

Relocation Expenses

CITATION REFERENCE

OFFICIAL TITLE

POLICY ON RELOCATION EXPENSES

VOLUME

HUMAN RESOURCES 2w.

Process and Procedures

An institution is permitted to pay relocation expenses of a specific amount that is set out in the original written offer of employment. "Original written offer" is emphasized because any post offer negotiated amounts will be considered a violation of the Gratuities clause of the Constitution of the State of Georgia.

Each institution shall establish procedures to implement this policy. Each institution that intends to pay relocation expenses should adopt written procedures, approved by the institution president, governing the practice. These procedures should reflect at a minimum:

- Budget constraints at the institution, with the maximum amount of relocation expenses that can be offered to a prospective employee;
- Specific positions or levels of positions that are eligible for payment of relocation expenses;
- Tax implications under IRS regulations;

Note: See IRS Publication 521 for moving/relocation taxation rules.

- Permitted expenses;
- Prohibited expenses;

For example, institutions should not end up owning someone's home in another location.

- Method of payment; and,
- Recordkeeping.

If the method of payment in the written policy is directly to vendors on behalf of the employee, all State of Georgia purchasing regulations apply. For example, moving company expenses exceeding \$5,000 must be competitively bid. Using the same example of moving company expenses exceeding \$5,000 related to employee reimbursement as the method of payment, employees are required to obtain three (3) quotes and to submit the quotes to the institution as evidence that the company providing the lowest quote was selected.

Relocation expenses, if part of an institution's approved procedures that are generally not subject to tax withholding are:

- Moving household goods and personal effects, and
- Traveling, including l()]]TJ 0y10 (d)]TJ 0 Tw -2nsens9in eviu3T1 1 T1 1 T1 1 T1 910 (bm)e d >>

HUMAN RESOURCES ADMINISTRATIVE MANUAL EMPLOYMENT: RELOCATION EXPENSES

In general, all other relocation expenses reimbursed to an employee or paid on behalf of an employee are subject to tax withholding and reported as taxable wages in box 1 of Form W-2. For complete rules regarding Relocation expense tax implications, see IRS Publication 521.

Relocation expenses are not subject to Continuous Audit reporting and should be reported in account 565xxx, Relocation Expense, for GAAP reporting.

Responsible Parties and Contact Information

Party	Responsibility	Phone/Email/URL
Vice Chancellor for Human Resources, USG	Maintain policy, provide guidance to institution human resources officers on effective utilization of policy, and monitor campuses for compliance.	404-962-3235 usghr@usg.edu
Institution Chief Human Resources Officers	Ensure all hiring managers are aware of this policy. Provide guidance to management on appropriate application of the policy. Ensure that an appropriate process or institutional level policy is in place to facilitate fair and equitable evaluations of requests to extend offers above the minimum of a salary range. Ensure requests are properly evaluated and administered in accordance with policy and applicable federal and state law. Ensure appropriate documentation is maintained when necessary.	See University System HR Officer Listing

Appendices/ Internal Documents, Forms and Web Links

- [Business Procedures Manual 5.3.7](#)

Related Documents and Resources (External)

- None