Moving Expense Procedures and Guidelines

Purpose

Western Michigan University (WMU) may reimburse eligible moving expenses when relocation assistance is necessary to attract highly qualified candidates for certain positions. Moving expense reimbursements are intended to offset reasonable and necessary relocation costs directly related to the employee's move to begin employment with the University.

All moving expense reimbursements are considered taxable income and will be processed through payroll in accordance with applicable tax regulations.

Eligibility

WMU may provide moving expense reimbursement to newly hired employees in regular, full-time tenure-track faculty or senior administrative positions when relocation assistance is necessary to support recruitment efforts. Prior approval from the President or designated executive officer is required before offering this benefit.

Reimbursements are limited to actual, allowable moving expenses incurred by the employee, up to a maximum of one month's base salary, and must be funded by the hiring department.

Exceptions to this policy may be granted only by the President's Office in rare and extraordinary circumstances.

Allowable Moving Expenses

Only reasonable, necessary, and documented expenses directly related to relocating the employee and their household to begin employment at WMU are eligible for reimbursement.

Examples of eligible expenses include:

- Professional moving company services
- Transportation of household goods and personal belongings
- Lodging for employee during the move
- Truck or trailer rental
- Fuel costs for a rented moving vehicle
- Toll charges incurred during the move
- Mileage for a personal vehicle used during the move, reimbursed at the lesser of the IRS standard mileage rate or the applicable University rate

Non-Allowable Expenses

Examples of expenses that are not eligible for reimbursement include:

- Meals
- Temporary housing or living expenses
- House-hunting trips
- Travel unrelated to the actual relocation
- Storage fees, except for reasonable in-transit storage
- Costs associated with selling a residence
- Security deposits
- Closing costs or expenses related to purchasing a home
- Expenses incurred prior to acceptance of employment
- Expenses related to terminating a lease or residence before employment begins

This list is not all-inclusive. WMU reserves the right to determine the eligibility of any expense not specifically addressed in this policy.

Reimbursement Process

Step 1 – Authorization

Prior to incurring reimbursable moving expenses, the hiring department must:

1. Confirm the position is eligible under this policy.
2. Verifying sufficient departmental funding is available
3. Obtain approval from the President or designated executive officer to offer moving expense reimbursement.
4. Submit a Moving Expense Pre-Authorization Form to the Controller's Office for review and approval.

No reimbursement may be processed without the required approvals.

Step 2 – Employee Incurs Expenses

The employee pays for moving expenses and retains all original itemized receipts and supporting documentation.

Documentation must clearly identify:

- Vendor name
- Date of expense
- Description of service or item purchased
- Amount paid

Credit card statements alone are not sufficient documentation.

Step 3 – Department Review and Payment Processing

The employee must submit all supporting documentation to the hiring department. The department is responsible for reviewing expenses to ensure compliance with this policy and retaining supporting documentation in accordance with University record retention requirements.

Once the expenses have been reviewed and approved, the department will process an Incidental Pay (IP) transaction in PeopleSoft HR using earnings code MET – Moving Expense (Taxable). The transaction will route through the standard approval workflow and, upon final approval, will be included in the next applicable payroll cycle.

Step 4 – Payroll Processing

Approved moving expense reimbursements will be paid through the next applicable payroll cycle.

Because federal tax law generally treats employer-paid moving expenses as taxable income, the reimbursement will:

- Be included in the employee's taxable wages
- Be subject to applicable federal, state, and local tax withholding
- Be reported on the employee's Form W-2

Employees should consult their personal tax advisor regarding any individual tax implications.

Questions regarding allowable expenses or reimbursement procedures should be directed to the Controller's Office.