THE UNIVERSITY OF MICHIGAN

STANDARD PRACTICE GUIDE

SECTION:	Human Resources & Affirmative Action	**Number:**	201.68
		Revised:	7/1/05
SUBJECT:	Moving and Relocation Expenses	**Date Issued:**	
		Attachment(s)	2
APPLIES TO:	Regular Faculty and Staff and Visiting Faculty from other educational institutions with the exception of those represented by a bargaining unit		
ISSUED BY:	Human Resources & Affirmative Action		

I. Policy

The University may pay the moving and relocation expenses of new faculty and staff members who are employed in difficult to recruit occupations and those who are transferred from one University geographic location to another.

II. Regulations

Approval of the administrative head of the employing department and the Dean or Director are required prior to making commitments to pay moving and relocation expenses. Other approvals may be required when appointees are to be paid from funds other than General Funds (see section II, G.). For faculty members, exceptions to the moving expense policy as it appears here require the concurrence of the Office of the Executive Vice President for Academic Affairs and Provost, after the approval of the dean or director has been obtained. For staff members, exceptions to the moving and relocation policy as it appears here require the concurrence of the Employment Manager of the appropriate Human Resources Office, after the approval of the dean or director has been obtained.

A. Moving expenses are the costs of packing, shipping, and storing household goods.

B. Relocation expenses are the costs of: travel for the faculty or staff member and family enroute to the position assigned, including transportation, food, and lodging; travel for trips necessary to secure living quarters; and temporary lodging or transportation to and from the designated work site when the appointment date precedes the date when permanent living quarters are available.

C. The University may reimburse the new faculty or staff member for moving and relocation expenses not to exceed one-twelfth of the new person's annual salary rate or one-ninth of a University-year salary rate. Expenses for travel and the movement of household goods from points outside the continental United States and Canada may require an exception to the one-twelfth or one-ninth rules.

Individual schools and colleges are free to establish maximums lower than those stated here. Before making a commitment to pay moving and relocation expenses, the appointing department should find out if a lower maximum applies.

D. Expenses for travel by automobile within the continental United States and Canada may be included in II, C. at not more than the current approved rate (see SPG 501.5-1, "Travel Policy and Procedures"). Note that the amount of mileage paid which is in excess of 9 cents per mile is considered taxable income to the new faculty/staff member.

E. Advances based upon estimates of the cost of moving, up to the applicable maximum, can be arranged if requested by the new faculty or staff member. (Follow the procedure in III, C. or D.)

F. For appointees whose salaries are to be paid wholly from funds other than General Funds, moving and relocation expenses should be paid from project direct funds whenever the terms of grant or contract will permit. If such charges are not permitted, the administrative unit with which the project is affiliated should be consulted regarding the availability of funds for moving and relocation expenses. For example, the Institute of Science and Technology and the Institute for Social Research have accounts in their budgets to which the expenses of their affiliates can be charged, if approval is received in advance from the director of the institute or other designated administrator.

G. Non-taxable expenses - Effective 1/1/94, there are two categories of moving and relocation expenses that are non-taxable: 1) expenses for moving household goods and personal effects from the staff member's old residence to the new residence; and 2) expenses for traveling (including lodging but not meals) from the old residence to the new residence. The non-taxable portion of mileage reimbursement is limited to 9 cents per mile per Internal Revenue Service Regulation. The distance between the staff member's new workplace and old residence must be at least 50 miles farther than the distance between the staff member's old workplace and old residence.

H. Taxable expenses - All other relocation expenses must be reimbursed as taxable income and will be reported on the staff member's Form W-2. This includes the excess of mileage reimbursement over 9 cents per mile (mileage reimbursement rate minus 9 cents per mile times total miles reimbursed).

