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**RELOCATION REIMBURSEMENT**

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**Scope:** All campuses served by Louisiana State University (LSU) Office of Accounting Services

**Effective:** July 1, 2007. This FASOP supersedes and replaces all prior versions.

**Purpose:** To establish a procedure for the reimbursement of employee relocation expenses.

**Procedures:**

- A. Relocation expenses that are reimbursed to new employees and/or paid by the contracted relocation vendor on behalf of new employees are reported to the Internal Revenue Service (IRS) in accordance with IRS reporting requirements. All expenses claimed for reimbursement must comply with regulations set forth in PM-13, University Travel Regulations.
- B. The Travel Office will complete an "Employee Moving Expense Reimbursement Summary" and provide it to the employee. The summary information will reflect a breakdown of expenses into "deductible" and "nondeductible" categories in accordance with the Internal Revenue Code.
- C. The Travel Office will provide a report of relocation reimbursements to the Payroll Office to be included on the employee's W-2.
  1. Taxable expenses include allowances for meals while traveling from old residence to new residence and reimbursement of temporary living expenses, house hunting expenses, and pre-move costs. Meal allowances while traveling from old residence to new residence may be reimbursed by LSU but reimbursement of temporary living expenses, house hunting expenses and pre-move costs are reimbursable only through private funding sources.
  2. Non-taxable expenses include transportation of household goods and professional goods from old residence to new residence and travel expenses (excluding meals) and lodging payments incurred while traveling from old residence to new residence.
- D. The Payroll Office will include the taxable moving expenses on the employee's gross income and withhold the applicable income taxes.
- E. The Payroll Office will report the non-taxable moving expenses on the employee's W-2 in accordance with IRS guidelines. The amounts are not included in gross income.
- F. The following expenses may be claimed by the employee for reimbursement through the University in accordance with State and University Travel Regulations:
  1. Moving of necessary household goods and office furniture, equipment, etc., including transport of one vehicle and mileage for a second vehicle. Mileage will be reimbursed at the federal standard mileage rate in effect at the time of the move.
  2. Insurance costs included in the "valuation" section on the moving company's invoice up to the limit of carrier liability if the client signs the declaration. Personal insurance taken out by the employee in addition to the valuation coverage provided by the carrier is considered a personal expense of the employee that is not a requisite cost of relocation and not considered a reimbursable cost.

3. In-transit expenses incurred while traveling from old domicile to new domicile to include lodging, mileage (at the federal standard mileage rate [.14] in effect at the time of the move) and meals for the employee. State guidelines prohibit the University from reimbursing meals for the spouse and children. Lodging expenses incurred in the new location, temporary living expenses, temporary storage costs in either the old or the new domicile and pre-move house hunting expenses are not reimbursable through the University as the State of Louisiana prohibits reimbursement of expenses incurred within the employee's domicile.
  4. Expenses of renting a truck or van that is to be operated by the employee (as opposed to a moving company), including packing materials and gasoline expenses will be reimbursed. Itemized receipts are required to be submitted for all expenses.
- G. The final approval for reimbursement of relocation expenses is delegated to the Dean or Department Head.
- H. If the employee elects to rent a truck and equipment to be operated by the employee, the employee is required to obtain three comparable written bids (estimates) if utilizing a moving company as defined in the State and University Procurement requirements.
- I. The department obtains approval of AS521, "Request for Authorization to Reimburse Relocation Expenses," and retains the form in the department to be filed with the AS300, "Travel Expense Reimbursement Request".
- J. The employee pays the moving company and obtains a paid itemized receipt.
- K. The employee submits the three written estimates obtained and the original paid itemized receipt to his or her department who, in turn, will complete an AS300 to reimburse the employee.
1. The AS300 will reflect all expenses incurred during the employee's relocation, including the actual expenses paid to the moving company and the mileage, meals and lodging expenses incurred in transit from the old residence to new residence.
  2. The department will attach to the AS300 the original approved AS521, the original three written estimates and all applicable original paid itemized receipts.
  3. The Travel Office will audit and process the AS300 for reimbursement. If any of the expenses claimed on the AS300 are denied by the Travel Office for non-compliance with PM-13, the Travel Office will delete these items from the reimbursement request and notify the department contact and the employee in writing, identifying the disallowed items.