

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.A.13

AREA: General

SUBJECT: Moving and Relocation Expenses

1. PURPOSE

The University of Houston System is authorized to pay costs of transportation and delivering the household goods and effects of certain university employees. This document specifies the conditions under which a university provides reimbursement to a newly-hired faculty or staff member or to a present faculty or staff member who relocates to an assignment within the System in a new geographic area.

2. POLICY

- 2.1. In individual cases where the situation warrants, the chief executive officer, or designee, at each university may authorize full or partial reimbursement of moving and relocation expenses. All such expense reimbursements must be authorized prior to any expense being incurred or commitment made as part of an employment offer. Any authorization for payment of moving/relocation expenses must be included in offer letters and employment contracts and must clearly state: 1) the amount to be paid; 2) if the individual leaves the university's employment within 12 months after their start date for reasons within their control, then the entire amount of the moving/relocation expenses paid directly to or incurred on behalf of the employee must be reimbursed to the university, and 3) the individual expressly agrees that the university can deduct the moving/relocation expenses from their paycheck.
- 2.2. Normally, reimbursements for moving and relocation expenses may only be provided to tenured or tenure-track faculty and executive management staff (Chancellor, vice chancellors, General Counsel, presidents, vice presidents, deans, Chief Audit Executive and equivalents), and contract staff (coaches) where the employee's commute to the new principal place of work must be at least 50 miles farther than the employee's commute from their old residence. These expenses must be paid or incurred in connection with the commencement of work at a new location and the employee must work in the new location for 39 weeks during the 12-month period following the move. (Treas. Reg. §1.217-2(c)(4) (i)(a)).
- 2.3. System funds may only be used for such purposes upon presentation of a bona fide receipt of payment or invoice for such services, in accordance with university policies and procedures.

- 2.4. Moving expenses are defined as reasonable costs resulting from the moving of the faculty or staff member's household goods and personal possessions. The travel costs between the former and new residence must be by the shortest and most direct route. (Treas. Reg. §1.217-2(b)(2)(i)). Allowable moving and relocation expenses may include one or more of the following:
- 2.4.1. One trip for the employee and members of their household to select new housing (house-hunting). (Treas. Reg. §1.217-2(b)(4)). The length of the trip should not exceed one week. During that time, house-hunting expenditures such as airfare, airport parking, hotel, rental car and meals will be reimbursed to the employee. These house hunting expenses are taxable to the employee and will be reported on the employee's paycheck as additional wages. It will also be included on the employee's W-2 as taxable income.
 - 2.4.2. All other moving relocation expenses incurred while in transit from previous home residence to new job location. These are taxable to employee and will be reported on employee's paycheck as additional wages.
 - 2.4.3. Temporary housing expenses of the employee and household members if they arrive before permanent housing. These are taxable to the employee.
 - 2.4.4. Travel to another location for personal reasons that takes the employee outside of the most direct route of travel to the new home residence will not be treated as a reimbursable expense.
 - 2.4.5. Moving expenses incurred within one (1) year of the date the employee reports to work are considered reimbursable expenses incurred within a reasonably proximate time from the commencement of work. (Treas. Reg. §1.217-2(a)(3)(i)). Moving expenses incurred after this one (1) year period must be submitted to the Tax Office for further review.
- 2.5. Authorized reimbursement shall be funded by non-state appropriated funds from the applicable college or department.
- 2.6. System procedures for processing Moving and Relocation Expenses must be followed. These procedures can be found on the System Office of Finance website at <https://uh.edu/office-of-finance/tax-information/moving-and-relocation/>.
- 2.7. Nothing in this policy shall be used as the basis for discrimination or retaliation against any individual or group on the basis of race, age, color, religion, national origin, ethnicity, military status, disability, genetic information, sex (including gender and pregnancy), sexual orientation, gender identity or status, or gender expression; nor may it be construed to be a basis for circumventing equal

