Section: Employment
Policy: Relocation
Policy No.: 1.017
Effective Date: 4/1/91
Rev.: 07/01/05

Human Resources
Policy and Procedure Manual

Policy

Albany Medical Center will reimburse or advance relocation expenses for newly hired exempt and non-exempt staff who engage in a profession that exhibits a severe shortage of locally qualified personnel or for management positions recruited from regional or national markets. Relocation payments will be subject to taxation and withholding according to IRS regulations.

Part I: Eligibility

A. To be eligible for relocation funds, the employee must engage in a profession where there is an established shortage of locally qualified personnel or in a managerial position. The Vice President/Department Chairman defines professionals for which there are established shortages of locally qualified personnel. Managers are required to obtain necessary approvals outlined in Policy # 1.013, Personnel Transactions, 2D (Responsibility & Authority to Act - Guidelines) prior to authorizing relocation expenses.

B. The employee's previous residence must be located more than 50 miles from the city of Albany.

Part II: Reimbursable Expenses

A. Moving Costs: The Center will authorize a sum equal to one month's gross salary up to a maximum of $7,500.00 for direct costs associated with the relocation. Information concerning taxation and withholding can be found in Albany Medical Center Employee Relocation Processing Guidelines (See pages 3 & 4).

The Center requires receipt of a minimum of 2 bids from moving companies who will directly bill the Center for services. The employee is required to use the company who submitted the lowest price. Authorization to proceed with a higher bid must be approved by the Executive Vice President for Finance or his/her designee. All bids received for the relocation must be submitted when the request for reimbursement is submitted by the Department for payment.

The following are examples of expenses which may be reimbursed after their arrival to the Center:

1. Employee and spouse’s transportation between residence and new location, food, lodging and other incidental costs for the purpose of locating a new residence.

2. Employee’s transportation from former residence during relocation period.

3. Employee's meals, lodging and incidental living expenses at the new location, pending family relocation.

4. Packing, crating, shipping and unpacking personally owned property.
PART II: REIMBURSABLE EXPENSES (Continued)

5. Insurance to provide coverage of personally owned property being moved and/or stored.

6. Storage of household goods at new location.

7. Miscellaneous costs associated with the establishment of the new household. These costs are generally limited to fees for disconnecting and connecting appliances and equipment.

8. Transportation of the employee's family, meals and lodging required for the most direct route to the new location.

9. Temporary lodging and meal expenses for the employee and the employee's family prior to moving into a permanent residence.

B. The non-faculty employee must sign an agreement (see Section 8.010) that in return for relocation expenses authorized and reimbursed by Albany Medical Center:

1. The employee is expected to successfully complete both the Security background check and the Post-offer Health Assessment (including drug testing). Any relocation expenses advanced to the employee will be returned to the Center in a lump sum amount if either requirement is not met.

2. The employee is expected to work at the Center on a full time regular basis for a period of twelve (12) months. If the employee is terminated for any reason, the balance of prorated relocation expenses will be returned to the Center in a lump sum amount payable at termination.

Acceptance of these terms is included in the contract letter signed by Faculty.

PART III: PROCEDURES FOR REIMBURSEMENT

Reimbursement guidelines are available in the Albany Medical Center Employee Relocation Processing Guidelines.

A. Each manager will be responsible for administering relocations according to applicable IRS regulations and the terms of this policy.

B. The employee will provide the manager with an itemized list and original receipts for allowable expenses prior to reimbursement. The relocation bids must be included in this submission.

C. Reimbursement for these expenses will be charged to the appropriate cost center.

D. The manager obtains the required approvals on the Employee Relocation Expense Payment Checklist (see Section 8.038) and forwards the completed documentation to the appropriate relocation administrator (College employees – Office of the Vice Dean for Academic Administration, Center/Hospital employees – Office of the Senior Vice President of Human Resources) for processing.
The purpose of this document is to inform AMC employees, in very general terms, of the process involved with the reimbursement or payment to a third party on behalf of an employee who is relocating. The IRS has fairly specific regulations related to the taxability of relocation expenses. Listed below is a sampling of items generally included in a relocation and the taxability of each based on AMC's interpretation of the current regulations:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TAXABLE</th>
<th>NON-TAXABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment directly to moving company</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Mileage allowance (.14 cents per mile) for driving from former residence to new residence</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Mileage allowance in excess of .14 cents per mile</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Storage of household goods – first 30 days</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Storage of household goods in excess of 30 days</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>All house-hunting expenses</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Temporary lodging</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Other transportation (e.g., airlines)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Meals</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Please note that the taxability of items listed above are interpreted in isolation. There may be factors involved with your personal situation that could alter the taxability of one or all of the items. It should also be noted that the taxability of an item does not preclude the reimbursement of an item. Please refer to Policy 1.017, Relocation, in the Human Resources Policies and Procedures Manual for more details related to reimbursement. Please feel free to contact the Tax Compliance Office (262-2299) for IRS published information related to employee relocation.

THE TAX COMPLIANCE OFFICE CANNOT ADVISE ON PERSONAL TAX SITUATIONS. PLEASE CONTACT THE IRS OR YOUR TAX ADVISOR FOR SPECIFIC GUIDANCE RELATED TO YOUR PERSONAL SITUATION.

On the reverse side there is a flow chart of the employee relocation payment process. The chart is designed to demonstrate the steps involved to either make payment to a third party vendor or to obtain a reimbursement for an employee related to a relocation situation.
Employee to ensure all appropriate forms (including Contract Letter or Relocation Expense Agreement) are submitted along with ORIGINAL receipts to the department.

Department to ensure that all necessary paperwork with authorized signatures is submitted to relocation administrator.

Relocation Administrator to review all documentation to ensure compliance with authorizing documents.

Determination is made as to whether payment is taxable to the employee.

Tax Compliance

Tax Compliance to complete and send form to employee detailing taxability of relocation payment.

Account Payable

Payment issued to third party vendor

Moving Co.

Third Party Vendor

Expense Processing Information

Reimbursement made to employee based on taxability determination

Pays

Employee Reimbursement

Payroll