

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 1.08
POLICY TITLE Relocation and Moving Allowance		
SCOPE OF POLICY USC System		DATE OF REVISION August 14, 2018
RESPONSIBLE OFFICER Vice President for Finance and Chief Operating Officer		ADMINISTRATIVE OFFICE University Finance – Controller’s Office

PURPOSE

The purpose of this policy is to provide guidelines in accordance with University of South Carolina policies, the State of South Carolina Code of Laws, Internal Revenue Code provisions and Internal Revenue Service (IRS) regulations for relocation and moving allowances for employees.

DEFINITIONS AND ACRONYMS

Authorized Approver: An university official who:

- Has authorization over the account being charged;
- Can only approve reimbursements within their transaction authorization limits;
- Is not the individual seeking reimbursement.

Common Carrier: A licensed commercial moving company.

Immediate Family: Includes spouse and/or dependent(s) who resides in the household and moves to the new location.

Moving: Actions to change a place of primary or permanent residence.

Moving Agreement: An agreement to reimburse or pay on behalf for moving expenses if the employee remains in the employment of the university from the first day in the new position until twelve (12) months thereafter, or as specified in the Moving Agreement. The agreement must be signed prior to an employee receiving any reimbursement.

Moving Expenses: Expenditures for transporting the employee, family, household goods and personal effects from the former residence to the new residence.

Primary Household: Household goods and personal effects which are maintained at the employee's main place of residence.

Recreation Vehicle: Vehicles used primarily for recreational purposes such as boats, campers, trailers, and ATVs.

Relocation: The process of assigning, establishing and/or settling in a particular place for employment purposes.

Relocation Expenses: Expenditures other than moving expenses incurred in the process of relocating the employee and family.

POLICY STATEMENT

This policy sets forth required approvals, limitations and other guidelines that must be followed so that an employee may be reimbursed for expenses associated with moving and relocation of the household for the convenience of the University.

The university may elect to reimburse or pay on behalf of an employee for moving and relocation expenses within the stated maximum limitations and restrictions. All such expenditures must be reasonable, necessary and as economical as possible. The hiring unit is responsible for identifying the source of funds for payment and establishing the maximum reimbursement amount allowed for relocation expenses. The employee must complete a Moving Agreement as a part of their employment offer process and, upon completion of the move and relocation of the employee, submit claims for reimbursement or direct payments following guidelines described below.

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.

A. Eligibility:

To be eligible 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 have agreed 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, athletic coaches 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.

B. Moving Agreement:

To be compensated for moving and relocation expenses, an employee must execute a **Moving Agreement** with the university **prior** to receiving any reimbursements or direct payments. The agreement will stipulate that:

- The employee must remain employed on a regular, full-time basis in the university’s service for at least one year, commencing on the date that the employee starts work at the university.
 - For faculty with nine-month appointments, one year is defined as nine months (fall and spring semesters)
 - For all others, one year is defined as twelve months.
 - The employee's failure to remain employed by the university for one year, for any reason whatsoever, will trigger the employee's duty to repay, pro-rata, the amount paid or reimbursed by the hiring department.
 - If the employee fails to remain employed by the hiring department for one year for reasons beyond his/her control (e.g. illness or death), other than reasons of poor performance, the university may in its sole discretion waive all or part of the liability owed by the employee. Any such waiver must be approved in writing by the employee's department head or dean and the university chief financial officer or designee. Prior to such approval, the department head or dean must notify the university Controller’s Office if the employee does not remain employed at the university for the requisite year.
- The chief financial officer or designee, must also sign the **Moving Agreement**. No university obligation exists, nor may any reimbursements be processed, until all parties execute the agreement.

C. Reimbursement Rules and Guidelines:

Moving and relocation reimbursements are limited to actual costs incurred up to the amounts agreed to by the department and the employee within the limits outlined in this policy. To be eligible for reimbursement, expenditures must be reasonable, necessary, and the employee must have executed a **Moving Agreement** (See Section 2 above).

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

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 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.

D. Allowable Expenses

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 vehicle 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 immediate family (includes airfare).
5. If traveling by vehicle, 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.

E. 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.

PROCEDURES

The procedure for this policy provides details on the administration and management of relocation and moving for the university. The procedure along with including the Moving Agreement template and the Relocation and Moving Expense Form are located at http://sc.edu/about/offices_and_divisions/controller/policies_and_procedures/index.php.

RELATED UNIVERSITY, STATE AND FEDERAL POLICIES

FINA 1.00 Travel – Employees and Students

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
May 21, 2018	Due to the changes in the law with the passage of the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97), it was necessary for the University to completely rework the Relocation and Moving Allowance policy.
August 14, 2018	Due to the changes in the law with the passage of the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97), it was necessary for the university to completely rework the Relocation and Moving Allowance policy.