

## UNIVERSITY OF PITTSBURGH POLICY 05-07-02

**CATEGORY:** FINANCIAL AFFAIRS  
**SECTION:** Business Expenses  
**SUBJECT:** Moving Expenses -- Household Goods  
**EFFECTIVE DATE:** November 18, 2010 Revised  
**PAGE(S):** 6

### I. SCOPE

This policy is to establish a basis for reimbursement of household and personal moving expenses when University funds including unrestricted, restricted, and endowment funds are to be expended for the relocation of full-time faculty, librarians, and administrative and professional staff who are newly hired by the University or are being transferred to a new University location.

### II. POLICY

Authorization by a Dean, Director, Regional President, Vice Chancellor, Associate Vice Chancellor, Senior Vice Chancellor, Provost, Executive Vice Chancellor, or Chancellor, holding a superior position to the relocating employee, must be granted prior to offering moving expense benefits to a relocating employee.

### III. GENERAL PROVISIONS

- All moving service requests are to be arranged through the Department of Parking, Transportation and Services, (412) 624-8801, (E-mail: [relocations@pitt.edu](mailto:relocations@pitt.edu)) who will assign the move to a reliable moving firm, pending the acceptance of the relocating employee. **Do not call the moving company directly. All moves must be authorized to the moving company through the Department of Parking, Transportation and Services.** If the relocating employee selects a moving company that is not University certified, the relocating employee assumes the responsibility for the planning, preparation, and execution of their move. The relocating employee is responsible to pay associated costs and may receive reimbursement for actual expenses by submitting a properly completed and authorized Travel & Business Expense Report, to their Departmental Administrator, supported with original receipts indicating paid in full.
- Relocating employees wishing to "self-haul" (rent a truck, pack, load, unload, etc.) may do so without contacting the Department of Parking, Transportation and Services. The relocating employee is responsible to pay costs associated with this type of move and may receive reimbursement for actual expenses by submitting a properly completed and authorized Travel & Business Expense Report, to their Departmental Administrator, supported with original receipts indicating paid in full.
- All commitments for moving and interview expenses must be made from existing funds available to the employing department.
- Relocation of laboratory, library, scholarly collection, or research equipment will not be considered household goods or personal effects to the extent that these items are relocated to University premises. These expenses are considered ordinary and necessary business expenses of the University.
- Personal travel from a former residence to the first new place of residence may be reimbursed in accordance with Policy 05-07-01, Travel & Business Expenses.
- Personal travel for the purpose of looking for a new residence may be reimbursed in accordance with Policy 05-07-01, Travel & Business Expenses. However, the

reimbursement to the individual for such expenses is taxable income for federal income tax purposes.

- Exceptions to any provision of this policy require written approval from one of the following:
  - Chancellor
  - Executive Vice Chancellor
  - Senior Vice Chancellor
  - Chief Financial Officer
  - Secretary of the Board of Trustees and Assistant Chancellor
  - Provost
  - Regional President
  - Dean
  - Academic Director

Requests for policy exceptions must move upward through each level of the reporting structure related to the individual desiring exception to this policy. Requests for policy exception must not be forwarded directly to one of the above listed individuals if such an action passes over a level in the organization's reporting structure.

#### IV. ELIGIBILITY

Only individuals accepting full-time positions, who have agreed to work for at least one year, are eligible to be offered moving expense benefits. Individuals who receive moving expense benefits, but who voluntarily terminate employment prior to completing one year of service, will be required to return to the University the moving expense benefit received. The Academic Dean/Director whose account paid for the employee's move has the responsibility to immediately notify the University's Payroll Office, (412) 624-8079, and collect the above mentioned benefit from the individual terminating employment. The effective date of employment cannot be earlier than the date the individual actually begins work at the University.

