

# College of Agriculture and Life Sciences (CALS) Business Operations

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Authorizing and Processing Relocation  
Allowances for EHRA Employees  
Standard Operating Procedure

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## **CBO-BsServ-305 | Authorizing and Processing Relocation Allowances for EHRA Employees**

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### **1. PURPOSE**

- 1.1. This SOP describes the process by which a CALS department/unit can obtain authorization for and facilitate the payment or repayment of an EHRA employee relocation allowance.
1. The University has policies that allow for EHRA employees, at time of initial offer of employment, to be authorized a relocation allowance to help offset house hunting, moving and temporary housing costs.

### **2. CBO GUIDELINES**

- 2.1. The University requires prior approval of an EHRA employee's relocation allowance via the University's Non-Salary and Deferred Compensation Request Form, before a formal offer letter is extended to the candidate.
- 2.2. The Chancellor has delegated relocation allowance approval authority to the Dean of the College for up to the following amounts:
  1. SAAO Tier 1 \$25,000
  2. SAAO Tier 2 \$20,000
  3. Faculty \$15,000
  4. Other Non-Faculty EHRA \$10,000
- 2.3. Requests for relocation allowances in excess of the above maximums, must be approved in advance by the Provost.
- 2.4. Not every job offer is intended or required to include the payment of a relocation allowance. The inclusion of this benefit should be based on business necessity to attract well-qualified candidates. Department Heads are expected to use good judgment in proposing amounts that are proportionate and reasonable based on the total compensation level of a new hire and the relevant job market for the position under recruitment. Available resources and good stewardship of NC State funds must be a consideration in providing this type of benefit.
- 2.5. Authorization of the relocation allowance must be specified in an employee's employment offer letter and will include notice that the allowance will be reflected as taxable income.
- 2.6. Relocation allowances are paid directly to the employee and not on behalf of an employee.
- 2.7. It is the responsibility of the hiring department to maintain a copy of the signed approval and to request and track payment(s) of the allowance to the employee up to, but not to exceed, the limit previously approved.

- 2.8. At the department's discretion, employees that separate (either voluntarily or involuntarily) from University employment prior to one year of completed employment or candidates that never onboard may be required to fully reimburse the University at the gross amount of any allowance received. Departments carry the responsibility to collect any required repayment.

### **3. ASSOCIATED SYSTEMS/FORMS**

#### 3.1. Systems

1. CALS Online
2. ServiceNow

#### 3.2. Forms

1. [Non-Salary Compensation Form](#): Used to request authorization for a relocation allowance before a formal offer is extended to a new EHRA employee.

## 4. ROLES AND RESPONSIBILITIES

Relevant Parties	Roles and Responsibilities
<i>Department</i>	
Department/Unit Head/ District Extension Director (DED)	Responsible for obtaining College authorization for non-salary compensation expenses prior to finalization of new employee offer letter and identifying appropriate non-state, discretionary project to fund cost. Responsible for all efforts to collect repayment from candidates who fail to begin employment. Responsible for all efforts to collect repayment from employees who separate prior to one year of completed employment.
Business Points of Contact (POCs)	Responsible to maintain a copy of the signed approval form and to request and track payment(s) of the allowance to the employee up to, but not to exceed, the approved limit.
<i>College</i>	
<b>CALS Dean</b>	Responsible for reviewing and approving relocation allowance requests up to the maximum amounts delegated to the Dean's authority by the Chancellor.
<b>CALS HR</b>	Responsible for facilitating the University's process for pre-authorization of relocation allowances and ensuring the request for and approval of a relocation allowance complies with University regulations. Responsible to ensure inclusion of appropriate relocation allowance language in the employee's offer letter.
<b>CBO Business Services</b>	Responsible for reviewing and processing relocation allowance voucher and payment requests. Responsible for processing repayments.
<i>University</i>	
Provost	Responsible for pre-authorizing relocation allowance requests that exceed the maximum amounts for which the CALS Dean has delegated authority.
Accounts Payable	Responsible for reviewing and approving relocation allowance payment requests entered in PeopleSoft.
Payroll	Responsible for appropriate tax treatment of the employee's relocation allowance in the receiving employee's payroll and W-2.

