

Prepared by the Disbursing Office
This replaces Administrative Procedures A8.863
dated February 2006

A8.863
May 2007

A8.800 Disbursing/Accounts Payable and Payroll

p 1 of 13

A8.863 Relocation Allowances

1. Reference

Board of Regents' policy, [Section 9-9 Relocation Allowances](#).

2. Purpose

The purpose of the relocation allowance is to partially reimburse an eligible new or transferred employee for reasonable travel expenses as part of a household move. The relocation allowance is discretionary on the part of the program manager and is subject to availability of funds.

3. Responsibilities

a. Deans/Directors/Vice Chancellors/Vice Presidents/Chancellors are responsible for ensuring that relocation allowances they approve are in compliance with this procedure and are consistently applied.

b. Department

Request advance approval from Dean or equivalent. Inform appointee of the following: 1) allowable moving expenses that will be paid and the limitations on such payments; 2) retention of original receipts; and 3) the IRS guidelines regarding reimbursement of moving expenses. Prepare the Relocation Allowance Request form ([FMIS-17](#)) after the move.

c. The Office of Human Resources and the Disbursing and Payroll Office are responsible for policy administration. The Office of Human Resources is responsible for employee eligibility and return of relocation allowance determinations, while the Disbursing and Payroll Office is responsible for payment matters.

4. Basic Rules

- a. Relocation allowance reimbursements may be processed only for UH Board of Regents appointees with regular, full-time appointments of at least one year. As such, relocation allowances shall not be paid to individuals such as civil service employees, visiting faculty and staff, casual appointees, consultants, student help, graduate assistants, postdoctoral fellows paid by stipends, etc.
- b. Relocation allowance reimbursements may be made from State and extramural sources of funds if funds are available in the department's budget. If funding is from contracts or grants administered by the Office of Research Services, written approval from the contracting/granting agency must be obtained.
- c. Allowable Reimbursements-Receipts to Substantiate the Payment Must Accompany All Reimbursement Claims

1) Airfare

Transportation may not exceed coach class airfare by the most direct or least expensive route for the new employee, spouse/domestic partner, and dependent children. For a domestic partner, the employee and partner should sign and submit a declaration of domestic partnership ([Attachment 1](#)).

2) Automobile Mileage

If the relocation includes the use of a private automobile, the appointee is to be reimbursed for mileage from the old residence to the shipping terminal and reimbursement is based on the moving federal allowable mileage rate as listed in IRS Publication 521.

- Mileage is based on constructive highway miles for the most direct route, not your odometer reading.
- Use Mapquest® as a mileage counter.
- Reasonable mileage traveled per day (400 or more).

- Parking fees and toll charges up to the day of arrival may be claimed for reimbursement.

3) Lodging

Limited to overnight accommodations by the most direct and economical route, up to the day of arrival. The total lodging reimbursement (connected with mileage reimbursement) shall be compared against the cost of airfare and lodging for all eligible family members and reimbursement shall be limited to the lower of the two alternatives. Receipts to substantiate the payment must accompany all reimbursement claims. It should be noted that meals are not a reimbursable expense.

4) Shipping Costs

The costs of shipping personal effects and professional materials through commercial vendors or the postal service are reimbursable only from the appointee's former home.

The appointee should be advised to seek the lowest priced vendor. As a general rule, the appointee should solicit three price quotations and select the lowest.

The department is responsible for ensuring that the costs to the University are reasonable and are within the limits of the current policy.

5) Taxi

Taxi fare to the airport on the day of departure and from the airport on the day of arrival are allowable.

d. Method of Payment

All relocation allowances are to be processed on the Relocation Allowance Request form (FMIS-17) and the Worksheet for W-2 Reporting of Moving Expenses (FMIS-17A) on a reimbursement basis. The appointee should be forewarned of the reimbursement requirement and the personal responsibility of the appointee to make initial payments.

