



**THE UNIVERSITY OF MICHIGAN
STANDARD PRACTICE GUIDE**

SECTION:	Human Resources	Number:	201.68
SUBJECT:	Moving and Relocation Expenses	Revised:	02/01/2008
APPLIES TO:	Regular Faculty and Staff and Visiting Faculty from other educational institutions with the exception of those represented by a bargaining unit	Date Issued:	
ISSUED BY:	University Human Resources	Review Date:	02/01/2013
		Attachments:	none

I. Policy

The University may pay the moving and relocation expenses of new faculty and staff members who are employed in difficult to recruit occupations and those who are transferred from one University geographic location to another.

II. Regulations

Approval of the administrative head of the employing department and the Dean or Director are required prior to making commitments to pay moving and relocation expenses. Other approvals may be required when appointees are to be paid from funds other than General Funds (see section II, G.). For faculty members, exceptions to the moving expense policy as it appears here require the concurrence of the Office of the Executive Vice President for Academic Affairs and Provost, after the approval of the dean or director has been obtained. For staff members, exceptions to the moving and relocation policy as it appears here require the concurrence of the Vice President of the unit in which the staff member will be employed, after the approval of the dean or director has been obtained.

- A. Moving expenses are the costs of packing, shipping, and storing household goods.
- B. Relocation expenses are the costs of: travel for the faculty or staff member and family enroute to the position assigned, including transportation, food, and lodging; travel for trips necessary to secure living quarters; and temporary lodging or transportation to and from the designated work site when the appointment date precedes the date when permanent living quarters are available.
- C. The University may reimburse the new faculty or staff member for moving and relocation expenses not to exceed one-twelfth of the new person's annual salary rate or one-ninth of a University-year salary rate. Expenses for travel and the movement of household goods from points outside the continental United States and Canada may require an exception to the one-twelfth or one-ninth rules.

- Individual schools and colleges are free to establish maximums lower than those stated here. Before making a commitment to pay moving and relocation expenses, the appointing department should find out if a lower maximum applies.
- D. Expenses for travel by automobile within the continental United States and Canada may be included in II, C. at not more than the current approved rate (see SPG 501.5-1, "Travel Policy



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and Procedures”). Note that the amount of mileage paid which is in excess of 9 cents per mile is considered taxable income to the new faculty/staff member.

- E. Advances based upon estimates of the cost of moving, up to the applicable maximum, can be arranged if requested by the new faculty or staff member. (Follow procedure B in the procedures link below.)
- F. For appointees whose salaries are to be paid wholly from funds other than General Funds, moving and relocation expenses should be paid from project direct funds whenever the terms of grant or contract will permit. If such charges are not permitted, the administrative unit with which the project is affiliated should be consulted regarding the availability of funds for moving and relocation expenses. For example, the Institute of Science and Technology and the Institute for Social Research have accounts in their budgets to which the expenses of their affiliates can be charged, if approval is received in advance from the director of the institute or other designated administrator.
- G. Non-taxable expenses - Effective 1/1/94, there are two categories of moving and relocation expenses that are non-taxable: 1) expenses for moving household goods and personal effects from the staff member’s old residence to the new residence; and 2) expenses for traveling (including lodging but not meals) from the old residence to the new residence. The non-taxable portion of mileage reimbursement is limited to 9 cents per mile per Internal Revenue Service Regulation. The distance between the staff member’s new workplace and old residence must be at least 50 miles farther than the distance between the staff member’s old workplace and old residence.
- H. Taxable expenses - All other relocation expenses must be reimbursed as taxable income and will be reported on the staff member’s Form W-2. This includes the excess of mileage reimbursement over 9 cents per mile (mileage reimbursement rate minus 9 cents per mile times total miles reimbursed).

III. Procedures: <http://www.hr.umich.edu/procedures/index.htm>