## **5. PROCEDURE**

### **5.1. Sources of Funds**

1. When authorized, relocation allowances cannot be paid from state funds and typically will be paid from departmental discretionary or foundation funds. Relocation allowances should be carefully documented and charged to account code 51530 (Employee Moving Expense).

### **5.2. Obtaining Authorization**

1. When a department identifies a finalist candidate and is preparing to extend an offer that includes a relocation allowance, the department completes the Non-Salary and Deferred Compensation Form and submits via CALS Online at the same time as the draft offer letter is uploaded. At that time, the department indicates whether payments are anticipated to be made incrementally or in one lump sum and determines the non-state, discretionary project in the department/unit to which these costs are to be charged.
2. CALS HR verifies if the candidate qualifies for the allowance and facilitates the review and signature of the moving expense request at the appropriate level.
3. Upon approval, CALS HR:
  - a) Incorporates appropriate relocation allowance authorization language in the employee offer letter and an addendum to include acknowledgement of possible repayment;
  - b) Uploads a copy of the signed authorization to the appointment request in CALS Online; and
  - c) Provides a copy of the signed authorization to University HR.

### **5.3. Processing Allowance Payments**

1. If the employee is to receive partial or full payment of the relocation allowance in advance of their hire date, the Business POCs and CBO Business Services follows the College's standard operating procedure for Supplier Setup and Maintenance.
2. The Business POCs submits voucher/payment requests to the CBO Business Services via ServiceNow. This request includes a copy of the signed Non-Salary and Deferred Compensation Form as backup and specifies a non-state, discretionary project to which this expenditure should be charged.
  - a) The Business POCs is responsible to track and ensure that allowance payments made to an employee do not exceed the originally authorized amount.
3. The CBO Business Services uses account code 51530 and category ID NA25 for each relocation allowance payment to ensure appropriate tax treatment.

### **5.4. Recovering Repayment from Individuals Who Fail to Onboard or Who Separate Early**

1. The hiring department:
  - a) Determines whether, and in what amount, to require repayment of a relocation allowance from individuals who fail to onboard or separate earlier than one year of

- completed employment,
  - b) Communicates in writing to the individual the expectations and process for repayment,
  - c) Requires the individual to make the check payable to the entity that is in line with the original source of funding for the allowance (e.g., NC State University, NC Agricultural Foundation, etc.) and to mail or drop off the check to the department, and
  - d) Submits the check, department's written communication to the individual of repayment expectations, and the original approved Non-Salary and Deferred Compensation Form to CBO Business Services Accounts Receivable on the Ground Floor of Patterson Hall.
2. CBO Business Services Accounts Receivable reviews the submitted documentation for accuracy and compliance with University policies and, when satisfied, deposits the check into the project from which the original payments were made.

## **6. REFERENCES**

1. Abbreviations and Definitions- <http://harvest.cals.ncsu.edu/business-operations/?p=15160>
2. CALS Supplier Setup and Maintenance Standard Operating Procedure- <https://harvest.cals.ncsu.edu/site/WebFile/CBO-BsServ-304-Vendor-Setup-SOP.pdf>
3. POL 05.15.03 – Non-Salary and Deferred Compensation- <https://policies.ncsu.edu/policy/pol-05-15-03/>
4. University Controller's Office Relocation Allowance Information (Unity-wrapped)- [https://controller.ofa.ncsu.edu/vendor\\_payments/relocation-allowance/](https://controller.ofa.ncsu.edu/vendor_payments/relocation-allowance/)

## 7. REVISION LOG

Date	Version	Nature Of Change	Author
09/04/2018	1.0	Initial Document	Joyce Munro
04/01/2019	2.0	Replaces former <i>EHRA Employee Household Moving Expenses</i> SOP to reflect the University policy shift to provide a relocation allowance instead of a cost reimbursement or direct payment to supplier.	Joyce Munro
04/02/2019	2.1	Updated to reflect no minimum relocation distance requirement.	Joyce Munro