



Overview of Moving and Relocation Allowance:

A relocation allowance may be authorized for actual, necessary, and reasonable moving and relocation expenses for an individual who changes their residence in order to accept employment at CSU, Chico. Not every appointee will be authorized a moving allowance. The determination of an allowance recipient and the amount is discretionary and contingent upon the availability of funds and shall be the responsibility of the hiring department.

Moving and relocation expenses are not provided to individuals that will be employed by the University for a period of less than two years. Temporary relocation allowances are at the discretion of the President and may be subject to taxation. The University's appointment letter indicates the maximum dollar amount which the University will pay towards an employee's substantiated moving and relocation expenses. Moving and relocation expenses that do not conform to these guidelines will not be reimbursed.

Any exceptions to these procedures must be approved by the Chief Financial Officer, in consultation with University Cabinet members.

Appointing Authority for Reimbursement:

The following progressive approvals are required for reimbursement of moving and relocation expenses for authorized individuals. These limits include all funds offered to candidates regardless of funding source (State, RF or UF).

Candidate classification:	Must be authorized by:
Tenure-Track or Tenured Faculty [no lecturers] and CSUEU Unit 2 employees	<i>See Appendix B*</i> : Dean/Vice Provost of hiring college or department, or Vice President for CSUEU Unit 2
MPP III and IV employees	<i>See Appendix B*</i> : Vice President or President
Interim and Acting MPP III and IV appointments	<i>See Appendix B*</i> : President (must be pre-authorized)
<i>*Exceptions to Appendix B:</i>	
Must be authorized by President via pre-authorization form	

Moving and Relocation Reimbursement Expenses:

To qualify for reimbursement, the new primary job location must be at least 50 miles farther from the employee's former home than the old primary job location. Full or partial reimbursement, within budgetary constraints, may be allowed for the following expenses:

Household Goods:

Household goods and personal effects are items to be used in the employee's primary residence. Such expenses may include the actual and necessary cost of packing, crating, and transporting personal property (furniture, clothing, musical instruments, household appliances, automobiles, household pets) that is usual or necessary for the maintenance of a household. Household effects shall not include belongings related to commercial enterprises engaged in by the employee; or building materials. The cost of moving household goods from multiple locations is limited to the amount it would have cost from prior primary residence to new residence. All expenses must be properly documented by itemized invoices and receipts.

Relocation Travel Expenses:

An employee and spouse or registered domestic partner may be reimbursed for one house-hunting trip (round trip from former residence to campus) in addition to relocation travel expenses (defined as one-way trip, single vehicle, from the former residence to the general area of the new campus or other primary job location) in accordance with the current reimbursement rate described in the CSU Travel Procedures and Regulations. Mileage is paid for the shortest, most direct, route from the former residence to the Chico area. If during your trip to your new home you stop over, or make side trips for sightseeing, the additional expense will not be reimbursed. Members of your household do not have to travel together/at the same time. However, only one trip per person will be reimbursed.

Relocation Temporary Lodging:

An employee and spouse or registered domestic partner may be reimbursed for actual lodging expenses, supported by an itemized receipt, plus meal expenses in accordance with the CSU Travel Procedures and Regulations.

Limits on Relocation Expenses:

Storage expenses incurred between the time of relocation and establishment of a permanent residence shall not be reimbursed beyond 60 calendar days of relocation date. The President may grant an exception to this limitation if it is determined, in advance, that the search for a new residence will result in unusual and unavoidable hardship for an employee and spouse or registered domestic partner. The reimbursement of expenses shall terminate immediately upon establishment of a permanent residence.

Unallowable Expenses:

Per HR Coded Memo 2012-02 Section 104 and 105 (CSU Internal Procedures Governing Moving and Relocation Expenses) does not allow for reimbursement to new employees for these listed expenditures.

Establishing a Contract with a Professional Moving Company:

CSU negotiated Professional Moving Contracts are available to the new employee. Please contact campus Procurement and Contract Services for assistance with these services. Moving companies are listed on the Chancellor’s Office (CO) website <http://www.calstate.edu/csp/contracted-movers.shtml>. Generally, CSU moving contracts include insurance coverage and estimates at no cost. The employee is responsible for paying for any additional coverage purchased other than what is provided in the contract.

