

Financial Services Manual (FIN)

FIN 420–03: Moving Expenses

Effective: 5/1/1996

Revised: 7/1/2022

Purpose

To describe the policy for reimbursing moving expenses for faculty and staff

Sources

Internal Revenue Service (I.R.S.)

University policy

Policy

Effective for moving expenses incurred after December 31, 2017, at the discretion of each vice president, departments can provide a transition or moving stipend to cover an employee's relocation expenses, or make a direct payment on the new employee's behalf to an ASU contracted moving company. Both methods of payment are taxable compensation to the employee.

Procedures

Business Processes:

Stipends. Moving or transition stipends are paid through payroll as a taxable compensation and cannot be processed prior to the employee's first day of employment at ASU.

- Departments submit a PTR (Personnel Transaction Request) for the amount of the moving stipend using earnings code MOV. Approvals will follow normal PTR approval flow.
- An offer letter detailing the stipend is required to be maintained by the department and made available at request to Financial Services or other authorized departments.

On Behalf of Employee Payments to ASU Contracted Moving Companies. Direct moving company payments are made when an ASU department directly pays an ASU contracted moving company on behalf of a new employee. Beginning January 1, 2018, direct moving company payments are taxable income to the employee at the time payment is made. Purchasing and Business Services maintains contracts with national moving companies and should be contacted for any questions regarding the contracts.

- Within 30 days of the payment being made by an ASU department, a copy of the related payment and offer letter must be provided to Tax Services.
- Tax Services will submit the value of the direct payment(s) to Payroll Services, and the value of the payment(s) will be included as taxable compensation, subject to all applicable taxes and withholdings on an ensuing paycheck(s) of the employee.

Moving Expenses Incurred On or Before December 31, 2017.

- The department is required to submit all required documentation to Tax Services by March 31, 2018 to allow Accountable Plan reimbursement to be made for any non-taxable amounts incurred prior to December 31, 2017 under 2017 I.R.S. rules.
- Any expenses incurred on or before December 31, 2017 but submitted after March 31, 2018, will be treated as moving stipends and will be considered taxable compensation.

Office/Lab Relocations. Expenses related to moving offices or labs to or within ASU will continue to be handled as direct payments to moving companies or reimbursements through Accounts Payable, using Workday Ledger 7207:

Miscellaneous Expenses. No reporting to Tax Services is required, unless documentation is specifically requested.

- Option 1. If a contracted moving company is used, the department should maintain documentation showing this is a(n) office/lab move and not personal belongings.
- Option 2. The department submits a payment request to Accounts Payable.

Moving Expenses Questions. Please contact Tax Services at 480/965.9890.