- e. To avoid any misunderstanding, the appointee should be informed of the University's relocation policy which basically reimburses appointees for reasonable costs within specified guidelines and amounts.
- f. The appointee must agree to reimburse the University for the full amount of the relocation expense paid in the event the new employee does not complete a full year of service after the relocation. Each department/unit office is responsible for maintaining a file of completed Relocation Allowance-Receipt, Acknowledgement and Agreement Statements (FMIS 17-B, Attachment 4) and to initiate collection activities if the appointee does not fulfill his/her obligation.
- g. The request for relocation allowance for an appointee is not to be split and processed on more than one FMIS-17 and FMIS-17A. A special procedure must be followed if partial payments are required due to delayed receipt of supporting documents, family members traveling at different times, etc. (refer to Section 8 for details).

5. Authorization

Individual	Scope	Authority
Deans/Directors/ Vice Chancellors	Respective units	Up to \$8,000
Vice Presidents or Chancellors	Respective units	In excess of \$8,000 and Exceptions noted in 5c.
Vice President for Budget and Finance/ Chief Financial Officer	Systemwide programs, Mānoa, UH at Hilo, West O'ahu, & Community Colleges	Exceptions to the allowable reimbursements and the rules & procedures

- a. Authorization to approve relocation allowances, not exceeding \$8,000, is delegated to respective Deans, Directors, and Vice Chancellors.

- b. Authorization to approve relocation allowances in excess of \$8,000 is delegated to the Vice President and/or Chancellor responsible for the program. A justification for the excess must be submitted with the Relocation Request.
- c. Exceptions. The Vice Presidents or Chancellors are also delegated the authority to grant the following exceptions to the allowable relocation expenses.
 - Car rental in Hawai'i after the day of arrival.
 - Temporary housing in Hawai'i after the day of arrival.
 - Issuance of a purchase order to a vendor on behalf of the appointee for airfare, shipping and temporary housing. If a purchase order is to be issued to a third party vendor on behalf of the prospective employee, the department should comply with the University procurement guidelines for small purchases (refer to [APM A8.250](#)).

The criteria specified in Section [5.e](#) must be used to justify the excess allowance request. All Relocation Allowance Request forms which relate to requests to exceed the authorized ceiling of the requesting individual must be appropriately certified in the special signature block, "EXCESS ALLOWANCE APPROVAL:" by the Vice President or Chancellor.

- d. Authorization to approve all other exceptions to the allowable reimbursements and/or to the rules and procedures is delegated to the Vice President for Budget and Finance/Chief Financial Officer. The exception request must be submitted to the Vice President for Budget and Finance/Chief Financial Officer with a justification for the request. The criteria specified in Section [5.e](#) must be used to justify the exception request. All Relocation Allowance Requests which relate to the requests for exceptions must be appropriately certified in the special signature block "EXCEPTION ALLOWANCE APPROVAL:" by the Vice President for Budget and Finance/Chief Financial Officer.

Exceptions to the allowable reimbursements may be subject to tax withholdings.

- e. Due to the fact that relocation costs are processed as after-the-fact reimbursements to appointees, prior approval for both excess and exception requests must be obtained. No offer or commitment is to be made to the appointee until approval has been obtained.

On all excess and exception requests, the following criteria must be used as guidelines:

- 1) The excess and/or exception is necessary to attract a candidate who would otherwise not relocate to Hawai'i.
 - 2) There is no other equally qualified and acceptable candidate who can be attracted without an excess and/or exception.
 - 3) The total allowance shall not exceed the actual cost of relocation as determined by suitable documentation of the actual cost.
- f. The authority of Deans, Directors, Vice Chancellors, Chancellors, and Vice Presidents to approve relocation requests cannot be further delegated to designees.

6. Tax Implications

For IRS purposes relocation expenses are referred to as moving expenses. Moving expenses include only expenses incurred in moving to a new home because of a change in job location or the start of a new job.

Reimbursement of moving expenses is considered income unless they can be categorized as deductible. Moving expense reimbursements fall under two categories: (1) deductible moving expenses; and (2) non-deductible moving expenses.

