



Research Administration Practices (RAP) Sessions

Vacation Accrual

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Joe Foley, Sr. Cost Analyst, VPR

Tiffany Melendez, Manager of Cost Analysis, VPR

Kim Mann, Manager, Research Administration Support, VPR

Jillian Rabelo, Financial Officer, Civil and Environmental Engineering

In collaboration with

Darren Scartissi, Manager of HR/Payroll Services

Agenda

RAP Sessions: Targeted skills based educational offerings open to the Research Administration community at MIT. Information gathered and shared with attendees can be taken back to their desks and applied immediately.

- Introductions
- Vacation Accrual Overview
- Pre Award
- Post Award
- Resources

Overview - What is Vacation at MIT?

- Vacation is an employee benefit for eligible employees to earn time off from work and not be penalized for it (still maintain regular payment for work, as if being their)
- In the US - Vacation became increasingly prevalent during WWII when labor was scarce, and it was a means of increasing compensation but controlling wages (actual wage controls were put in place by the National War Labor Board)
 - 1910 President William Taft proposed every American needed 2-3 MONTHS of vacation! – not passed

Who is eligible for Vacation?

Employees who work 50% or more and have an appointment for at least 3 months are eligible.

Years of Service	Days Per Year	Days Per month	Accrual Limit days
0-1 year	15	1.25	
1+	20	1.6667	40
10+ (every 5 years)	5	Anniversary day	45

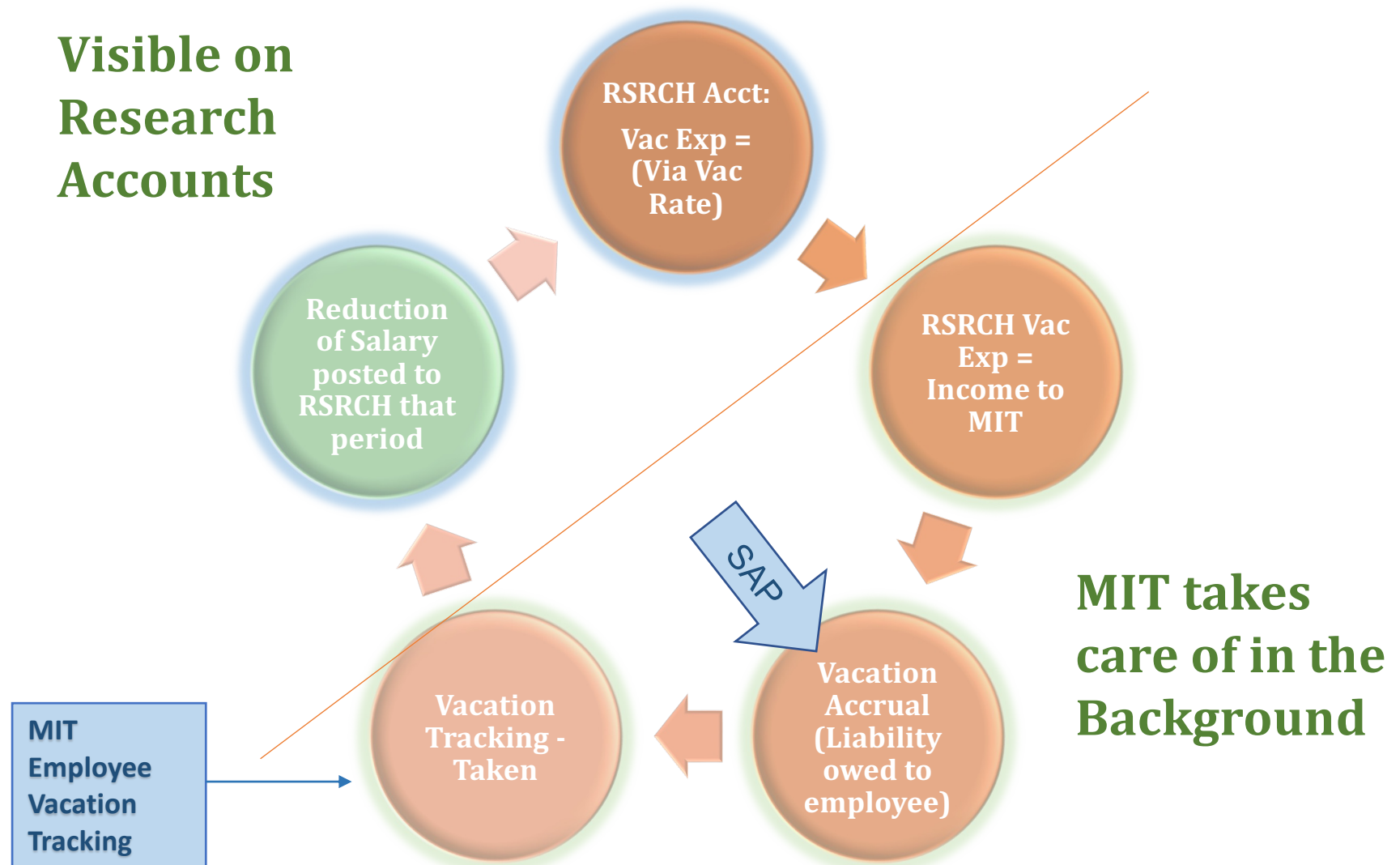
The fifth week of vacation is in recognition of long-term service and will still be credited to the employee even if they have reached the 40 day maximum.

