

Relocation of Faculty and Staff

- Authority** This Guide Memo was approved by the Vice President for Business Affairs and Chief Financial Officer.
- Applicability** This policy applies to new and current Stanford faculty and staff except those covered by collective bargaining agreements. For policies applicable to employees covered by collective bargaining agreements, refer to the applicable agreement. While policy statements are applicable to the entire University, including SLAC, some of the interpretations of policy contained in this Guide Memo may be different at SLAC. Employees should contact the SLAC Travel Office for guidance regarding relocation policy interpretation at SLAC.
- Summary** This Guide Memo sets forth policies and procedures to facilitate the moving and reassignment of new or current Stanford faculty and staff, where such action is considered to be in the best interests of the University. The policy is designed to give maximum flexibility to schools, departments and other organizational units while assuring compliance with federal and state regulations. The provisions of this policy apply only when an offer of employment is made. Allowances during the recruitment process are at the discretion of the vice-presidential or vice-provostial area making the hiring decision (see Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf, section 13.

Section headings are:

1. TAX IMPLICATIONS
2. GENERAL POLICIES
3. ELIGIBILITY
4. HOUSEHUNTING EXPENSES
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12. REASSIGNMENT EXPENSES
13. EXPENSE ADVANCES AND LOANS
14. REPAYMENT PROVISIONS
15. REIMBURSEMENT PROCEDURES

1. TAX IMPLICATIONS

- a. **Reimbursement Reported as Additional Income** – When applying this relocation policy, departments should be aware that the Internal Revenue Service (IRS) requires the University to report any reimbursements and advances associated with the move that exceed IRS guidelines as additional compensation income to the employee, subject to payroll taxes.
- b. **Reimbursement Not Tax-Reported As Additional Income** – Reimbursements and advances of "qualified moving expenses" are not tax reportable as additional income. These reimbursements are reported as information only. IRS guidelines identify the following criteria for "qualified moving expenses:"

(1) The Job is:

- A new job for the person being moved
- Full-time
- Expected to last at least 9 months if a new employee, or 12 months if a relocation of an existing employee
- At least 50 miles farther from the old residence than the old job was from the old residence

(2) The Expense includes reasonable costs for:

- Moving household goods and personal effects
- En route travel (for current applicable mileage rates for moving, see Mileage Reimbursement Rates at: http://fingate.stanford.edu/staff/reimburse/res_jobaid/mileage_reimb_rates.html)
- En route lodging (but not meals)
- Storage of household goods for up to 30 days

(3) The People whose expenses qualify are:

- The new employee or a current employee transferring to a qualified job.
- Members of the employee's household (The IRS does not recognize a domestic partner as a member of the employee's household.)

c. Tax-Reportable Reimbursements – Additional reimbursements and advances allowed by Stanford's relocation policy and reported as additional income to the employee may include, but are not limited to:

- House-hunting expenses
- Temporary living expenses
- Same-sex domestic partner moving expenses
- En route meals
- University Vehicle Allowance over IRS Approved mileage rate for moving (see Mileage Reimbursement Rates at: http://fingate.stanford.edu/staff/reimburse/res_jobaid/mileage_reimb_rates.html)
- An additional 30 days storage of household goods
- Expenses for return trips to the employee's former residence

d. More Information – Guidance on tax issues may be obtained from the Controller's Office. Further information about tax reporting of moving expenses may be obtained from the IRS web site at <http://www.irs.gov>. Look for Publication 521.

2. GENERAL POLICIES

a. Responsibility for Administering Policy – This policy is administered by the appropriate vice president, vice provost, dean or designee. Guidance on policy interpretation and procedural issues may be obtained from the Executive Director of Human Resources and from the SLAC Travel Office.

b. Responsibility for Relocation Costs – The unit approving the relocation bears all costs.

(1) Charges to Sponsored Projects – Where costs are to be charged to a sponsored project, the terms of the applicable sponsored project award will take precedence.

(2) Exceeding Relocation Allowances – The appropriate vice president, vice provost, dean or designee may authorize the reimbursement of actual moving expenses in excess of the relocation allowances stated in this policy.

