

## MOVING AND RELOCATION REIMBURSEMENT GUIDELINES

The University may elect to reimburse an employee's moving and relocation expenses within the stated maximum limitations and restrictions set in place via the [Moving Agreement](#). All such expenditures must be reasonable, necessary and as economical as possible. The employee must complete a [Moving Agreement](#) and, upon completion of the move and relocation of the employee, submit claims for reimbursement following guidelines described in this document as well as in the [Reimbursement of Moving and Relocation Expenses policy](#).

### **I. Eligibility**

To be eligible for reimbursement, the employee's move and/or relocation must meet the following conditions:

- ◆ **One-Year Employment-** The employee must satisfactorily maintain employment on a full-time basis, as defined by the University, for at least one year, or as specified in the [Moving Agreement](#), commencing on the date that the employee starts work on a regular basis at the new location.
- ◆ **Permanent, Full-time Position-** The employee must be assigned to a full-time, salaried position and must be in an agreement to work on a full-time basis for at least one year. Faculty employees must be joining the faculty at the rank of instructor or above, or must be filling an administrative or research position. University staff employees and professional research staff employed in full-time, salaried positions are eligible to receive reimbursement.
- ◆ **At the Employer's Request-** The relocation must be for the good of the University as determined by the authorized approver. Expenses will not be reimbursed when the relocation is at the request or the convenience of the employee.
- ◆ **Established in Payroll System-** Employees must have "employee" status activated in the payroll system prior to any reimbursement of moving expenses. Employees having "applicant" status in the system may not receive reimbursements.

### **II. Requirements & Restrictions**

Moving and relocation is on a reimbursement basis only. Reimbursements are limited to actual costs incurred up to the amounts agreed to by the department and the employee within the limits outlined in the policy. Reimbursements through other processes, such as petty cash or department credit cards, or direct payments from departments to hotels, airlines, restaurants, car rental companies, or other vendors on behalf of employees are not allowed. To be eligible for reimbursement, expenditures must be reasonable,

necessary, and the employee must have executed a Moving Agreement ([See section 2 of the policy](#)).

All commitments for moving and relocation must be made from existing funds available to the departments. If departments choose to provide for moving expenses, they must do so within their own budgets. No central funds are available for this purpose.

Reimbursements will be processed through the payroll system, made in accordance with federal and state law, and appropriate taxes will be withheld.

Note: Under the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97), employer paid moving and relocation expenses are taxable to the employee regardless of the form or manner of payment, e.g., reimbursement, or direct payment to third parties. Any such payments made to or on behalf of a relocating employee on or after January 1, 2018 will be reported as taxable income to the employee.

### **III. Submission of Forms and Receipts for Relocation Reimbursement**

All expenses submitted for reimbursement must be actual, reasonable, necessary, and within University guidelines.

Each employee eligible for moving and relocation reimbursement is responsible for:

- Making all specific moving arrangements (i.e., times for pick-up and delivery, etc.) and for resolving any damage claims directly with the moving agent
- Assisting the department in completing the [Moving and Relocation Expense Summary Workbook](#) for submission to Payroll
- Obtaining and submitting original receipts (confirmation of payment) necessary to support **all** claims for reimbursement
- Submitting claims to the Payroll Department within thirty (30) days after the employee moves into the permanent residence, but in no case later than twelve (12) months after beginning employment at the University
- The authorized approver may grant extensions of up to an additional twelve (12) months if there is a finding of extenuating circumstances resulting in the expiration of the original twelve-month period
- Remaining an employee of the University for a period of at least one year

#### **A. House Hunting**

House-hunting expenses apply to both employee and spouse but not children or family members. They may be incurred while traveling to and from the new job location and while looking for new living accommodations. House-hunting trips may occur both prior to and after the employee's first day of work. The employee may be reimbursed for these expenses only if the travel begins after a Moving Agreement is executed and the travel is primarily for the purpose of finding a place to live.

The following are allowable expenses for house hunting:

- ◆ A maximum of three (3) trips for the employee and 3 trips for the spouse
- ◆ A maximum of 15 nights of lodging (A night of combined lodging for both the employee and spouse counts as one night)
- ◆ Cost of transportation (including car rental)
- ◆ State mileage rate for personal car
- ◆ Meals
- ◆ Tolls paid (receipt and name of facility required)
- ◆ Limits on lodging and meals rates imposed by State Travel Regulations (see <http://www.procurement.virginia.edu/main/> and select “Travel and Meals”) are applicable to hotel and meals expenses incurred during house-hunting trips.

