

COMPTROLLER POLICY MANUAL

	<b>POLICY: CMP 420-03</b>
	Section: 400 Disbursements
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	Responsible office: Comptroller
	Origination date: 01/01/2000
<b>Subject: Relocation Expenses</b>	Effective date: 03/25/2000
	Revision date: 01/01/2018

**PURPOSE**

To provide guidance for reimbursement to a new employee for allowable relocation expenses consistent with good business practices and IRS rules.

**SOURCE**

Internal Revenue Service  
University policy

**POLICY**

**CMP 420-03: Moving Expenses**

NAU may, at the discretion of the president, provost, or vice president, in exceptional cases, reimburse reasonable and eligible moving expenses for full-time faculty and staff (e.g., moving household goods and personal effects and traveling to their new home). Moving expense reimbursement is restricted to new faculty and staff who meet the Internal Revenue Service qualifying tests.

The president, provost and each vice president will determine eligibility for moving expense reimbursement, the maximum amount of reimbursement and any exceptions to the types of moving expenses that will and will not be reimbursed. The maximum moving expense reimbursement must be stated in the new employee's offer of employment letter. The reimbursement amount is limited to five percent (5%) of annual salary, unless the president, provost, or vice president authorizes an exception.

Relocation expense is defined as all or part of the reasonable expenses, incurred by a person newly employed by NAU, in moving such employee's household furniture, effects and immediate family to the employee's new place of employment.

**Allowable Expenses**

Examples of expenses allowable for reimbursement may include, but are not limited to:

- 1. Reimbursable expenses (subject to tax withholding)**
  - a. Rental truck
  - b. Charges for packing, crating, mailing and/or shipping household goods
  - c. Commercial moving company ([Purchasing Services Moving](#))
  - d. Optional insurance on items such as furniture, clothing and utensils
  - e. In-transit storage for up to 30 consecutive days
  - f. Shipment of car(s), if not used in the move
  - g. Travel and lodging costs for one trip (employee and family) from the old residence to the new residence, which may include:

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- Actual gas cost, based upon receipts or IRS current moving rate, please reference [IRS Publication 521](#).
- Lodging in transit, follow current [meal and incidental expense rates](#) for the cities involved
- Airfare (coach only)
- Parking fees and tolls while in transit
- h. Travel and lodging costs incurred during additional trips from the old residence to the new residence
- i. Temporary housing (not to exceed 30 days).
- j. House hunting expenses (one trip, not to exceed five days) may include:
  - Actual gas cost, based upon receipts or IRS current rate, please reference [IRS Publication 521](#).
  - Lodging, follow current [meals and incidental expense rates](#) for the city involved.
  - Airfare (coach only)
  - Rental car (economy)
  - Parking fees and tolls

**2. Reimbursable expenses (subject to tax withholding, prohibited on state accounts)**

Meals while in transit will be reimbursed based upon actual itemized receipts. Meal reimbursements will be limited to what is reasonable and appropriate to the travel circumstances, not to exceed current [meals and incidental expense rates](#).

**Unallowable Expenses**

Examples of expenses unallowable for reimbursement include, but are not limited to:

- a. Meals and travel costs incurred by laborers
- b. Expenses incurred by persons not considered to be dependents for tax purposes
- c. Costs related to immigration
- d. Utility and telephone installation charges
- e. Storage (excluding 30 days in transit)
- f. Loss of security deposits
- g. Home improvements to help sell a home
- h. Security deposits
- i. Real estate expenses
- j. Postage costs for realty and mortgage documents
- k. Personal telephone calls, tips, movies or other entertainment
- l. Extraordinary items requiring special handling (e.g. boats, ATVs etc.)
- m. Maid service
- n. Expenses paid from grant funds without prior authorization from the sponsor and the Office of Sponsored Projects

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**Documentation Required**

- 1) Original itemized receipts are required regardless of method of payment.
- 2) Copy of Employee Offer letter stating amount allotted for moving expenses.
- 3) Original completed and signed [Employee Moving Expense](#) Reimbursement Authorization form.

All expenses reimbursed to a new employee cannot exceed the pre-determined allotted amount stated officially in the new employee offer letter. You must be an employee on payroll with an approved e-PAR before submitting the moving allowance form.

The above documentation should be turned into Human Resources for processing.

Northern Arizona University employees receiving a moving allowance may be required to reimburse the university for all, or part, of the reimbursement if the employee resigns prior to a period of employment less than 24 months.