I. Policy Statement: University System of Maryland (“USM”) policy VII-4.40 requires that Towson University (“University”) establish guidelines and procedures for the relocation of newly hired regular exempt staff. Moving expenses may be authorized for payment by the University President or his/her designee, when it is deemed to be in the best interest of the University. Regulations, limitations and required approvals are described in this policy.

II. Reason for Policy: The University has established implementing procedures pursuant to University System of Maryland Policy http://www.usmd.edu/regents/bylaws/SectionVII/VII440.html and IRS Publication 521 and Internal Revenue Code 217.

III. Definitions

Exempt Status - a position that is exempt from the FLSA minimum wage and overtime provisions. Exempt employees shall be paid an established annual salary and are expected to fulfill the duties of their positions regardless of hours worked. Exempt employees are not eligible to receive overtime compensation or compensatory time off. Exempt Status positions include the president, provost, vice presidents, and deans performing administrative functions, managers, administrators and professionals. Exempt titles are identified in the USM Exempt Job Classification Structure.

III. Responsible Executive and Office:

Responsible Executive: Associate Vice President for Human Resources and Associate Vice President for Financial Planning and Services.

Responsible Office: Office of Human Resources and the Office of Financial Planning and Services

IV. Entities Affected by this Policy: All divisions, colleges, departments and operating units; all University regular exempt staff.
V. Procedures

A. General

1. This policy applies to assignments that are planned to exceed twelve (12) months and only for Vice Presidents, Deans, Director of Athletics, and University Counsel. Exceptions to this provision, including major unit and/or department heads, athletic coaches, Associate and Assistant Vice Presidents, Associate and Assistant Provosts, Associate and Assistant Deans, Associate and Assistant Athletic Directors must be pre-approved by the University President or his/her designee.

2. The payment shall include moving expenses of normal household goods, including reasonable packing and unpacking charges, and the cost of travel (including lodging but not meals) to the new residence. The University may pay up to a limit of $5,000 of allowable moving expenses. Any exception to the allowable amount requires pre-approval by the University President or his/her designee.

Payments of moving expenses are not taxable so long as the moving expenses are defined by the IRS as deductible. Nondeductible expenses include: any part of the purchase price of the 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 a home; loss on the sale of a 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 a former home; security deposits (including any given up due to the move); and storage charges except those incurred in transit and for international moves.

3. Moving expenses shall be authorized only if the University is at least 50 miles farther from the new employee’s former residence than the employee’s old job location was.

4. All moving expenses shall be incurred within the first year of the employee’s employment. Any moving expenses incurred after this period will not be reimbursed.

5. Moving expense claims shall be audited against relocation agreements by the Office of Financial Services. Employees shall obtain and document receipted expenses claimed for reimbursement.

6. The cost to reimburse moving expenses shall be the responsibility of the hiring department and/or division. Pre-approval of funding source by the divisional budget office, University Budget Office, and the President or his/her designee is required.

7. The hiring department is responsible for completing and obtaining approval for the reimbursement of an employee’s moving expenses before any such expenses are incurred. Completion of the “Employee Moving Agreement” form is required.
The Employee Moving Agreement form can be found on the University’s Forms Repository. The divisional budget officer is responsible for submitting the completed form to the Office of Human Resources Employment Unit.

8. The Office of Human Resources will include in the official offer of employment the details of the moving expense allowance. The return of the offer of employment letter with the employee’s signature will constitute the employee’s agreement to the repayment terms outlined in Section V- A.10. below.

9. If the spouse of the employee is also hired by the University and/or is a State employee and otherwise eligible for moving expenses, reimbursements of any such expenses will be paid to one employee only and to move the primary household only to the new location.

