POLICY

Issued: 10/01/1973
Edited: 06/01/2014

Relocation expenses for new regular faculty and staff may be provided if funds are available in the department or college budget. The employing unit, in consultation with their college and the Office of the Controller, Payroll Services, may extend relocation benefits to other appointments when it is appropriate (e.g., Post Doctoral Researchers). The employing unit and the following policy guidelines (subject to Internal Revenue Service regulations) will determine the total amount provided for relocation.

Policy Details

I. Taxing Reimbursement

Reimbursement of expenses, defined as "qualified" and "non-qualified" in accordance with current IRS regulations, may be made. Reimbursement of non-qualified expenses is subject to withholding of applicable income and employment taxes at the current supplemental tax rate. Reimbursements are reported on the annual Form W-2. Guidelines in this policy are current as of the revision date of this policy and outline IRS rules for taxing reimbursement.

II. Guidelines for Reimbursement

IRS guidelines for reimbursement require that the distance between the old home and the new place of work be at least 50 miles greater than the distance between the old home and the old place of work. If the distance test is not met, then moving reimbursements will be reported as taxable income subject to applicable income and employment taxes.

III. Reimbursable Expenses

A. Qualified reimbursable expenses (not subject to tax withholding)
   1. Commercial moving company
   2. Charges for packing, crating, mailing and/or shipping household goods; and other miscellaneous packing supplies
   3. Optional insurance on items such as furniture, clothing and utensils
   4. Rental truck
   5. In-transit storage for up to 30 consecutive days
   6. Shipment of car(s), if not used in the move
   7. Travel and lodging costs for one trip (employee and family) from the old residence to the new residence, which may include:
      a) Actual gas cost, based upon receipts or IRS current rate for personal or rental vehicles as indicated on the Relocation Request
      b) Lodging in transit, follow current federal per diem rates for the cities involved
      c) Airfare (coach only)
      d) Rental car (economy); in certain circumstances a larger vehicle may be rented with documented advance department approval
      e) Tolls, taxi, limousine or parking
      f) Household pet shipping charges
B. Non-qualified reimbursable expenses (subject to tax withholding)
   1. Travel and lodging costs incurred during additional trips from the old residence to the new residence.
   2. Cost of meals at any point in the relocation process. Follow current federal per diem rates for meals and incidental expenses. Meal receipts are not required.
   3. House hunting expenses (one trip, not to exceed five days) may include:
      a) Actual gas cost, based upon receipts or IRS current rate for personal or rental vehicles
      b) Lodging, follow current federal per diem rates for the city involved
      c) Airfare (coach only)
      d) Rental car (economy); in certain circumstances a larger vehicle may be rented with documented advance department approval
      e) Tolls, taxi, limousine or parking
   4. Temporary housing.

IV. Non-Reimbursable Expenses
A. Expenses not paid by the university include:
   1. Storage (excluding 30 days in transit)
   2. Meals and travel costs incurred by laborers
   3. Expenses incurred by persons not considered to be dependents for tax purposes
   4. Costs related to immigration
   5. Utility and telephone installation charges
   6. Loss of security deposits
   7. Real estate expenses
   8. Postage costs for realty and mortgage documents
   9. Personal telephone calls, tips, movies or other entertainment
   10. Extraordinary items requiring special handling (e.g., boats)
   11. Bank fee for cashier’s checks

V. Payment of Moving Expenses
A. A cash advance may be issued to the individual prior to the move. All applicable income and employment taxes at the current supplemental tax rate will be deducted from the payment and the payment will be reported as taxable wages on the annual Form W-2. The employee should retain documentation of expenses for tax filing purposes.
B. Payment for shipping of household goods, as provided in these guidelines, may be processed as individual reimbursements, individual cash advances or direct payment to the carrier(s) via purchase orders.
C. Reimbursement of qualified moving expenses may be excluded from taxable income if distance conditions are met.

VI. Payment of Expenses for Business Trips and/or House Hunting Trips
A. House hunting expenses, such as airline costs, hotels or auto rental agencies are paid only through the reimbursement process. This is taxable income.
B. Reimbursement of expenses incurred during business trips, which may also include house hunting, is not taxable income. These expenses are processed in accordance with university guidelines.
PROCEDURE

Relocation expenses and payment options should be negotiated with the new faculty or staff member during the hiring process. The letter of offer should specify the payment option selected and define the maximum amount. It is important to inform the new employee that applicable taxes at the current supplemental rate are withheld for "non-qualified" expenses as defined in the policy. A copy of this policy should also be provided with the letter of offer. Call the Office of the Controller, Payroll Services, for clarification or assistance.

