Employee Relocation Expenses

Policy 602.35

1 Introduction

This policy governs payments made to newly hired employees to offset the personal costs of relocating to work at the Appalachian State University ("Appalachian"). This policy is consistent with legislative changes associated with the 2017 Tax Cuts and Jobs Act, which reinstated personal moving expense reimbursements as taxable wages, Appalachian Policy 602.34 - Non-Salary and Deferred Compensation, and the applicable sections of the North Carolina State Budget Manual.

2 Scope

This policy applies to Appalachian departments engaging in the recruitment of highly qualified and/or highly recruited individuals and any payments made to support the relocation of a hired individual for employment at the University.

3 Definitions

3.1 Relocation Allowance

Taxable non-salary compensation provided as a lump-sum payment to a newly hired employee to offset the new employee's personal costs associated with a Domiciliary move as part of accepting employment at the University.

3.2 Relocation Expense Reimbursement

Taxable non-salary compensation provided as reimbursement of receipted personal relocation expenses incurred by a newly hired employee associated with a Domiciliary move made as part of accepting employment at the University.

3.3 Domicile

A person’s fixed, permanent, and principal home for legal purposes.

3.4 Non-Salary Compensation

Anything of monetary value provided to employees for job-related purposes that is not a direct form of compensation for work performed. Permissible forms of non-salary compensation are specifically defined in Appalachian Policy 602.34 - Non-Salary and Deferred Compensation, which complies with UNC Board of Governors Policy 300.2.14.

3.5 Discretionary Funds

Foundation funds not otherwise restricted or designated by the donor.

3.6 State Funds

All funds that are not discretionary foundation funds, including appropriations from the State General Fund, University Trust Funds, and Special Funds.

4 Policy and Procedure Statements

4.1 General Provisions

4.1.1 This section applies to both Relocation Allowances and Relocation Expense Reimbursements.

4.1.2 A hiring department may, from available funds, authorize the payment of relocation expenses when it determines it is necessary to successfully recruit and retain a qualified candidate who will have to make a Domiciliary move to accept an offer of employment.

4.1.3 To provide payment of relocation expenses to a newly hired employee, the hiring department must have approval of the appropriately authorized official and the payment provided must be within established limits for the employee’s classification. A
schedule of limitations and delegated approval authorities will be maintained by the Office of Human Resources and may be updated at any time upon approval of the Chancellor. The current schedule can be found on the Office of Human Resources website – [Moving Expenses Delegated Authority](#).

4.1.4 All payments for relocation made to an employee must be specifically included in the employee's written offer of employment or faculty contract.

4.1.5 To receive any payment for relocation expenses, the employee’s move to the new residence must be 50 miles or more from their existing residence.

4.1.6 To receive payment for relocation expenses, the new employee’s Domiciliary move must occur within 90 days of the effective date of employment with the University. The Chancellor may authorize limited exceptions to this requirement.

### 4.2 Permissible Payment of Relocation Allowance

4.2.1 Payment of a Relocation Allowance is permissible only using discretionary funds.

4.2.2 The University will not require moving receipts from a newly hired employee for Relocation Allowance payments, since they represent compensation to offset all relocation-related expenses as stated in the offer letter or contract.

4.2.3 A Relocation Allowance is intended to be used for and should encompass house-hunting, packing and transporting goods, temporary housing, storage and all travel expenses associated with the employee’s relocation. The employee should not expect additional payments or reimbursements related to their relocation after receiving the lump sum relocation compensation unless specifically outlined in their offer letter or contract.

### 4.3 Relocation Expense Reimbursement

Subject to approval from the appropriate authorized official, as defined in Section 4.1.3 of this policy, and the Director of Human Resources, departments may reimburse moving expenses from State Funds, subject to guidelines established by the University and in compliance with the North Carolina State Budget Manual - [Guidelines for the Reimbursement of Relocation Expenses](#).

### 4.4 Taxation and Reporting

4.4.1 Due to legislative changes in the 2017 Tax Cuts and Jobs Act, which reinstated personal moving expense payments as taxable wages, the University is no longer issuing direct payments to vendors for employee relocation expenses.

4.4.2 All payments issued for relocation expenses, regardless of funding source, and whether paid as expense reimbursement or moving allowance are taxable income to recipient employees. All relocation expenses will be reported by the University to Federal and State tax agencies and will be included on employees’ W-2 forms. Employees will receive payments that represent the aftertax net amount after required withholdings from the gross amount provided in the offer letter or contract.

### 5 Additional References

[Appalachian Policy 602.34 - Non-Salary and Deferred Compensation](#)

North Carolina State Budget Manual

[Moving Expenses Delegated Authority](#)

[Guidelines for the Reimbursement of Relocation Expenses](#)

### 6 Authority

UNC System Policy 300.2.14

N.C. G.S. §138-8

### 7 Contact Information

Office of Human Resources – 828.262.3187

### 8 Original Effective Date
9 Revision Dates