



POLICY & PROCEDURE DOCUMENT

NUMBER: 3.1203

DIVISION: Finance & Administration

TITLE: Relocation Expense Policy

DATE: July 1, 2003

REVISED: November 10, 2025

Policy for: Full-time faculty and staff

Authorized by: Susan Howarth, Executive Vice President for Strategy, Operations, and Finance

Issued by: University Controller/Treasurer

I. Purpose and Scope

In order to attract the most qualified individuals for key positions, Western Kentucky University may provide an allowance or reimbursement to new employees for moving expenses.

II. Policy

A. Definitions

1. Allowance – a fixed sum of money provided to an employee to cover expenses related to their relocation. The amount is pre-determined, provides maximum flexibility to employees, and does not require receipts to be provided.
2. Reimbursement – payment made to an employee after expenses are incurred related to their relocation. The amount is based on actual expenses incurred, limited to allowable expenses, and requires receipts to be provided. A reimbursement is provided after the employee pays for relocation expenses and subsequently submits supporting documentation.
3. Relocation – a change in residence from an employee's most current permanent residence to a new permanent residence required for their WKU work assignment.
4. State funds – funds used for general campus operations, also known as education and general (E&G) funds.

B. Responsibilities

1. Department Personnel (Dean, VP, Hiring Manager)
 - a. Determine proposed maximum relocation reimbursement or allowance amount. Coordinate with unit Budget Manager/Coordinator to determine if funds are available and assistance with this process. Obtain approvals, as required below.
 - b. Facilitate completion of Relocation Expense Agreement.
 - c. Assist newly hired employee with Payment Authorization, as applicable.
 - d. Monitor ongoing employment status to determine if repayment of funds is required because the newly hired employee leaves within a year of hire. If applicable, calculate the repayment amount and initiate the collection process from the employee.
2. Accounts Payable
 - a. Process Payment Authorization and report reimbursement amount to Payroll Department for Processing.
3. Payroll Department
 - a. Add allowance or reimbursement amount reported by Accounts Payable to employee's taxable wages.

C. Policy Requirements

1. Relocation allowances or reimbursements will not be authorized by leadership in all circumstances.
2. Individual colleges and departments are free to establish maximums lower than those stated in this Policy. Before making a commitment to pay moving and relocation expenses, the appointing college or department should determine if a lower maximum applies.
3. The reimbursement or allowance will be subject to applicable tax withholdings and included on the employee's W-2 for the calendar year in which the payment was made, in accordance with the Internal Revenue Code.
4. Relocation Requirements
 - a. The new employee must have a change in residence of 50 miles or more.
5. Relocation Reimbursement/Allowance Agreements
 - a. The new employee must acknowledge understanding of and accept the terms of the *Relocation Expense Policy* by their signature on the agreement.
6. Approval Requirements for Relocation Expense Agreements
 - a. For faculty, the respective department chair, dean, and respective President's Cabinet member must approve.
 - b. For all direct reports to the President, the President must approve. For all others, the respective President's Cabinet member must approve.
7. Source of Funds

Relocation expenses may be charged to any index of the University or Foundations, subject to internal or external restrictions that may apply. If Foundation funds are used, the initial payment to the employee must be charged to a university index and a separate

reimbursement submitted to the Foundation by Department Personnel.

8. Timing of Payments

Relocation allowances and reimbursements may be processed before or after the new employee's hire date. The employee's Banner profile must be created *before* a relocation allowance or reimbursement may be processed.

The new employee must provide all necessary documentation to Accounts Payable (e.g., W9, supplier form/bank account information) along with the [Payment Authorization](#) to establish their Banner profile. Department Personnel must initiate the Payment Authorization to process the payment.

9. Repayment of Relocation Expenses

The employee may be required to repay the relocation allowance or reimbursement if they leave the University within one year of their hire date. Department Personnel are responsible for tracking, calculating, and collecting repayment of relocation expenses.

See table below for prorated repayment schedule.

<u>Length of Employment</u>	<u>Repayment Amount</u>
Less than 180 days	100%
Between 180 and 270 days	75%
Between 270 and 365 days	50%

More restrictive repayment terms may be included in the *Relocation Expense Agreement*, as deemed necessary.

If an employee fails or refuses to repay the relocation expenses in accordance with the criteria above, the University may take steps to recover the amount owed, including initiating wage garnishment as permitted by law.

10. Direct Payment to Moving Companies

Direct payment by WKU on behalf of employees to moving companies is **prohibited**. In rare circumstances, the Executive Vice President of Strategy, Operations, and Finance may grant a waiver for this requirement and the Department Personnel should work with Purchasing Services to ensure the additional compliance requirements are satisfied. When payments are made directly to moving companies, additional compliance requirements must be satisfied. These include using university-contracted vendors for moving services, limiting the options of the newly hired employee.

11. Options for Relocation Benefits

a. Option 1 - Reimbursement of Actual Relocation Expenses

Actual moving and house hunting expenses may not exceed a combined maximum of \$12,000 using state funds. **Department Personnel may establish a lower amount, either as a policy or on a case-by-case basis.** For clarity, Foundation funds may be used to exceed this threshold.