Responsibilities

<table>
<thead>
<tr>
<th>Position or Office</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Cash Advance Option</strong></td>
<td></td>
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<tr>
<td>Employing unit</td>
<td>A. Process appointment in the HR System.</td>
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<tr>
<td></td>
<td>B. Email letter of offer and completed online Relocation Check Request to Payroll Services, at <a href="mailto:CTL-PR-Accounting@osu.edu">CTL-PR-Accounting@osu.edu</a>.</td>
</tr>
<tr>
<td></td>
<td>C. Retain copies of all documentation for audit purposes.</td>
</tr>
<tr>
<td>Office of the Controller, Payroll Services</td>
<td>A. Issue cash advance payment on the next regular pay cycle.</td>
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<td></td>
<td>B. Withhold applicable income and employment taxes at the current supplemental rate.</td>
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<td></td>
<td>C. Report cash advance on the annual Form W-2.</td>
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<tr>
<td><strong>II. Reimbursement Option</strong></td>
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<tr>
<td>Employee</td>
<td>A. Complete Relocation Request and submit to the employing unit.</td>
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<tr>
<td></td>
<td>B. Submit original itemized receipts to the employing unit. Receipts are not required for mileage or meal reimbursement. On-line driving directions may be supplied to support mileage claimed.</td>
</tr>
<tr>
<td></td>
<td>C. Retain copies of all documentation for audit purposes.</td>
</tr>
<tr>
<td>Employing unit</td>
<td>A. Process appointment in the HR System.</td>
</tr>
<tr>
<td></td>
<td>B. Review relocation documentation for compliance with university policies, IRS requirements and necessary signatures.</td>
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<tr>
<td></td>
<td>C. Email letter of offer, the completed Relocation Request form, and the completed Relocation Check Request form with clear, readable, itemized receipts to Payroll Services at <a href="mailto:CTL-PR-Accounting@osu.edu">CTL-PR-Accounting@osu.edu</a> as soon as possible. If scanned items are not readable original receipts will be required and not returned and reimbursement processing may be delayed. Reimbursement requests submitted after the initial 12 months of employment must include a written explanation of the delay.</td>
</tr>
<tr>
<td>Payroll Services</td>
<td>A. Calculate tax-reporting requirements on non-qualified expenses and withhold applicable income and employment taxes from the payment.</td>
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<tr>
<td></td>
<td>B. Issue reimbursement payment with the next regular pay cycle.</td>
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<tr>
<td></td>
<td>C. Report taxable reimbursements on the annual Form W-2.</td>
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<tr>
<td></td>
<td>D. Retain documentation for audit purposes.</td>
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<tr>
<td><strong>III. Direct Payment Option</strong></td>
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<tr>
<td>Employing Unit</td>
<td>A. Issue a purchase order for direct payment of commercial carriers for moving expenses.</td>
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</tbody>
</table>
Relocation Expenses
Policy 2.30
Office of Human Resources

Applies to: Faculty and staff

Resources

Forms:
- Relocation Check Request form, controller.osu.edu/forms/payroll/RelocCheckReq.pdf
- Relocation Request form, controller.osu.edu/forms/payroll/RelocReq.pdf

More information:
- Internal Revenue Service (IRS) irs.gov
- Sample Letters of Offer hr.osu.edu/hrpubs/offer/olmain
- Travel Policy 2.11, busfin.ohio-state.edu/FileStore/PDFs/211_Travel.pdf
- Travel Rates Mileage and Per Diem, controller.osu.edu/travel/travel-perdiem.shtm

Contacts

<table>
<thead>
<tr>
<th>Subject</th>
<th>Office</th>
<th>Telephone</th>
<th>E-mail/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy clarification</td>
<td>Payroll Services, Office of the Controller</td>
<td>614-292-2311</td>
<td><a href="mailto:CTL-PR-Accounting@osu.edu">CTL-PR-Accounting@osu.edu</a></td>
</tr>
<tr>
<td>Travel policies and practices</td>
<td>Travel, Office of the Controller</td>
<td>614-292-9290</td>
<td>controller.osu.edu/travel/travel-home.shtm</td>
</tr>
</tbody>
</table>

History

Issued: 10/01/1973  Issued as Allowance for Moving Expenses
Revised: 09/01/1986
Revised: 05/29/1996  Renamed to Relocation Expenses
Edited: 10/31/1997
Edited: 01/22/2001
Edited: 01/02/2002
Edited: 01/06/2003
Edited: 04/14/2004
Edited: 03/08/2006
Edited: 01/01/2009
Revised: 05/01/2013
Edited: 04/14/2014
Edited: 06/01/2014