Relocation Allowance Policy

I. Purpose

When it is determined that newly employed faculty or staff require relocation to conduct the University’s activities, or the payment of a moving allowance is a condition of the employment agreement, the university will take the position of utilizing a nonaccountable plan in accordance with IRS regulations, Publication 521.

II. Scope

The employee must be offered a relocation allowance as a term of employment and the approved amount must be documented in the hiring contract or on a Relocation Authorization Form. The maximum relocation allowance is $5,000.

As part of this plan, the university may make a direct payment to our contracted moving company. Please see link for Purchasing at the end of this document to inquire.

III. Procedure

The University will provide the relocation allowance as taxable income to the employee on their regular payroll check once approved documents are provided to the Payroll Department.

The relocation allowance has no restrictions placed on its use; no receipts should be provided to the University. The full amount provided is taxable income and deductibility of qualified moving expenses incurred is the responsibility of the employee in completing their federal income tax forms.

The amount to be paid to the employee will be determined by the above mentioned contract less any payments to our contracted moving company.

Document Links:

www.irs.gov Publication 521
http://www.fit.edu/purchasing-ap/