III. Procedures

A. To arrange for Reimbursement After Relocation for a staff member.

RESPONSIBILITY		ACTION
Administrative Head of Appointing Department	1.	Before a commitment to reimburse for moving expenses is made, obtain the approval of the Dean or Director.
	2.	Communicate commitment to staff member.
Staff Member	3.	Submit receipts for moving and relocation expenses to the Administrative Head upon completion of the move.
Administrative Head of Appointing Department	4.	Prepare 2 copies of Form G, "Request for Payment of Special Stipend," and attach all receipts related to moving and relocation expenses. In the "For Moving Expenses" box on the Form G, separately designate the amounts of taxable expenses, non-taxable expenses and grant total. Forward the Form G and receipts to the Dean's or Director's Office.

Dean's or Director's Office	5.	Review, recommend approval of reimbursement if appropriate, and sign the Form G. Forward the Form G and receipts to the Employment Office.
Employment Manager Human Resources Office	6.	Review Form G and receipts for completeness and endorse if appropriate. Forward to the Office of Faculty and Staff Records (HRI, if Medical Center), if the necessary department and unit authorizing signatures have been included.
Faculty and Staff Records or Human Resources Information (HRI - Medical Center only)	7.	Process the Form G.
	8.	Retain a copy of the Form G and insert it in the staff member's file.
	9.	Attach receipts and any other supporting documents to the approved Form G and send it to the Payroll Office to authorize payment.
Payroll Office	10.	Issue and distribute a check to the staff member.
	11.	At year-end, issue Form W-2, including any taxable portion of moving/relocation expenses.

B. To arrange for Reimbursement After Relocation for an Academic Administrative, Instructional, or Primary Staff Member.

RESPONSIBILITY		ACTION
Administrative Head of Appointing Department	1.	Approve moving expense commitment in consultation with the Dean's or Director's Office.
	2.	Communicate approval to faculty member.
Faculty Member	3.	Submit receipts for moving and relocation expenses to the Administrative Head upon completion of the move.
Administrative Head of Appointing Department	4.	Prepare 2 copies of Form G "Request for Payment of Special Stipend" and attach all receipts related to moving and relocation expenses. In the "For Moving Expenses" box on the Form G, separately designate the amounts of taxable expenses, non-taxable expenses and grand total. Forward the From G and receipts to the Dean's or Director's Office.
Dean's or Director's Office	5.	Review, recommend approval of reimbursement if appropriate, and sign the Form G. Forward the Form G and receipts to the Office of Faculty and Staff Records.

Faculty and Staff Records	6.	Review the Form G and supporting documents for completeness. Consult with the Employment Manager, if policy questions arise.

See sections III, A., 8 through 11 for the remaining procedures for Records and Payroll.

C. To Arrange an Advance Prior to Relocation for a staff member.

RESPONSIBILITY		ACTION
Staff Member	1.	Request that the Administrative Head of the appointing department arrange an advance. Provide a moving company's estimate.
Administrative Head of Appointing Department	2.	Send the worksheet appended to this SPG and/or a memo, with the moving company's estimate and estimates of mileage or airfare attached, to the Dean's or Director's Office for approval and for forwarding to the appropriate Employment Office. If a memo is used, it should: a) request an advance for the employee, giving details of any special agreements made with the new staff member; and, b) if the worksheet is not used, indicate the complete address where the Promissory Note for Moving Expenses Advance is to be sent; the staff member's name, title and social security number; the approximate moving date; and the account to be debited.
Dean's or Director's Office	3.	Endorse the request, if appropriate, and forward it with supporting documents, such as the moving company's estimate, to the Employment Manager of the appropriate Human Resources Office.
Employment Manager	4.	Review the request and indicate concurrence if appropriate.
	5.	If approved, prepare a Promissory Note for Moving Expense Advance. Send the promissory note with a letter of instructions to the prospective staff member, and copies of the letter to the Office of Faculty and Staff Records (HRI, if Medical Center), the Payroll Office, and the initiating department/unit.

