

System-wide Policy: FI0450 - Moving Stipend	
Version: 11	Effective Date: 08/22/2022

Stipend for Moving Expenses

Policy Statement

I. Generally

- A. The university does not require departments to provide newly hired employees who meet the eligibility criteria with a stipend for moving expenses.
- B. If a department determines that it is in the university's best interest to pay a stipend to a newly hired employee and the department determines that it has funds available to pay the stipend, the department is responsible for recommending the amount of the proposed stipend. The final amount of the proposed stipend is subject to the approvals listed in section III of this policy.

II. Eligibility Criteria

- A. The university may provide a one-time stipend to a newly hired employee when distance between the employee's new work location and their former residence is at least 50 miles.
- B. If a newly hired employee will work remotely before moving to a location within 50 miles of their new work location, the department may decide to withhold any moving stipend until the employee updates their home address in the ERP System to a location within 50 miles of their new work location. The university does not require departments to withhold the stipend until the employee updates their address.

III. Required Approvals

- A. Amount is \$35,000 or less
 - 1. Before a department can offer a stipend valued up to \$35,000 to a prospective employee, the department must obtain their campus's Chief Business Officer's approval.
- B. Amount is more than \$35,000
 - 1. Before a department can offer a stipend valued greater than \$35,000 to a prospective employee, the department must obtain their campus's Chief Business Officer's approval, and the Chief Business Officer must obtain the university's Chief Financial Officer's approval.

IV. The University Will Not Pay or Reimburse Additional Moving Expenses

- A. No Additional Funds for Moving May Be Provided
 - 1. If the university pays a stipend to a newly hired employee, the stipend covers all types of costs associated with the newly hired employee relocating to their new work location. Examples of the types of costs covered by the stipend include, but are not limited to, moving household items, renting or buying vehicles, travel expenses, mileage and fuel costs, and temporary housing costs.

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B. No Reimbursement is Allowed

1. Because the stipend covers all associated costs, the newly hired employee must not submit requests for reimbursement of any costs associated with their relocation to the new work location (including costs associated with visiting their new work location to secure housing). Departments must reject any requests that a newly hired employee submits for reimbursement of costs related to relocating to their new work location.
2. If a newly hired employee to whom the university has paid a stipend erroneously files receipts seeking reimbursement for moving expenses, and if the university paid the reimbursement claim, the newly hired employee will be responsible for reimbursing the university for the full costs of the erroneous reimbursement.

V. Offer Letter Must Contain the Gross Amount

- A. Departments must include the newly hired employee's stipend in the official offer letter that the university sends to the newly hired employee.
- B. Departments must state the gross amount of the moving allowance in the offer letter.

VI. Timing of Payment

- A. Departments may submit their request to pay the newly hired employee a stipend no earlier than 60 days before the newly hired employee's start date.
- B. To ensure that the university reports stipend payments to the IRS in the proper tax year, the university will only process stipends in the same calendar year as the employee's start date or in a later calendar year.

VII. Tax Implications

- A. The university will pay stipends through Payroll, and the university will withhold applicable taxes from the stipend.
- B. The university will report the stipend as income on the employee's W-2.

VIII. Moving Arrangements

- A. If the university pays a stipend to a newly hired employee, the newly hired employee is solely responsible for making all moving arrangements.

IX. Optional Duration Requirement

- A. Departments may require a prospective employee to work for the university at least 12 months, and require the prospective employee to pay back a pro-rated portion of the moving stipend if the employee voluntarily leaves the university before the end of 12 months. The university does not require departments to impose a 12-month retention obligation.

X. Exceptions

- A. Departments seeking an exception to this policy must obtain approval for the exception from the applicable chief business officer (or designee) and the chief business officer (or designee) will seek approval from the chief financial officer (or designee).

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Reason for the Policy

This policy provides university departments with guidance regarding paying newly hired employees a moving stipend.

Scope and Application

This policy applies to all employees.

Procedures

Seeking Required Approvals

Payment

Definitions

N/A

Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this policy might result in adverse human resource actions, up to and including termination. Also, failure to comply with this policy might result in improper tax treatment for a newly hired employee's moving expenses.

Responsible Official & Additional Contacts

All University of Tennessee campuses

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Accounts Payable	865-974-2302	tishamarshall@tennessee.edu

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Policy History

Revision 11: 09/01/2022

Related Policies:

- [FI0505 – Accounts Payable](#)
- [FI0520 – Internal Transfers](#)