavorable taxable consequences for the employee.
- If moving expenses are found to have been paid for an employee's benefit via p-card or CataMart or otherwise outside of the Moving Expense Reimbursement/Allowance Form, the expense will need to be added to the employee's wages after-the-fact. The employee will be responsible for related federal and state income and FICA tax withholdings (which will be deducted from the employee's regular pay).
- The moving expense reimbursement/allowance is a taxable lump sum payment, intended to offset some of the employee's moving-related costs at the discretion of the hiring department. Recipients should expect approximately 35% in taxes to be withheld from their moving reimbursement/allowance.
- Employees who complete less than one year of service at Western Carolina University prior to termination shall repay to the University the gross amount of the moving expense reimbursement or allowance.
- The following language shall be contained in the appointment letter to the new employee:

Moving Expenses: You have been approved for (insert reimbursement or an allowance) up to \$----. It is understood you have signed the Moving Expense Agreement and have read the Standards for Moving and Relocation Expenses.

Standards for Moving and Relocation Expenses and Hiring