When actual moving expenses are reimbursed, allowable/unallowable expenses are as follows:

<u>House Hunting Expenses</u>	
<u>Allowable</u>	<u>Unallowable</u>
Expenses are limited to one visit, not exceeding three days and two nights.	Expenses for children or individuals other than the employee and spouse/partner.
Actual costs of transportation.	
Actual cost of lodging for the employee and spouse/partner.	
Actual cost of meals for the employee spouse/partner	

<u>Moving Expenses</u>	
<u>Allowable</u>	<u>Unallowable</u>
Transportation of household goods and personal effects from current residence	Relocation expenses not incurred within one year of the date the employee began work
Packing/unpacking	Temporary local living expenses
Loading/unloading	Any other expenses not specifically allowed in this policy, including gratuities
Incidental moving supplies	
Insurance	
Temporary local storage of furniture and personal items, limited to 2 months.	
Pods or other storage items, limited to 2 months.	
Rental truck (including fuel) and/or trailer	
Mileage or gas with an original receipt for a single personal vehicle (at the prevailing federal standard mileage rate for moving expenses according to the Internal Revenue Code)	
Lodging, while enroute including arrival night in Bowling Green	
Actual cost of meals, while enroute	
Sales taxes incurred from the items above	

b. Option 2 - Allowance for Relocation Costs

Alternatively, an **allowance** for house hunting and moving expenses may be provided up to a maximum of \$12,000 using state funds. **Department Personnel may establish a lower amount, either as a policy or on a case-by-case basis.** For clarity, Foundation funds may be used above this threshold.

III. Procedures

Determine which method to use – reimbursement of actual relocation expenses OR utilize a flat, allowance amount.

A. Option 1 - Reimbursement of Actual Relocation Expenses

1. Determining Maximum Relocation Amount
 - a. Department Personnel determines a relocation reimbursement is needed in the recruitment process.
 - b. Department Personnel proposes the maximum relocation reimbursement amount based on the facts and circumstances of each situation, while maintaining compliance with this Policy. Online resources, such as www.movebuddha.com, may be helpful in estimating the costs of the employee. **Note: Department Personnel may not inquire of the new hire's marital and familial status during this process.**
 - c. The maximum relocation reimbursement amount is included in the offer letter and *Relocation Expense Agreement*. Estimates from a third-party resource, such as www.movebuddha.com, **must** be attached as supporting documentation to the *Relocation Allowance Agreement*.
2. Reimbursing the Employee
 - a. Reimbursement of moving expenses will be made directly to the employee utilizing a Payment Authorization. Documentation attached to the Payment Authorization must include original receipts and the approved *Relocation Expense Agreement*.
 - b. Once all the required signatures have been obtained, Payment Authorizations and backup documentation (e.g., receipts) should be sent to the office of the University Controller/Treasurer for processing.
 - c. Once processed, the Accounts Payable Department will report the reimbursement to the Payroll Department. The reimbursement amount will be subject to applicable tax withholdings on the employee's first paycheck and included on the employee's W-2 for the calendar year in which the payment was made.
3. Using Foundation Funds
 - a. If the college or department wishes to use Foundation Funds and/or the relocation expenses exceed \$12,000, Department Personnel must process an [Expense Voucher](#) for the amount to be charged to the Foundation.

B. Option 2 - Providing Allowance for Relocation Costs

1. Determining Allowance Amount
 - a. Department Personnel determines a relocation allowance is needed in the recruitment process.
 - b. The Department Personnel proposes the relocation allowance amount based on the facts and circumstances of each situation, while maintaining compliance with this policy. Online resources, such as www.movebuddha.com, may be helpful in estimating the costs of the employee. **Note: the Department Personnel may not inquire of the new hire's marital and familial status during this process.**
 - c. Relocation allowance amount is included in the offer letter and *Relocation Allowance Agreement*. Estimates from a third-party resource, such as www.movebuddha.com, **must** be attached as supporting documentation to the *Relocation Allowance Agreement*.

2. Providing Allowance Funds

- a. Allowance of moving expenses will be made directly to the employee utilizing a Payment Authorization. The approved Relocation Expense Agreement will serve as documentation for the payment and must be attached to the Payment Authorization.
- b. Once all required signatures have been obtained, Payment Authorizations and backup documentation should be sent to the Controller's Office, Travel Office at Wetherby Administration Building, Room G21.
- c. After processing the Payment Authorization, Accounts Payable will report the allowance to the Payroll Department, and the allowance will be subject to applicable tax withholdings on the employee's first paycheck and included on the employee's W-2 for the calendar year in which the payment was made.

3. Using Foundation Funds

- a. If the college or department wishes to use Foundation Funds and/or the relocation expenses exceed \$12,000, Department Personnel must process an [Expense Voucher](#) for the amount to be charged to the Foundation.

IV. Related Policies

See also

3.1103 - Discretionary Spending Policy

3.1015 - Travel Policy

V. Reason for Revision

January 1, 2012 – integrated with Academic Affairs Policy 1.2061. Latter policy deleted.

November 10, 2025 – clarified expectations for reimbursements and added allowance option.

Relocation Expense Agreement Western Kentucky University

Department:	
Index Charged:	

Choose **one** of the following:

Maximum Reimbursement Amount Authorized: <i>(Reimbursement of moving and house hunting expenses is limited to <u>the actual costs of allowable expenses supported by original receipts</u>, up to a maximum of \$12,000 using state funds. *)</i>	
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OR

Relocation Allowance Amount Authorized: <i>(Allowance of relocation expenses is limited to \$12,000 using state funds. *)</i>	
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***The Department Personnel may establish a lower amount for relocation expense reimbursement or allowance, either as a policy or on a case-by-case basis.**

Employee Attestation:

- I have read and will abide by the [Relocation Expense Policy](#).
- If I voluntarily terminate employment prior to completing one year of service, I understand that I may be required to return to the university the moving expense benefit received prior to my last day of employment.

Employee Name:

Address moved from:

Address moved to:

Approved by: _____
Department Chair (required for faculty)

Date

Approved by: _____
Dean (required for faculty)

Date

Approved by: _____
President or President's Cabinet Member

Date

Accepted by: _____
Employee

Date