

Reimbursing Employee Relocation/Moving Costs
Guidelines and Procedures



Effective March 15, 2019

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I. Purpose

These guidelines establish the process and method for providing relocation reimbursement payments to eligible CUNY employees. It is CUNY's practice to offer reimbursement of relocation costs only to appointees filling critical positions for which the University is not able to recruit locally.

The higher education industry by its nature seeks to recruit top talent nationally and internationally, and faculty and top administrators routinely often relocate in order to obtain advancement.

II. Scope

These guidelines apply to all Colleges, as defined below, and includes relocation costs reimbursed with New York State or New York City funds, including those funds held by the New York State Treasury or New York City's Department of Finance on CUNY's behalf. It also includes relocation costs paid with other non-tax levy funds as defined below.

Not included in the scope of this document is the reimbursement of relocation costs of employees of CUNY's Related Entities (defined below); however, it is strongly suggested that those entities utilize this document to develop their own processes so that relocation reimbursements are consistent between CUNY and its Related Entities.

III. Definitions

As used in these guidelines:

"Appointee" means an individual who was formally offered and has accepted a position at CUNY, but has not started working at CUNY.

"College" means a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors College and the Central Office, as well as fund groups and organizations that are not legally separate from the University (e.g., the Queens College Athletic and Recreational Fund, the college associations of Hunter College, the School of Professional Studies and the Graduate School of Public Health and Health Policy).

"CUNY" and "University" mean The City University of New York.

"Offer Letter" means an official letter from CUNY offering an individual employment at CUNY.

"Related Entities" means the Research Foundation of The City University of New York as well as the following types of entities and their subsidiaries, if legally separate from the University: auxiliary enterprise corporations, college associations, student services corporations, childcare centers, performing arts centers, and art galleries.

IV. Summary

- A. Reimbursement of relocation expenses is not mandatory nor is it expected for every employee that may be eligible. The reimbursement of these costs may be used as a tool by CUNY to assist in the recruitment of highly qualified candidates, when the position is critical and when recruitment of local talent is not possible or when a broader geographical search is required. The determination of who is to receive such reimbursement and the amounts of such reimbursement is at the discretion of the College or Central Office management as long as the determinations are made within the parameters of these guidelines.
- B. Appointees are eligible for reimbursement of relocation expenses only if their old and new workplace are a minimum of 100 miles away from each other.
- C. Except as described in the following sentence, the maximum reimbursement shall not exceed \$10,000 or 10 percent of the appointee's starting base salary, whichever is the lower amount. The College President or his or her designee, or the Chancellor or his or her designee for the Central Office, must approve, in writing, any offer of reimbursement costs exceeding this amount. The maximum amount that may be reimbursed must be included in the appointee's Offer Letter.
- D. Only expenses outlined in Section VII are reimbursable pursuant to these guidelines.
- E. Relocation costs shall be reimbursed only upon initial appointment. CUNY shall not reimburse the relocation costs of an individual moving as a result of termination/separation of employment from CUNY.
- F. Relocation costs will be reimbursed only after the expense has been incurred and the appointee has commenced work at CUNY.
- G. Funding for reimbursement is subject to the individual College and Central Office department budget availability, and each College and the Central Office shall periodically review and revise as appropriate the maximum permitted reimbursement rates.
- H. Effective January 1, 2018, as part of the new federal tax law changes, all reimbursements for moving expenses must be reported as taxable income on the employee's W-2 form. In order to comply with these new changes, the relocation reimbursement must be paid from the same funding source where the appointment occurs (i.e., the employer). Moving expenses are subject to federal withholding but not New York State or local withholding. Refer to section VIII for further details.
- I. Employees must return reimbursements if they separate from CUNY within two years of the receipt of the reimbursement.

V. Appointee Eligibility

- A. Eligible Appointees include Persons:
 - i. Initially appointed to a full-time annual salaried professional position as full Professor or as an Executive Compensation (ECP) employee. The College President for College appointees or the Chancellor for Central Office appointees must approve any exception to the above titles.

- ii. An initial appointment means the first full-time appointment at CUNY or a Related Entity. An appointment subsequent to a first appointment shall be deemed an initial appointment if such appointment is made more than three years following termination of an earlier appointment.

B. Non-Eligible Appointees include Persons:

- i. Not appointed to a full Professor or ECP title;
- ii. Expected to be employed for a period of two years or less;
- iii. Appointed into an Acting or Interim position;
- iv. Employed on a part-time or hourly basis;
- v. Employed by New York State, New York City, CUNY, or a Related Entity, within the prior three years, unless the appointee meets the distance criteria outlined in section VI.

VI. Eligible Distances

Relocation expenses may be reimbursed only when the distance between the appointee's previous workplace and the new workplace is a minimum of 100 miles and the distance between the previous residence and the new workplace is a minimum of 100 miles.

VII. Eligible and Ineligible Costs

Appointees who are eligible and approved for reimbursement shall be reimbursed for actual and necessary moving and relocation expenses incurred by the appointee and immediate family members, up to a combined total of \$10,000 (unless a higher amount is approved and included in the Offer Letter), if the claim for such payment is made within one year of the effective date of the appointment.

An eligible appointee may be reimbursed for:

- A. The basic cost of moving household goods and personal effects from the appointee's residence at the time of initial appointment to the residence located near the new place of employment, if the appointee used a carrier authorized by the New York State Department of Transportation or the Interstate Commerce Commission to perform such service and the claim for reimbursement is accompanied by three (3) price quotes. Reimbursement shall be made at the rates proposed in the lowest quote unless there was a compelling reason to use one of the other movers.
 - i. Household Goods and Personal effects are defined as all reasonable items of furniture, furnishing, clothing, appliances, tools and equipment, including necessary expenditures for handling such items as pianos, refrigerators and deep freezers. For the purposes of moving, the term "personal effects" includes, but is not limited to, moveable personal property that the employee and/or immediate family members own and frequently use.
 - ii. Household goods and personal effects do not include such items as automobiles and other motor vehicles (see subsection iii following); trailers other than house trailers used as the appointee's residence; building materials; animals raised for profit, household pets, farming equipment,

livestock, or boats; belongings not the property of the appointee's immediate family; and belongings related to commercial enterprises engaged in by the appointee or his or her family.