#### V. ALLOWABLE EXPENSES FOR HOUSEHOLD GOODS RELOCATION

- Transportation charges for the movement of household goods.
- Packing and unpacking charges except dates and times when overtime rates are charged.
- Packing containers.
- Insurance fees for coverage up to \$75,000 full replacement valuation.

***Note: Although the University includes this insurance coverage as an allowable expense, the processing of claims and resolution of any disputes regarding damaged goods must be resolved by the employee directly with the moving company.***

- Storage fees, limited to 30 days at origin or destination, but not both.
- Extra pickups and deliveries.
- Normal services of major appliances (defined as stove, refrigerator, washer, dryer, window air conditioning, etc.) to ensure safe transport and normal destination service (installation) for those items prepared for transportation at the origin of move. Special electrical or plumbing services in excess of regular services required to connect or disconnect appliance is not allowable.

## VI. NON-ALLOWABLE EXPENSES FOR HOUSEHOLD GOODS RELOCATION

- Loading or unloading, packing or unpacking on Saturdays, Sundays, holidays or other times when overtime rates are charged.
- Transportation of currency, money, coins, bullion, notes, securities, stock, stamps, wills, precious stones, jewelry, furs, and other articles or collections of extraordinary value.
- Moving alcoholic beverages, boats, recreational vehicles or equipment, trailers (camping or smaller), mobile homes, rock collections, household plants, shrubbery, firewood, lumber, bricks, or other items not normally considered as household effects.
- Shipment of firearms, explosives, or other dangerous articles is prohibited by law.
- Moving buildings such as storage buildings, covered patios, etc.
- Transportation and related expenses for pets or animals.
- Moving frozen or perishable items requiring special refrigeration service.
- Shipment by moving van of a personal vehicle.
- Exclusive use of moving van (immediate delivery with no stops to include other shippers' goods when weight of your goods does not meet minimum weight requirements of the van).
- Disassembling or assembling pool tables, children's playhouses, storage buildings, shelving, worktables or counters, swing sets, swimming pools, TV antennae or cable hook up, and draining of waterbeds.
- Housecleaning, cleaning of rugs or draperies, maid service.
- Removing or installing wall-to-wall carpet, drapes, mirrors, or related items.
- Special electrical or plumbing services in excess of regular services required to connect or disconnect appliance.
- Temporary living expenses, e.g., lodging, meals, etc.
- Real estate transactions such as selling (or settling an unexpired lease on) the old residence and buying (or acquiring a new lease on) the new residence, real estate taxes, financing, mortgage penalties, etc.

The above list of non-allowable expenses serves as a guide and is not to be considered all inclusive. All household goods relocation expenses are subject to review by the Director of Parking, Transportation and Services.

## VII. TAXES

### Federal Taxes

The United States Internal Revenue Service tax code for household goods relocation expenses (IRS Publication 521) identifies the deductibility of moving expenses for individuals. When the University is paying for or reimbursing relocation expenses, the tax code is used to determine if the expenses are taxable income to the relocating employee.

If the University pays for or reimburses a relocating employee for a deductible expense, the expense is a non-taxable fringe benefit.

If the University pays for or reimburses a relocating employee for a non-deductible expense,

the expense is taxable income that will be reported on Form W-2 and will be subject to FICA taxes.

If the University does not pay for or reimburse a relocating employee for a deductible expense, the employee may be able to deduct the expense on their federal income tax return. (See Form 3903 and IRS Publication 521). For further clarification the relocating employee should contact their personal tax consultant.

Reimbursements for a moving expense must be supported by original receipts documenting that the expense as incurred.

What follows are excerpts from IRS Publication 521 – Moving Expenses:

### ***Who May Deduct Moving Expenses***

You may deduct your moving expenses if you meet all three of the following requirements.

- Your move is closely related to the start of work.
- You meet the distance test.
- You meet the time test.

### ***Move Related to Start of Work***

Your move must be closely related, both in time and in place, to the start of work at your new job location.

