



PROCEDURE

Relocation Expenses

Procedure Administrator: Senior Vice President for Administration & Finance and Chief Financial Officer

Authority: N.J.S.A. 18A:64-8

Effective Date: November 27, 2024

Index Cross-References: Procedure 6412 University Travel

Procedure File Number: 6413

Approved By: Dr. Joe Bertolino, President

I. PURPOSE:

This procedure sets forth the guidelines and limitations for reimbursement of reasonable, necessary and appropriate relocation expenses incurred by eligible new employees.

II. DEFINITION:

“Relocation Expenses” means the reasonable and actual costs incurred for (1) moving personal household effects to a location within proximity to the campuses of the University and (2) relocation of the new employee, the new employee’s spouse, and the new employee’s dependent children to a new place of residence within proximity of the campuses of the University.

Examples of relocation expenses include the (1) cost of a commercial moving company, (2) charges for packing, crating, mailing and shipping household goods and other miscellaneous packing supplies, (3) cost of a rental truck, (4) in-transit storage for up to 30 consecutive days, and (5) house hunting expenses for one trip, not to exceed five days, (6) the cost of short-term storage (not to exceed 90 days) of household effects, and (7) travel and lodging cost for one trip from the prior residence to the new residence, which may include lodging in transit, airfare (coach class only), rental car (economy only), and standard mileage, tolls and parking.

III. APPROVAL PROCESS

The University may provide relocation expenses for new full-time employees. At the time an offer is extended to a prospective employee, the Divisional Executive for the hiring Division may, with the prior written approval of the University President, elect to pay through reimbursement a new employee’s relocation expenses. The decision by the University President on whether to pay relocation expenses and the extent to which the University will pay such relocation expenses will be guided, at a minimum, by the following criteria:

1. The hiring Division’s budgetary resources.
2. The total estimated relocation expenses.

3. The benefits that accrue to the University and the hiring Division as a result of the new employee.
4. The nature of the position being filled by the new employee.

The University may determine to reimburse all or a portion of a new employee's relocation expenses. The University will not authorize payment of a separate allowance of relocation expenses for each member of a family, or members of the same household employed by the University.

IV. REIMBURSEMENT

The employee will be reimbursed only for those moving expenses and travel expenses that are reasonable for the circumstances of the move. For example, the cost of traveling from the employee's former home to the new home should be by the shortest, most direct route available by conventional transportation. If, during the trip to the new home, the employee stops over, or makes side trips for sightseeing, the additional expenses for such stopover or side trips will not be reimbursed. See Procedure 6412 University Travel. The types of moving expenses and related travel expenses that qualify for reimbursement will be determined in accordance with guidelines of the Internal Revenue Service.

Reimbursement for reasonable and necessary relocation expenses shall be subject to the hiring Division's budget limits with the recommendation and approval of the Divisional Executive. Any reimbursement is limited to actual costs incurred up to the amounts agreed to by the hiring Division, within the limits outlined in this procedure. Authorized limits may be set from time to time by the Senior Vice President for Administration & Finance and Chief Financial Officer for the respective Division subject to available funds.

Stockton University requires a new employee to meet the following requirements for eligible relocation expenses:

1. Relocation expenses must have a University connection – that is, the newly hired employee must have paid or incurred relocation expenses while performing services as an employee of this University. Two examples of this are the reasonable expenses of moving an employee's possessions from their former home to their new home and traveling from the employee's former home to new home.
2. New employees must adequately account to the University for the relocation expenses within a reasonable period of time and in no case more than one year after the start of employment with the University.

V. OFFER LETTER TO PROSPECTIVE EMPLOYEES

When extending offers to prospective employees, the Divisional Executive for the hiring Division may elect to reimburse a portion of the new employee's reasonable and necessary relocation expenses. If the payment of relocation expenses is approved by the University President, the Offer Letter to the new employee shall state that:

1. The University expects the new employee will satisfactorily maintain employment on a full-time basis for at least one year, commencing on the date that the employee starts work on a regular basis at the University; and
2. The failure of the new employee to remain employed by the University for a one year will result in the employee's responsibility to repay the full amount (including taxes) reimbursed by the University, which sum may be withheld from salary or other compensation due the employee, as provided by law.

The employee will be required to sign an agreement evidencing the employee's receipt of the relocation expenses and an acknowledgment that if the employee terminates employment with the University within one year from the date of employment, the reimbursement amount will be treated as a loan upon such termination, subject to repayment by the employee, and the University may withhold funds from the employee's salary to repay the loan.

VI. TAXATION OF RELOCATION EXPENSES

All relocation expenses incurred during the calendar years 2018 through 2025, constitute taxable income to the employee pursuant to the enactment of the Tax Cut and Jobs Act of 2017 (Pub. L. 115-97). Previously, Federal law drew a distinction between "qualified" moving expenses and other expenses. "Qualified" moving expenses could be paid or reimbursed on a non-taxable basis. That is no longer the case for calendar years 2018 through 2025. All relocation expenses must be included in the employee's taxable income and are subject to all applicable withholding taxes.

VII. GENERAL

Any exception to this procedure must be approved by the Senior Vice President for Administration & Finance and Chief Financial Officer. The approval must be attached to the request for reimbursement. Questions regarding reimbursement for relocation expenses should be directed to the Senior Vice President for Administration & Finance and Chief Financial Officer.

Review History:

	Date
Procedure Administrator	10/29/2024
Divisional Executive	10/29/2024
General Counsel	10/30/2024
Senior Leadership	11/25/2024
President	11/27/2024