Deductible Moving Expenses

Deductible moving expenses are considered fringe benefits excludable from the appointee's income as qualified moving expense reimbursements. The appointee may deduct their moving expenses if they meet the following requirements:

- a) The move must meet the distance test. The new job location must be at least 50 miles farther from your former home than your old job location.
- b) The move must meet the time test. Appointee must work full time for at least 39 weeks during the first 12 months after they arrive in the general area of their new job location.
- c) If appointee meets the distance and time tests, they may deduct the reasonable expenses of:
 - Moving household goods and personal effects (including in-transit or foreign-move storage expenses), and
 - Traveling (includes lodging) to their new home up to the day they arrive.
- d) For further clarification and understanding of the deductibility of moving expenses, please consult with your tax professional.

Non-Deductible Moving Expenses

Reimbursements made to the appointee that do not meet all of the above requirements are considered non-deductible moving expenses and must be included in the appointee's gross income as wages and are subject to tax withholdings. Non-deductible moving expense reimbursements will be added to the appointee's regular wages and taxes will be withheld from appointee's regular wages. The effect of the increased tax base will result in a reduction in appointee's normal net pay in the pay period(s) processed. Appointees must plan accordingly, for the reduction in net pay may be substantial.

Use [FMIS-17A](#) to determine deductible versus non-deductible reimbursements. A general definition of deductible and non-deductible expenses is also provided in the instructions for FMIS-17A. Specific itemized expenses are listed on the face of the form.

Departments must complete the revised FMIS-17 and the FMIS-17A, requiring the use of two sub codes:

- | | |
|------|---|
| 4891 | Deductible, Reportable/Non-Taxable Moving Reimbursement |
| 4892 | Non-Deductible, Reportable/Taxable Moving Reimbursement |

7. Payment Procedures

The appropriate Program Head initiates the Relocation Allowance Request form, [FMIS-17 \(Attachment 2\)](#); obtains the required signatures; and attaches all required supporting documents (offer letter, invoices and proof of payment receipts).

[FMIS-17A \(Attachment 3\)](#) must be completed by the appropriate Fiscal Officer to determine reimbursements that are deductible versus non-deductible.

Completed [FMIS-17](#) (original and 1 copy), supporting documents (original invoices), and [FMIS-17A](#) (original and 3 copies) must be submitted to the Disbursing Accounts Payable Section.

Upon receipt of the relocation allowance checks and [FMIS 17A](#), the appointee must complete and sign the Relocation Allowance Receipt, Acknowledgement and Agreement Statement ([FMIS-17B](#)). The Statement should also be signed by the approving authority and the Fiscal Officer to ensure compliance with the repayment agreement. The department/unit office is to retain this document and initiate collection activities if the appointee does not fulfill his/her obligation.

8. Partial Reimbursement Payments

Under unusual circumstances, partial reimbursement claims may be required because some support documents are delayed, family members are traveling at different times, some personal effects are shipped at a later date, etc. However, complete reimbursement claims should be processed as soon as possible and in no situation should the claim be delayed beyond one year (from the date of appointment).

The following procedures should be followed:

- a) The "PARTIAL" block should be checked in the top left corner of each Relocation Allowance Request ([FMIS-17](#)) beginning with the initial one.
- b) Only the amount being claimed for reimbursement should be reflected in the "Total Amount" section and itemized in the body of the initial form. A footnote at the bottom of the itemized section is required to explain the situation and identify the pending cost items.

- c) Only the amount being claimed for reimbursement should be reflected in the "Total Amount" section and itemized in the body of subsequent forms. A footnote at the bottom of the form is required to indicate final payment. The cumulative partial payments are not to exceed the authorized ceiling of the authorizing individual.
- d) A separate [FMIS-17A](#) should be completed for each [FMIS-17](#) to match relocation expense claim totals.