10. The employee must remain employed on a regular full-time basis for 39 weeks. If the employee discontinues employment with the University before the obligated 39 weeks of service, the employee will refund to the University the gross amount of moving and relocation reimbursements, i.e. actual payments received by employee and any payments to third parties on the employee’s behalf. The amount to be repaid will be prorated on a weekly basis such that for each full week during which the employee remains in the employ of the University, the amount to be repaid will be reduced by one thirty-ninth (1/39) of the gross reimbursement. Divisional budget officers are responsible for notifying Financial Services of the need to initiate a repayment process and provide the details of the repayment. The method for collection of funds shall be arranged between Financial Services and the employee. Repayment will be waived if University employment is terminated for reasons beyond the employee’s control and acceptable to the University.

11. In the event the employee does not meet their repayment obligation, Financial Services will turn the matter over to the Bursar’s Office for collection.

12. All payments made by the University to the employee or third party representing the employee shall be made in accordance with IRS regulations.

13. Nothing in this policy requires the University to pay for moving expenses.

B. Pre-Approval and Offer of Employment

1. The hiring department shall complete an Employee Moving Agreement form. The Employee Moving Agreement form can be found on the University’s Forms Repository. Prior to the offer of employment being extended, the divisional budget officer is responsible for submitting the Employee Moving Agreement form to the Office of Human Resources Employment Unit.

2. All agreements which include the payment of moving expenses shall be pre-approved by the divisional budget office, University Budget Office, and the President or his/her designee.
C. Payment of Moving Expenses

1. The Accounts Payable unit of Financial Services is responsible for processing payment of moving expenses. The Office of Human Resources shall forward a copy of the approved Employee Moving Agreement form to Accounts Payable to confirm the University’s commitment to reimburse moving expenses.

2. Reimbursement for moving expenses is requested using the Miscellaneous Expense Voucher form. This form must be signed by the employee and then by an “authorized signature” from the department to which the expenses are to be charged. Original detailed receipts must be attached to support all expenses claimed.

3. Invoices for moving expenses to be paid on behalf of the employee should be forwarded to Accounts Payable. These invoices should be coded and signed by an “authorized signature” from the department to which the expenses are to be charged. Print the employee’s name on the invoice and attach applicable documentation to support the reason for the expense.

4. Total moving expenses regardless of the payment method(s) may not exceed the amount authorized by the Employee Moving Agreement.

5. The University is required to report all moving expense reimbursements to the IRS on a calendar year basis. Certain types of expenses are reportable while others are both reportable and taxable. See IRS Publication 521 “Moving Expenses” for the current IRS rules regarding reporting and the taxation of employee moving expenses. IRS publications are available on the web at www.irs.gov.

Related Policies: USM Policy VII-4.40
IRS Publication 521
Internal Revenue Code 217

Approval Date: 08/21/2008
Effective Date: 08/21/2008
Amended Date: 09/16/2009

Approved by President’s Council: 07/31/2008
Employee Moving Expense Agreement ~
Regular Exempt Staff

8000 York Rd. Towson, MD. 21252-0001

Financial Services

Tel: 410-704-2190
Fax: 410-704-3908

DIRECTIONS: Prior to OHR extending the official offer of employment, the Hiring Department is responsible for completing this form, obtaining approvals and having the Divisional Budget Office forward it to OHR. **Information contained on this form is required for the Offer of Employment.** Hiring Departments should reference TU Policy 07-04.40 Payment of Moving Expenses for Regular Exempt Staff for additional information on payment eligibility and processing.

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<tr>
<th>EMPLOYEE AND POSITION INFORMATION</th>
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<td>Employee:</td>
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<td>Division:</td>
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<td>Department:</td>
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<td>Dept Charge Code:</td>
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<td>Mileage from employees previous home to the University:</td>
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<td>Mileage from employees previous home to previous job:</td>
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<td>Moving Expense Requested Amount: (Exception required if amount exceeds $5,000)</td>
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<th>REQUIRED APPROVALS ~ All approvals required BEFORE submitting to the OHR.</th>
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<td>Divisional Budget Office:</td>
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<td>President or Designee:</td>
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<td>Office of Human Resources:</td>
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