- c. **Reimbursement Authorization** – When an offer is made to pay moving expenses, a letter of authorization must be sent to the new employee at the time employment is offered. It is the responsibility of the department issuing the reimbursement request to be sure it complies with the letter of authorization. The letter of authorization must specify:
- Reimbursable expenses and the maximum actual expenses that will be paid by the University
 - Any lump sum amounts that would be in excess of actual expenses
 - Any expenses subject to tax reporting and withholding
- d. **Preferred Carriers** – The department or the individual being moved can go to <http://purchasing.stanford.edu/moving> for information.

3. ELIGIBILITY

Relocation allowances should be offered only when the University feels that payment of part or all of relocation expenses is a significant factor in being able to attract a potential employee to Stanford, or in being able to attract an employee to accept a temporary reassignment. Eligibility for relocation allowances does not establish an entitlement. Payment of relocation expenses to an eligible person is at the discretion of the hiring unit.

- a. **Stanford Employees** – Employees eligible for non tax-reportable moving reimbursements and advances per IRS guidelines (see section 1.) include:
- New full-time employees whose new Stanford job location is at least 50 miles farther from their former home than their old job location was from their former home.
 - Current full-time employees temporarily reassigned to a location 50 or more miles away. If such a reassignment is for less than a year, it is a Stanford business expense and not tax-reportable. Travel rules apply; see Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf. However, if relocation is for a year or more, relocation rules apply, as covered in this Guide Memo.

Exceptions to the eligibility criteria may be made by the appropriate vice president, vice provost, dean or designee.

Tax Note: Exceptions that do not meet IRS guidelines (for example: full-time employment or 50-mile distance) are tax-reportable to the employee.

- b. **Spouses/Same-Sex Domestic Partners and Dependents** – Relocation costs for spouses/same-sex domestic partners and dependents are reimbursable to the extent described in this Guide Memo.

Tax Note: Domestic partner expense reimbursements are tax-reportable to the employee.

- c. **Non-employees and Distinguished Visitors** – Travel reimbursements for non-employees and distinguished visitors are described in section 11 of this Guide Memo.

Tax Note: Any reimbursement of moving expenses for a part-time appointment is tax reportable.

4. HOUSE-HUNTING EXPENSES

- a. **Policy** – All or part of the expenses associated with a trip to Stanford for the purpose of house-hunting may be reimbursed to a prospective employee. Generally these may include those expenses reimbursable for travel by University employees (see Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf), except that the per diem method may not be used. However, the per diem rates at: http://fingate.stanford.edu/staff/reimburse/res_jobaid/per_diem_rates.html may be used as a guideline for defining reasonable costs.

In addition, the vice president, vice provost, dean or designee may authorize the following:

- Expenses related to bringing a spouse/same-sex domestic partner
- Expenses for necessary child care
- Expenses related to a professional relocation service

Reimbursement for house-hunting expenses does not apply to dependents other than to a spouse/same-sex domestic partner.

- b. Procedure** – In any instance where house-hunting trip expenses are to be reimbursed by the University, the cognizant University officer should specify in writing to the prospective employee the terms and conditions of the reimbursement, including a maximum dollar amount to be reimbursed. It is the responsibility of the department issuing the reimbursement request to be sure it complies with the letter of authorization. Receipts must be submitted for expenses, as required in Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf, section 14.

Tax Note: All house-hunting expenses are tax reportable.

5. EN ROUTE/TRAVEL EXPENSES

- a. Policy** – All or part of the actual expenses associated with a new employee's travel to take up a position at Stanford may be reimbursed. This policy also covers spouses/same-sex domestic partners and dependent children living at home. Costs covered include reasonable transportation costs (see Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf) and actual and reasonable costs of lodging, meals and gratuities. Mileage reimbursement is at the current Stanford rate (see Mileage Reimbursement Rates at: http://fingate.stanford.edu/staff/reimburse/res_jobaid/mileage_reimb_rates.html).
- b. Procedure** – See section 4. House-hunting Expenses above.
- c. Guidelines** – The cognizant vice president, vice provost, dean or designee defines reasonable costs. If further guidance is needed the following guidelines are suggested:
- **Transportation Costs** – Airline tickets may be reimbursed. If a vehicle is driven, a typical minimum expectation for travel by personal auto is 350 to 400 miles per day.
 - **Lodging, Meals and Gratuities** – Although the per diem method may not be used for reimbursement, the per diem rates at: http://fingate.stanford.edu/staff/reimburse/res_jobaid/per_diem_rates.html may be used as a guideline for defining reasonable costs.