Type of contract/rental:	Covered expenses:
CO website contracts	Contact the <u>specific</u> vendor that is noted on the list. Other locations, even if under same company name, may not be subject to the contract terms
Moving truck rentals	Expenses covered are actual costs incurred for truck rental, boxes, packing materials, gasoline and oil as supported by receipts
Trailer rentals	Rental costs are covered when supported by receipts

Employee Moves Self:

CSU, Chico prefers to reimburse the employee directly and encourages the employee to enter into a personal contract with the moving company of their choice and pay for the move. Interview, select, contract and pay for the moving company costs with the company you prefer to use and seek reimbursement after the move is complete. If a purchase order must be issued to a moving company, please coordinate with Procurement and Contract Services as described below.

CSU, Chico contracts with the moving company on the employee’s behalf:

Obtain a written quotation or estimate from the CSU negotiated Professional Moving Contracts and identify the lowest cost option. Forward the quotations to: Procurement and Contract Services, phone: 530-898-5134 or fax: 530-898-6190. Procurement and Contract Services will work with the hiring department to process a Requisition/Purchase Order (PO) to the moving company with the lowest price. After the PO is issued to the carrier selected, employee will sign the authorization for shipment of goods. CSU, Chico will pay the invoice that the carrier submits net 30 days after the actual move upon receipt of an invoice approved by the hiring department.

Hiring Department Responsibilities and Reimbursement Claim Preparation:

The Office of Faculty Affairs and Staff Human Resources must coordinate the following key components of the moving and relocation allowance transaction:

- Obtain approval by appropriate administrator(s) for all moving and relocation offers. Offer letters that identify a moving and relocation allowance are to be submitted to Accounts Payable. Moving and relocation reimbursement will not be processed without an executed offer letter or Moving and Relocation Authorization Request form. Offer letters and/or form shall be submitted to Accounts Payable, Kendall Hall Room 208, zip 0243.
- Provide details of the relocation allowance to Human Resources Employment Services (staff and MPP) or Faculty Affairs (faculty and academic MPP) to ensure related and appropriate information is included in the offer. Standard language regarding the Repayment of Reimbursement procedure should be included in the offer/appointment letter provided and signed by the new employee.
- The department reviews with the appointee, prior to moving, the regulations concerning relocation allowances. Total reimbursements will be processed, up to the maximum amount authorized; in certain situations the full amount may not be reimbursed to the individual if amount of expense does not meet maximum threshold.
- Reimbursement for moving expenses incurred directly by employee should be submitted to AP on a Travel Expense Claim and supported with receipts and proof of payment for each expense being claimed. The newly hired employee’s department can assist with this process. It is the hiring department’s responsibility to monitor reimbursement balances; the sum of all moving and relocation expenses cannot exceed the approved moving and relocation amount. The Travel Expense Claim (see Forms, Resources and Related Links below) should note Purpose of Trip in section (4) as “Moving and Relocation” and all expenses in section (28) will be charged to account 660R66 (Relocation Expense).
- Moving vendors contracted by the University will be paid directly by the University after the relocation is complete and all documentation regarding the move has been audited and verified. No authorization will be given to the moving vendor by AP until the completed and signed Moving and Relocation Authorization Request form has been received in the AP office. If an invoice is mailed directly to the employee the invoice can be forwarded to AP for payment.

- Please note, most vendors require payment within 30 days of invoice, forwarding to AP promptly will assist with payment within that window.
- Request for all expenditures shall be processed within one year of hiring date to CSU, Chico.

Repayment of Reimbursement:

If an employee whose moving or relocation expenses have been reimbursed does not continue employment with CSU, Chico for a period of at least two years (unless discontinuance of the employment was the result of death, disability or other similar unexpected cause beyond the control of the employee as determined by the appointing authority), the employee shall repay the following percentage of the amount received for reimbursement for such moving and relocation expenses:

Expected repayment:	Duration of Employment:
100%	Less than 6 months
75%	At least 6 months but less than 12 months
50%	At least 12 months but less than 18 months
25%	At least 18 months but less than 24 months

Department should promptly notify Accounts Payable if employment ends before two years when moving and relocation expenses have been paid. Accounts Payable will work with Financial Accounting and Reporting to generate an invoice based on the percentages above and ensure that it is sent to the separating employee. Standard collection procedures will apply for non-payment.