Staff Member	6.	Return the signed promissory note to the Payroll Office.
Payroll Office	7.	Upon receiving a signed note to cover the advance, verify that an advance has been authorized.
	8.	Issue a check and mail it to the staff member.
Staff Member	9.	Submit receipts for moving and relocation expenses to the Administrative Head upon completion of the move.
Administrative Head of Appointing Department	10.	Prepare 2 copies of Form G, "Request for Payment of Special Stipend," and attach all receipts related to moving and relocation expenses. In the "For Moving Expenses" box on the form G, separately designate the amounts of taxable expenses, non-taxable expenses and grand total. Forward the Form G and receipts to the Dean's or Director's Office.
Dean's or Director's Office	11.	Review, recommend approval of reimbursement if appropriate, and sign the Form G. Forward the Form G and supporting documents to the Employment Office.
Employment Manager	12.	Review Form G and supporting documents for completeness and endorse if appropriate. Forward to the Office of Faculty and Staff Records (HRI, if Medical Center), if the necessary department and unit authorizing signatures have been included.
Faculty and Staff Records Human Resource Information (HRI - Medical Center only)	13.	Process the Form G.
	14.	Retain a copy of the Form G and insert it in the staff member's file.
	15.	Attach supporting documents and send with a copy of approved Form G to the Payroll Office to authorize payment.
Payroll Office	16.	Coordinate Form G gross with Promissory Note-Advance (deduction on same payroll).
	17.	Send canceled promissory note to staff member.
	18.	At year-end, issue Form W-2, including any taxable portion of moving/relocation expenses.

D. To Arrange an Advance Prior to Relocation for Academic Administrative, Instructional, or Primary Staff Members.

RESPONSIBILITY		ACTION
Faculty Member	1.	Request that the Administrative Head of the appointing unit arrange an advance. Provide a moving company's estimate.
Administrative Head of Appointing Unit	2.	Authorize the request by completing the worksheet attached to this SPG and forward it with supporting documents, such as a moving company's estimate, to the Dean's or Director's Office for approval.
Dean's or Director's Office	3.	Endorse the request, if appropriate, and forward the worksheet and supporting documents to the Employment Manager.
Employment Manager	4.	Review the request and prepare a Promissory Note for Moving Expense Advance. Send the promissory note with a letter of instructions to the prospective staff member, and copies of the letter to the Office of Faculty and Staff Records, the Payroll Office, and the initiating department/unit.
Faculty Member	5.	Return the signed promissory note to the Payroll Office.
Payroll Office	6.	Upon receiving a signed note to cover the advance, verify that an advance has been authorized.
	7.	Issue a check and mail it to the staff member.
Faculty Member	8.	Submit receipts for moving and relocation expenses to the Administrative Head upon completion of the move.
Administrative Head of Appointing Department	9.	Prepare 2 copies of Form G, "Request for Payment of Special Stipend" and attach all receipts related to moving and relocation expenses. In the "For Moving Expenses" box on the Form G, separately designate the amounts of taxable expenses, non-taxable expenses and grand total. Forward the Form G and receipts to the Dean's or Director's Office.
Dean's or Director's Office	10.	Review, recommend approval of reimbursement if appropriate, and sign Form G. Forward Form G and receipts to the Office of Faculty & Staff Records.

Faculty and Staff Records	11.	Review Form G and supporting documents for completeness. Consult with the Employment Manager, if policy questions arise.

See Section III, C., 13 through 18 for the remaining procedures for Faculty and Staff Records and Payroll.

ADVANCES ON MOVING/RELOCATION EXPENSES WORKSHEET

In order to arrange an advance on moving/relocation expenses, please supply the Employment Manger of the appropriate Personnel Service Center with the information requested. NOTE: Advances should not be requested for amounts in excess of what can be substantiated by a moving company's written estimate and estimated travel mileage or airfare for the staff member and family.

NEW STAFF MEMBER'S:

NAME:_____ TITLE:_____

SOCIAL SECURITY NUMBER:_____

ADDRESS
(where promissory note should be mailed):

_____

_____

_____

NOTE: Please allow at least 4 weeks for processing if all transactions are to be carried on by regular US mail. If less time is available, the department is responsible for making special arrangements.