**B. Temporary quarters**

Reimbursement for reasonable lodging or rent may be claimed for a period of ninety (90) days not to commence earlier than thirty (30) days prior to the first day of work. Reasonable residential parking fees will be reimbursed during the ninety (90) days of temporary quarters. Expenses for meals may be claimed for the first thirty (30) days of residence in temporary quarters. Such expenses must be reasonable, necessary and accompanied by a receipt in order to receive reimbursement.

Temporary quarters includes any type of lodging or housing such as:

- Hotels
- Motels
- Apartments
- Single family dwellings

**C. Cancellation of Lease**

The settlement of a lease in the former residence is reimbursable if the settlement is due to moving and relocation.

**D. Home Sale**

Supporting documentation for this reimbursement includes the Closing Statement signed by buyer and seller at closing.

The following expenses relating to the sale of the principal residence are reimbursable:

- Actual expense of real estate commission;
- Attorney fees
- Escrow fees
- State or local transfer taxes

- Pest inspections

The following expenses are **not** reimbursable:

- Sales commissions and similar expenses if the employee acts as a selling agent (closing and legal costs are allowed)
- Advertising and “fix-up” costs
- Loss sustained on sale of residence
- Real estate and capital gains taxes
- Payment and repayment of interest
- Points or loan payment charges that are negotiable
- “Carrying” costs (maintenance fees, utilities, principal, etc.)
- Mortgage penalties
- Buyer’s closing costs, including Virginia fees

**E. Purchase of Home**

Expenses related to the purchase of a replacement home which is the employee’s primary residence are reimbursable for the specific items listed below and are subject to the \$15,000.00.00 limitation. In order to qualify for this reimbursement, the relocated employee must have owned a primary residence at the prior location, which due to relocation, has been sold. This reimbursement is not allowed for the purchase of a second residence, investment property, business property or resort/vacation property at the new work site. Supporting documentation for this reimbursement includes the Closing Statement signed by buyer and seller at closing. Reimbursements of expenses associated with the purchase of a home are taxable and appropriate taxes will be withheld.

The following expenses relating to a home purchase are reimbursable:

- VA funding fee
- Loan origination fee or lease processing fee
- Mortgage survey
- Appraisal fee
- Credit report
- Title search
- Recording fee
- Title insurance
- Attorneys fee
- Home inspection
- Notary fees

*All of the above expenditures must be related to the purchase of the primary residence. Documentation clearly identifying these expenses is required. In order for the expenses related to a home purchase to be considered for reimbursement, the replacement of the primary residence must be accomplished (closed) within twelve (12) months after the*

official starting date of employment. The authorized approver may approve up to an additional twelve (12) months for extenuating circumstances that result in the twelve (12) month period expiring prior to purchase (closing) of a replacement. Extensions after this period may be presented to the appropriate Dean/VP for review and, where warranted, approval. All such extension should be in writing and provided to the Payroll Department (<mailto:moveandrelocate@virginia.edu>).

Costs related to the purchase of a primary residence not specifically listed above are not reimbursable. Examples of expenses that are **not** reimbursable are as follows:

- Utility deposits and/or connection fees,
- Real estate taxes, prepaid or otherwise,
- Capital gains taxes,
- Mortgage loan differential,
- Realtor fees relating to purchase,
- Remodeling or decoration expenses,
- Points, discount fees or loan payment charges,
- Repair and maintenance costs,
- Homeowner insurance,
- Homeowner warranty fees,
- Private mortgage insurance,
- Permit fees (e.g. building, sewer or zoning),
- Deposit for rent.

**F. Travel (Actual or "Final Move" to New Job Location)**

Travel relating to moving and relocation is eligible for reimbursement under three circumstances: (1) the initial trip after employment to the new location, (2) house hunting trips, and (3) the trip to bring the family to the new residence. When the employee and family are traveling to the new home, expenses for in-transit meals and lodging are reimbursable and taxable. Transportation expenses also include parking, tolls, plus actual expenses such as gas and oil (but not depreciation) for the use of the personal car. In lieu of actual costs, payment may be made at the mileage rate in effect at the time of travel.

Limits on lodging rates imposed by State Travel Regulations (see the [Procurement Website](#)) are applicable to hotel expenses during travel. (Note: Per Diem rates may not be used for moving and relocation.)

