Moving Expense Reimbursements

by

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9:00 – 10:30 AM

Wednesday, August 12, 2015
1:00 – 2:30 PM
IRS RULES

Versus

NMU

POLICIES
IRS rules state that you can deduct your moving expenses if you meet all three of the following requirements:

1. Your move is closely related to the start of work
   - Moving expenses incurred within 1 year from the date you first reported to work
   - Special circumstances that prevented the move within that time (Call Sharon Mattis at X2053 if you find this to be the case)
2. You meet the distance test

- NMU policy states the distance moved must be greater than 120 miles

- IRS rules state the distance moved must be greater than 50 miles from your former home than your old main job location was from your former home

and, FINALLY.....
3. You meet the time test

- 39 week test for employees

- You must work full time for at least 39 weeks during the first 12 months after you arrive in the general area of your new job location.

- See IRS publication 521 (page 5) for clarification of time test for employees

- Failure to meet the time test will result in additional taxes owed to the IRS
Please direct your new hires to these policies at the beginning of the hiring process.

NMU Moving Expense Policy


  - Reimbursements are limited to 5% of starting base salary

  - In unusual circumstances, if budget resources are available, a reimbursement over 5% may be authorized by the divisional vice president or the president

IRS Guide to moving expenses


DEDUCTIBLE MOVING EXPENSES
MOVING EXPENSES ARE LIMITED TO

• Transportation of household goods and personal effects
  ☑ Moving vans
  ☑ Private vehicles with U-haul trailers
  ☑ Shipping expenses when transporting household goods and/or vehicles
  ☑ Boxes
  ☑ Packing materials, tape
  ☑ Storage expenses for 30 consecutive days after the day your things are moved from your former home and before they are delivered to your new home
• Travel

😊 Lodging

- Along the way (most direct route)
- One night in Marquette
- Lodging expenses you had in the area of your former home within one day after you could no longer live in your former home because furniture had been moved
- Travel should be by most direct route from your former home to new home
- Additional lodging expenses for pets is allowed
Airfare

Expenses paid or incurred for vacation or sightseeing along the way are not reimbursable

Mileage (per NMU policy)

- Private vehicle
- Private vehicle with U-haul trailer attached
- Mileage rates set as per IRS
  - 2015 rate is 23 cents per mile
- Gas (per NMU policy)
  - Rental of moving van commercial vehicle
- Tolls
Meals are excluded per IRS guidelines

Other Guidelines/Information

✦ You can deduct the cost of transportation and lodging for yourself and members of your household while traveling from your old home to new location

✦ Members of a household do not have to travel together or at the same time; but remember, a member of your household is anyone who has both your former and new home as his/her home.
You can only deduct expenses for one trip per person.

Payments of cash made to individuals for moving, driving, etc. will not be reimbursed by NMU.

Purchase orders can be processed for prepayment of moving company expenses if the charge is over $2,500.

An invoice is required with final quote.

Purchase order will be for the amount approved by the divisional vice president or limited to 5% of the starting salary.
Processing and Approving Paperwork

- Go to [http://www.nmu.edu/academicaffairs/forms](http://www.nmu.edu/academicaffairs/forms) and print the “Moving Expense Reimbursement Form” with instructions

- Fill out the form, checking the box for tenure-earning, term, or staff

- Make sure the department head and dean have signed the Moving Expense Reimbursement Form before scanning it into concur invoice
Fill out a check request in concur invoice system and attach all receipts and documentation including the Moving Expense Reimbursement Form.

This is one of the exceptions for reimbursing employees in concur invoice.

Use account code 7160 for all moving expenses.

Once the paperwork has been approved, the check request will be reviewed and approved in concur by the Controller Office.
If tenure-earning faculty, the Moving Expense Reimbursement Form will be printed and initialed by the Controller Office and sent to VP for Academic Affairs office for reimbursing the department budget.

The Controller Office will keep a copy of the forms and send the information to Payroll for reporting reimbursements on employee’s W-2.

If term or staff is checked the procedure will be the same except:

- Academic Affairs will not receive a copy of the Moving Expense Reimbursement form.

- The Department will be responsible for reimbursement.
Any QUESTIONS?