APPROXIMATE MOVING DATE (if known):_____

SPONSORING DEPARTMENT:_____

ACCOUNT TO BE DEBITED (# AND NAME):_____

ESTIMATED COST OF MOVING: $_____ AMOUNT OF ADVANCE:$_____
(Please attach estimates)

Please complete A or B, as appropriate. Note: Some units have established a ceiling on moving expenses that is well below the maximums allowable under SPG 201.68. Contact the Dean's or Director's Office for information.

A. The requested advance does not exceed 1/12th of the staff member's annual salary of $_____.

B. The requested advance does not exceed 1/9th of the staff member's salary of $_____ for a University academic year appointment.

ROUTING: Please route this request through the Dean's or Director's Office, to the appropriate Personnel Service Center. NOTE: On the Ann Arbor campus, advances for Academic Administrative, Instructional, and Primary staff members are handled by the Personnel Service Center for Schools, Colleges, Institutes, and Libraries.

ADVANCE AUTHORIZED BY: _____ _____
Signature Date

_____
Name and title of authorizer typed or printed

DEAN'S OR DIRECTOR'S
OFFICE ENDORSEMENT:_____

SUBMITTING THE FORM GQ

FORM TYPE	STATUS DETERMINED ON THE FORM GQ	
	Employee	**Independent Contractor**
Form G	Attach Form I-9 to the Form G prior to submission if the individual does not have a current University appointment. It is not necessary to attach the FORM GQ.	Attach the Form GQ to the Form G prior to submission.
Form G-1	Attach a form I-9 to the Form G-1 prior to submission. It is not necessary to attach the Form GQ. ***Note: If the individual has a current University appointment, the Form G-1 cannot be used. Use the Form G.***	Attach a Form GQ to the Form G-1 prior to submission.
Form G-2	The Form G-2 cannot be used to pay an individual that is determined to be an employee on the Form GQ.	Attach a Form GQ to the Form G-2 prior to submission.

FORM G

THE UNIVERSITY OF MICHIGAN

REQUEST FOR PAYMENT OF SPECIAL COMPENSATION INCLUDING STIPENDS AND CERTAIN OTHER PAYMENTS

To request payment to the UM Faculty, Staff Member, or other individual as indicated below:

Name _____ U.S. SSN _____
(Last, First, Middle Initial)

Unit/Department _____ Account No. _____ Amount $ _____

Is individual currently employed at UM? Yes ☐ No ☐

If yes: Appointing Dept. _____ Appointing Title _____

Indicate the time period From _____ To _____ and describe type of compensation/services rendered.

If compensation is for services rendered and paid as an Independent Contractor (Non-Employee), a completed Form GQ must be attached. If form GQ indicates that these services be reimbursed as an Employee, a completed Form I-9 must be attached if individual is not currently employed with the University.

For Moving Expenses

Advance Amount $_____ Amount $_____ Taxable (66931)
Amount $_____ Non-taxable (61929)
$_____ Total

If individual is NOT a member of the UM faculty or staff, please complete the following:

Current Mailing/Home Address:
Number and Street _____

City _____ State _____ Zip _____ Country _____
Country of Citizenship _____ Country of Residency _____

If not US citizen indicate visa type _____ and check one of the following:

Nonresident alien (Form 8233) ☐ Resident alien (Form 1078) ☐

NOTE: If not resident alien, Federal and State tax withholding may apply. See instruction VI. on reverse side.

Prepared by: _____ Phone #: _____ Date Prepared _____

I certify that the terms, restrictions and qualifications set forth in this form's administration policy are met and that the payments are in compliance with all conditions imposed by the funding source.

