

MEMORANDUM

To: President, Provost, Vice Presidents, Vice Provosts, Deans, Directors and Department Heads

From: Jennifer Gehrt, Associate Director, Division of Human Resources

Fran Willbrant, Associate Controller, Controller's Office

Alan Klug, Chief Financial Officer, KSU Foundation

Date: August 1, 2000

Re: Moving Expenses

House Bill No. 2034 passed by the 2000 Kansas Legislature authorizes the regents institutions to reimburse unclassified employees for moving expenses. The specific language is as follows: "Reimbursement for moving expenses may be made to applicants for positions in the **unclassified** service under the Kansas civil service act at state educational institutions other than chief executive officers in accordance with this section if such reimbursement is from **private funds provided to the state educational institutions by the endowment associations or other affiliated corporations** of such state educational institutions. Any reimbursement of moving expenses made to any applicant pursuant to this subsection shall constitute compensation for the applicant."

This legislation affords Kansas State University the opportunity to correctly report all moving expenses on employees' W-2s. The current process of submitting approval, requests and receipts to Alan Klug at the KSU Foundation will continue. Authority to approve moving expenses continues to reside with the person having funds, and the responsibility for those funds, deposited at the KSU Foundation. However, there are a few changes that should be noted.

- The applicant is required to sign an agreement that if the applicant leaves the position of employment within one year from the beginning date of employment, the applicant will reimburse Kansas State University the full amount paid for moving expenses. (Form DA-22 "Agreement for Reimbursement of Moving Expenses". This form is located at www.ksu.edu/controller/eforms).
- Reimbursement for mileage will be at the state mileage rate. As an alternative, actual gas receipts will continue to be accepted for reimbursement.
- The amount to be paid for moving expenses shall not exceed the amount of the actual moving expenses verified by receipts or the amount of moving expenses for moving 12,000 pounds of household goods, whichever is the lesser amount.
- Taxable reimbursements will now be paid through the University's payroll system and non-taxable reimbursements will now be paid through the University's APO process. All transactions will be generated from the Division of Human Resources and this will ensure the appropriate reporting of moving expenses on the W-2. Reimbursement to the employee will normally take approximately 2 weeks.
- The payment method for reimbursement paid through the payroll system will be the same as the method currently used in receiving the employees paycheck, i.e. direct deposit or check. The payment method for reimbursement paid through the APO process will be a check.

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Moving and relocation expenses are reimbursable for in-state and out-of-state unclassified applicants (new hires).

The following expenses are considered non-qualified moving expenses that must be paid through the payroll system and are included in taxable income.

- **Expenses related to one pre-move trip to look for a new residence.**
- **Meal allowance while en route from the old residence to the new residence (must be a move of at least 30 miles).**
- **Subsistence expenses while occupying temporary quarters for a period of 30 days.**

The following items are also considered non-qualified moving expenses that are paid through the payroll system and must be taxed when the new work location is less than 50 miles further from the former residence than was the former place of work.

- **Lodging en route from the old residence to the new residence (must be a move of at least 30 miles).**
- **Cost of moving personal effects.**
- **One way mileage at the standard state rates.**
- **Temporary Storage (defined as 30 days or less).**

When the new work location is at least 50 miles further from the former residence than was the former place of work, the following moving expenses are considered qualified moving expenses that are paid through the APO process are not taxed.

- **Cost of moving personal effects.**
- **Mileage and lodging en route while moving from the old residence to the new residence.**
- **Temporary storage (defined as 30 days or less).**

All requests for reimbursements submitted to the KSU Foundation require the original bill of lading be attached.

This new process is effective with the date of this memo. If you have any questions, please contact Patsy Havenstein, Assistant Director, Payroll, Division of Human Resources, at patsy@ksu.edu or 532-1883.