

Augusta University

Policy Library

Relocation and Moving Expenses

Policy Manager: Human Resources

POLICY STATEMENT

To aid with recruitment of full-time salaried positions, newly hired employees may be given a relocation allowance, provided the department or school/college/unit has available funding. Payment of relocation and moving expenses for existing employees is allowable if the relocation is in the best interest of Augusta University and has been appropriately approved.

This policy sets forth guidelines in accordance with the Augusta University policies, Board of Regents policies, the State of Georgia code, Internal Revenue Code provisions and Internal Revenue Service (IRS) regulations for payments of relocation and moving expenses.

All payments for relocation are taxable to the employee and will appear on the employee's W-2 as taxable income. ([See USG Business Procedures Manual 5.3.7](#)).

The AU policy is written to coincide with established policy guidelines as referenced above. However, the rules, guidelines and parameters of the IRS will supersede those written herein should there be an apparent inconsistency or future modification.

AFFECTED STAKEHOLDERS

Indicate all entities and persons within the Enterprise that are affected by this policy:

- Alumni Faculty Graduate Students Health Professional Students
 Staff Undergraduate Students Vendors/Contractors Visitors
 Other: Candidates for employment.

DEFINITIONS

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PROCESS & PROCEDURES

Eligibility:

To meet the eligibility requirements for relocation allowance, the employee must be hired as a faculty or staff employee of the University in a regular benefitted, full-time, salaried position. The relocation allowance amount must be included in the original written offer of employment and accepted by the employee. **The relocation allowance amount cannot be renegotiated.** Relocation allowance payments cannot be issued without a written offer of employment; otherwise, the payments would constitute a gratuity under Georgia Law.

New faculty, teaching part time during the summer semester prior to beginning their new contract in the fall, may be reimbursed under this policy after the full-time appointment begins in the fall.

Office of Legal Affairs Use Only

Executive Sponsor: VP, Human Resources

Next Review: 1/2029

The following conditions must be met to become eligible for relocation allowance:

1. The University has determined the employee to be qualified for employment under the usual and customary employment process of the University.
2. The distance between the employee's new work location and former residence must be at least fifty (50) miles greater than the distance between the employee's former work location and former residence.
3. The employee must be assigned to a full-time, salaried position and must have agreed to work on a full-time basis for at least one year. The IRS regulations state the employee must work full-time at least thirty-nine (39) weeks during the first twelve (12) months after relocating.
4. Relocation for current employees is allowable in situations where the employee is reassigned, and the relocation is in the best interest of the institution. In such cases, approval of the Executive Vice President, Finance/Chief Business Officer is required.

Relocation Repayment Agreement:

To receive payment of relocation allowance, the employee must accept the written offer letter and execute a Relocation Repayment Agreement with the University. The Employee Relocation Repayment Agreement will be signed by the employee, Department Head, and Dean or Vice President. In instances where the relocation amount is \$15,000 or more, the agreement must also be signed by the Executive Vice President, Finance/Chief Business Officer. No University obligation exists, nor may any relocation payments be processed, until all parties execute the agreement.

The Relocation Repayment Agreement will stipulate that:

1. The employee must remain employed on a full-time basis for at least one year (twelve months), commencing on the date that the employee starts work at the University. The IRS regulations state the employee must work full-time at least thirty-nine (39) weeks during the first twelve (12) months after relocating. For faculty appointed on an academic year basis, one year is defined as two consecutive regular academic sessions of fall and spring or spring and fall semesters equal to nine months of employment.
2. If the employee fails to remain employed for the obligated one year of service, payroll deductions will be made from the employee's final earnings. If payroll deduction of these expenses cannot be achieved, the employee will refund to the University the gross amount of relocation allowance payment made to the employee. Failure to repay these expenses as agreed may result in legal action to recover money being taken against the employee. As part of this agreement, the employee agrees to pay all collection costs including attorney fees and other charges necessary for the collection of any amount still due to the University.
3. Repayment of relocation allowance by employees who do not remain employed for a full year may be pro-rated or waived if the University employment is terminated for reasons beyond the employee's control and found acceptable to the University, unless grant funds are used to support the relocation costs. Any such waiver must be approved in writing by the

Executive Vice President, Finance/Chief Business Officer. Should the repayment be pro-rated, failure to repay the pro-rated amount may result in legal action to recover money being taken against the employee. As part of the agreement, the employee agrees to pay all the collection costs including attorney fees and other charges necessary for the collection of any amount still due to the University.

