



TOPIC: Proposed Revision to Board of Regents Policy VIII-16.00—Policy on Payment of Moving Expenses

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 19, 2015

SUMMARY: The subject policy establishes what can be paid to employees as an incentive or element of a change in household location associated with employment with the University System of Maryland.

The current policy was developed in 1990, and was designed to avoid or minimize the incidence of reporting moving expense payments or reimbursements considered to be “non-reportable” by the Internal Revenue Service under Moving Expense rules in place in 1990. Since that time, the IRS has changed the distance required for the move of a household location to avoid reporting from 35 miles to 50 miles. Institutions have developed appropriate tracking and reporting processes for the tax treatment required for each type of moving expense arrangement. Also, the expectations of highly-sought faculty and staff have made the limitations and constraints of the IRS limitations a competitive disadvantage in attracting top faculty and staff.

The policy as proposed enables the institutions to determine their own moving expense limitations, and rather than constrain such arrangements to that allowed by the IRS as “non-reportable,” simply requires that institutions report moving expense arrangements appropriately in compliance with the applicable IRS reporting requirements and tax treatments in place at the time.

ALTERNATIVE(S): The Committee could elect to reject the revision to the proposed policy.

FISCAL IMPACT: The impact will vary by institution, based on the expense limitations and practices established at each campus.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve the proposed revision to the Policy on Payment of Moving Expenses, as presented.

COMMITTEE RECOMMENDATION: RECOMMEND APPROVAL DATE: 11/19/15

BOARD ACTION: DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

**VIII-16.00 – POLICY ON PAYMENT OF MOVING EXPENSES
(Approved by the Board of Regents, June 21, 1990; Amended , 2015)**

1. The President of a constituent institution or component may authorize the payment of moving expenses for personnel when it is deemed to be in the interest of the institution or component to do so. The Chancellor may authorize the payment of moving expenses for President of constituent institutions and components.
2. The payment may include moving expenses of household goods and personal effects and other expenses directly related to the relocation to the extent supported by policy of the institution or component. The goods and services purchased must be at reasonable and competitive prices.
3. Institutions or components are responsible for compliance with IRS regulations concerning reporting and withholding requirements associated with payments for moving expenses, and should exercise due diligence in processing taxable and nontaxable payments.
4. For purposes of determining an individual's salary under Policies VII, moving expense payments shall not be considered salary or bonus.
5. Nothing in this policy requires the payment of moving expenses.
6. Each President shall develop policy for the institution or component implementing this Policy.

Replacement for: BOR VII - 4.40

****REPLACEMENT FOR****

VII-4.40 - POLICY ON PAYMENT OF MOVING EXPENSES

(Approved by the Board of Regents, June 21, 1990)

1. The Chief Executive Officer of a constituent institution or component may authorize the payment of moving expenses for personnel when it is deemed to be in the interest of the institution or component to do so. The Chancellor may authorize the payment of moving expenses for Chief Executive Officers of constituent institutions and components.
2. The payment may include moving expenses of normal household goods, including reasonable packing and unpacking charges.
3. Moving expenses may be authorized only when the distance between the former residence and the University System location is in excess of 35 miles one way.
4. Exceptions to the 35 mile limitation may be made for payment of relocation expenses when the relocation is for the convenience of the institution or component.
5. Nothing in this Policy requires the payment of moving expenses.
6. Each Chief Executive Officer shall develop procedures implementing this Policy.