



Employee Moving and Relocation Reimbursement Procedures

Specified NMT Faculty and Staff

New Mexico Tech Business Office
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The purpose of this document is to establish guidelines for the Moving and Relocation Reimbursement for specified New Mexico Institute of Mining and Technology's (NMIMT) Staff and Faculty.

This document is continually being updated; we would appreciate any information and/or insight that would help us develop documentation for NMIMT's departments.

Table of Contents

I. Moving and Relocation Reimbursement Procedures 3

- A. General.....3
- B. Employee Eligibility3
- C. Approval and Request for Payment Process3
- D. Payment Methods3
- Moving and relocation payment methods include:.....4

 - 1. Flat Allowance or Advance Payment4
 - 2. Reimbursement.....4

- E. Allowable Expenditures.....4
- F. Unallowable Expenditures.....5

II. Tax Obligations 6

III. Sponsored Projects..... 7

IV. Employee Obligation 8

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I. Moving and Relocation Reimbursement Procedures

A. General

New Mexico Tech (NMT) recognizes that payment or reimbursement of the costs associated with the relocation of new employees may be an important consideration in the recruitment process. Thus, hiring officers may negotiate a moving and relocation allowance to reimburse some portion, or pay for all, of the moving and relocation expenses for new employees when the payment is in the best interest of NMT, benefits the recruitment effort, and funds are available.

Moving and relocation expenses can be paid as a flat allowance (a reasonable fixed amount; no receipts required) or as a moving and relocation expense reimbursement (receipts required).

As explained in greater detail later in these procedures, the payment of the moving and relocation expenses will be reflected in the new employee's earnings, and subject to income taxes.

B. Employee Eligibility

These procedures apply to eligible newly hired NMT regular full-time staff and regular faculty members (excluding temporary and emergency positions) who relocate for their new NMT employment at least fifty (50) miles from their prior residence.

To retain moving and relocation payments, and unless otherwise specified in one's written employment contract, a new employee must satisfactorily remain employed at NMT for at least the first twelve (12) months (or nine (9) months for a faculty member on a nine-month contract) from the employment start date, if the employee does not satisfy this requirement, the new employee shall be liable to refund to NMT all moving and relocation payments received from NMT under these Procedures. These procedures also apply to faculty members hired into positions that are less than 1.0FTE but not less than 0.5FTE.

C. Approval and Request for Payment Process

The applicable hiring department is responsible for securing all approvals and signatures in advance of any commitment to pay moving and relocation expenses. All such commitments must be approved by the appropriate division head (President or Vice President) of the hiring department, as applicable.

D. Payment Methods

The Moving Advance Payment/Reimbursement form is required to apply for moving and relocation-related payments. This form is located on the following websites:

- Accounts Payable - <https://www.nmt.edu/finance/accounts-payable.php>
- Payroll Office - <https://www.nmt.edu/finance/payroll.php>
- Travel Office - <https://www.nmt.edu/finance/travel.php>

Moving and relocation payment methods include:

1. Flat Allowance or Advance Payment

When the applicable hiring department decides to pay the new employee an agreed-upon flat amount (a reasonable fixed amount; no receipts required) and the new employee elects to receive such a payment prior to the employment start date, this allowance or advance payment will be processed through the **Accounts Payable Office** using a Moving Advance Payment/Reimbursement Form. A copy of the offer letter stating the amount of the moving and relocation allowance and evidence that the offer has been accepted must be submitted to the Accounts Payable Office as supporting documentation.

No taxes will be withheld at the time of the payment, but all applicable income taxes will be withheld from the employee's payroll when one's employment starts. Hiring departments must advise the new employee that income taxes related to the moving and relocation allowance will be withheld from his or her first paycheck by default. The new employee can contact the Payroll Office to spread the withholding over several pay periods if needed and allowed by the IRS rules.

2. Reimbursement

If the new employee elects to receive the reimbursement payment after the employment start date, the moving and relocation allowance will be processed by the **Payroll Office** as a regular paycheck and will not exceed the allowance approved in the offer letter. A copy of the offer letter stating the amount of the moving and relocation allowance and evidence that the offer has been accepted must be submitted to the Payroll Office as supporting documentation. If a reduced reimbursement is requested, the hiring department will need to state the amount on the Moving Advance Payment/Reimbursement Form and provide supporting documentation for the reduction.

E. Allowable Expenditures

Allowable expenditures are reasonable expenses of the new employee and members of one's household for:

- Moving household goods and personal effects (including storage expenses) and household pets from the former home;
- Traveling to the new home;
- Temporary living expenses at the new location;
- One house hunting trip.

