

Moving Expenses

FIN-ACC-I-310



About This Policy

Effective Date:

09-01-1996

Last Updated:

04-04-2016

Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

Joan Hagen

Associate Vice President
and University Controller,
Office of the Controllerjhagen@iu.edu

Related Information

- * [I-30, Fiscal Misconduct](#)
- * [I-620, Reimbursement Under the Accountable Plan](#)
- * [IRS Publication 521 Moving Expenses](#)
- * [IRS Standard Mileage Rates](#)

Related Forms

- * [FMS – University Tax Services webpage](#)
- * [Procurement Services: Moving](#)

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Scope

All Indiana University units and employees.

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Policy Statement

Certain expenses incurred in moving household goods and personal effects on behalf of a faculty or staff member who has accepted a position with Indiana University, may be paid directly to vendors by the university or reimbursed to the individual on a non-taxable basis. The types of moving and related travel expenses which are eligible for payment or reimbursement will be determined in accordance with IRS guidelines, unless specifically modified by the university elsewhere in this policy statement.

Limitation on Use of University Funds

The reimbursement of eligible moving or travel expenses with university funds is at the discretion of the hiring department, corresponding Responsibility Center, Campus and/or appropriate Vice President, but is limited to no more than \$10,000. Amounts in excess of \$10,000 may be paid for with IU Foundation funds.

Eligible Moving Expenses

Expenses associated with the transportation of household goods and personal effects from the prior residence to the new residence are considered eligible moving expenses, including the costs of packing, shipping and unloading. Also included is the storage of household goods within any period of 30 consecutive days between the move from the prior residence and arrival at the new residence.

Eligible Travel Expenses

Expenses for travel from the former residence to the new residence are typically eligible for reimbursement as moving expenses. Travel expenses are limited to one trip, one way, per family member. The actual costs of transportation and lodging incurred en route are considered eligible moving expenses. Mileage reimbursement will be made based on IRS guidelines. Note: The mileage reimbursement is typically less than the standard mileage paid for business travel. See the link to IRS Mileage Rates in the Related Information section.

Ineligible Expenses are Taxable Compensation

The following payments made to an in-coming university employee cannot be made as non-taxable payments or reimbursements of moving expenses under IRS guidelines (see Related Information section below). Payments for the following types of expenses will be treated as taxable compensation to the employee and will be included in the employee's W-2 wages. These expenses must be paid utilizing the Supplemental Payroll Voucher process, which falls outside the scope of the Moving Expense Policy and associated dollar limitations:

1. Storage and related expenses outside the allowable 30 days mentioned above.
2. Meals consumed during the time of travel.
3. Pre-move house hunting expenses.
4. Temporary living expenses.
5. Return trips to former residence.
6. Travel expenses related to side-trips or vacation stops on the way from the former residence to the new residence.
7. Other expenses per IRS guidelines such as, security deposits, lease-breaking fees, expense of selling existing residence, mortgage penalties and other home improvements.
8. Cost of unpacking personal items

Scholarly Equipment and Materials

Expenses incurred for the relocation of a laboratory, library, scholarly collection or research equipment will not be considered household goods or personal effects to the extent that these items are relocated to university premises. These expenses are considered ordinary and necessary business expenses of the university and will not be subject to the stated dollar limitations related to moving expenses. These expenses can be paid directly by the university or reimbursed to the employee under the accountable plan.

Existing Faculty/Staff Moves

Moving expenses for existing faculty or staff who relocate for university purposes may also be reimbursed at the discretion of the hiring department, corresponding Responsibility Center, Campus and/or appropriate Vice President. All reimbursements are subject to the limitations of this policy including the distance limitations.

Distance Limitation

The move of the residence must meet the minimum IRS distance requirements; the distance from the prior residence to the new job location must be 50 miles more than the distance from the prior residence to the former job location.

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Reason For Policy

Provide a means of paying for, or reimbursing, moving expenses incurred by new employees or existing employees who are changing primary job location.

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Procedure**Initiating Department Responsibilities**

1. The department requesting a moving expense reimbursement must follow all campus authorization and form requirements.
2. Payments made directly to moving companies: Follow University Purchasing procedures for payments made directly to moving companies for the transportation of household goods and personal effects. Object code 5070 must be used and contractual agreements with moving companies will only be used for allowable moving expenses. See Procurement Services website for more information: <http://www.indiana.edu/~purchase/contract/Moving/moving.php>
3. Reimbursements to employee: A disbursement voucher (DV) must be submitted for reimbursement of eligible moving expenses paid for by the employee. Use payment reason M-Moving Reimbursement and object code 5070. These amounts are reimbursed under the IRS accountable plan rules.
4. Reimbursements of ineligible expenses: Payments for all ineligible moving and travel expense are taxable to the employee and must be made on a supplemental payroll eDoc.
5. Scholarly Equipment and Material moves: These expense are processed through normal purchasing procedures or reimbursed to the employee on DV with payment reason 'Reimbursement of Out of Pocket Expense'. Use object code 5072 for scholarly equipment/material moves.

Contract and Grant Reporting

1. Moving expenses may be allowable on contracts and grants, in compliance with the Uniform Guidance, granting agency, and terms and condition of the specific grant, provided that the source of salary funds and source of moving expenses are consistent, and within the \$10,000 limit. Reimbursements paid against a contract and grant account are also subject to policies established by the university or granting agency.
2. Office of Management and Budget Uniform Guidance also states that if moving charges are made against federal funds and the employee should resign for reasons within the employee's control within twelve (12) months of the hire date, then 100% of the charges will be disallowed.

Tax Reporting

1. The amount of eligible moving expenses reimbursed to employees by the university will be reported on the individual's W-2 form (Box12P) during the year(s) in which the reimbursements occurred. This is for information only.
2. Amounts of ineligible moving expenses reimbursed through payroll will be subject to tax withholding and include in wages reported on the employee's W-2.

IRS Publication 521 details the federal income tax rules and regulations for individuals, in regard to moving expenses. A link to the publication is provided in the Related Information section.

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Additional Contacts

Subject	Contact	Title	Phone	Email
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Tax	Cassandra Franks	University Tax Director	812-855-0142	cassfran@iu.edu
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History

The source to this policy is: Internal Revenue Code

The policy was updated on July 20, 2015 to reflect various technical changes:

- a) information added to the Scope section and
- b) a link to the Moving Request Form in the Procedures section.