

## Administrative Policy No. 19.60.01

**Subject:** Relocation Reimbursement

**Information Contact:** Office of Accounting Services  
Chief, (360) 664-5716

**Authorizing Source:** State Administrative & Accounting Manual (SAAM) [60.10.30](#)

**Effective Date:** August 12, 2019

**Revised:** August 29, 2023

**Approved By:** Original signed by Richard Pannkuk  
Assistant Secretary / Chief Financial Officer  
Facilities, Finance, and Analytics Administration

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### Purpose

This policy establishes requirements for relocation reimbursement eligibility, the process for requesting a relocation reimbursement, the payment of those expenses, and the tax implications.

### Scope

This policy applies to qualified prospective employees.

This policy does not apply to board and commission members, volunteers, or contractors.

### Additional guidance

[DSHS forms picker](#)

[Form 03-503 DSHS relocation authorization](#)

State administrative & accounting manual (SAAM)

[25.30.60.b\(1\)](#), Returned relocation payments

[Chapter 60](#), Moving expenses

DSHS administrative policy

[18.28 Compensation \(HR\)](#)

RCWs

[43.03.120](#) Moving expenses of new employees

[43.03.125](#) Relocation compensation for domiciliary moves

#### WACs

[357-28-310](#) When can an employee receive relocation compensation

[357-28-315](#) What would cause an employee to be required to pay back the relocation payment

[357-28-320](#) Must the employer develop written criteria for relocation compensation

#### Definitions

**Appointing authority** is an employee DSHS authorizes to hire and terminate staff. The appointing authority may delegate this authority.

**Employee** means an individual in DSHS who:

1. Is hired into a permanent position with in DSHS
2. Is paid a salary or wages, and receives benefits for work performed for DSHS;
3. Has been issued a state personnel identification number (PIN);
4. Is recognized as a state employee by the Department of Enterprise Services (DES); and
5. Is paid through the human resource management system (HRMS).

**Human resource management system (HRMS)** is the central personnel and payroll application for Washington state government. It serves all state government agencies and provides a common data system.

**Lump sum** is a one-time lump-sum payment from an amount of money owed to some party, rather than via payments broken into smaller installments.

**Office of accounting services (OAS) payroll office** is the office within the Facilities, Finance, and Analytics Administration (FFAA) that manages payroll for DSHS.

**Program** is the affected DSHS programs, including the division, office, or staff designated by the assistant secretary or division director as being responsible for compliance with this policy.

**Qualified prospective employee** is an applicant for the position of director, deputy director, assistant director, state supervisor or other personnel having both executive and professional status

**DSHS Relocation authorization form** is a form used to authorize moving household goods of prospective employees to a new official residence (form number 03-503)

**W2** is the IRS wage and tax statement form issued to report taxable income for providers who provide in-home care to DSHS clients, reportable under IRS publication 926

#### Policy

**A. Relocation reimbursement is limited to qualified prospective employees**

1. Exceptions may be made when there is an inability to fill a lower-level exempt or classified position.
2. Relocation reimbursement is not authorized for transfers within DSHS (see AP 18.28 Compensation section X. Relocation Compensation)

**B. The payment of relocation reimbursement must:**

1. Be pre-approved by the DSHS chief financial officer (CFO) using the DSHS relocation authorization form;
2. Not exceed 10% of the annual salary of the prospective employee; and
3. Be reported as taxable income and documentation for approval and of payment must be sent to the OAS payroll office for tax reporting

**C. Relocation payments may be made two ways:**

1. By the program fiscal staff if the employee requires payment in advance of being established in HRMS and eligible for first payroll
  - a. If the prospective employee does not have a state wide vendor number, the [exception code procedures](#) must be followed to receive payment prior to employment; and
  - b. All relocation payments processed by program fiscal staff must use sub object and sub sub object of GDD090 (SO/SSOJ) which will allow OAS to apply proper taxation.
2. Via HRMS in the normal payroll cycle

**D. The DSHS CFO may authorize a lump sum relocation payment.**

1. Lump sum payments will be within existing resources and is the total amount for all moving costs. Receipts are not required for lump sum payments.

When the program fiscal staff submits the relocation agreement payment, they must notate if the employee needs to be paid via HRMS or if program fiscal staff have completed the payment to the employee.

**E. The prospective employee is responsible for hiring a common carrier or for renting moving equipment**

1. The prospective employee is not authorized to use the state moving contract;
2. DSHS will not pay moving expenses directly to a vendor.

**F. DSHS will withhold or request reimbursement if:**

1. The prospective employee terminates or causes termination within one year of the date of employment, except when the employee is laid off, receives disability separation, or other good cause as determined by the assistant secretary and DSHS CFO.

- G.** Any other relocation expenses, such as temporary housing and per diem, are subject to the [state administrative and accounting manual 60.20.10.e.1](#)

## Procedures

### **A. Obtaining approval for moving expense**

1. The program must:
  - a. Complete a request using the [DSHS relocation authorization form](#) and submit to the DSHS CFO.
2. The DSHS CFO must:
  - a. Review the DSHS relocation authorization form request with the required supporting documentation and issue decision.

### **B. Payment of relocation expense**

1. Program must:
  - a. Notify prospective employee of decision made by DSHS CFO.
2. The prospective employee must sign the completed [DSHS relocation authorization form](#) and submit to program if lump sum is approved.
3. Program must:
  - a. Issue payment using coding GD D090 if the DSHS CFO authorizes a lump sum.
  - b. Provide DSHS payroll office and DSHS tax desk with payment amount and backup documentation to be entered into HRMS.
    - i. Notation must include if the employee received advance payment by the program or if the employee is to be paid via HRMS in their first payroll.
  - c. Ensure the employee is aware that this income is treated as wages for tax purposes and that the employee should consult a tax advisor for implications and questions.
4. If the relocation payment is to be paid through HRMS, OAS payroll office must:
  - a. Enter the information provided from the payment as wage type 1055; and
  - b. Reported on the W2 if employee is to be paid via payroll.
5. If relocation payment was made by the Fiscal Program Staff, DSHS Tax Desk must:
  - a. Enter the information provided from the payment as wage type non-cash gross (1129) to be reported on W2.

6. If the prospective employee terminates or causes termination within one year
  - a. Program must:
    - i. Notify OAS payroll office employee has terminated or has caused termination if prior to payroll cutoff; and
    - ii. Submit overpayment to office of financial recovery
  - b. OAS payroll office must:
    - i. Use wage type agency reimbursement to pull payment amount out of payroll;
    - ii. Code collection to GL 5199 and JV to GL GD D090; and
    - iii. Notify program of amount recovered if salary does not cover the amount needed for reimbursement.

**C. Temporary housing and other expenses**

1. When a new employee, or an employee transferring from another agency, is eligible to be moved at state expense, DSHS may authorize a relocation allowance for a temporary period while the employee is moving and looking for a new home. The allowance cannot exceed the [Maximum Per Diem Rate](#) for the accommodations. The lodging portion of the per diem rate shall be reimbursed at actual costs, as evidenced by a receipt, up to the specific daily maximum allowable lodging rate in effect at the time of travel for the specific area or locality.
2. Staff approving temporary housing must:
  - a. Ensure payment of the temporary housing and ensure that the daily rate allowable is not exceeded.
    - i. Lump sum payments are not allowable for temporary housing.
  - b. Ensure payments will use coding of SSO/SSOJ GDD090 and send receipts and employee last name, first name and PIN to [taxinfo@dshs.wa.gov](mailto:taxinfo@dshs.wa.gov).
3. OAS will ensure that the temporary housing payment is processed through HRMS for tax purposes.