



UNIVERSITY SYSTEM  
OF GEORGIA

# Relocation Expenses

## CITATION REFERENCE

|                           |                               |
|---------------------------|-------------------------------|
| <b>OFFICIAL TITLE</b>     | POLICY ON RELOCATION EXPENSES |
| <b>VOLUME</b>             | HUMAN RESOURCES               |
| <b>RESPONSIBLE OFFICE</b> | USG HUMAN RESOURCES OFFICE    |
| <b>ORIGINALLY ISSUED</b>  | DECEMBER 2008                 |
| <b>REVISED</b>            | APRIL 2009                    |

[Return to Human Resources Administrative Practice Manual Table of Contents](#)

## Policy Statement

In order to attract the best faculty and staff possible, the University System should be competitive in the employment offers it makes. As part of its desire to achieve that goal, the University System of Georgia (USG) has established a policy enabling institutions to provide for relocation expenses as outlined below.

This policy ensures consistency in compensation practices among institutions of the University System while affording the appropriate level of flexibility needed at the institutional level.

## Applicability

All units of the University System of Georgia are covered by this policy.

## Who Should Read This Policy

All employees within the University System of Georgia should be aware of this policy.

## Definitions

These definitions apply to these terms as they are used in this policy:

- **Board of Regents (BOR):** The governing body of the University System of Georgia.
- **Salary Range:** The institutionally approved pay range for a position, usually designated by a minimum salary amount and a maximum salary amount.

## Process and Procedures

An institution is permitted to pay relocation expenses of a specific amount that is set out in the original written offer of employment. "Original written offer" is emphasized because any post-offer negotiated amounts will be considered a violation of the Gratuities clause of the Constitution of the State of Georgia.

Each institution shall establish procedures to implement this policy. Each institution that intends to pay relocation expenses should adopt written procedures, approved by the institution president, governing the practice. These procedures should reflect at a minimum:

- Budget constraints at the institution, with the maximum amount of relocation expenses that can be offered to a prospective employee;
- Specific positions or levels of positions that are eligible for payment of relocation expenses;
- Tax implications under IRS regulations;
  - Note: See IRS Publication 521 for moving/relocation taxation rules.
- Permitted expenses;
- Prohibited expenses;
  - For example, institutions should not end up owning someone's home in another location.
- Method of payment; and,
- Recordkeeping.

If the method of payment in the written policy is directly to vendors on behalf of the employee, all State of Georgia purchasing regulations apply. For example, moving company expenses exceeding \$5,000 must be competitively bid. Using the same example of moving company expenses exceeding \$5,000 related to employee reimbursement as the method of payment, employees are required to obtain three (3) quotes and to submit the quotes to the institution as evidence that the company providing the lowest quote was selected.

Relocation expenses, if part of an institution's approved procedures that are generally not subject to tax withholding are:

- Moving household goods and personal effects, and
- Traveling, including lodging but not meals, from the employee's former home to the new home by the shortest and most direct route.

These reimbursements are fringe benefits excludable from the employee's income as qualified moving expense reimbursements. The institution should report these reimbursements in box 12 on the employee's Form W-2.

## HUMAN RESOURCES ADMINISTRATIVE MANUAL EMPLOYMENT: RELOCATION EXPENSES

In general, all other relocation expenses reimbursed to an employee or paid on behalf of an employee are subject to tax withholding and reported as taxable wages in box 1 of Form W-2. For complete rules regarding Relocation expense tax implications, see IRS Publication 521.

Relocation expenses are not subject to Continuous Audit reporting and should be reported in account 565xxx, Relocation Expense, for GAAP reporting.

### Responsible Parties and Contact Information

| Party   | Responsibility  | Phone/Email/URL  |
|---|---|--|
| <b>Vice Chancellor for Human Resources, USG</b>   | Maintain policy, provide guidance to institution human resources officers on effective utilization of policy, and monitor campuses for compliance.  | 404-962-3235<br><a href="mailto:usg-hr@usg.edu">usg-hr@usg.edu</a> |
| <b>Institution Chief Human Resources Officers</b> | Ensure all hiring managers are aware of this policy. Provide guidance to management on appropriate application of the policy. Ensure that an appropriate process or institutional level policy is in place to facilitate fair and equitable evaluations of requests to extend offers above the minimum of a salary range. Ensure requests are properly evaluated and administered in accordance with policy and applicable federal and state laws. Ensure appropriate documentation is maintained when necessary. | See University System<br><a href="#">HR Officer Listing</a>        |

### Appendices (Internal Documents, Forms and Web Links)

- [Business Procedures Manual 5.3.7](#)

### Related Documents and Resources (External)

- None

[Return to Human Resources Administrative Practice Manual Table of Contents](#)