It includes, but is not limited to:

- The cost of a professional moving service if approved by the appropriate division head (President or Vice President) of the hiring department, as applicable;
- The cost of shipping a personal vehicle;
- The costs incurred in a self-service move such as equipment rental, truck fuel, labor to load and unload, packing supplies, and shipping expenses;
- The cost of driving a personally owned or rented vehicle, based on the most direct route from the former home to the new home; mileage is reimbursed at the actual cost of gas and oil, or the New Mexico mileage rate in effect at the time of travel;
- Parking fees and tolls while in transit;
- Air transportation costs from the new employee's former home to the new home;

- Temporary transportation expenses, such as those for a rental car, if the new employee is relocated without transportation; use of this benefit for more than seven (7) days requires prior written approval from the hiring department;
- Storage and insurance for moving household goods and personal effects for up to sixty (60) days;
- The actual cost of lodging during the move; or, if the employee stays at the personal residence of a friend/relative, the lodging component of NMT's travel per diem amount and the meal and incidental expense allowances for en route travel days defined in the NMT Business Office Travel Procedures;
- Temporary housing expenses incurred when a relocated employee arrives at the new job location and is unable to obtain permanent housing; depending on available funds, this expense may be limited by the appropriate division head (President or Vice President) of the hiring department, as applicable; use of this benefit for more than seven (7) days requires prior written approval; the allowable amount follows the lodging limitation for New Mexico in-state travel in the NMT Business Office Travel Policy;
- One house-hunting trip; the expense reimbursement follows the limitation for New Mexico in-state travel in the NMT Business Office Travel Policy.

F. Unallowable Expenditures

Expenses that will not be reimbursed by NMT include, but are not limited to:

- Amounts in excess of the maximum agreed upon with the hiring department;
- Expenses incurred prior to the date of the written offer of employment;
- Extraordinary items requiring special handling and/or packing, such as a boat;
- Real estate transaction costs; lease termination fees;
- Any entertainment expense;
- Any type of moving expenses not considered to be reasonable.

II. Tax Obligations

In accordance with IRS regulations effective January 1, 2018, all employee moving and relocation expenses are considered taxable. Federal and State Income taxes and Social Security and Medicare taxes related to the payment of moving and relocation expenses will be withheld from a future paycheck. Payments made directly to the moving carrier will be reported as taxable income to the employee. Subject to the provisions of these Procedures, the following table summarizes the income taxability of certain relocation expenses:

| Taxable |
|--|
| Moving household goods and personal effects |
| Storage and insurance for thirty (30) days |
| Storage and insurance for an additional thirty (30) days |
| Employee and household members' air transportation on direct route to new location |
| Mileage at IRS rate for home moves and additional mileage factor up to NMT's business travel rate |
| Actual fuel and oil cost for vehicle used in move on the direct route |
| Parking fees and tolls on the direct route |
| Auto shipping fees |
| Meals and incidental expenses on the direct route |
| Rental vehicle fees from former home on direct route to new home and/or rental fees for vehicle used at new home |
| Lodging on the direct route and/or value of such lodging with friend or relative on the direct route |
| Temporary lodging at new location |
| Transportation, lodging, and meals during a house-hunting trip |

III. Sponsored Projects

If the provisions of the applicable grant or contract for a sponsored project place greater restrictions on allowances for moving and relocation expenses than NMT policy and procedures as defined herein, such greater restrictions shall prevail. The new employee, even if one received an advance moving and relocation expense payment, will work with the Payroll Office to complete the Moving Expense Worksheet within 60 calendar days after the check for the payment is issued to the new employee, or no later than the timing allowed under the IRS guideline for an accountable plan. All supporting documentation, including the offer letter and receipts, must be provided to the Payroll Office documenting that the move occurred in the allowable time frame.

For Federal awards, under the guidelines imposed by the U.S. Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200.464, Relocation Costs of Employees), relocation expenses may under certain circumstances and subject to limitations, be considered allowable direct charges.

For Non-Federal awards, when not allowed by the Federal agency but allowed by the non-Federal sponsor, a written justification for the inclusion of relocation costs should be provided to ensure that the non-Federal sponsor follows more flexible spending guidelines.

Any amount not allowed by the funding agency but allowed by NMT Moving Policy and Procedures must not be charged to the sponsored project but may with the approval of the hiring department be charged to a discretionary fund provided by the hiring department.

IV. Employee Obligation

The new employee must relocate at least fifty (50) miles from one's previous residence.

The act of moving is solely the responsibility of the new employee.

The new employee must work full-time for twelve (12) consecutive months (or nine (9) months for a faculty member on a nine-month contract) from the employment start date unless otherwise specified in the contract. If the employment of a new employee by NMT ends for any reason within twelve (12) months (or nine (9) months for a faculty member on a nine-month contract) of receipt under these Procedures of the moving and relocation payment, any such payments received under this Procedure must be refunded to NMT prior to the employee receiving the final payment transaction with NMT.

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