9. Availability of Forms

The following PDF fillable forms are available at the end of this procedure and on-line at:

<http://www.fmo.hawaii.edu/FMIS/formfair.html>

- Declaration of Domestic Partnership ([Attachment 1](#))
- [FMIS-17](#) Relocation Allowance Request ([Attachment 2](#))
- [FMIS-17A](#) Employee Relocation Allowance Worksheet ([Attachment 3](#))
- [FMIS-17B](#) Relocation Allowance Receipt, Acknowledgment and Agreement Statement ([Attachment 4](#))

DECLARATION OF DOMESTIC PARTNERSHIP

A. DOMESTIC PARTNERSHIP DECLARATION

We, _____, (the “employee”) and _____, (the “domestic partner”), each declare that we are domestic partners and certify that our domestic partnership meets each and every one of the following criteria:

- a. The employee and the domestic partner intend to remain in a domestic partnership with each other indefinitely.
- b. The employee and the domestic partner have a common residence and intend to reside together indefinitely.
- c. The employee and the domestic partner are and agree to be jointly and severally responsible for each other’s basic living expenses incurred in the domestic partnership.
- d. Neither the employee nor the domestic partner is married or a member of another domestic partnership.
- e. The employee and the domestic partner are not related by blood in a way that would prevent them from being married to each other in the State of Hawai’i.
- f. The employee and the domestic partner are both at least 18 years of age and mentally competent to contract.
- g. The consent to the domestic partnership by the employee or the domestic partner has not been obtained by force, duress or fraud.
- h. The employee and the domestic partner hereby agree to sign and file with the University any and all declarations of domestic partnership and/or verifications of eligibility as the University may from time to time prescribe.

We understand that we have an obligation to notify the University in writing if there is any change in our domestic partnership status as a result of any of the certifications in part A of this Declaration ceasing to be true. We will notify the University as soon as possible of such change.

B. ACKNOWLEDGMENT

1. We understand that the University of Hawai’i is relying upon the statements made herein for the purpose of providing benefits and that a civil action may be brought against one or both of us for any losses (as well as attorney’s fees and costs) due to any false statement contained in this Declaration or for failure to notify the University of changed circumstances as required in part A above. I, the undersigned employee further understand that falsification of information in this Declaration, or failure to notify the University of changed circumstances pursuant to part A above, may lead to disciplinary action against me, including discharge from employment.
2. We have provided the information in this Declaration for use by the University for the sole purpose of determining our eligibility for certain spousal or domestic partner benefits. We understand that the information provided in this Declaration will be treated as confidential by the University but will be subject to disclosure upon the express written authorization of the undersigned or if otherwise required by law.

Employee Signature

Date

Spouse/Domestic Partner Signature

Date

UNIVERSITY OF HAWAII RELOCATION ALLOWANCE REQUEST

CAMPUS: _____

DATE: ____ / ____ / ____

(Shaded items represent information to be completed by Disbursing. See reverse side for instructions)

(MM/DD/YY)

DOCUMENT NUMBER
N _____

APPOINTEE'S NAME (Last Name, First Name, Middle Initial)	UH ID NUMBER	DEPARTMENT	P/R NO.
--	--------------	------------	---------

VENDOR CODE	VOUCHER NO.	ACCOUNT CODE	SUB CODE	TYPE	P/F/N	AMOUNT
			4891	0		
			4892	0		
TOTAL						\$ _____

APPOINTEE'S TITLE	RANK	B.U.	APPOINTMENT DATE	DATE DEPARTED	DATE ARRIVED
			/ /	/ /	/ /

ADDRESS FROM WHICH RELOCATED (Street Address, City, State, Zip Code)

ALLOWABLE RELOCATION EXPENSES (Reportable/Non Taxable)

AIRFARE: Appointee (Spouse/Domestic Partner & Dependents) _____

MILEAGE: _____ miles X \$. _____ = B.U. rate _____

LODGING: _____

SHIPPING COST: Personal Effects and Professional Materials _____

TAXI, PARKING FEES, etc.: _____

SUB TOTAL: ALLOWABLE EXPENSES \$ _____

EXCEPTION RELOCATION EXPENSES (Reportable/Taxable)
 *Exception Approval Required, may be subject to Federal, State, FICA, & Medicare withholding.

OTHERS: _____

SUB TOTAL: EXCEPTION EXPENSES \$ _____

TOTAL RELOCATION ALLOWANCE \$ _____

**Limited to authorized ceiling, overage requires Excess Approval

PREPARED BY: _____ PROGRAM HEAD _____ / / DATE

APPROVED BY: _____ DEAN/DIRECTOR/VICE CHANCELLOR _____ / / DATE

_____ FISCAL OFFICER _____ / / DATE

****EXCESS ALLOWANCE APPROVAL (ATTACH JUSTIFICATION):**

_____ VICE PRESIDENT/CHANCELLOR _____ / / DATE

***EXCEPTION ALLOWANCE APPROVAL (ATTACH JUSTIFICATION):**

_____ VICE PRESIDENT FOR BUDGET AND FINANCE AND CHIEF FINANCIAL OFFICER _____ / / DATE

EMPLOYEE RELOCATION ALLOWANCE WORKSHEET FOR W-2 REPORTING OF MOVING EXPENSE

CAMPUS: _____

DATE: ____/____/____
(MM / DD / YY)

DOC No. **N** _____
(from FMIS-17)

APPOINTEE'S NAME _____ P/R No. _____
(Last Name, First Name, Middle Initial)

UH ID NUMBER _____ DEPARTMENT _____

APPOINTEE'S TITLE _____ RANK _____ B.U. _____

APPOINTMENT DATE ____/____/____ DATE DEPARTED ____/____/____ DATE ARRIVED ____/____/____

ADDRESS FROM WHICH RELOCATED _____
(Street Address, City, State, Zip Code)

Deductible Moving Expenses (Reportable/Non taxable, 4891)

1. Transportation and lodging expenses to new residence \$ _____
(including those incurred on the arrival date)

Airfare (total) \$ _____
Mileage (_____ miles x _____¢ = Fed rate) \$ _____
Lodging \$ _____
Taxi \$ _____
_____ \$ _____

2. Moving Expenses for household goods and personal effects \$ _____

Shipping \$ _____
_____ \$ _____
_____ \$ _____

SUB-TOTAL DEDUCTIBLE MOVING EXPENSES 4891(P) \$ _____

(these amounts will be reported as non-taxable moving expenses in the pay period processed and identified with a code P on your IRS Form W-2)

Non-Deductible Moving Expenses (Reportable/Taxable, 4892)

1. Mileage (_____ miles x _____¢ = B.U. rate less Fed rate) \$ _____
2. Meal expenses \$ _____
3. Pre-move house hunting expenses \$ _____
4. Temporary living expenses \$ _____
5. Expenses of selling or leasing old residence \$ _____
6. Expenses of purchasing or leasing new residence \$ _____
7. Others: _____ \$ _____
_____ \$ _____

SUB-TOTAL NON-DEDUCTIBLE MOVING EXPENSES 4892(T) \$ _____

(these amounts will be included in your gross earnings in the pay period processed, identified with a code T on your IRS Form W-2, and Federal, State, FICA, & Medicare withholdings deducted.)

TOTAL REIMBURSEMENT 4891 & 4892 \$ _____

Note to Appointee: This form provides you the information you need to calculate your moving expense deduction. It shows the amount of any reimbursement made to you. This form is not a verification of your moving expenses. It only shows the amounts your employer reimbursed you for your move. These amounts may differ from the amounts you actually spent.

RELOCATION ALLOWANCE
RECEIPT, ACKNOWLEDGMENT AND AGREEMENT STATEMENT

I, _____ acknowledge receipt of
Check No. _____ for the amount of \$_____ for
relocation expenses incurred. I also understand and agree to reimburse the University for
the full amount, if I am not able to complete a full year of service at the new location.

Signature of Appointee

Date

Approving Authority
(Print or Type Name)

Signature of Approving Authority

Date

Fiscal Officer
(Print or Type Name)

Signature of Fiscal Officer

Date