4. The IRS requires employees to work full time for at least thirty-nine (39) weeks during the first twelve (12) months after relocating in order to claim appropriate payments/reimbursements.
5. In accordance with IRS guidelines, all relocation payments are taxable, and all documentation is open for public examination.

University Funding Approval Limits:

Payments for relocation allowances must be funded from the operating budgets of the University's department or college responsible for hiring the employee. Any offer of an allowance of \$15,000 or more requires approval from the Executive Vice President, Finance/Chief Business Officer. In general, most funding sources available to departments can be used to pay relocation expenses.

Taxation of Relocation Allowance:

In accordance with the current IRS guidelines, relocation payments allowable under this policy will have appropriate taxes withheld. For further guidance see: [IRS.Gov, Publication 521](#).

Interview Expenses:

Interview expenses, unlike house hunting or relocation costs, occur prior to an accepted offer and do not fall within the scope of this policy.

RESPONSIBILITIES:

Employee:

- Submit a copy of the signed written offer of employment and Relocation Repayment Agreement to the employing department or college. The written offer of employment and Relocation Repayment Agreement MUST stipulate the relocation amount and must be signed by employee and appropriate university representatives.

Employing Department or College:

1. Funding:
 - a. Confirm funding availability and fund source.
 - b. Prepare Relocation and Expense Authority Form and submit it to the Office of Budget, Planning and Analysis.
2. Human Resources:
 - a. Inform Human Resources of relocation amount to be included in written offer letter.
 - b. Submit copy of Relocation Expense Authorization (REA) form.

- c. Submit copy of fully executed Relocation Repayment Agreement when available.
3. Relocation Repayment Agreement:
 - a. Prepare agreement and obtain appropriate approvals.
 - b. Obtain employee signature on agreement.
4. Submit written offer letter and Relocation Repayment Agreement to Payroll for processing in a timely manner to ensure payment is made on first available payroll after hire date.
5. If the employee fails to remain employed for the obligated one year of service, the hiring department is required to immediately notify the Payroll department so that agreed upon deductions can be process in a timely manner against remaining payroll payments.
6. Collect any refund from the employee which cannot be deducted in payroll processing for a period of thirty (30) days.
7. In accordance with IRS guidelines, all relocation documentation is open for public examination. As such, departments should retain all documents for this purpose.

Budget Office/Grants Office:

1. Verify availability of budget for relocation allowance of hiring department on Relocation Expense Authorization Form.
2. Amend departmental budget as required.

Human Resources:

1. Review paperwork for adherence to policy.
2. Ensure the correct relocation amount is included in the original offer letter.
3. In accordance with IRS guidelines, all relocation documentation is open for public examination. As such, departments should ensure all documents related to relocation are included in employee file.

Payroll:

1. Input amount into payroll system with appropriate pay code.
2. In accordance with IRS guidelines, all relocation documentation is open for public examination. As such, departments should ensure all documents related to relocation are included in employee file.

Accounts Receivable:

- University Accounts Receivable Department is to conduct further collection efforts including referral to an outside collection agency for any refunds collection efforts that have been unsuccessful for a period of thirty (30) days.

REFERENCES & SUPPORTING DOCUMENTS

[Relocation Expense Authorization Form](#)
[Relocation Repayment Agreement](#)

RELATED POLICIES

[USG Policy – 5.3.7. Relocation Expenses](#)

IRS Policy – Moving Expenses <https://www.irs.gov/pub/irs-prior/p521--2018.pdf>

APPROVED BY:

Executive Vice President for Academic Affairs and Provost, Augusta University

Date: 1/31/2024

President, Augusta University

Date: 1/31/2024