



# Idaho State University

## POLICIES AND PROCEDURES

### Moving Reimbursement

#### ISUPP 2580

#### *POLICY INFORMATION*

**Policy Section:** *Finance*

**Policy Title:** *Moving Reimbursement*

**Responsible Executive (RE):** *Chief Financial Officer*

**Sponsoring Organization (SO):** *Finance*

**Effective Dates:** *10-2004; November 2, 2017*

**Last Reviewed:** *November 2023*

### **I. INTRODUCTION**

The goal of Idaho State University is to establish a moving reimbursement policy in compliance with the State of Idaho Moving Policy, to provide procedural guidelines for moving expense reimbursements, and to help ease the employee's financial and personal problems of relocation and transfer.

### **II. POLICY STATEMENT**

The University may provide reimbursement for the sum of actual, allowed moving expenditures when accompanied by adequate accounting and documentation. All moving expense reimbursements shall comply with the terms and conditions of the ISU Moving Reimbursement Policy as prescribed herein, as well as the State Moving Policy and Procedures.

Employees, both current and prospective, are advised that moving expenses are taxable under Internal Revenue Code (See Appendix A). Employees are encouraged to consult with a tax professional for questions regarding the tax consequences for reimbursement of eligible moving expenses. State reimbursements will be processed through payroll as taxable income as directed by the State of Idaho and IRS Code.

### III. AUTHORITY AND RESPONSIBILITIES

Moving expenses may be paid to full-time, permanent faculty and non-classified staff when included in the initial employment or transfer offer and approved by the appropriate administrator, not to exceed the limits set forth in this policy.

#### A. Agency Authorization

Those with budget authority are authorized to decide whether to offer moving expenses on a case-by-case basis up to the limits set forth in this policy.

#### B. Current ISU Employee

1. Employed for a minimum of six (6) months at the current agency.
2. The appointing authority requires a change in the employee's official workstation and such move shall be in the best interest of ISU.
3. All moves must meet the IRS Distance Test (Appendix B) to qualify for moving reimbursements.
4. The department offering the position shall review the Moving Policy Guidelines and state clearly in the Offer Letter the allowable amount offered for moving expenses.

#### C. Newly Hired ISU Employee

1. New employees shall coordinate any moving expense reimbursements through the Controller's Office.
2. The department offering the position shall review the Moving Policy Guidelines and state clearly in the Offer Letter the allowable amount offered for moving expenses. A link to the ISU Moving Policy is included in the Non-Classified Offer Letter.
3. When officially hired and prior to incurring any moving expenses, the new employee and the Chief Financial Officer shall sign an Employee Moving Service Agreement (Appendix C) stating the terms and conditions associated with receipt of any moving expense reimbursement. The Employee Moving Service Agreement will be kept on file in the Controller's Office.
4. All moves must meet the IRS Distance Test (Appendix B) to qualify for moving reimbursements.
5. The maximum aggregate moving expense reimbursement shall not exceed 10% of the employee's base salary or \$15,000, whichever is less. Any exceptions to the maximum allowable amount must be approved by the Chief Financial Officer and the State Board of Examiners prior to making the offer for reimbursement. Each administrator has the authority to set a limit lower than the maximum allowable amount.

6. ISU will pay for one move from existing place of residency to new residence; multiple trips will not be reimbursed.
7. If a newly hired employee should voluntarily resign before fulfilling a required period of employment as stated in the Employee Moving Service Agreement pursuant to this policy, the employee is liable to repay the agency at prorated-payback amounts. Payback amounts shall be determined as follows if resignation is:
  - a. Within one (1) year of the official beginning date of employment, the employee shall be required to pay back all (100%) of the reimbursed moving expenses.
  - b. More than one (1) year and up to two (2) years from the official beginning date of employment, the employee shall be required to pay back that portion of the reimbursed moving expenses that exceeded \$5,000.
  - c. More than two (2) years and up to three (3) years from the official beginning date of employment, the employee shall be required to pay back that portion of the reimbursed moving expenses that exceeded \$10,000.
  - d. Amount is due in full at termination. Amount may be taken from employee's final paycheck.
8. Any exemptions to the payback agreement shall require prior approval by the State Board of Examiners.

#### **IV. PROCEDURES TO IMPLEMENT**

##### **A. Household moves**

If more than one member of a household is employed by the State of Idaho, moving reimbursement shall be allowed for one employee only. If both members of a household are employed by the same agency, then moving reimbursement shall be based on the employee with the greater base salary.

##### **B. Annual Moving Expense Reports**

1. ISU is required to submit a report to the Secretary of the State Board of Examiners by October 1st of each year on all moving expense reimbursements granted in the preceding fiscal year. Reports shall contain a detailed description of the expenditures by employee.
2. Any moving expense reimbursements over \$15,000, granted by ISU and the State Board of Examiners, must be reported in writing to the Secretary of the State Board of Examiners within 30 days of the expenditure.

