

IV. Moving Expense Reimbursement Policy

Federal Tax Law:

Moving expenses reimbursed by employers must be designated as **Qualified** or **Non-Qualified** as defined by the Internal Revenue Service:

Qualified expenses include only the costs of moving household goods and personal effects from the old to the new residence, and, costs associated with travel (including lodging but not meals) from the old to the new residence. While not included in taxable gross income, qualified reimbursements must be reported on federal form W-2 at the end of the calendar year for information purposes.

Non-Qualified moving expenses include the cost of meals, travel (including lodging) for house hunting trips, temporary lodging, and costs associated with residence sale, lease, or purchase.

College Policy:

It is the policy of the College to permit the reimbursement of qualified moving expenses (the College will not reimburse for non-qualified moving expenses) only for new employees according to the following schedule:

Local Moves: *No moving allowance will be granted for moves within a 50-mile radius of Ithaca.*

Faculty:

All reimbursements are to be negotiated by the hiring dean of each individual school. (Any reimbursements above \$5,000 must be approved in advance by the Provost and Vice President for Finance and Administration.)

Administrative appointments (Band K and above):

All reimbursements are to be negotiated by the appropriate vice president for administrative appointments. (Any reimbursements above \$5,000 must be approved in advance by the Vice President for Finance and Administration.)

Moving Expense Reimbursement Procedure:

New employees seeking reimbursement must complete an Ithaca College Summary of Moving Expenses Form and submit it along with complete receipt documentation to the appropriate dean, director, or vice president. The department should attach a copy of

the letter of appointment, or contract, which states the maximum level of reimbursement approved, and forward all documentation to Payroll within the Office of Human Resources, Garden Level Peggy Ryan Williams Center. Payroll will include qualified moving expenses in the employee's W2 at year end. A reimbursement check will be issued to the employee through Accounts Payable within 3-5 days of processing the transaction via EZPay or Voucher Authorization Form.

Qualified Moving Expenses:

Inclusions and Exclusions

A. Time and Distance Tests

Federal guidelines prescribe certain time and distance tests which determine whether or not the expenses associated with your move qualify for exclusion from taxable compensation. In general, the change of residence must be closely related in both time and place to start of work at a new job location.

B. Do not include *expenses for meals, house hunting trips prior to the actual move, temporary living expenses at new location, costs associated with selling old residence/ending a lease, or purchasing new residence/acquiring new lease.*

C. The cost of one trip (one way) per person in the household may be included.

If travel is by car, gas and oil expenses (but not repairs, depreciation, maintenance or insurance) may be claimed. An alternate approach is to claim mileage computed at the prescribe 2013 federal rate of 24 cents per mile. The route taken must be the most direct one.

For more information on what the Internal Revenue Service considers qualified and non-qualified moving expenses, please visit their website at <http://www.irs.gov/publications/p521/ar02.html>.

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