



Relocation Policy

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01. Policy Statement

In an effort to attract top candidates during the recruitment effort, Pace University reserves the right to offer financial assistance to eligible new full-time hires to cover a portion of the expenses associated with relocation. This benefit may only be offered with prior approval by the hiring area's Executive Officer or Dean.

02. Reason for Policy

This document provides guidelines of compliance executed throughout the University. It details requirements for those who request, approve, or process relocation assistance. This policy is to ensure that employees who incur valid relocation expenses are reimbursed in a fair and equitable manner, and said expenses are reported and recorded, consistently throughout the University, complying with federal, state, and local regulations.

03. Who Needs to Know

Full-time faculty and staff who have been offered relocation assistance and plan to submit eligible expenses for reimbursement should be familiar with this policy along with employees involved with the administrative process. This includes Business Representatives, Finance, and Human Resources departments which review, approve, or process relocation related transactions.

04. Eligibility

Candidates eligible to receive a relocation allowance must meet the following conditions:

- 1) A move that meets the Distance and Time tests set forth by the IRS
 - Distance Test:** The new place of work must be at least 50 miles farther from the former home than the former place of work was from the former home.
 - Time Test:** The new employee must be a full-time employee at the new place of work during the 12-month period immediately following the relocation.
- 2) Full-time professional administrative positions approved by the area VP and full-time faculty positions approved by the respective Dean. With written request, other positions may be considered on a case-by-case basis.

05. Explanation of Reimbursable Relocation Expenses

The University will reimburse employees for moving and related expenses up to the amount stated in the formal offer letter. These expenses may include, but are not limited to the following:

- Shipping of Household Goods
- Travel (Mileage, Tolls, Airfare, Rental, Taxi)
- Temporary living expenses
- Real Estate (Broker's Fees, Deposit)

06. Employment Tax Implications

Taxable vs. Nontaxable

Reimbursements and advancements of IRS defined 'Qualified Moving Expenses' are classified as **nontaxable** reimbursements with respect to employment taxes.



Qualified Moving Expenses include:

- 1) The actual cost of packing, crating, transporting, unpacking and uncrating household effects
- 2) Costs incurred for moves to and from storage
- 3) Storage Costs: household goods for up to 30 days
- 4) Costs connecting and disconnecting household equipment
- 5) "All risk" replacement cost insurance (arranged through the shipping agent or carrier)
- 6) Household pets
- 7) En route expenses (applicable IRS mileage rate for moving) including lodging but not meals
- 8) Storage of household goods for up to 30 days

Taxable Reimbursements and Advances, subject to employment taxes, include but are not limited to:

- 1) House-hunting expenses
- 2) Temporary living expenses - All temporary living expenses are tax reportable, except for the day of departure from the old residence and the day of arrival in the new location
 - a. In order for lodging to be excludable from income under IRC 119, the lodging must be
 - i. on the employer's premises (generally means the place of employment of the employee)
 - ii. for the convenience of the employer (lodging will be regarded as furnished to enable the employee properly to perform the duties of his employment when, for example, the lodging is furnished because the employee is required to be available for duty at all times or because the employee could not perform the services required of him unless he is furnished such lodging), and
 - iii. a condition of employment (lodging is a condition of employment if the employee is required to accept lodging in order to enable him or her to perform properly the duties of his employment).
- 3) Same-sex domestic partner moving expenses
- 4) En route meals
- 5) Vehicle allowance over IRS approved mileage rate per moving
- 6) Storage of household goods over 30 days
- 7) Expenses for return trips to the employee's former residence

Reportable Relocation Reimbursements

Taxable and nontaxable reimbursed relocation expenses are reported on Form W-2. Taxable relocation expenses are reported on Form W-2 as income and correspond to the employment taxes withheld from the reimbursement.

Reimbursements classified as nontaxable relocation expenses are reported on Form W-2 for informational purposes only and are not included as income. Informational relocation expense reimbursements reported on Form W-2 will be identified in box 12 with code "P".

NOTE: Employees should seek tax counsel with respect to personal income tax implications.



07. Responsibilities of the Human Resources Department

The IRS has set guidelines regarding tax implications and method for compensating or reimbursing employees for relocation assistance. Hiring officials that are considering offering financial assistance for relocation as part of the total rewards package should consult with Human Resources, Director of Talent Acquisition prior to extending offers of employment. The amount, type of assistance proposed, and potential financial impact will be discussed to ensure compliance with standard recruitment practices. Once an accepted offer of employment is received, the Talent Acquisition Department will compose the formal Offer Letter incorporating the relocation assistance.

08. Responsibilities of the New Employee (Full-time Faculty/Staff)

It is the responsibility of the employee receiving relocation assistance to consult with Finance prior to reimbursement. This consultation ensures compliance with completion and submission of the relocation assistance via the University's Travel and Expense Reimbursement Form (T&E Form) and to confirm costs are charged to the appropriate University accounts. A completed T&E Form contains:

- Correct index and account codes, verified by the approver
- Description of the expense
- Explanation of its business purpose
- Signature of the Budget Representative

An original receipt reflecting amount of the expense, date of the transaction, and vendor name serves as acceptable supporting documentation. If an original receipt is not provided, a Missing Receipts Form, signed by the area Business Representative can be submitted as substantiation.