### C. General Moving Expenses

General reimbursable moving expenditures shall comply with the following conditions.

1. Prohibit Use of State Equipment. Use of ISU equipment to move an employee is expressly prohibited.
2. Lodging. ISU may reimburse the actual and necessary daily lodging, not to exceed five (5) days. Any exception must have prior written approval by the hiring Vice President.
3. Per Diem (Meals). ISU may reimburse per diem meals as follows:
  - a. An individual employee and a maximum of three (3) dependents, are allowed meal reimbursement at the current Idaho State per diem rate during the actual move.

### D. Transportation

ISU may reimburse the employee in compliance with the State Board of Examiners Travel Policy and Procedures for the most economical mode of transportation during:

1. Househunting Trip. ISU allows one (1) round-trip pre-moving (househunting) trip for up to two (2) people at the current rates for lodging, per diem and transportation pursuant to the Idaho State rate; note to exceed 5 days.
2. Actual Move. ISU shall reimburse the employee for one-way transport of up to two (2) privately owned vehicles from the old to the new location by the most economical means at the current IRS moving per diem rate.
  - a. The employee (or dependent) may drive up to two (2) privately owned vehicles and receive reimbursement at the current IRS moving mileage rate plus per diem and lodging pursuant to the current IRS rate.
  - b. The employee may hire a commercial moving company to transport the vehicle(s) and receive reimbursement for the transport charges plus travel expenses for the employee and three (3) dependents pursuant to Idaho State Travel Policy.
  - c. Most economical mode of transportation shall be determined prior to the actual move.

### E. Extra Labor

ISU does not reimburse moving expenses for extra labor—charges for doing things that would normally be done by the employee. However, under extraordinary or justified hardship circumstances, the employee may petition the Office of Finance and Administration.

1. Commercial Mover Expenses

ISU may reimburse an eligible employee to hire a commercial mover to assist with moving.

- a. Personal Vehicles. ISU may reimburse transportation charges for up to two (2) vehicles conveyed by a commercial mover as specified in III.D.2 of this policy.
- b. Insurance. ISU may reimburse the employee for additional personal property insurance premiums up to \$100.00 maximum above and beyond the personal property insurance normally provided by the commercial mover. ISU shall not reimburse the employee for personal liability insurance premiums.

#### F. Self-Haul Expenses

In some situations employees may choose to move their household goods, personal effects and family members themselves using their own or rented modes of conveyance. For this method of moving, the State Board of Examiners set the following reimbursable expenditures and limitations.

1. Truck Rental or Other Rental Conveyance. ISU may reimburse rental charges, which include mileage rates charged by the rental company, for truck rental, towing dolly or other rental conveyance for employees to move their own household goods, personal belongings and privately owned vehicle(s). Transport of privately owned vehicle(s) shall comply with III.D. of this policy.
2. Non-household Items. ISU shall not reimburse expenses for self-hauling of animals, camper trailers, boats, other non-household items and more than two (2) privately owned vehicles as defined in III.D. of this policy.
3. Insurance. ISU may reimburse the employee up to \$100.00 maximum for personal property insurance premium to insure household goods. ISU shall not reimburse the employee for personal liability insurance premiums.

#### G. Storage Including Warehouse Handling and Delivery

All new and transferring employees are strongly encouraged to make arrangements for housing prior to the arrival of household goods at the new location. However, if under unusual circumstances prior housing cannot be arranged, ISU may reimburse the following expense:

1. Storage: ISU may reimburse storage expense up to a maximum of thirty (30) consecutive days after the day the items are moved from the former residence and before delivered to the new residence.
2. Delivery and Handling Charges. ISU may reimburse delivery and handling charges for the stored household goods and personal belongings; however, total storage, handling

and delivery charges shall not exceed \$800.00 and are considered part of the original allowable moving allotment.

#### H. Processing a Request

An Employee Moving Service Agreement, along with a copy of the signed offer letter, must be on file in the Office of Finance and Administration prior to the processing of payments/reimbursements.

1. **Selecting a Moving Company.** The method of the move and the selection of the moving company are the responsibility of the employee. To obtain the names and phone numbers of national moving companies with an affiliate in Pocatello, contact the Office of Finance and Administration, (208) 282-3540.
2. **Moving Questions.** The Management Assistant, Office of Finance and Business Affairs, is available to provide assistance and/or answer questions concerning the ISU Moving Expense Reimbursement Policy.
3. **Submitting your Moving Expense Reimbursement.**
  - a. To process a moving expense reimbursement, the employee shall comply with the following guidelines.
  - b. Adhere to the policy and procedures pursuant to the State Board of Examiners' Moving Policy and any pertinent moving policy of Idaho State University.
  - c. Eligible employees must submit original receipts of expenditures to their department for review and authorization within sixty (60) days of incurring expenses. Any exceptions must be approved, in writing, by the Vice President of Finance and Administration.
  - d. The department will submit the request and original receipts to Management Assistant, Office of Finance and Administration, for a final review and processing.

