

UNIVERSITY OF SOUTH FLORIDA COLLEGE OF MEDICINE
USF Physicians Group
University Medical Service Association, Inc. (UMSA)
USF Medical Services Support Corporation (MSSC)

Policy and Procedures	Supersedes:	File Code Number:
Approvals: NEW USFPG Finance Committee: 06/22/04 Executive Management Committee: 6/28/04	Section:	Subject: Moving and Relocation Expenses

PURPOSE:

To attract outstanding talent to the organization (USF, UMSA, or MSSC) and to be competitive in the marketplace, it may be appropriate to use UMSA or MSSC funds for approved employee moving and relocation expenses. All such expenses paid from UMSA or MSSC funds must be in accordance with IRS regulations and applicable organizational policy and be previously approved by the Dean or his/her designee as part of the offer of employment letter.

POLICY:

All employees of the organization (USF, UMSA, or MSSC) are required to understand and follow the procedures outlined below regarding the use of UMSA or MSSC funds with respect to reimbursement of approved moving and relocation expenses to employees.

PROCEDURES:

1. The employee's new principal place of work is at least 50 miles farther from his/her former residence than was his/her former place of work, or if the taxpayer had no former principal place of work, is at least 50 miles from his/her former residence; and
2. The organization reasonably believes, at the time of payment or reimbursement of moving expenses, that during the 12-month period immediately following the employee's arrival in the general location of his/her new principal place of work, the individual will be a full-time employee, in such general location, during at least 39 weeks.
3. Costs of moving must be reasonable (and not lavish or extravagant) and can include:
 - (i) Transportation and travel expenses representing the shortest and most direct route available from the former residence to the new residence. This must be done using a conventional means of transportation, in the shortest period of time that is commonly required to travel the distance.
 - (ii) Cost of moving household goods and personal effects from the former residence to the new residence, and/or

- (iii) Cost of moving the entire family, including transportation and lodging from the former residence to the new residence. The employee and family may only make one trip from the old residence to the new residence, however they need not make the trip together or at the same time.
- 4. If the move represents commencement of work by the taxpayer at a new principal place of work located outside the United States and its possessions, reasonable expenses may also include those costs for moving household goods and personal effects to and from storage, and of storing such goods and effects for part or all of the period during which the new place of work continues to be the taxpayer's principal place of work.
- 5. The expenses must not include any expenses for meals.
- 6. Employee must provide the organization with a receipt for all expenses.

Non-Qualified Moving Expenses – IRS Definition

Expenses other than qualified employer-provided moving expenses are taxable fringe benefits subject to FICA, FUTA, and federal income taxes.

Examples of non-qualified moving expenses include:

- 1. Temporary living expenses incurred in the general area of the new workplace while waiting to occupy the new residence or waiting for household furnishings to arrive;
- 2. House-hunting and apartment-hunting trips;
- 3. Expenses of trips to the locale from which the taxpayer moved that are made to sell property;
- 4. Costs incurred to visit family at the former residence before the family's move;
- 5. Meals during travel in accordance with *Business Meals & Entertainment Policy*; and
- 6. Mileage in excess of IRS limitations – (NOTE: current IRS rate is \$0.14/mile (see IRS Rev. Proc. 2003-76) for moving expenses paid or incurred on or after January 1, 2004. NOTE: Allowable state mileage reimbursement rate may be lower than the IRS allowed rate.

RESPONSIBLE PARTY

TASK & PERFORMANCE STANDARD

DISTRIBUTION: