

COLORADO STATE UNIVERSITY
Financial Procedure Statements
FPI 2-6

1. **Procedure Title:** Moving Expenses
2. **Procedure Purpose and Effect:** The purpose of this procedure is to clearly define the purpose and procedures of moving expenses.
3. **Application of Procedure:** This procedure applies to all offers made to prospective Academic Faculty and Administrative Professionals, when the offer letter includes a provision for a moving allowance.
4. **Exemptions:** This procedure does not apply to State Classified Employees.
5. **Definitions:** None.
6. **Procedure Statement:**
 - A. Purpose of moving allowance: The moving allowance provided by Colorado State University addresses business interests of the University and personal interests of the prospective employee. The public interest is served when the allowance is reasonable and necessary to attract candidates in competitive national searches. The candidates' personal interest is served when the allowance is predictable and the amount is not an obstacle to making an informed decision to accept the position.
 - B. Procedure: The moving allowance must be a pre-determined, fixed amount, and must be outlined in the candidate's offer letter, providing approvals have been obtained and funding is identified. There is a specific form and content for adherence to this procedure, and the permitted moving expenses are determined by this procedure. For all moving reimbursements the University will comply with IRS tax reporting requirements.
 - C. Approvals:
 1. Up to and including \$7,500 – approved by the department head and stated in the offer letter.
 2. Over \$7,501 and for other exceptions to this financial procedure statement – approved by the Vice Provost for Faculty Affairs and the Associate Vice President for Finance or the Chief of Staff for exceptions to individuals reporting directly to the President.
 3. An additional \$2,000 may be allowed for the movement of a professional laboratory – approved by the department head, and stated in the offer letter.

The maximum dollar limit for gross reimbursements will be the amount stated in the employee's offer letter. The gross reimbursements include:

- a) expenses reimbursed to the employee
- b) expenses paid directly to vendors

- c) the value of in-kind services or University assets used by the employee, for example, use of hotel accommodations acquired by the University in an exchange transaction or use of a University dorm room

For Example: John Doe has a \$7,500 moving allowance limit, and the moving company charges \$5,500 to move his household goods. He submits a DV for \$3,000 for moving expenses and uses \$200 of in-kind services. John Doe will receive reimbursement for \$1,800 ($\$7,500 - \$5,500 = \$2,000 - \$200 = \$1,800$), and will be out-of-pocket the remaining \$1,200.

D. Tax Reporting

Certain payments are subject to IRS reporting and/or withholding, because they are a taxable benefit to the employee. All reimbursements to individuals must be submitted on a Disbursement Voucher (DV) and original receipts must be included. Failure to include an original receipt will result in a delay in processing. This document is reviewed by the travel department but is then processed by the payroll department. This allows for accurate reporting and withholding on taxable transactions. DVs received prior to the 15th of the month should be reimbursed by the end of that month. Paper work received after the 15th will not be paid until the following month. Payments to vendors (for example, commercial van lines) are made directly to the vendor by Travel.

Non-taxable, but reportable expenses:

1. Transportation of household goods and personal effects
2. Packing and related materials
3. Loading and unloading
4. Travel and lodging expenses during the move (except for meals)
5. Mileage at \$.23 per mile

Taxable expenses:

1. Meals for travel (moving, house-hunting, or while in temporary lodging)
2. Travel and lodging for house-hunting, including use of University assets or services
3. Temporary lodging
4. Storage of household goods for more than 30 days and any miscellaneous payments
5. Mileage exceeding \$.23 per mile. (CSU reimburses \$.52 per mile, according to CSU System Fiscal Rules)
6. ALL relocation expenses for short-distance moves (less than 50 miles) MAY be taxable, consult a tax professional for the IRS regulations that may be applicable

E. Contracting for Moving Services

1. Commercial Moves

Three bids (complete bids) should be obtained prior to selecting a commercial mover. Payment is allowed within the \$7,500 household, \$2,000 laboratory limits, unless additional amounts have been previously approved. These invoices can include packing, insurance, transportation, storage (not to exceed 30 days), unpacking, and installation and hookup of

existing utilities (not including wiring, plumbing or vents). A list of vendors with whom contracts exist is available at: <http://wsnet.colostate.edu/cwis191/procurement/moving.aspx>.

2. Employee Self Moves

An employee may choose to provide moving services on his or her own. Payment is allowed for rental trucks and trailers, as long as the total moving allowance is not exceeded.

3. Moving Alternatives

There are alternatives available that are hybrids of commercial moves, but the person who is moving actually does some of the work. There are commercial companies that will provide a trailer, which the employee would load, then the company drives the trailer to the new home, and the employee unloads it. The trucking company allows enough time both for the loading and unloading of the trailer. This can save the expenses related to packing and loading, but prevents the employee from having to drive a truck or trailer. Payment is allowed for this type of move, as long as the total moving allowance is not exceeded.

A warning about self-moves and moving alternatives: When an individual is responsible for their own move, including packing and loading, content insurance may not be available, and most homeowner's policies will not provide coverage. Contact your insurance agent for additional information.

F. Form and Content

1. Payment Disclosures: The prospective employee must be notified in writing, with the signed acknowledgement attached to requests for payment, that:

- a) Payments cannot be allowed prior to the official start date in his/her permanent assignment.
- b) If termination occurs within 12 months of the starting date, or one fall and one spring semester for a nine-month appointment, for reasons within the employee's control, the University must be refunded in full for all previously paid moving expenses, including trade-outs.

2. Permitted moving expenses include:

- a) Mileage is allowed for driving up to two automobiles from the former residence to the new residence. Mileage will be reimbursed at the State of Colorado approved rate.
- b) House-hunting trips – expenses for two trips may be reimbursed, including transportation, meals, and lodging for the employee and spouse or domestic partner only, not to exceed two weeks in total. Air transportation is not to exceed coach airfare. Coach airfare by the most direct route for the family (employee, spouse, and any unmarried, dependent children) IS ALLOWED FOR THE ACTUAL MOVE.
- c) Lodging and meals, while en-route, and up to one week after arrival.

Note: All expenses must be reimbursed to the individual or paid directly to a vendor. Advances and/or prepayments are not permitted.

3. Moving expenses do not include:

- a) First class airfare.
- b) Personal side trips while en route.
- c) Income tax consequences.
- d) Any costs related to buying, selling, or renting a home.

7. **Reference and Cross-References:** None.

8. **Forms and Tools:** None.