

Relocation/Moving Procedures for New Employees

Purpose To provide guidelines and restrictions regarding those cases where relocation costs are necessary for an individual to accept employment with the University and to reimburse the new employee for allowable relocation expenses consistent with sound business practices and budgetary limitations. This policy provides for consistent compensation to employees for certain expenses of their relocation for employment at Eastern Michigan University.

Statement Eastern Michigan University may, at its discretion, pay for certain costs directly related to relocation.

The Dean or equivalent administrative officer may approve payment for relocation expenses which must be authorized in advance by inclusion in the individuals' offer letter or employment contract. Additional approval from Sponsored Research Accounting will be necessary if relocation is being funded from a Sponsored Research Project. Employees eligible for relocation expenses must be full time tenured track faculty, full time administrators (Directors and above), and full time Coaches. Departments may reimburse the employee for actual and substantiated moving expenses (qualified or nonqualified) not to exceed one month's salary.

General Procedure Statements

1. Relocation/Moving allowances must be negotiated at the time of offering a position and included in offer letter or the individual's contract.
2. Relocation/Moving allowances are subject to the terms consistent with the provisions outlined in this procedure.
3. This procedure applies to all moves regardless of the dollar amount or source of funds. Any exception to this procedure must be approved in advance by the Chief Financial Officer.
4. The employee will agree to repay their Relocation/Moving expenses if employment with Eastern Michigan University is terminated with cause or resigned within 2 years of their relocation.
5. If the new employee chooses to move themselves, then all expenses must be submitted to Accounts Payable on an expense report. All original itemized receipts must be attached/imaged to the expense report to obtain reimbursement.
6. If the assistance of a moving company is needed to move personal and household goods, it is recommended the new employee contact Purchasing for a list of EMU preferred contracted vendors.
7. To request expense reimbursement,
 - a. All reimbursement requests must be submitted through the Concur travel and expense system. All receipts must be imaged and attached to the expense report.

- b. Attach the signed offer letter to the Concur expense report
- c. Reimbursements (including payments directly to vendors) will not exceed amount stated in the offer letter.
- 8. Nonqualified relocation reimbursements will be reported annually by the University to the IRS and will be reported on the employee's W-2.
- 9. Moving expenses should be incurred within 1 year and expenses should be turned in within 60 days, if after 60 days the entire move is taxable and will be reported on the employee's W-2. IRS Pub 521

Reimbursable Expenses

1. In order to be reimbursed for your relocation expenses, your relocation must meet the IRS distance test:
 - *Your move will meet the distance test if your new main job location is at least 50 miles farther from your former home than your old main job location was from your former home. For example, if your old main job location was 3 miles from your former home, your new main job location must be at least 53 miles from that former home.* IRS Pub 521
2. Relocation expenses which are reimbursable either directly to the individual and/or to an outside moving company may include, but are not limited to the following
 - a. For employees and their immediate family members traveling by air or other passenger conveyance, the cost of the most economical airfare available for each member of the immediate family.
 - b. For employees and their immediate family members traveling by automobile:
 - i. The cost of driving an automobile by the most direct route between the previous residence and the new permanent residence. Mileage is reimbursed at the current IRS rate allowed for moving mileage.
 - ii. If an individual is required to begin University employment prior to the relocation of his/her immediate family, that employee may be allowed reimbursement for either (1) the cost of a round-trip airline ticket at the most economical airfare available, or (2) the costs of traveling by automobile as defined above, in addition to relocation expenses for his/her family.
 - c. Lodging and meal expenses (meals will be taxable): actual reasonable expenses for room and meal using the most direct route between the previous residence and the new permanent residence. Expenses must be substantiated with detailed receipts.
 - d. The cost of moving household goods
 - e. The cost of insurance for household goods, not to exceed the full replacement value.
 - f. The packing/unpacking of household goods and appliances.
3. Expenses of the employee and/or his/her immediate family incurred after arriving at