Chair/Department Head (Name Typed) _____ Signature _____

Dean/Director or Designated Rep (Name Typed) _____ Signature _____

Releasing Unit Dean/Director (Name Typed) _____ Signature _____

Special Instructions

Approved for Payment

_____
Human Resources and Affirmative Action

JC Code

Form 30021 Rev. 1/95

INSTRUCTIONS FOR SPECIAL COMPENSATION INCLUDING STIPENDS AND CERTAIN OTHER PAYMENTS

I. Special Compensation including stipends and certain other payments are used to:

A. Compensate for services provided by eligible staff members on a nonrecurring basis and performed outside of and beyond the scope of their regular employment and hours of employment. Eligible staff members are:

1. Instructional Staff and Primary Archivists, Curators, Librarians, and Researchers.
2. Certain exempt Professional/Administrative Staff (see SPG 201.38-1 "Overtime".)

B. Pay moving and travel expenses in accordance with University policy (see SPG 201.68 "Moving and Relocation Expenses".)

C. Pay pre-approved royalty payments.

D. Make Category II Risk Payments to appropriate Medical School faculty.

E. Pay scholarly awards.

F. Pay honoraria or fees to visiting dignitaries and scholars. (Honoraria may not be paid from Federal Funds.)

II. This form may not be used for:

A. Staff members performing their regular duties or closely related duties within the staff members' major unit.

B. Non-exempt services by University staff members. These services should be compensated for in accordance with the provisions of the Temporary Employment SPG 201.57 or the Overtime SPGs 201.38 and 201.38-1.

C. Payment for consultant services provided by outside individuals or organizations. (See Independent Consultants SPG 201.86 for individuals and SPG 507.4 for organizations.)

III. The amount of compensation or payment should be in accordance with established schedules which have been approved by the Office of Academic Affairs and/or the Compensation Office, or be at a daily rate which does not exceed 5% of the full-time monthly salary rate for the regular appointment of a University staff member. Honoraria to visitors should be paid with reasonable guidelines as approved by the Dean/Director. Category II Risk payments should be made in accordance with guidelines established by the Dean of the Medical School.

IV. The Dean or Director should not normally approve more than four days of consultation activity (whether paid through the University or not) in any calendar month. Unusual circumstances justifying more than four days of consulting activities should, when a Special Stipend is involved, be explained on the Form G or in an accompanying memorandum. (Some units permit less than four days. Departments should check with their Dean's office on this limit.)

V. The date(s) during which services are to be provided or a date applicable to the approved payment and a description of the specific nature of the services to be rendered or the type of special payment, e.g., moving expenses, etc., should be listed. Please attach copies of related correspondence, agreements, or authorizations for service.

VI. If the individual to be paid is not a member of the University faculty or staff, citizenship, residency, and alien status must be indicated. It should be noted that up to 30% Federal and applicable State income taxes will be withheld from non-resident aliens unless those individuals are exempt under tax treaty regulations. IRS Form 8233 must be submitted to claim exclusion from withholding under tax treaty provisions (if it is in effect) between the individual's country of citizenship and the United States. The IRS Form 8233 (Exemption from Withholding on Compensation for Independent Personal Services of a Non-Resident Alien Individual) available from the Payroll Office, must be completed and signed by the individual in order to qualify for exemption from tax withholding and submitted with this Form G, or to the Payroll Office prior to the completion of services.

VII. Forward the original and one copy to the Faculty and Staff Records Office (if the payment is for a faculty member or a visitor) or to the Compensation Office (if the payment is for an exempt professional staff member).

VIII. Requests for the payment of special compensation or other payments should be reviewed and endorsed by the Faculty and Staff Records Office and/or the Compensation Office before the services are rendered or before the payments are committed with the exception of Category II Risk payments, which are requested periodically according to established Medical School rules. It is the responsibility of the requesting unit to assure that the services are rendered in accordance with the condition specified in the request and to stop payment if required.

IX. It is the responsibility of the releasing unit to assure that the staff member is eligible to engage in employment or provide supplemental services in addition to their regular appointment.

X. When the services are in the nature of interdepartmental consultation on an externally sponsored research project, contact the Federal Fund Financial Operations Department to discuss regulations of the sponsor (e.g., The Federal Government requires that the consulting arrangement meet certain criteria and that approval is in writing from the sponsoring agency).