#### ***Closely related in time***

You can generally consider moving expenses incurred within 1 year from the date you first reported to work at the new location as closely related in time to the start of work. It is not necessary that you arrange to work before moving to a new location, as long as you actually go to work in that location.

#### ***Closely related in place***

You can generally consider your move closely related in place to start of work if the distance from your new home to the new job location is not more than the distance from your former home to the new job location. If your move does not meet this requirement, you may still be able to deduct moving expenses if you can show that:

- You are required to live at your new home as a condition of your employment, or
- You will spend less time or money commuting from your new home to your new job location.

### ***Home defined***

Your home means your main home (residence). Your former home means your home before you left for your new job location. Your new home means your home within the area of your new job location.

### ***Distance Test***

Your move will meet the distance test if your new main job location is at least 50 miles farther from your former home than your old main job location was from your former home. For example, if your old main job location was 3 miles from your former home, your new main job location must be at least 53 miles from that former home.

### ***Deductible Moving Expenses***

- ♦ Moving your household goods and personal effects (including in-transit or foreign-move storage expenses), and
- ♦ Traveling (including lodging but not meals) to your new home.

### ***Reasonable expenses***

You can deduct only those expenses that are reasonable for the circumstances of your move. For example, the cost of traveling from your former home to your new one should be by the shortest, most direct route available by conventional transportation.

### ***Travel by car***

If you use your car to take yourself, members of your household, or your personal effects to your new home, you can figure your expenses by deducting either:

- ♦ Your actual expenses, such as the amount you pay for gas and oil for your car, if you keep an accurate record of each expense, or
- ♦ The standard mileage rate for moving purposes (16.5 cents per mile in 2010).

**Deductible:** parking fees and tolls you pay to move.

**Non-Deductible:** repairs, maintenance, insurance, or depreciation for your car.

### ***Member of your household***

You can deduct moving expenses you pay for yourself and members of your household. A member of your household is anyone who has both your former and new home as his or her home. It does not include a tenant or employee, unless that person is your dependent.

### ***Household goods and personal effects***

#### **Deductible:**

- ♦ The cost of packing, crating, and transporting household goods and personal effects (including household goods and personal effects (including household goods and personal effects of members of your household)
- ♦ The costs of connecting or disconnecting utilities
- ♦ The cost of shipping your car and your household pets to your new home

### ***Storage expenses***

You can include the cost of storing and insuring household goods and personal effects within any period of 30 consecutive days after the day your things are moved from your former home and before they are delivered to your new home.

### ***Travel expenses***

#### **Deductible:**

The cost of transportation and lodging for yourself and members of your household while traveling from your former home to your new home. This includes expenses for the day you arrive.

### ***Nondeductible expenses***

You cannot deduct the following items as moving expenses.

- ♦ Any part of the purchase price of your new home.
- ♦ Car tags.
- ♦ Driver's license.

- ♦ Expenses of buying or selling a home (including closing costs, mortgage fees, and points).
- ♦ Expenses of entering into or breaking a lease.
- ♦ Home improvements to help sell your home.
- ♦ Loss on the sale of your home.
- ♦ Losses from disposing of memberships in clubs.
- ♦ Mortgage penalties.
- ♦ Pre-move house hunting expenses.
- ♦ Real estate taxes.
- ♦ Refitting of carpet and draperies.
- ♦ Return trips to your former residence.
- ♦ Security deposit (including any given up due to the move).
- ♦ Storage charges except those incurred in transit.

## VIII. DEFINITIONS

**Newly Hired Employee:** A person who is accepting full-time employment, with the University of Pittsburgh, as faculty, librarian, or administrative/professional staff.

**Transfer Employee:** A person currently employed at the University of Pittsburgh who has accepted a position as faculty, librarian, or administrative/professional staff at another University of Pittsburgh location.

## IX. REFERENCES

[Policy 05-07-01, Travel & Business Expenses](#)

[Procedure 05-070-02, Moving Expenses – Household Goods](#)