



Relocation Allowance Policy and Procedures

Effective: September 2024

I. Policy Statement

The Relocation Allowance is a recruiting tool available for use in attracting top talent. Lehigh University may approve a Reasonable and Appropriate Relocation Allowance for certain individuals hired to work for Lehigh University who are compelled to relocate at least 50 miles as a condition of employment. The Allowance is a flat rate provided to help offset the costs of relocation. The allowance is not intended to cover all costs associated with relocation.

II. Purpose

This document states the University's Relocation Allowance policy and procedures. The University operates a decentralized approval process, whereby the hiring department is given latitude to make necessary decisions when recruiting talent. This Policy does not grant budget approval for these decisions, i.e. the hiring department must have budget available for any Relocation Allowance offered. Correspondingly, the availability of budget is not sufficient rationale for offering a relocation allowance.

The Policy establishes responsibilities and guidelines for ensuring that Relocation Allowance complies with Lehigh policies and governmental regulations. The University expects faculty, staff and students to exercise good judgment in committing and expending University funds.

III. Scope

- A. This Policy and Procedure applies to the hiring of newly recruited employees or existing employees who may be compelled to relocate as a condition of employment with Lehigh University. The corresponding procedure establishes responsibilities and procedures to ensure that Relocation Allowance is in accordance with IRS regulations and University policies. A Relocation allowance is not automatic. This procedure does not apply to expenses associated with interviewing.

IV. Roles and Responsibilities

- A. **Requester:** A Lehigh supervisor extending a job offer to a candidate who must relocate to accept employment with Lehigh may request a Relocation Allowance in accordance with the provisions established in this Policy.
- B. **Approver:** the Approver is attesting to the Allowability as defined in this Policy. The Approver determines the funding source for the Relocation Allowance and attests to the availability of budget. Allowable approval limits are noted at the end of this document.
- C. The **Provost, Deans, Vice Presidents** and others of equivalent level will oversee compliance with this Policy in their areas of responsibility and shall establish standards and an escalation process to review excessive and/or questionable Allowances.

V. Procedures

This Relocation Allowance Policy supersedes the University's policy and procedures regarding reimbursable Moving Expenses. Relocation allowance is determined in advance of making a job offer. The amount to be offered shall take into consideration the totality of the facts and circumstances surrounding the candidate's relocation requirements. It is not intended to cover optional relocation of less than 50 miles closer to Lehigh or individual preferences. This policy does not offer specific guidance concerning distances greater than 50 miles, family size or cost of living adjustments because there are too many variables subject to individual facts and circumstances.

Relocation Allowance is paid through payroll according to the terms of the offer letter. Generally Relocation Allowance will be paid in full in the first paycheck unless indicated otherwise in the offer letter.

A. Documentation

Written justification for Relocation Allowance shall be provided to the applicable Dean or Vice President to maintain consistency across departments. Documentation of the business purpose must enable the reviewer to understand the rationale behind the request and whether it is Allowable under this Policy. Documentation may be requested by the Controller's Office or Human Resources as Relocation Expenses are subject to audit.

B. Receipt Requirements

Receipts are not required for Relocation Allowance.

C. Taxation

Relocation Allowance is taxable as Ordinary Income to the employee and shall be paid through payroll as taxable earnings subject to withholding.

D. Benefits

Like other one-time allowances, Relocation Allowance is not included in benefit calculations such as retirement contributions.

E. Approval Limits:

Department Heads may approve up to \$4,999

Dean and equivalent may approve up to \$11,999

Provst or VPFA shall approve \$12,000 or above