AMERICAN UNIVERSITY WASHINGTON, D.C.

Subject: Relocation Reimbursement

Office Responsible for Review of this Policy: Provost and Human Resources

Procedures: Reimbursement Guidelines, Relocation Agreement Letter

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I. SCOPE

This policy applies to the reimbursement of relocation expenses for eligible full-time faculty and staff ("eligible employee").

II. POLICY STATEMENT

Expenses for eligible employees will be reimbursed up to 100% of actual reasonable moving expenses when pre-approved by an authorized official.

III. DEFINITIONS

- Eligible employee -- newly hired teaching unit heads, tenured, tenure-track and distinguished professors, and newly hired full-time staff.

- Authorized official– Cabinet members are responsible for approving relocation agreements for their direct reports. Deans of academic units are responsible for approving relocation agreements for the faculty and staff in their schools/colleges. Direct reports to the cabinet are responsible for approving relocation agreements for staff members in their units. Please contact human resources to determine the authorized official in the affected department.

- Preferred relocation specialist partners – Organizations with whom the university has partnered to provide relocation support and services such as moving household goods.

IV. POLICY

To help defray the cost associated with relocating from another area, American University will reimburse up to 100% of actual reasonable moving expenses incurred in a move.

Allowable Expenses

The following relocation expenses may be reimbursed:

- Customarily, one three-day pre-move house hunting trip for self and spouse or domestic partner;

- Moving household goods and personal effects including hiring professional movers or renting a moving vehicle and packing supplies. The university will pay

towards the costs for packing, shipping and unpacking household effects and up to a maximum of two vehicles. The university will reimburse for standard carrier insurance coverage while in transit;

- Mileage reimbursement; and
- Travel, including airfare and other public transportation costs, and lodging for self and immediate family members between the old and new home.

Non-Allowable Expenses

The following relocation expenses will not be reimbursed:

- Temporary housing;
- Expenses incurred by or on behalf of non-immediate family members;
- Packing and shipping of patio slate/bricks, landscaping stone, cement, shrubbery, plants, building materials, storage sheds, sand, portable swimming pools, hot tubs, firewood, combustible items, hand guns, ammunition or special charges for expedited service or service on holidays;
- Standard carrier insurance for jewelry, precious stones, valuable collections, rare art works, money in any form and any perishable item;
- Purchase of household furniture and equipment and supplies for new home;
- Meal expense (except during a pre-move house hunting trip); and
- Unless specifically authorized, expenses incurred after one year from hire date.

General Guidelines

Authorization to provide relocation expense reimbursement is at the discretion of the authorized official who will be guided by this policy. The policy does not require that reimbursement of expenses be offered to all newly hired faculty or staff.

An offer for relocation expenses extended to an eligible employee by the authorized official must be accompanied by a standard university relocation agreement and reimbursement guidelines which are maintained by the dean of academic affairs for faculty relocation and executive director of human resources by staff relocation.

Relocation allowances exceeding the limits contained in this policy are permissible for certain executive-level appointments at the discretion of the University president.

At the discretion of the authorized official, temporary faculty may be offered relocation expenses. Temporary staff are not eligible for relocation reimbursement.

If employment with the university is voluntarily terminated within one year of the first day of employment, the eligible employee must repay the university all expenses reimbursed in connection with the relocation.

Reimbursement Guidelines

If total cost of moving household effects and cars exceeds $5,000, eligible employees must submit three cost estimates to the hiring authorized official for prior approval. Cost estimates are not necessary; however when the eligible employees utilize the services of one of the university's preferred relocation specialist partners, which are maintained of the university procurement office. No cash advances for moving expenses will be permitted. However, arrangements may be made with the Procurement and Contracts office to pay professional movers directly by the University. The relocation reimbursement is funded by the hiring department. Reimbursement requests must be accompanied by a signed relocation agreement and copy of original itemized receipts. All reimbursement requests must be submitted to Accounts Payable within sixty (60) days of the expense being paid or incurred.

Tax Consequences

In certain circumstances, including but not limited to meeting specified distance and time requirements, the Internal Revenue Service (IRS) allows individuals to deduct moving expenses on their income tax returns. The IRS generally limits the deduction to reasonable moving expenses related to moving the individual's household goods and personal effects to a new residence. The IRS also limits the moving expense deduction which is available if the taxpayer has received a reimbursement for moving expenses which is eligible to be excluded from the taxpayer's income.

Although an expense may be reimbursable under the University's policy, this does not automatically mean that the IRS will treat it as a deductible moving expense. Consequently, depending upon an individual's personal tax situation and the type of reimbursement received, costs reimbursed by the University under this policy may require differing tax treatment.

Faculty and staff who receive moving expense reimbursements under this policy should consult their personal tax advisors to determine how to appropriately report these amounts. For more information, faculty and staff may also want to read IRS Publication 521: Moving Expenses.

V. EFFECTIVE DATE AND APPROVAL

This Policy is effective May 15, 2009. This policy was last reviewed August 2015, with no updates. This policy replaces all prior versions. This policy needs to be signed by the appropriate officer (listed below) before it is considered approved.

Approved:

Provost: _____

Vice President of Finance and Treasurer: _____

Date approved: 5/15/09