How does vacation at MIT work? – The method

Vacation Rate Method:

- **Vacation Rate** is a rate calculated by the institute and submitted to ONR to review, audit and approve. This is our “billing rate” to the government. *Important for Sponsored Agreements* charges vacation when EARNED vs when taken.
- **Vacation Billed** (what you would see on research accounts as vacation expense) is collected by MIT and used to fund the vacation accrual.
- **Vacation Accrual** = Where the balance of vacation days for each employee is accounted for and maintained. When employees take vacation, the accrual is reduced instead of posting to their sponsored account.

How does it work - Vacation Cycle



How does it work - Vacation Cycle

Vacation Rate Method – Detail

		Visible to DLC's		MIT does in Background			
Timing	Research Accounts			Vacation Billed (Revenue to MIT)	Vacation Expense	Vacation Liability	SAP Vacation Days
<i>Period 3</i>	S&W	\$	4,000				
	Vac Billed	\$	340	-340			
<i>Quarter end</i>					\$ 932	\$ (932)	5
<i>Period 4</i>	S&W	\$	4,000				
	Vac taken	\$	(186.05)			\$ 186.05	-1
	Total S&W	\$	3,814				
	Vac Billed	\$	324	(324.19)			
						\$ (746)	4

Pre Award and Vacation Accrual

- **Sponsored Proposals including personnel subject to vacation accrual must account for vacation accrual in the proposal.**
- **Budgets should include vacation accrual rates and calculations, along with description of vacation accrual in the budget justification**

When budgeting staff on an effort basis, reduce the total projected salary/effort for the individual by the projected vacation salary/effort before applying the proposed effort. This applies to either percentage of effort or person months effort calculations.

2 Options for Calculating Vacation

1. *Decrease personnel effort*
2. *Decrease base salary*

RAS Website: Vacation Rate Resources

- From VPR/RAS webpage:
 - [Vaction Accrual Rates](#)
 - [Sample Budget Justifications](#)
- Rate Applicability by GL

