

Relocation Allowance for Newly Hired or Transferred Faculty and Staff

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I. Purpose

To ensure that the University helps offset relocation expenses for employees where this benefit would serve as significant recruiting tool, to ensure departments communicate tax implications to employees, and to ensure compliance with federal and state tax laws.

II. Policy

The University may provide a relocation allowance payment to an employee when it is in the best interest of the University for a current or prospective employee to move from one location to another. The relocation allowance payment may be offered to assist in certain expenses incurred for relocation, house-hunting, and/or temporary housing, and dependent on department/college funding. Departments will work with the employee to determine the maximum amount(s) to be allowed for relocation, house-hunting, and/or temporary housing and these amounts are to be included in the letter of offer to the employee. A copy of the letter of offer must accompany the appropriate University forms when payment is processed. No payments under this policy can be charged to sponsored projects.

III. Responsibilities

A. Department

1. Determine maximum amount of house-hunting, temporary housing and relocation expenses and state amounts in the letter of offer.
2. Obtain appropriate level of approvals based upon position type prior to including in the letter of offer.

Position type	Approver
Dean	Provost
Faculty	Dean
President Direct Reports	President
Staff	Provost , Executive Vice President or Vice President for Research

3. Enter employee in SAP with the appropriate hire date. If payments are needed in advance of official start date, appropriate additional payments may be processed through use of a temporary assignment. Payment should be no more than 60 days in advance of start date. Additional guidance may be found on the [Moving Expenses Entered Before Hire Date Quick Reference Card](#).
4. Initiate house-hunting allowance, temporary housing allowance or relocation cash payment option through the payroll system by [payroll calendar](#) deadlines using the appropriate wage type.

B. Human Resources

1. Review processed PAR for relocation, house-hunting, and temporary allowances and confirm amounts agree with offer letters and appropriate wage type used.

C. University Financial Services

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1. Process relocation allowance payment on next scheduled payroll date, withholding applicable income and employment taxes.

IV. Procedures

A. House-Hunting Allowance

1. An allowance may be provided by the department to cover house-hunting expenses, such as airline costs, hotels or auto rental agencies. The department shall determine maximum amount of reimbursement for the expenses and state amount in the letter of offer, not to exceed a maximum of \$7,500.
2. Reimbursement will be made in the form of a cash payment through the University's payroll system, which is subject to withholding of applicable income taxes and employee taxes. The payment will be reported as taxable wages on the employee's W-2 form.
3. The new employee's hiring information must exist in SAP and the department shall create an additional payment to pay for the house-hunting allowance, using wage type 2600. Payments must not be charged to sponsored projects. Forward PAR with copy of offer letter to Human Resources PAR Processors for approval.

B. Temporary Housing Expenses

1. An allowance for temporary housing expenses may be provided by the department to cover temporary housing expenses. The amount must be stated in the letter of offer and the amount will be taxable wages on the employee's W-2 Form.
2. The allowance payment may not exceed \$1,500 per month for a maximum of three months.
3. The new employee's hiring information must exist in SAP and the department shall create an additional payment to pay for the temporary housing expense allowance, using wage type 2090 housing allowance. Payments must not be charged to sponsored projects. Forward PAR with copy of offer letter to Human Resources PAR processors for approval.

C. Relocation Expenses

1. An allowance may be provided by the department. The maximum amount must be stated in the letter of offer and the amount may not exceed \$10,000.
2. The cash payment allowance, up to \$10,000, shall be processed as an additional payment through the payroll system, using wage type 2600. The employee information must exist in SAP and the amount will be reported as taxable wages and subject to applicable income and employment tax withholdings. Payment must not be charged to sponsored project. Forward PAR with copy of offer letter to Human Resources PAR processors for approval.