- iii. No reimbursement shall be provided for household goods and personal effects in excess of 12,000 pounds.
 - iv. If an appointee does not use a commercial household goods carrier, he/she shall be reimbursed for the basic cost of moving household goods and personal effects by rental of trailers or trucks from commercial establishments provided the claim is accompanied by three price quotes. Reimbursement shall be made at the rates proposed in the lowest bid, unless there was a compelling case to use one of the other movers.
 - v. If no commercial carrier or rental trucks are used (e.g., a friend moves you and your household goods and personal effects using their truck), a reimbursement up to \$200 will be considered.
 - vi. Reimbursement may include the cost of packing and/or unpacking household and personal effects if the carrier used, as described in Section A. above, provides such services.
- B. If the appointee uses a personal vehicle to transport his/her family to the new location mileage may be reimbursed at the moving mileage rate as determined by the Internal Revenue Service (IRS) and for the shortest highway route between the two places of residence. Payment shall be made at such rate for one vehicle regardless of the number owned or driven for a one-way trip. Lodging may be reimbursed if the lodging occurs within the vicinity of the shortest highway route. Lodging rates must be within the stated GSA (Federal General Services Administration) rates for the location.
- C. If the appointee uses commercial air, airfare will be for one-way, economy class airfare ticket(s) for the appointee and their immediate family members, up to the maximum reimbursement amount, if the claim is accompanied by three price quotes. Reimbursement shall be made at the rates proposed in the lowest quote.
- D. Costs of moving pets are not reimbursable.
- E. Costs of meals during relocation are not reimbursable.
- F. Costs related to finding and buying a residence or rental property, or finding or living in temporary quarters, are not reimbursable. This includes but is not limited to house hunting costs, realtor costs, down payments, hotel, and rental costs.
- G. Expenses incurred by the appointee because of relocation other than those enumerated above will not be reimbursed.

VIII. Funding Source

The funding source that is used to pay the annual salary of the employee must be the same funding source that is used to pay for that employee's moving costs. All reimbursed moving costs must be included in the employee's W-2 form. For example, if a College foundation will be covering the moving costs of a College tax levy appointee, the College must pay the reimbursement to the appointee from tax levy funds and report it on the W-2, and the foundation may reimburse the College.

IX. Procedures

- A. If an appointee is offered a relocation reimbursement, the College or the Central Office shall include this benefit in the Offer Letter sent to the appointee. The Offer Letter shall reference these guidelines and the maximum agreed upon dollar value of such reimbursement (see Sample Letter in Appendix section below).
- B. The appointee must also complete the CUNY Request/Agreement for Moving Expense Reimbursement form and sign the repayment agreement. For the purposes of the form, the appointing officer is the Director of Human Resources at the hiring College or the Central Office. The appointing officer will review the completed form and accompanying documentation and complete the certification block.
- C. After beginning work at CUNY, the new employee must complete an expense report in CUNYfirst for the eligible relocation expenses actually incurred. A copy of the executed Offer Letter, a completed CUNY Request/Agreement for Moving Expense Reimbursement Form, all original documents, including receipts for all expenses claimed, proof of actual payment, and an original or copy of the Bill of Lading or Freight Bill, must be included as attachments to the expense report. Copies of three quotes provided by the carriers, airlines or trailer/truck rental agencies considered to provide the relocation must be included with the documentation submitted with the expense report.
- D. The employee's supervisor must approve all expense reports prior to the college's or central office's business office compliance review. Reimbursement will be made from the State or City of New York as appropriate and will be included in the employee's W-2 as taxable income (payments cannot be made until the appointee is active in the payroll system).
- E. All moving expenses must be initially paid by the employee and subsequently reimbursed. Under no circumstances shall a College or Central Office pay directly for any moving expense item on behalf of an employee.
- F. Moving expenses must reported on a W-2 as part of salaries and wages.

X. Employee Repayment of Relocation Expenses

In the event that an employee who has received reimbursement of relocation expenses resigns or voluntarily separates within two years of the effective date of appointment, the Vice Chancellor for Human Resources, or designee at the Central Office, or Vice President of Finance and Administration, or designee at the applicable

College, shall arrange to collect the relocation expense reimbursement back from the employee. The amount due from employees on State payroll is the full amount, while the amount from employees on City payroll is the pro-rated based on the amount of time that the person was employed at CUNY (e.g., if the employee worked for CUNY for 12 months, ½ of the amount paid should be collected).

XI. Tax Reporting

Employer reimbursements of moving expenses are taxable and will be shown in the employee's W-2 as income.

These guidelines have been designed to meet the IRS guidelines in force as of January 1, 2018. However, prior to approving an employee's CUNYfirst expense report, College personnel should review the IRS current publication on the topic to ensure that there have been no changes.

References

CUNY Request/Agreement for Moving Expense Reimbursement Form

NYS Finance Law Article 14 Sec. 202 (reimbursement of travel and moving expenses, reassignment or promotion)
<https://www.nysenate.gov/legislation/laws/STF/A14>

NYS Finance Law Article 14 Sec. 204 (reimbursement for travel and moving expenses upon initial appointment to State service)

GFO, XIII.8 (OSC Guide to Financial Operations, Moving Expense Reimbursement)

NYC Directive 6, Section 14.12 Moving Expenses