# Relocation Reimbursement Process

Effective Date: January 1, 2025

# Introduction and Purpose

Taxable relocation reimbursements and/or house hunting trips may be granted to faculty, contracted, and certain classified MSU employees moving their household to one of MSU’s campuses.

# Process Outline

Hiring authority offers a relocation reimbursement in the letter of hire (LOH), and if approved, will be signed by the Department Head/Director, Dean/Director, and VP. If there is no LOH (this would be the case for classified employees or those on LOA) or if the details are not mentioned in the LOH, a memo of understanding (MOU) with the same signatures outlined above will be required.

The departmental Business Operations Manager submits a completed Relocation Reimbursement Form, along with a copy of the LOH or MOU to msupayroll@montana.edu with a copy to the appropriate Fiscal Shared Services Team. **No receipts are needed for a relocation reimbursement.**

# House Hunting Trips- Process OutlineEmployees may also be reimbursed for house hunting trips, which the IRS considers to be taxable. These expenses will require receipts and documentation and will be paid via the Accounts Payable process. This transaction will be reported to MSU Payroll by Accounts Payable, and the necessary taxation will be applied on the next available payroll. Language regarding any approved house hunting trips must be specified in the LOH or MOU.

To submit a request for house hunting reimbursement, the employee should submit all receipts (and a W9 if necessary) to their departmental Business Operations Manager. The departmental Business Operations Manager will complete a non-employee travel expense voucher and will submit the voucher plus all required documentation to their Fiscal Shared Services (FSS) team. The FSS team will process a Banner Payment Authorization as required by Accounts Payable.

# Additional Information

Under no circumstances may the relocation reimbursement be used as a bonus of any sort.

Employees are not automatically entitled to a relocation reimbursement.

Payroll will make every effort to issue the relocation reimbursement on the employee’s first paycheck, provided the required documents have been submitted in a timely manner. If forms are not submitted on time, then payroll will issue payment on the next available paycheck.

Relocation reimbursements and house-hunting trips are taxable income and will be processed per federal guidelines. “Grossing up” will not be allowed.

Sample language for LOH or MOU: “If you leave the employ of MSU for any reason within one year of your start date, the moving reimbursement and/or house hunting trip in its entirety must be paid back to MSU prior to the end of employment. The amount may be withheld from your final paycheck(s).”