1270.1 – University of North Carolina at Chapel Hill Procedure for Employee Moving Expense Reimbursements

Related Policies

1270 – University of North Carolina at Chapel Hill Policy on Moving Expenses Reimbursement

Introduction

Purpose

Due to legislation changes in the 2017 Tax Cuts and Jobs Act which reinstated personal moving expense payments as taxable wages, the University has changed the payment procedure so that the payment and tax implications are contemporaneous.

Scope of Applicability

This policy applies to departments who are engaging in the recruitment of highly qualified and/or highly recruited individuals and issuing payment to relocate the individual for initial employment.

Procedure

Sections

Procedure Statement

Departments should submit the payment request with all corresponding documentation via a Moving Expense Reimbursement lump sum payment ePAR form. The ePAR should be submitted after the new hire action has executed and utilize the first day of the current pay period. The work period start and end date should be the same date as the payment date. Receipts for reasonable and actual moving expenses should be provided as back up to this payment. Reimbursements for purchases of personal property are not permitted.

In addition to the reimbursement of actual moving expenses, 30% is added to mitigate the tax impact to the employee. For example, Professor X receives an offer letter which includes an allotment of $2,500 to reimburse moving expenses. Professor X provides $2,100 in receipts of actual and reasonable moving expenses. $2,100 is then multiplied by 30% ($630) which increases the amount to $2,730; however, since this total amount exceeds the offer letter amount of $2,500, the ePAR payment should be $2,500.
Regardless of the amount submitted via an ePAR, the employee should not expect to net the amount submitted via receipts due to tax considerations.

**Definitions**

Forms and Instructions: Instructions for creating an ePAR may be found here.

Related Data

History

**Responsible University Officer**

Director of Purchasing Services

**Responsible Unit**

Procurement Services

**Procedure Statement**

Moving expenses may be reimbursed or paid in one of three ways. The employee may be reimbursed, the employing department may choose to provide the employee with a cash advance for the anticipated expenses, or the moving company may be paid directly. Moving expense reimbursements and direct payments are reported to Payroll Services to be included in the employee’s W-2.

The employee pays all moving expenses and is then reimbursed based upon the receipts. The reimbursement would be submitted on a Campus Voucher. The employee may be reimbursed for airfare or automobile expense, including fuel purchased for multiple vehicles, lodging expense, meals eaten on the road, and miscellaneous moving supplies. All must be substantiated by receipts. Mileage and subsistence per diems do not apply. Moving expenses should be carefully documented and charged to account 528430. Coding to account 528430 drives the tax reporting for the expense.

The department may choose to provide the new employee with a cash advance for their anticipated expenses. This advance would be made up-front and would have to be reconciled within 30 days of the completion of the move. This might be the preferred option when the moving allowance is limited. The payment method is a Campus Voucher accompanied by a cash advance agreement. See details in Policy 307 - Cash Advance.

The mover may be paid directly. If the expense is less than $5,000 a Campus Voucher would be submitted along with the vendor invoice. An expense in excess of $5,000 must be submitted on a requisition and be accompanied by three estimates. It is not necessary that the employee choose the lowest estimate, but they must include an explanation as to why if they did not select the lowest-cost mover. The employee whose moving expenses are being paid must be listed, along with their PID, in the comments.

**Forms and Instructions**

Instructions for creating both a campus voucher and a requisition may be found on the Finance and Accounting training webpage under Procurement.

**Related Data**

None
History

Revised:
October 1, 2014: Updated instructions in Procedure Statement; added Related Data item; revised account numbers and references to campus vouchers and requisitions.
December 10, 2010

https://ccinfo.unc.edu/files/2014/07/ePAR-Overview-QRC.pdf

Contact Information

Primary Contacts

Payroll Services 919-962-0047 payroll@unc.edu


Attachments: No Attachments

Approval Signatures

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<th>Approver</th>
<th>Date</th>
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<td>Finance Policy and Communication Subcommittee</td>
<td>Janet Kelly-Scholle: Associate Director</td>
<td>pending</td>
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<tr>
<td>Payroll Director</td>
<td>Walter Miller: Director of Payroll Services</td>
<td>6/8/2018</td>
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<tr>
<td>Payroll Manager</td>
<td>Stephanie Kidd: Payroll Manager</td>
<td>6/8/2018</td>
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