Employee Benefit and Vacation Accrual Rate Applicability by GL

GL Account	GL Account Name	On Campus EB	Off Campus EB	Reduced EB	On Campus Vacation Accrual	Off Campus Vacation Accrual
400005	Summer Faculty-On	XXX				
400006	Summer Faculty-On - Reduced EB			XXX		
400007	Faculty Renewal Supple-On- Reduced EB			XXX		
400025	Faculty Salaries Tenured-On	XXX				
400026	Faculty Salaries Tenured-On-Reduced EB			XXX		
400040	Faculty Salaries Non-Tenured-On	XXX				
400041	Faculty Salaries Non-Tenured-On-Reduced EB			XXX		
400050	Summer Other Academic-On	XXX				
400051	Summer Other Academic-On-Reduced EB			XXX		
400070	Summer Faculty-Off		XXX			
400071	Summer Faculty-Off-Reduced EB			XXX		
400090	Faculty Salaries Tenured-Off		XXX			
400105	Faculty Salaries Non-Tenured-Off		XXX			
400110	Special Programs Compensation-On-Reduced EB			XXX		
400115	Summer Other Academic-Off		XXX			
400116	Summer Other Academic-Off-Reduced EB			XXX		
400140	Other Academic Staff-On	XXX				
400141	Other Academic Staff-On-Reduced EB			XXX		
400142	Other Academic Staff-Professor-On	XXX				
400143	Other Academic Staff-Professor-On-Reduced EB			XXX		
400155	Other Academic Staff-Off		XXX			
400156	Other Academic Staff-Off-Reduced EB			XXX		
400158	Other Academic-Professor-Off-Reduced EB			XXX		
400180	Other Academic (with Vacation Accrual) - On	XXX			XXX	
400181	Other Academic-On-RedEB			XXX		
400185	Other Academic (with Vacation Accrual) - Off		XXX			XXX
400186	Other Academic-Off-RedEB			XXX		
400250	Administrative Staff-On	XXX			XXX	
400251	Administrative Staff-On-Reduced EB			XXX		
400255	Administrative Staff-Off		XXX			XXX
400257	Administrative Staff-Off-Reduced EB			XXX		

KC Detailed Budget

Person	Start	End	Effort	Charged	Period Type	Requested Salary	Calculated Fringe	Actions
Other Academic (with vacation) - On								
TBA - Post-Doc - 1	01/01/2024	12/31/2024	91.67	91.67	Calendar	51,174.78	15,659.48	Details & Rates
Research Asst - On								
TBA - Research Assistant - MS - 1	01/01/2024	12/31/2024	100.00	100.00	Calendar	43,538.83	0.00	Details & Rates
Research Staff - On								
Nestle, Henri	01/01/2024	12/31/2024	45.84	45.84	Calendar	38,505.60	11,782.71	Details & Rates
Summer Faculty - On								
Haskell, Edward	08/01/2024	08/31/2024	100.00	100.00	Summer	24,376.67	5,655.39	Details & Rates

Rates applied per G/L

Person Months & Effort

Employee Benefit and Vacation Accrual Rate Applicability by GL

GL Account	GL Account Name	On Campus EB	Off Campus EB	Reduced EB	On Campus Vacation Accrual	Off Campus Vacation Accrual
400005	Summer Faculty-On	XXX				
400180	Other Academic (with Vacation Accrual) - On	XXX			XXX	
400350	Research Staff-On	XXX			XXX	

See full [chart of EB and Vacation rate applicability by cost element.](#)

Note: the Graduate Student Research Assistant is not an MIT employee, and does not receive Employee Benefits or Vacation Accrual

KC Budget Personnel Details

PostDoc: Other Academic (with Vacation Accrual) - On

Use your preferred method to reduce effort charged per vacation

Examples: multiply Effort / Charged by .9167

Edit Assigned Personnel ✕

TBA - Post-Doc - 1

Person: * TBA - Post-Doc - 1 (999999) Role:

Appointment Type: 12M EMPLOYEE Salary Effective Date: 01/01/2024

Period Type: Calendar Start Date: * 01/01/2024 📅

End Date: * 12/31/2024 📅 Effort: 91.67

Charged: 91.67 Requested Salary: 51,174.78

Calculated Fringe: 15,659.48 Cost Sharing Amount: 0.00

Unrecovered F&A: 0.00 Person Months: 11.00

Details & Rates ✕

General
Rates

Rates

Class	Type	Rate Cost	Rate Cost Sharing	Apply Rate?
Employee Benefits	Research Rate	11,872.55	0.00	<input checked="" type="checkbox"/>
Employee Benefits	EB on LA	0.00	0.00	<input checked="" type="checkbox"/>
MTDC	MTDC	39,432.21	0.00	<input checked="" type="checkbox"/>
Vacation	Vacation	3,786.93	0.00	<input checked="" type="checkbox"/>
Vacation	Vacation on LA	0.00	0.00	<input checked="" type="checkbox"/>