Tax Note: Tax-reportable items in en route/travel expenses include:

- All domestic partner expenses
- Meals and gratuities
- Vehicle mileage allowance over the IRS approved mileage rate for moving (see Mileage Reimbursement Rates at: http://fingate.stanford.edu/staff/reimburse/res_jobaid/mileage_reimb_rates.html).

6. TEMPORARY LIVING EXPENSES

- a. Policy** – A reasonable part (as defined by the cognizant vice president, vice provost, dean or designee) of the actual or incremental expenses associated with temporary living arrangements while relocating near the University may be reimbursed.
- b. Procedure** – See section 4. House-Hunting Expenses above.

Tax Note: All temporary living expenses are tax reportable, except for the day of departure from the old location and day of arrival in the new location.

7. MOVING OF HOUSEHOLD AND PERSONAL EFFECTS

- a. **Policy** – All or part of the actual and reasonable expenses of moving the household and personal effects of a new employee may be reimbursed. This policy also covers spouses/same-sex domestic partners and dependent children living at home. Where a mobile home is the principal place of residence, the University may reimburse the employee for expenses associated with unblocking, wheel rental, transportation and resetting at the new location.
- b. **Procedure** – In addition to the procedures outlined in section 4 (House-Hunting Expenses) above, the cognizant officer should specify the appropriate details in the letter of authorization. Unless there are unusual circumstances, a reasonable weight allowance is 15,000 pounds.

(1) **Reimbursable Costs** – The moving allowance may include:

- The actual cost of packing, crating, transporting, unpacking, and uncrating household effects
- Costs incurred for moves to and from storage
- Storage costs (limited to 60 days) TAX NOTE: Tax-reportable after 30 days.
- Costs of connecting and disconnecting household equipment
- "All risk" replacement cost insurance (which should be arranged through the shipping agent or carrier)
- Household pets

(2) **Non-reimbursable Costs** – Moving allowances exclude such items as the following:

- Animals (except for household pets)
- Pleasure boats
- Airplanes
- Vacation trailers
- Recreational vehicles
- Canned, frozen and bulk foodstuffs
- Building supplies
- Plants
- Storage sheds
- Farm equipment
- Firewood

8. MOVING OF LABORATORIES

- a. **Policy** – Moving of laboratory supplies and equipment is a Stanford business expense, not subject to IRS reporting.
- b. **Procedure** – The letter of authorization should instruct the moving company to document the costs of packing, crating, transporting, uncrating, and unpacking laboratory effects separately from the costs of moving household effects.

9. AUTO SHIPMENT

The vice president, vice provost, dean or designee may authorize all or part of the actual and reasonable expenses of moving two cars per household. The cars may be driven or shipped.

10. EXPENSES FOR RETURN TRIPS TO FORMER RESIDENCE

- a. **Policy** – In a case where a new employee must return to his/her former residence to help with a move, or where the new employee is separated from his/her family for more than one month, the cognizant officer may authorize reimbursement for expenses relating to up to two trips to the employee's former residence.
- b. **Procedure** – Any reimbursement should cover transportation costs only and should be confirmed in writing before the travel takes place. Receipts are required (see Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf).

Tax Note: All expenses for return trips are tax reportable.

