Background

Since the University of Cincinnati recruits for talented faculty and staff positions nationally and internationally, employment offers may result in relocation for a new hire. This policy describes options available to assist in business-related relocation (moving) expenses. In the event an employee’s individual employment contract conflicts with the terms of this policy, the employment contract terms will control to the extent permitted by law.

Policy

Organizational units may provide funding for relocation expenses to newly hired faculty and staff or to current employees when relocation is business-related. While the total amount provided is not specifically limited, an organizational unit should base such an amount on budgetary and market considerations.

A relocation allowance is intended to cover applicable expenses, including any tax consequences that the employee will incur, subject to budgetary discretion of the organizational unit. The university will not separately reimburse any relocation expenses presented by the employee.

The organizational unit should establish and document the agreed-upon allowance prior to the relocation. A relocation allowance has no restrictions placed on its use. **The full amount provided will be processed in a lump-sum payment and is taxable income to the employee.**
Process for Paying a Relocation Allowance

Payment to recruits eligible for relocation benefits can be processed in one of two ways:

- A direct payment (check or direct deposit) facilitated by completing and submitting the “Request for Prepayment of Relocation Expenses” online form along with an A114 to the Accounts Payable Office (see related links for form).
  o Tax withholding is later applied against the first regular paycheck after the employee’s hire date.

- A payroll payment facilitated by a Personnel Change Request (PCR) if the employee has already been setup in the HR/Payroll system
  o When filling in the reason for the PCR, the proper selection is Movg Exp-taxable.

Recovery of Relocation Allowance Payments

Employees who separate or terminate their employment with the university within 1 year of their employment date will be required to repay all or a portion of the relocation allowance paid by the university. Recovery will be based on a monthly amortization of the relocation allowance.

<table>
<thead>
<tr>
<th>Recommended UC Flex GL Accounts</th>
<th>532700 Moving Expenses</th>
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Organizational units may institute policies more, but not less, restrictive than this policy (2.1.26) if desired.

Related links:

- Request for Prepayment of Relocation Expenses Form
- Payroll Operations Schedule
- Variant Expense Rate Table

Phone Contacts:

<table>
<thead>
<tr>
<th>Accounts Payable</th>
<th>556-6772</th>
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<td>Payroll Operations</td>
<td>556-2451</td>
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