Vacation Reserve Fact Sheet

Background

Eligible employees accrue vacation in accordance with their respective collective bargaining agreements. What makes the issue complex is that when an employee takes vacation, accumulated credit hours are reduced, but the employee is paid on the current mix of Means of Financing (MOF). Thus, it is not a first in, first out (FIFO) plan, but a pay as you go plan. For example, an employee earned 24 hours of vacation on general funds, but takes vacation when employed on federal funds. Federal funds are used to pay for the 24 hours of vacation instead of general funds.

Under such an arrangement it is possible for an employee to have accrued unused vacation credits attributable to general funds and not to extramural funds. This is why we use the accumulated vacation worksheet to determine what fund is actually liable for the unused vacation credits.

Nevertheless, the Federal Government recognized that it would be liable for some of the unused vacation credits and permitted UH to establish vacation reserve accounts to pay for its fair share. The vacation reserve is funded through fringe assessments on the eligible salaries and wages of employees working on extramural projects.

Vacation Reserve Accounts

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>Federal</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>APT</td>
<td>650497SW</td>
<td>433014SW</td>
</tr>
<tr>
<td>Faculty</td>
<td>650498SW</td>
<td>433015SW</td>
</tr>
<tr>
<td>Civil Service</td>
<td>650499SW</td>
<td>433016SW</td>
</tr>
</tbody>
</table>

- The reserve can only be used to pay for the extramural share of unused vacation credits when a UH employee
  - Terminates employment at UH; or
  - Transfers to other funds within UH (i.e., MOF); or
  - Transfers to the Counties or other State departments
- Payments may not be made directly from the reserve
- Employees hired through RCUH on UH extramural projects are not covered by the reserve; RCUH has its own accumulated vacation policies that should be followed
- There is no vacation reserve for general, revolving or special funds

Vacation Reserve Journal Voucher Requirements

Vacation journal vouchers to reimburse accounts for the extramural share of unused vacation credits must include:

- Copy of the journal voucher
- Screen shot of the accounts used to pay the vacation credits
- Copy of the G-2
- Accumulated vacation worksheet
- Copies of all PNFs from hire to termination of employment
- Copies of all annual leave status reports from hire to termination of employment