Automobile rental is not a reimbursable expense, except for house-hunting purposes.

**G. Self-Moves**

If the employee chooses to move himself/herself, the amount of the actual cost allowed will be included in the \$15,000.00 limitation. The following actual costs

are reimbursable, within the \$15,000.00 total limitation, with appropriate documentation: An employee may choose to self-move, contract directly with a common carrier, or use one of the following UVA contracted common carriers who can direct bill the Medical Center for moving household goods:

- **Moving vehicle rental-** Costs of renting a moving van, truck, trailer, hand truck or other appropriate moving vehicles, equipment, and supplies are reimbursable. (Note: Vehicle rental for moving purposes is not reimbursable unless used for house hunting.) Purchase of such a vehicle or equipment is not reimbursable. The purchase of moving supplies, such as packing paper, boxes, or cartons may be reimbursed with appropriate receipts. The amount of any such purchases must not exceed \$500.00. Gas used by the rental truck during the move is reimbursable with proper receipts.
- **Labor used during move-** Reimbursement is limited to a reasonable hourly wage with the maximum total of \$500.00. Labor provided by the employee or the employee's immediate family member(s) is not reimbursable. A receipt from the individual employed, with signature and amount paid must be attached to the reimbursement request.
- **Mileage-** If a personally owned or borrowed moving vehicle is used in the move, reimbursement is allowed at the mileage rate specified in the current Appropriation Act. Reimbursement will not be allowed to cover the "rental value" of the personally owned vehicle. A car or truck with a trailer in tow will also be reimbursed at the mileage rate specified in the current Appropriation Act.
- **Tolls-** Tolls paid during the move are reimbursable provided the name of the facility (road, bridge, tunnel, etc.) is documented.
- **Storage-** The expense of temporary (in-transit) storing household goods and personal effects for a maximum of thirty (30) days is reimbursable if the employee is unable to move directly into the new residence. This amount is not includable in the \$15,000.00 limitation

Unless utilizing a UVA contracted vendor, the employee should obtain three (3) quotes when the price exceeds the institution's noncompetitive purchase threshold. The lowest of the three (3) quotes, meeting the pick-up and delivery requirements of the employee, should be used for the moving of personal effects from the former residence. Copies of the quotes should be provided to the University prior to a formal commitment to utilize the common carrier.

When at all possible, the employee should utilize a common carrier based in Virginia. When outside of the Commonwealth of Virginia, employees should contact Virginia common carriers to inquire if they are able to match bids submitted by out-of-state firms.

#### **IV. Other Moving & Relocation Reimbursement Limits**

Note: If the employee's spouse is a state employee and otherwise eligible for moving and relocation expenses, reimbursements of any such expenses will be paid to only one employee and to move the primary household to the new location.

Costs not specifically allowed in this policy are not reimbursable, nor are actual miscellaneous and incidental expenses such as but not limited to:

- Rent or utility deposits for new residence
- Connection and disconnection fees for utilities (phones, electric, gas, water)
- Connection and disconnection fees for household appliances
- Repair and maintenance costs
- Decorating expenses
- Automobile rental, except for house hunting purposes
- The "rental value" of a personally owned or borrowed vehicle
- Purchase of moving equipment or supplies, other than boxes, cartons and packing paper
- Costs incurred for moving pets
- Laundry services

## **V. Federal Tax Implications**

Federal tax laws regarding moving and relocation are subject to change and these changes may have a significant impact on an individual's tax liability. Information regarding federal tax regulations is available from various sources such as, but not limited to, the Internal Revenue Service, certified public accountants, and accounting firms and other companies providing individual tax services. Employees should refer to IRS Publication 521 for detailed information concerning tax deductions based on moving expenses.

## **VI. Current UVA Contracted Vendors:**

American of Virginia/Atlas Van Lines:

**Contact:** Barbara Chambers

**Phone:** (800) 625-6126 or (540) 942-5166

**Fax:** (540) 942-5055 or (540) 942-5166 for local

**E-Mail:** [barbchambers@americanofvirginia.com](mailto:barbchambers@americanofvirginia.com)

The Hilldrup Companies / United Van Lines:

**Contact:** Catherine Whitener

**Phone:** (888) 545-1068 or (804) 690-1701 Local

**Fax:** (703) 221-5206

**E-Mail:** [cathy.whitener@hilldrup.com](mailto:cathy.whitener@hilldrup.com)

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