11. LIMITED ASSIGNMENT EXPENSES

- a. **Policy** – The payment of expenses by the University may be authorized for faculty and regular staff with specifically limited assignments and for non-employees and distinguished visitors who perform teaching, research, or other related services. Limited assignments are for one calendar year or less and presuppose no change in permanent residence nor primary affiliation with another organization. All travel expense policies of the University (Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf) apply to limited assignments, with the following points of clarification:

- (1) **Expenses are reimbursable** only to the extent authorized in a formal letter of authorization (invitation). Transportation expenses for dependents may be allowed at the discretion of the vice president, vice provost, dean or designee, but will not be allowed for an assignment of less than 30 days.

Tax Note: Limited assignment expenses are tax reportable unless the following conditions occur:

- The person on limited assignment has duplicate expenses (both the home residence and the limited assignment lodging).
- A member of the person's family continues to live in the home residence.
- The person retains a primary affiliation to the home institution (i.e., to Stanford for employees on limited assignment elsewhere, to their other employer for visitors to Stanford).

Tax Note: Dependent expenses for a person on limited assignment are tax reportable.

- (2) **Local transportation costs** should be held to a minimum by the use of University vehicles and public transportation, but car rentals and taxi expenses are reimbursable when necessary and reasonable, to the extent authorized in the letter of authorization.
- (3) **Reimbursement** – The University will not reimburse expenses except those specifically detailed in the letter of authorization. Expenses reimbursed by other sources may not be included in the reimbursement request.
- (4) **Lodging** – While a person is seeking longer term suitable housing, payment by the University of actual and reasonable short term lodging costs or a per diem reimbursement is allowed, consistent with section 5 (En Route/Travel Expenses) of this Guide Memo. After suitable housing is obtained, a lodging allowance may be authorized if deemed necessary. A lodging allowance may be necessary if the employee has actual expenses greater than those incurred living in his/her primary residence. Any income from renting the primary residence while on temporary assignment must be considered in the lodging reimbursement calculation.

12. REASSIGNMENT EXPENSES

If reassignment of a faculty or staff member for official University purposes requires relocation, the University may pay the actual, reasonable, and necessary costs incurred, as approved by the cognizant vice president, vice provost, dean, or designee, subject to a maximum agreed upon in writing in advance. Expense incurred in connection with sabbaticals (unless retained on salary by Stanford) and leaves of absence will not be reimbursed.

13. EXPENSE ADVANCES AND LOANS

- a. **Expense Advances** – Where appropriate, the University may elect to advance a relocating employee an amount to cover anticipated expenditures. Such advances may cover only expenses reimbursable to the employee and must be made in accordance with Guide Memo 36.3, Expense Advances, http://adminguide.stanford.edu/36_3.pdf.
- b. **Loans** – Temporary or emergency loans (see Guide Memo 35.6, Emergency Loans, http://adminguide.stanford.edu/35_6.pdf) may be granted to cover expenses that are not reimbursable to the employee (e.g., first and last month's rent, security/cleaning deposit, etc.)

14. REPAYMENT PROVISIONS

Faculty or staff members who receive relocation assistance to accept a Stanford position will be required to reimburse the University for relocation assistance if they voluntarily leave the University for any reason within 12 months from their date of hire. Reimbursement to the University will be pro-rated according to the number of months the employee has worked at Stanford. (For example, an employee who leaves after six months would be required to repay half the relocation allowance paid.) This repayment provision must be included in the offer letter.

Tax Note: Non-repayment of relocation allowances has tax implications.

15. REIMBURSEMENT PROCEDURES

- a. **Oracle Financials Reimbursement Request** – To claim reimbursement for relocation expenses the individual should submit an online Oracle Financials reimbursement request to the Travel and Reimbursement department within the Controller's Office. See Overview: Getting Reimbursed at: http://fingate.stanford.edu/staff/reimburse/get_reimbursed.html. See Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf, section 14 for requirements for receipts and other documentation.
- b. **Accounting** – Relocation expenses are coded to moving expense expenditure types. Most such costs are classified as allowable. However, if the employee voluntarily resigns with 12 months of hire the net moving costs (that is, the portion not repaid) must be transferred to an unallowable moving expense expenditure type.
- c. **Tax Withholding** – For reimbursements on which income tax and Social Security withholding are required at the time of payment, Travel and Reimbursement will arrange with the Payroll Office for payment to be made through the payroll process.