XI In order to facilitate the request for payments to several individuals, all of whom are U.S. citizens and NOT members of the University staff or faculty, a Form G-1 (in place of the Form G) may be used as authorization for payment with the individuals being listed on an accompanying G-1 Supplement.

XII. Following completion of the services for which the payments are requested:

A. Payments to staff members will be made on their next scheduled payday after receipt of the Form G in the Payroll Office.

B. Payments to those who are not members of the University staff will be made on the next schedule biweekly payday after receipt of the Form G or the Form G-1 in the Payroll Office and will be mailed to recipients unless other arrangements are requested.

FORM GQ

THE UNIVERSITY OF MICHIGAN

EMPLOYEE/INDEPENDENT CONTRACTOR CLASSIFICATION CHECKLIST FOR FORM G/G-2 PAYMENTS

The information provided below will assist the University in determining whether the individual performing the services will be classified for federal, state and FICA tax purposes as an employee of the University or as an independent contractor. Complete Section I, Section II, and Section III (if necessary) and ATTACH TO THE FORM G WHEN APPROPRIATE AND ALWAYS TO THE FORM G-2.

I. _____ (Individual's Name) _____ (Social Security Number) _____ (Account Number)

Department _____ Form Preparer _____ (Name) (Phone No.)

II. Multiple Relationships with the University	YES	NO
A. Does this individual currently work for the University as an employee?	____	____
B. Is it currently expected that the University will hire this individual as an employee immediately following the termination of his or her Form G/G-2 services?	____	____
C. During the 12 months prior to the date on which the Form G/G-2 services commenced, did the individual have an official University appointment (including temporary) and provide the same or similar services?	____	____

If the answer is "No" to all questions, proceed to the questions in Section III.
If the answer is "Yes" to any of the 3 questions, the individual should be classified as an employee and paid via the normal appointment process or on the Form G.

III. Classification Guidelines (Complete only one of III.A., III.B., and III.C. depending on the services performed by the individual.)

A. Teacher/Lecturer/Instructor	YES	NO
1. Is the individual a "guest lecturer" (e.g. an individual who lectures at only a few class sessions)?	*Treat as an ind. contractor.*	*Go to #2.*
2. a. Is the individual teaching a course for which students will NOT receive credit toward a University degree.	____	____
b. Does the individual provide the same or similar services to other entities or to the general public as part of a trade or business?	____	____

If the answer to both questions 2(a) and 2(b) is "Yes", then treat the individual as an independent contractor.
If the answer to either of questions 2(a) and 2(b) is "No", then go to question #3.

3. In performing instructional duties, will the individual primarily use course materials that are created or selected by the individual?	*Treat as an ind. contractor.*	*Treat as an employee.*

III. B. Researcher

Researchers hired to perform services for a University department are presumed to be employees of the University. If, however, the researcher is hired to perform research for a particular University professor or employee, please indicate which of the following relationships is applicable by placing a check mark in the appropriate blank:

Relationship #1: The individual will perform research for a University professor or employee under an arrangement whereby the University professor or employee serves in a supervisory capacity (i.e., the individual will be working under the direction of the University professor or employee).	#1 ____	*Treat as an employee.*
Relationship #2: The individual will serve in an advisory or consulting capacity with a University professor or employee (i.e., the individual will be working "with" the University professor or employee in a "collaboration between equals" type arrangement).	#2 ____	*Treat as an independent contractor.*

III. C. Individuals Not Covered Under Sections III.A. or III.B.	YES	NO
1. Does the individual provide the same or similar services to other entities or to the general public as part of a trade or business?	*Treat as an ind. contractor.*	*Go to #2.*
2. Will the department provide the individual with specific instructions regarding performance of the required work rather than rely on the individual's expertise?	*Treat as an employee.*	*Go to #3.*
3. Will the University set the number of hours and /or days of the week that the individual is required to work, as opposed to allowing the individual to set own work schedule?	*Treat as an employee.*	*Treat as an ind. contractor.*