

Policy Number: 281.0

Policy: Relocation Expense Procedure

Effective Date: 3/2013

Revision Date: 10/2016

Approved by: Business Services Director

PROCEDURE:

I. Relocation Expense:

- A. Montana State University Billings may reimburse or pay directly the relocation costs for new employees hired in key positions such as executive officers, deans, directors, and coaching positions within the University. An Executive Officer or designee must pre-approve and authorize all relocation expenses in the hiring agreement. The Executive Officer authorizing the relocation expenditure is responsible for budgeting sufficient funds to cover the cost(s) to relocate the new employee. Montana State University Billings adheres to the IRS moving expense regulations as outlined in [Publication 3903 Moving Expenses](#).
- B. Below are the steps to pay vendors or be reimbursed for moving expenses.
 - 1. Preparation of a Banner Payment Authorization (BPA) with attached supporting documents including the Hiring Agreement with pre-approved relocation expense reimbursement allocation, original invoices and/or receipts are required. Appropriate accounting filled in on the BPA, index and account code 62863 for nontaxable reimbursed items and 62810 for taxable reimbursed items. If unsure leave the account code blank. The appropriate code and taxability will be determined and entered. Keep copies for your records.
 - 2. Route the document(s) for authority and fund controller signatures.
 - 3. The BPA and supporting documents should then be forwarded to Financial Services for approval and W2 reporting purposes.
 - 4. The BPA will then be routed to Business Services - Accounts Payable for payment.
 - 5. Taxable items will be included in the taxable gross of the employee's next paycheck and included in the taxable wages on the employee's form W2. Items not taxed will be included in a different box on form W2.
- C. Common deductible items that MSU Billings will reimburse are below. Please see Pub. 3903 for a detailed list and explanations.
 - 1. The cost of moving household goods and personal effects of the household members from the employee's former home to the new home.
 - 2. The cost of transportation and lodging for the household members while traveling between the former home and the new home.
 - 3. The cost of transporting household pets or shipping a car from the former home to the new home.
 - 4. Fuel costs should be documented with receipts, however if a standard mileage rate is reimbursed instead, the rate should be the moving expense rate as published in publication 521 and not the

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current state mileage rate. Any mileage reimbursed in excess of the published moving expense mileage rate will be considered a taxable benefit.

D. MSU Billings will not reimburse the following items:

1. Any part of purchase price of new home
2. Expense of getting or breaking a lease
3. Loss on sale of home
4. Meal expenses
5. Pre-move house -hunting expense
6. Temporary living expenses
7. Storage (except in transit)
8. Mortgage Loss
9. Car tags.
10. Driver's license.
11. Expenses of buying or selling a home (including closing costs, mortgage fees, and points).
12. Home improvements to help sell your home.
13. Losses from disposing of memberships in clubs.
14. Real estate taxes.
15. Refitting of carpet and draperies.
16. Return trips to your former residence.
17. Security deposits (including any given up due to the move).
18. Tips.