Tax Information for Moving and Relocation Expenses:

The University will provide reimbursement for relocation expenses as determined during the hiring process for each individual. Many moving and relocation expense reimbursements are considered taxable income and therefore reportable to the Internal Revenue Service (IRS). Reimbursable relocation expenses must meet the distance and time test in order to be excluded from taxable income. Accounts Payable will report necessary relocation reimbursement amounts to the State Controller’s Office

which will be reflected on the employee’s W-2 for the calendar year in which the reimbursement occurred. See Appendix A for a quick reference guide of common expenses and tax implications. Reimbursement for any tax liabilities (“grossing up”) incurred by the employee as the result of receiving reimbursement for relocation expenses is prohibited.

Deductible Expenses (Reportable/Non-taxable reimbursements):

Deductible relocation expenses are the reasonable costs of moving household goods, personal effects, lodging, and traveling to the new location. These relocation expenses incurred by the employee and subsequently reimbursed to the employee will be reported as non-taxable income in box 12 of your W-2. Deductible relocation expenses paid by the University directly to a third party (such as a direct payment to a moving company) will not be reported on your W-2.

Non-deductible Expenses (Reportable/Taxable reimbursements):

Non-deductible relocation expenses are costs such as meals connected with the move, pre-move house hunting trips, return trips to former residence and temporary living, storage or transportation expenses in the new location. These expenses do not meet the IRS definition of deductible expenses and are reportable and taxable as income. The University will report such reimbursements to the State Controller’s Office for inclusion on your W-2 and applicable Federal and State taxes will be withheld. IRS regulations governing moving and relocation expenses are subject to change each year. The employee is advised to consult the most current Federal publication on this matter and/or tax accountant.

Forms, Resources and Related Links:

- [CSU Internal Procedures Governing Moving and Relocation Reimbursement \(HR2012-02\)](#)
- [CSU Travel Policy](#)
- [CSU Chico Moving & Relocation Pre-Authorization Form](#)
- [CSU Chico Travel Expense Claim Form](#)
- [CSU Chico Procurement & Contract Services website](#)
- [CSU Chico Accounts Payable website](#)

Original Implementation Date: March 2015

Updated: May 2016

Appendix A – Common Relocation Expenses and General Tax Implications

Relocation Expense	Deductible (Non-taxable) or Non-deductible (Taxable)	W-2 Placement
Moving and packing household goods and personal effects	Deductible	Amount will be noted on W-2 in box 12. The amount is not considered income.
Storing household goods or personal effects en route to new residence in Chico area	Deductible	Amount will be noted on W-2 in box 12. The amount is not considered income.
Storing household goods or personal effects in Chico area	Non-deductible	Reported as income on W-2 in box 1. Subject to Federal, FICA, and state taxes.
Pre-move house hunting	Non-deductible	Reported as income on W-2 in box 1. Subject to Federal, FICA, and state taxes.
Lodging en route to new residence (one-way)	Deductible	Amount will be noted on W-2 in box 12. The amount is not considered income.
Lodging in Chico area	Non-deductible	Reported as income on W-2 in box 1. Subject to Federal, FICA, and state taxes.
Meals connected with move	Non-deductible	Reported as income on W-2 in box 1. Subject to Federal, FICA, and state taxes.
Transportation: Any round trips, side excursions, and any amount in excess of the IRS mileage limit that is reimbursed by the University.	Non-deductible	Reported as income on W-2 in box 1. Subject to Federal, FICA, and state taxes.
1. Personal Vehicle - Use of personal vehicle when relocating is reimbursable at the current IRS standard rate for moving expenses. Additionally, only mileage associated with the shortest, most direct route from former residence to new residence in Chico area without side excursions, is considered non-taxable.	Deductible	Amount will be noted on W-2 in box 12. The amount is not considered income.
2. Commercial – Only costs associated with the shortest, most direct route from former residence to new residence in Chico area without side excursions, is considered non-taxable.	Deductible	Reported as income on W-2 in box 1. Subject to Federal, FICA, and state taxes.

Appendix B – Limits for Moving and Relocation Based on Location

Distance from Current Home Address	Amount
Within 150 miles of campus	\$0
Between 151 and 300 miles of campus	Up to \$2,500
Over 300 miles from campus in CA, OR, NV and AZ	Up to \$5,000
Outside of CA, OR, NV and AZ; but west of the Mississippi	Up to \$7,500
All other states	Up to \$15,000
Any exceptions to limits noted above must be pre-authorized by President (see <i>Moving and Relocation Pre-Authorization Form</i>)	