

PROCEDURE NUMBER: FINA 1.08 Procedure
SECTION: Administration and Finance
SUBJECT: Relocation and Moving Allowance
DATE: August 14, 2018
REVISION: January 1, 2019
Procedure for: All Campuses
Authorized by: Mandy Kibler
Issued by: Administration and Finance – Controller’s Office

Procedure

The University Administration and Finance Division, Controller’s Office, will ensure compliance with University Policy FINA 1.08 in the guidelines and procedures outlined below. This procedure is applicable to all moving and relocation, regardless of the source of funds used for reimbursement.

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.

Moving Agreement

To be eligible for reimbursement, expenditures must be reasonable, necessary, and the employee must have executed a [Moving Agreement](#). The moving agreement must be initiated and signed by the employee and required department approvers during the employment offer process. The agreement along with a copy of the offer letter must be sent to the Controller’s Office for final signature at moving@mailbox.sc.edu. Upon execution, the agreement will be sent back to the hiring department and/or the employee.

Relocation and Moving Allowance Reimbursement Guidelines

Relocation and moving reimbursements are limited to actual costs incurred up to the amounts agreed to by the department and the employee. To be eligible for reimbursement, expenditures must be reasonable, necessary, and the employee must have executed a [Moving Agreement](#).

Direct payments on behalf of the employees are allowable when an employee utilizes a relocation company.

Reimbursements will be processed through the payroll system and will be made in accordance with federal and state law and all appropriate taxes will be withheld. In addition, appropriate taxes will be withheld from the employee's paycheck based on the value of any direct payments made by the University to third parties.

All reimbursements and direct payments to third parties will be reported to the Internal Revenue Service as income on the employee's Form W-2.

Expenses Incurred and Supported

Expenditures to be reimbursed must be reasonable and necessary. Reimbursements or direct payments will be made only to a university employee. Expenses may be paid on behalf of an employee or reimbursed only after the employee executes a [Moving Agreement](#) and must be reported within twelve (12) months of the date the employee starts work at the University. Exceptions may be granted as necessary from the University Controller.

Reimbursements or direct payments are limited to the following expense categories:

1. Transportation and Storage of household goods and personal effects by common carrier. A second move as approved by the department within 90 days of initial move from storage or temporary housing to new residence is allowable.
2. Cost of shipping your car and your household pets.
3. Storage after moving out of your old residence and before moving into new residence (30-day limit).
4. Transportation costs for employee and family (includes airfare).
5. If traveling by car, you can claim reimbursement for your actual expenses such as gas and oil or the standard mileage rate (for moving expenses) as approved by the IRS regulations.
6. Cost of lodging en route, meeting the IRS definition of reasonable expenses, (including a maximum one (1) night at departure location and one (1) night at arrival location).
7. Temporary housing may be allowable for up to 90 days as approved by the department.
8. **Athletics Department Only:** Temporary housing may be made allowable per internal Athletic procedures not to exceed 60 days for Head Coaches, 30 days for Senior Staff and Assistant Coaches, and 14 days for other Athletic staff.

Departments may be more restrictive but may not allow for relocation and moving expenses beyond what is outlined above.

1. Transportation and Storage of Household Goods and Personal Effects:

Common Carrier Moves: The actual costs paid for common carrier transportation of the employee's household goods and personal effects from the former principal residence to the residence at the new work location are reimbursable. Relocation and moving expenses should be reasonable and reflect a prudent decision to incur the expense on behalf of the university.

Self-Moves: If the employee chooses to move himself/herself, the following actual costs are reimbursable, with appropriate documentation:

- **Moving vehicle rental.** Costs of renting a moving van, truck, trailer, hand truck or other appropriate moving vehicles, equipment, and supplies are reimbursable. 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 itemized receipts. Gas used by the rental truck during the move is reimbursable with proper itemized receipts.
- **Labor used during move.** Reimbursement is limited to a reasonable hourly wage. 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.

2. Costs of shipping car and/or household pets:

The actual costs paid for common carrier transportation of the employee's car and/or household pets from the former principal residence to the residence at the new work location are reimbursable.

3. Storage of Household Goods and Personal Effects:

The expense of temporarily (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.

4. Transportation costs of employee and family:

The actual costs paid for transportation for you and members of your family are reimbursable. A member of your household is anyone who has both your former and new home address (individual must be your dependent).

5. Mileage:

If a personally-owned vehicle is used in the move, reimbursement is allowed at the IRS authorized mileage rate for relocation and moving. 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 IRS authorized mileage rate for relocation and moving. Tolls paid during the move are reimbursable provided the name of the facility (road, bridge, tunnel, etc.) is documented. The current IRS mileage rate for relocation and moving is **20 cents per mile**.

6. Lodging:

The actual costs of lodging en route, meeting the IRS definition of reasonable expenses, including a maximum one (1) night at departure location and one (1) night at arrival location.

Non-reimbursable Expenses:

Costs not specifically allowed in policy and procedure FINA 1.08 are not reimbursable, nor are actual miscellaneous and incidental expenses such as but not limited to baby-sitting, disconnecting and connecting appliances and utilities, removing and installing antennas, carpet and draperies, general cleaning, laundry or dry cleaning while in temporary quarters, and the cost to transport recreation vehicles.

Employee Responsibilities:

All expenses submitted for reimbursement must be actual, reasonable, necessary and within University guidelines. Each employee eligible for relocation and moving 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 [Relocation and Moving Expense Form](#) for submission to Controller’s Office, General Accounting. This form may be submitted at moving@mailbox.sc.edu ;
- Obtaining and submitting original itemized receipts necessary to support all claims for reimbursement;
- Submitting claims to the General Accounting 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 University Controller 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; and
- Remaining an employee of the University for a period of at least one year.

University Responsibilities:

The University General Accounting Department is responsible for reviewing all requests for reimbursements to ensure compliance with FINA 1.08 Policy and Procedures. Once reviewed for compliance General Accounting will approve and submit to University Payroll Department

for payment through the payroll system. The Payroll Department is responsible for ensuring that all payments are reported correctly on the W-2.

University Hiring Departments/schools/campuses are responsible for establishing monetary limits, initiating the [Moving Agreement](#) signing process, and completing/submitting the [Relocation and Moving Expense Form](#) along with original itemized receipts and supporting documents.

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
01/01/2019	Mileage rate updated to new IRS Mileage Rate for 2019.