- the principal site of employment are the responsibility of the employee.
4. Expenses considered **nonqualified** by the IRS will be considered taxable income and **will have taxes withheld** in the earliest pay periods available.
 5. **Qualified** moving expenses are expenses incurred within one year from the date the employee first reports to work and include:
 - Moving employee's household goods and personal effects.
 - Traveling by the shortest, most direct route available by conventional transportation.
 - Lodging while traveling, including expenses the day employee arrives.
 - Travel by car- The IRS standard mileage rate for moving purposes.
 - Employee is allowed expenses for members of household. A member of household is anyone who has both your former and new home as his or her home address.
 - Employee is allowed only one trip to the new home for himself and the members of their household; however, they do not have to travel together.

Nonqualified moving expenses include, but are not limited to:

- Meals
- Expenses paid directly to the employee not substantiated by receipt

RELOCATION/MOVING EXPENSE REPAYMENT AGREEMENT

This document is the Relocation Expense Repayment Agreement between Eastern Michigan University (hereafter referred to as "University") and _____ (hereafter referred to as "Employee"). In the course of the Employee's employment with the University, it is mutually agreed that it would be in the best interest of both parties for the Employee to relocate, and for the University to pay part of the costs of that relocation.

If the Employee resigns or is terminated from the University, the following agreement will still be in effect. The Employee's relocation costs and payment for such costs by the University are subject to the following terms and conditions:

1. The employee agrees that such relocation shall be effected in accordance with [The Relocation/Moving Procedures for New Employees](#).
2. The University agrees to pay for certain costs of the relocation as specified in the relocation procedures. The Employee agrees to repay the University for relocation costs previously paid by the University if the Employee voluntarily terminates employment with the University prior to completing either two years of continuous service commencing from the Employee's date of hire or transfer date, or the established appointment term if such term is less than two years. Further, the employee agrees to repay the University such costs if the Employee is "terminated for cause" within the two year period from the Employee's date of hire or transfer date. "Termination for cause" includes gross misconduct, gross negligence in performance of job duties, and insubordination. "Termination for cause" does not include change in control, office closings, or job elimination. The employee will have fourteen (14) days from date of resignation or termination to make repayment. The percentage of relocation expense benefits to be repaid is based on the number of calendar days employed (i.e., number of continuous days on employed status, not number of days physically present for work), according to the following table:

Days Employed	Repayment
0-365	100%
366-485	75%
486-605	50%
606-730	25%

If it is found that the Employee obtained employment fraudulently (e.g., under falsified credentials), the Employee agrees to repay the University 100% of relocation costs previously paid by the University regardless of the number of days employed.

3. The Employee agrees to pay for any and all costs for services and materials as may be incurred during the course of relocation that are not authorized for payment under the relocation procedures, and agrees that payment for such unauthorized costs, should any claim

for same be made against the University, may at the University's election be made through payroll deductions unless other arrangements are agreed upon.

4. The Employee agrees to maintain accurate records of all expenses incurred in connection with such relocation (these records will also be useful for purposes of filing the employee's individual tax returns). The University's obligations hereunder are conditional on the Employee's adequate substantiation of expenses by proper records and receipts.

5. It is agreed that any amount owed to the University under any of the paragraphs of item 2, above, may, at the University's discretion, be deducted from any monies owed by the University to the Employee, including any salary, wages, bonuses, vacation pay, or severance pay, and that any excess of such amounts owed to the University, beyond any amounts deducted, shall be paid within fourteen (14) days after severance of employment, after which interest at the maximum legal rate on any unpaid balance shall be due and owed by the Employee, together with all costs and attorney's fees which are incurred by the University in the collection of such amounts.

ACCEPTANCE

Employee acknowledges having read this Agreement and having understood it; agrees to be bound by its terms and conditions; and agrees that this Agreement constitutes the entire Agreement with respect to the matters contained herein.

Eastern Michigan University

Employee

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Typed or printed)

Name: _____
(Typed or printed)

Title: _____

Title: _____

Date: _____

Date: _____