

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 2.51 (formerly FINA 1.08)	
POLICY TITLE Relocation and Moving Allowance			
SCOPE OF POLICY USC System		DATE OF REVISION November 12, 2024	
RESPONSIBLE OFFICER Executive Vice President for Finance and Chief Financial Officer		ADMINISTRATIVE OFFICE University Finance – Controller’s Office	

PURPOSE

This policy provides guidance and ensures compliance with federal and state provisions and regulations for employee relocation and moving allowances.

DEFINITIONS AND ACRONYMS

Authorized Approver: A University official, separate from the individual seeking reimbursement, with authorization over the account and department being charged and the authority to approve reimbursements within respective transaction authorization limits.

Immediate Family: A member of the employee’s household who resides with them both before and after relocation (e.g., spouse, child, dependent).

Reasonable Expense: An expense that is ordinary and necessary, not excessive or extreme, and reflects a prudent decision to incur the expense on behalf of official University business.

Relocation: The act of moving to a new place and establishing a home there for employment purposes, resulting in a new place of primary or permanent residence.

POLICY STATEMENT

This policy sets forth the requirements, limitations, and other guidelines that must be followed for reimbursing an employee for expenses incurred by an employee as a result of moving or relocating their household for the convenience of the University.

The University may elect to reimburse, or pay on behalf of, an employee for moving and relocation expenses within the stated maximum limitations and restrictions. All such expenses must be reasonable, necessary, and as economical as possible. The hiring unit/department is responsible for identifying the source of funds for the payment and establishing the maximum amount allowed for the relocation expenses, within the limits imposed by State law. The employee must complete a Moving Agreement as part of their employment process and the respective details must also be included in the employee’s offer letter. Upon completion of the move and relocation, reimbursements or direct payments should be requested through the University’s standard payment processes.

In accordance with the [Tax Cuts and Jobs Act of 2017](#)), employer paid moving and relocation expenses are taxable to the employee regardless of the form or manner of payment (e.g.,

reimbursement, direct payment to third parties, etc.). As such, any payment made to or on behalf of a relocating employee on or after January 1, 2018, will be reported as taxable income to the employee.

A. Eligibility

To be eligible for a relocation and moving allowance, the following conditions must be met:

1. **One Year Employment:** The employee must satisfactorily maintain employment on a full-time basis, as defined by the University, for at least one year (see Moving Agreement section below for more details).

2. **Full-Time Position:** The employee, including faculty and staff, must be assigned to a full-time, salaried position. Eligible faculty must be at the rank of instructor or above or filling an administrative or research position.
 - a. Exceptions may be granted for employees in Research Grant or Time-Limited positions, as defined by HR 1.85, if justified and approved by the appropriate parties.

3. **At the University's Request:** The relocation must be for the good of the University as determined by an authorized approver. Expenses will not be reimbursed when the relocation is at the request or convenience of the employee.

4. **Established in the Payroll System:** Reimbursement is only authorized for active employees. As such, the employee must have an official "employee" status in the payroll system prior to the reimbursement of moving expenses. Employees with an "applicant" status are not eligible for reimbursement.

B. Moving Agreement

To be compensated for relocation and moving expenses, the employee must complete and execute a Moving Agreement with the University prior to receiving any reimbursement or direct payment. The agreement stipulates that the employee must remain employed on a regular, full-time basis in the University's service for at least one year, commencing on the date the employee starts work at the University. The following also applies:

- For faculty with nine-month appointments, one year is defined as nine months, which includes the fall and spring semesters.

- For all other faculty and staff, one year is defined as twelve months.

- Failure to remain employed by the University for one year, for any reason whatsoever, will trigger the employee's duty to repay, on a prorated basis, the amount reimbursed or paid by the department for relocation and moving expenses.
- If the employee fails to remain employed by the University for one year due to reasons beyond their control (e.g., illness, death, etc.), other than reasons of poor performance, the University may, in its sole discretion, waive all or part of the liability owed by the employee. Any such waiver must be approved in writing by the respective Department Head and the University Controller, or designee. Prior to such approval, the Department Head must notify the Controller's Office if the employee does not remain employed at the University for the requisite year.

The Moving Agreement requires the signature of the employee, departmental authorized approvers, and the University Controller, or designee. No University obligation exists, and no reimbursement will be processed, until all parties execute the agreement.