#### **V. RELATED LAWS**

State Board of Examiners Moving Policy and Procedures

<http://www.sco.idaho.gov/web/sbe/sbweb.nsf/pages/movpolandproc.htm>

**APPENDIX A: IRS Taxable Moving Expenses**

Allowable reimbursements by the State will have tax consequences for the employee in accordance with IRS code. State reimbursements will be processed through payroll as taxable income and will be subject to standard deductions as an employee of the State of Idaho.

*Employees are encouraged to consult with a personal tax professional for advice on the tax implications of moving reimbursements.*

## APPENDIX B: IRS Time, Distance & Related to Work Tests

To qualify for moving expense reimbursement by ISU, the employee shall meet the distance test in accordance with the Internal Revenue Service.

### A. Time Test

The employee must work full time for at least 39 weeks during the first 12 months after arriving in the general area of the new job location. Full-time employment for ISU is a 40-hour workweek for twelve (12) months or an academic contract for either nine (9) or twelve (12) months.

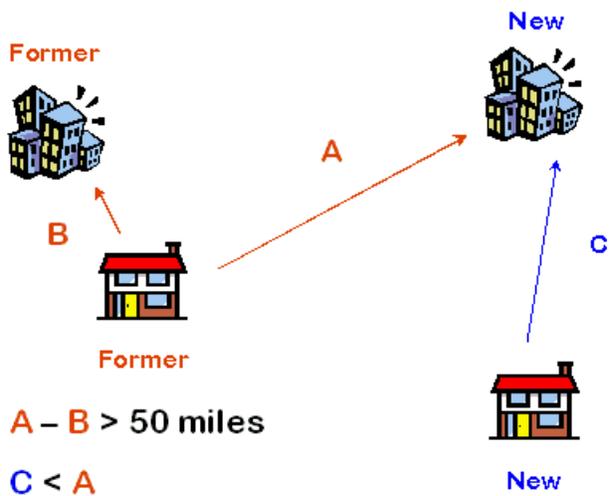
### B. Distance Test

The distance test considers only the location of the former home. The distance between the employee's new work location and the former home (Figure 1. Distance A) must be 50 miles greater than the distance between the employee's former work location and the former home (Figure 1. Distance B).

The distance between a job location and the former home is the shortest of the more commonly traveled routes between them. The employee's commuting distance must have increased by at least 50 miles one way.

#### Figure B1. Example of Distance Test

Note: If the Time, Distance and Related to state of Work qualifications are *not* met, IRS will consider the full amount of moving expense reimbursement to the employee to be nonqualified and therefore taxable.



### C. Related to Start of Work

Moving expenses qualify as closely related in time to the start of work when the moving expenses incurred within one (1) year from the date the employee started work at the new location.

**APPENDIX C: Employee Moving Service Agreement**

**State Board of Examiners - SBEX Form #442-30A State of Idaho**

"Agency" as used herein is: Name: \_\_\_\_\_  
State of Idaho

Address: \_\_\_\_\_

"New Hire" (hereinafter called "Employee") or  
"Employee" as used herein is:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

"Board" as used herein is the State Board of Examiners, State of Idaho.

"Agency Head" as used herein is the director, chief administrator or president of a State of Idaho agency or institution of higher education.

WHEREAS, the Agency and Employee are mutually desirous that Employee's place of residence be relocated from \_\_\_\_\_ to \_\_\_\_\_; and

WHEREAS, The Employee certifies having read the State Moving Policy and any applicable agency policy(ies) in effect as of the date of this agreement, namely the \_\_\_\_\_ which said agency shall attach hereto with the Employee's signature, and the Employee hereby agrees to abide by the terms of these policies.

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the Agency and Employee do hereby agree to the following:

1. The Employee agrees to remain in the employing Agency in the position as hired at the date of this agreement for a period of \_\_\_\_year(s) beginning on \_\_\_\_\_ unless waived by petition to the Agency Head and approved by the Board;
2. The Agency agrees to reimburse or pay on behalf of the Employee certain expenses incurred as a result of moving. Reimbursable expenses are limited according to the State Moving Policy in effect on the date of this agreement and incorporated herein by reference. It is agreed that the total reimbursable expenses may be limited to ten percent (10%) of the employee's base salary; unless an additional amount has been authorized by the appointing authority;
3. The Agency and Employee agree that said reimbursement is conditioned upon the Employee remaining in the employ of the Agency as cited in paragraph 1, and that should the Employee voluntarily resigns this position or is dismissed for intentional misconduct in the Agency during the designated term of employment, the Employee shall repay the Agency according to the following schedule:
  - a. Within one (1) year of the official beginning date of employment, the employee shall be required to pay back all (100%) of the reimbursed moving expenses.
  - b. More than one (1) year and up to two (2) years from the official beginning date of

