Financial Services Manual (FIN)

FIN 420–03: Moving Expenses

Effective: 5/1/1996 **Revised**: 11/1/2025

Purpose

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

Sources

Internal Revenue Service (I.R.S.)

University policy

Policy

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. Moving expenses include any non-business expenses from the time that the incoming employee signs an offer letter from ASU, including house hunting trips.

Procedures

Business Processes:

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

- Departments must submit an OTP (One Time Payment) for the amount of the moving stipend using plan OTP-Relocation Expense or OTP-Relocation Expense – Gross up Approvals will follow normal business process approval flow.
- An offer letter detailing the stipend must be attached to the OTP request as well as 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. 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, the department must submit an OTP (One Time Payment) for the amount paid on the employee's behalf using plan OTP – Taxable Fringe Benefit or OTP – Taxable Fringe Benefit – Gross Up. A copy of the related payment and offer letter must be attached to the request.

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, spend category SC0472 Moving Expenses ASU Offices/Labs. No reporting to Tax Services is required, unless 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.