C. Reimbursement Rules and Guidelines

Per State law and proviso, the University is authorized to reimburse reasonable relocation expenses, including the cost of moving personal and household effects, for new employees when such reimbursements are considered by all the required approvers to the Moving Agreement to be essential to successfully recruit professionally competent faculty and staff members. The new employee's place of residence must be outside of the State of South Carolina and the University must demonstrate that paying such costs is necessary to fill the position.

Relocation and moving reimbursements are limited to actual costs incurred, up to the amount agreed to by the department and the employee and within the imposed limits specified above. Expenses must be reasonable and necessary, and must comply with a pre-approved, executed Moving Agreement.

Direct payments made on behalf of an employee are allowable when the employee uses a relocation company. In these instances, payment can be made directly to the relocation company rather than reimbursed to the employee.

All commitments for relocation and moving must be made from existing funds available to the department. Sponsored awards (e.g., federal grant/award) are used only if such expenses are authorized by the underlying award. If departments choose to compensate employees for moving expenses, they must do so within their own budgets. No central funds (e.g., Controller's Office) are available for this purpose.

Reimbursements to employees will be processed through the payroll system, with all appropriate taxes withheld in accordance with federal and state regulations. When direct payments are made on behalf of an employee to a third party, taxes will be withheld from the employee's paycheck based on the value of those payments. All reimbursements and direct

payments will be reported to the Internal Revenue Service (IRS) as income on the employee's Form W-2 (Wage and Tax Statement).

D. Reimbursable Expenses

Reimbursement or direct payment are limited to the costs associated with the following expense categories:

1. Transportation for the employee and immediate family by the shortest, most direct route available by conventional transportation methods (e.g., airfare, vehicle mileage).
2. If traveling by vehicle, actual expenses (e.g., gas, oil, etc.) or the standard mileage rate as approved by the IRS can be claimed for reimbursement.
3. Transportation of household goods and personal effects by a commercial moving company.
4. Short-term storage of household goods and personal effects (during the waiting period between when the employee moves out of their old residence and into their new residence).
5. Lodging while traveling for a maximum of one night at the departure location and one night at the arrival location.
6. Transportation of the employee's vehicle and household pets.
7. Short-term temporary housing (e.g., hotels, apartments, etc.) may be allowable when reasonable, justified, and approved by the department and the University Controller.

Departments may be more restrictive but are not authorized to allow for the reimbursement of relocation and moving expenses beyond what is outlined above.

E. Non-Reimbursable Expenses

Costs not specifically authorized in this policy and accompanying Procedure are not eligible for reimbursement. Non-reimbursable miscellaneous and incidental expenses include, but are not limited to:

- Meals
- Vehicle maintenance

- Disconnecting or connecting appliances and utilities
- Removing or installing antennas
- Car tag, title, or registration taxes of any kind
- Transporting recreational vehicles (e.g., boats, campers, trailers, ATVs, etc.)
- Pre-move house hunting expenses
- Carpet, draperies, etc.
- Babysitting
- Cleaning
- Expenses of buying or selling a home
- Laundry or dry cleaning while in temporary quarters
- Household items purchased during the move
- Living expenses after arriving at the final destination

PROCEDURES

The accompanying procedure provides additional details on the administration and management of this policy and references to training and resources. The procedure can be found here:

https://sc.edu/about/offices_and_divisions/controller/toolbox/policies_and_procedures/index.php

RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES

[FINA 1.00 Chart of Accounts](#)

[FINA 2.12 Accounts Payable](#)

[FINA 2.14 Acquisition and Payment of Goods and Services](#)

[FINA 2.15 Accounts Payable Payment Schedule](#)

[FINA 2.50 Travel](#)

[HR 1.85 Research Grant or Time-Limited Positions](#)

[SC Code of Law Section 8-11-135](#)

[SC Disbursement Regulations](#)

[IRS Fringe Benefit Guide](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
	Policy creation
May 21, 2018	Policy revisions due to changes in the law with the passage of the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97).
August 14, 2018	Policy revisions due to changes in the law with the passage of the Tax Cuts and Jobs Act of 2017 (Public Law No. 115-97).
November 12, 2024	Language, content, and formatting updates. Formerly FINA 1.08