



Moving and Relocation Allowance Policy and Procedures

Policy Number:
Version Number: 1.0
Classification: Finance and Administration
Responsible University Office: Accounting

Effective Date: 6/01/22
Date Last Reviewed:
Date of Next Review:

Purpose

The following policy and associated procedures govern the payment of moving and relocation allowance necessary to recruit highly qualified employees to the University.

Scope

Applies to all Elon University prospective employees. In compliance with Internal Revenue Service directives, all allowances will be reported to the employee as a taxable benefit subject to appropriate withholdings.

Guidelines for Moving and Relocation Allowance

Scope:

Moving and relocation allowance (referred to as moving allowance for the remainder of this policy) may be made available to new employees who are recruited for full-time, permanent positions and who live at least 50 miles from the employee's new work location as assigned by the university.

Who May Receive a Moving Allowance

Eligible employees must have a written offer of employment from the University and reside at least 50 miles from the university's work location, at the time of the offer, to qualify for relocation support.

Eligible Expenses and Documentation

Because moving allowances are fully taxable, no supporting documentation or receipts are required when submitting a moving stipend request. This moving allowance replaces the need for moving expense reimbursements. As such, all moving-related expenses are the responsibility of the employee. The moving allowance is intended to offset some of the employee's moving-related costs at the discretion of the hiring department.

While the amount is at the discretion of the department, it should align with the relocation distance and anticipated costs for the move. This allowance is reserved for all expenses associated with the new employee's relocation, and employees should not expect additional

payments or reimbursements related to their move. Furthermore, the lump sum moving allowance should not be considered a signing bonus.

Individuals should consult their tax adviser to determine whether any deductions may be available to them. The University will not provide any personal tax advice regarding this payment.

Effective January 1, 2018, all reimbursements for personal moving expenses paid to the employee are taxable. Furthermore, these payments are taxable without regard to whether receipts and/or appropriate documentation are provided.

Method and Timing of Payment

The moving and relocation allowance is a one-time payment included with an employee's first paycheck, or as soon as reasonably possible after their official date of hire. Moving allowances cannot be issued through the payroll system prior to an employee's official date of hire on a written employment offer or letter of agreement. These must be processed through payroll and will not be processed through the accounts payable system.

The payment and tax withholding will be reported on the employee's W-2 Form. The employee will receive an amount net of taxes, which will be lower than the amount noted on the written offer of employment.

Authorization

A Vice President or Dean approves the moving allowance via the signed offer letter and is responsible for determining that appropriate departmental budget exists for the total allowance amount plus the cost benefits.

No hiring department may make an offer of employment to a new employee that commits the university to paying directly for the employee's moving and relocation costs or reimbursing the employee for their related out-of-pocket expenses.

Implementation

The request form for the moving and relocation allowance with proper approval should be directed to the payroll office for payment. A salary account (x-xxxxxx-50080) with the proper department must be used for payment. See form attached.

Repayment of Moving and Relocation Allowance

If an employee receiving the allowance voluntarily leaves the University within 24 months of hire, the employee is responsible for reimbursing the University a prorated amount based on months worked. If an employee works through the 15th of the month, that month is considered as a full month worked. Each full month worked will reduce the amount to be repaid by one-twenty fourth (1/24) of the net reimbursement. Repayment may be waived if employment is terminated for reasons beyond the employee's control and acceptable to the University.

Prospective Employee Recruitment

Expenses incurred for job candidates during recruitment are not considered moving-related expenses. All job candidate expenses should be classified as travel expense to the hiring department and paid through accounts payable using the check request process.

