

0430.01 Payment of Household Moving Expenses

Issued: March 21, 1997
Revised: March 22, 2012

SUBJECT: Payment of Household Moving Expenses.

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To establish policies and procedures for moving employees' household goods and mobile homes at state expense.

CONTACT AGENCY: Department of Technology, Management and Budget (DTMB)
Procurement

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SUMMARY: At the request of the appointment authority and within the limits described herein, the state will pay for the movement of household goods and the movement of mobile homes for current state employees transferred to a new work location. This does not include moving expenses of employees not previously on the state payroll.

The director of the DTMB may authorize exceptions to the general prohibition against paying moving expenses of employees on initial hire or rehire when it is determined that doing so is in the best interests of the state.

If the distance to the new work location from the employee's present residence is more than 35 miles, the move qualifies for reimbursement by the state unless otherwise provided for in a collective bargaining agreement.

Household moves involving more than minimum charges, overtime charges, will be authorized only by DTMB Procurement. Procurement will approve such moves only under extenuating circumstances, such as unavailability of standard rate movers, or difficulties in scheduling.

Costs for extra mileage due to household moves involving stopping in transit to load or unload goods must be paid by the employee.

Employee reimbursements may be subject to tax reporting and withholding based on applicable tax regulations and specific circumstances in accordance with IRS regulations.

Also see the [State of Michigan Financial Management Guide, Part IV, Chapter 3, Section 200](#).

APPLICABLE FORMS: None.

PROCEDURES:

Agency:

- Authorizes and approves expenses for moving household goods and mobile homes for its employees, in accordance with this procedure, when using commercial movers.
- Prior to the move, notifies Procurement in writing of moves to be made by a Michigan Movers and Warehousemen's Association (MMWA) licensed common carrier at state expense. The letter should be received two weeks before the date of the move. It should include:
 - Name of employee.
 - Position title of employee.
 - Home and business phone number of employee.
 - Origin and destination of the move, including zip codes.
 - The number of rooms, flights of stairs (8 steps or more) or carry distances of over 50 feet, at both the origin and destination.
- Before approving moves, makes sure necessary funds are available. Approval requires certification that the move is being made for the convenience and benefit of the state.

Employee:

- Selects MMWA licenses common carriers and, to obtain cost estimates for the move, sets up times for carriers to come to the employee's home. Submits all cost estimates to the agency, and indicates the preferred carrier. At least three vendor quotes are required.
 - Moves made by rented vehicles (U-Haul, U-Rent, etc.) must be approved by the agency, although it is not necessary to send a letter of approval to Procurement. The employee must pay the rental fee, including gasoline and moving equipment. The employee will be reimbursed after submitting paid bills and receipts to Procurement. The employee's own labor, or that of any other person assisting, must be furnished at no expense to the state. There is no state-provided insurance on an employee's household goods if the move is made with a rented vehicle.
- Discusses insurance coverage with the carrier. If additional coverage is desired over and above the carrier's standard liability, arrangements should be made prior to the move to designate the amount of coverage and method of payment of the required premium.
- Pays the carrier for all charges in excess of the state allowance. Charges payable by the employee must be handled directly by the employee and the carrier. The state will not be responsible for the collection of payments from the employee.
- After the move is completed, examines furniture, etc. for damage or shortage and records any irregularities on the bill of lading before signing. In case of damage or shortage, notifies the carrier immediately, and requests necessary forms and instructions for preparing a claim.
- Notifies Procurement of any damages sustained during the move. Procurement will then assist employees in settling damage claims.

Procurement:

- Assists employees needing carrier information.
- Approves the MMWA carrier to be used for the move and sends an instructional letter to the employee, the agency, and the carrier, which explains moving of household goods and mobile homes, and payment procedures.
- Audits the carrier's invoice and bill of lading to determine the accuracy and propriety of charges, and assists employees in settling damage claims. Sends the bill of lading and invoice, stamped "audited", to the agency.

Agency:

- Receives the approved bill of lading and invoice from Procurement. Prepares a Direct Voucher using a DF doc type and a DV interface type.

Household Goods

“Household goods” include:

- Transportation charges for the actual weight of the shipment up to a maximum of 14,000 pounds, including tariff surcharges and bridge tolls applying to the transportation charge.
- Packing charges up to a maximum allowed by employee’s agency or \$800 (\$600 for State Policy), whichever is lower, including packing containers and material, packing and unpacking.
- Accessorial charges, including appliance service, piano or organ handling charges, freight elevator or distance carrying charges and extra labor required to handle heavy items, (*i.e.*, freezer, pool table, etc.). Extra labor required to expedite a shipment at the request of the employee must be paid by the employee.
- Storage in transit charges, including pick-up or delivery charges and warehouse handling charges, up to a maximum of 60 days. Storage in transit charges will be paid only if goods are stored with a licensed common carrier storage facility. Allowable charges do not include storage insurance.
- If the employee does not have a homeowner’s policy which covers their household goods and wishes extra insurance, the state will reimburse the employee for extra insurance as follows:
 - The carrier shall be liable to the shipper for the full replacement value of items which are lost or destroyed while in the carrier’s custody subject to a \$300 deductible. Protection under this insurance is subject to the shipment being declared or released to a minimum valuation of \$3.60 per pound times the actual net weight of the shipment. For each \$100 or fraction thereof of declared or released value, \$.60 cents per each \$100. The shipper assumes responsibility for the first \$300 of any claim.
 - EXAMPLE: Shipment weighs 8,000 lbs.
 $8,000 \text{ lbs.} \times \$3.60 = \$28,800$ declared or released value $\times \$.60 = \172.80 to be paid by the state.

“Household goods” do not include:

- Automobiles, boats, travel trailers, camping vehicles, motorcycles, snowmobiles, firewood, fence posts, tool sheds, perishable foodstuff, building materials, fuel, explosives, property likely to damage the mover’s equipment or other similar items.

Mobile Homes

“Mobile homes” include:

- The actual transportation charge, based on size of the unit and the distance moved, as well as tariff surcharges, escort service when required by a governmental unit, special lighting, permits and bridge tolls.
- The state will pay the reasonable actual cost for moving a mobile home if it is the employee’s domicile, including an allowance of \$1,000 for blocking, unblocking, securing contents or expand units, installing or removing tires (on wheels) on or off the trailer, and removing or replacing existing skirting, when accompanied by receipts.

- Utility connections to existing utilities within an established mobile home park, up to \$200, when accompanied by receipts. (“Utility connections” means connecting to existing electrical power, gas and water.)
- Liability is limited to damage to the unit caused by negligence of the carrier and to the contents up to a value of \$1,500. Additional insurance may be purchased from the carrier at the expense of the employee.

“Mobile home” does not include:

- Outbuildings, fuel tanks, dog houses, swing sets, or other items not part of the mobile home which cannot be dismantled and secured inside the unit for movement.
- Repair or replacement of trailer equipment, (*i.e.*, tires, axels, bearings, lights, etc.).