09. Responsibilities of Business Representatives

Before employees can submit a T&E Form, they must obtain their Business Representative's signature, approving the transaction. By signing the voucher, the Business Representative is acknowledging the following:

- Index provided on the form is valid and open
- Expenses are allowable, if the index involved is associated with a sponsored project
- Funds are available in the index provided
- Business purpose provided is appropriate for reimbursement, utilizing the funds identified.

10. Responsibilities of Finance

It is the responsibility of Finance to review and process requests for reimbursement in a manner that is prompt and compliant with policies, rules, and regulations. Finance must ensure:

- Expenses submitted for reimbursement are authorized, charged to appropriate indexes, and substantiated
- Federal unallowable costs are segregated and charged to appropriate University accounts
- Compliance with University policies
- Requests for reimbursement of exceptions are appropriate and authorized



11. Procedure Statement

To obtain reimbursement, regardless of employment type, the new employee is expected to work with their area Business Representative to have eligible expenses approved and submitted for processing. The instructions set forth in the Travel and Expense Reimbursement Policy and Procedure should be followed.

12. Required Documentation

Pace University is subject to certain rules of the federal government, specifically those rules that apply to how the University records and reports expenses. (See University Travel & Expense Policy for further details)

The federal government mandates that certain costs must not be charged directly to a federal fund, or charged indirectly to a federal fund through the University’s facility and administrative (indirect) cost rate. For specific guidance on federal unallowable costs that the University may permit and reimburse, see Allowable Cost Policy of the University.

To ensure University compliance to the federal rule on “unallowable costs” and IRS guidelines, the University requires that expenses submitted for reimbursement be appropriately documented. The documentation that best satisfies federal requirements are the original vendor-generated receipts that identify each item purchased. In cases where original vendor-generated receipts are not available or possible, other appropriate documentation may be submitted.

Documentation, to be deemed appropriate or adequate, should show as much as possible the type of expenses incurred and should establish that federal “unallowable costs,” if part of the expenses, are identified and segregated. The table, *Appropriate Documentation for Common Business Expenses*, below lists some documentation deemed appropriate for specific business expenses.

Note: The University prefers to get receipts for all expenses submitted for reimbursement. It will however reimburse approved non-meal expenses under \$25 without receipts. Expenses related to meals, regardless of the amount, require receipts to be reimbursed.

Appropriate Documentation for Common Relocation Related Expenses

Airline/Rail	<p>Paper Ticket: The original “passenger receipt coupon” from the airline that is usually issued to a passenger when a printed paper ticket has been purchased.</p> <p>Electronic Ticket: Passengers who are issued electronic tickets should request a “passenger receipt coupon,” or, when purchase is made online, attach a printout of the page confirming the purchase.</p>
Car Rental	Car rental agreement or receipt for payment made.
Hotel/Lodging	The final hotel folio or itemized bill for lodging and expenses charged to the room. When hotels do not include charges for a room in the hotel folio, as in cases when hotel accommodations were not arranged directly with the hotel but “purchased” online through Web sites guaranteeing low, flat



	rates, the printout of your online transaction should serve as appropriate documentation.
Meals During Travel	1) Receipts Individuals who travel on University business are reimbursed for meal expenses according to actual, substantiated costs up to \$64 a day and \$25 for a half day's travel. Travelers are required to provide detailed receipts or other appropriate documentation for all meals taken throughout the trip. Gratuities for meals are deemed part of the meal cost and will be reimbursed by the University provided these are reasonable (that is, do not exceed 20% of total meal cost).
Private Vehicles	Receipts or statements for expenses related to the use of private vehicles for University business such as those issued by toll stations, parking facilities, or EZ Pass. Reimbursement request should include mileage calculation.

13. Approvals

At the conclusion of the reimbursement process, every T&E Form will have been signed three times by the following:

- The individual who submitted the form for consideration.
- The Business Representative, who reviewed the form for accuracy and appropriateness, then approved the expense reimbursement.
- The Accounts Payable Department, who completed the reimbursement. This signature is indication that the T&E Form has been reviewed and approved, and the reimbursement check has been sent to the requestor.

Note: In certain circumstances, additional written approval may be required before a T&E form can be processed.

(See University Travel & Expense Policy for further details)

14. Terms of Reimbursement

Employees who voluntarily terminate from University employment with less than one year of service will be liable for repayment of 100% of the relocation expenses either paid or reimbursed to them.

(See University Travel & Expense Policy for further details)

15. Where Can I Find the Necessary Forms Online?

The Travel and Entertainment Reimbursement Form and Missing Receipts Form can be obtained by following the link below:

[Finance and Planning: Finance Forms](#)

(See University Travel & Expense Policy for further details)