Person Months
(12 months less
vacation)

Save Changes

Apply To Later Periods

Cancel

KC Budget Personnel Details

Research Scientist: Research Staff-On

Edit Assigned Personnel ✕

Nestle, Henri

Person: * Nestle, Henri (EE001) ▼

Role:

Appointment Type: 12M EMPLOYEE

Salary Effective Date: 01/01/2024

Period Type: Calendar ▼

Start Date: * 01/01/2024 📅

End Date: * 12/31/2024 📅

Effort: 45.84

Charged: 45.84

Requested Salary: 38,505.60

Calculated Fringe: 11,782.71

Cost Sharing Amount: 0.00

Unrecovered F&A: 0.00

Person Months: 5.50

Description:

Person Months
(6 months less
vacation)

Details & Rates ✕

General

Rates

Rates

Class	Type	Rate Cost	Rate Cost Sharing	Apply Rate?
Employee Benefits	EB on LA	0.00	0.00	<input checked="" type="checkbox"/>
Employee Benefits	Research Rate	8,933.30	0.00	<input checked="" type="checkbox"/>
MTDC	MTDC	29,670.10	0.00	<input checked="" type="checkbox"/>
Vacation	Vacation	2,849.41	0.00	<input checked="" type="checkbox"/>
Vacation	Vacation on LA	0.00	0.00	<input checked="" type="checkbox"/>

SRS Vacation Tracking

- MIT Human Resources - <https://hr.mit.edu/vacation/srs>
- “As an employee paid with research funds, the Vacation Tracker in Atlas is where you go to manage your vacation. You are required to report your vacation each month to facilitate timely and accurate vacation credits to research cost objects.”

Vacation Tracker

✓ Employee vacation details have been changed successfully

Submit

No Vacation to Submit

Add/Change Vacation for period 1/1/10 to 12/12/10

Delete	Date	Days	Vacation Type	
	<input type="text"/>	Full Day ▾	Regular ▾	<input type="button" value="Add"/>
<input type="checkbox"/>	10/08/2010	Full Day ▾	Regular ▾	
<input type="checkbox"/>	05/19/2010	Full Day ▾	Regular ▾	
<input type="checkbox"/>	05/18/2010	Full Day ▾	Regular ▾	
<input type="checkbox"/>	04/27/2010	Full Day ▾	5th week ▾	
<input type="checkbox"/>	04/26/2010	Full Day ▾	Regular ▾	
<input type="checkbox"/>	04/23/2010	Full Day ▾	Regular ▾	
<input type="checkbox"/>	04/22/2010	Full Day ▾	Regular ▾	

Vacation Summary

Accrual Start Date	11/03/1997
Accrual Rate	1.67 days per month
Vacation Balance	38.66 days

5th Week Summary

5th Week Balance	2.00 days
5th Week Deadline	11/02/2012

SRS Vacation Tracking – Cont'd

- All Staff members who report their vacation time through the SRS Vacation tracker in Atlas are required to update their Atlas vacation tracker each pay period.
 - “No vacation to Submit” = used each pay period for which there is no vacation to report.
 - Vacation days are self reported as full or half days.
 - Changes to vacation time can only be made during the current salary distribution period (Current Edacca period). When that period ends vacation time is moved to Vacation History, which can only be changed by a request to the Payroll office by your vacation administrator.

Vacation Tracking – Administrators

- Administration using SRS Vacation Tracker data:
 - allows Administrators to review, add or change vacation time on behalf of their employees.
- Vacation Accrual formula (matters most when less than 100% employed)

$\% \text{ effort} \times 1.6667$ (or 1.25 for most employees in their first year at MIT)


Vacation Tracking - Administrators

- **Best Practice:** DLC Administrators – Send a Monthly reminder to staff to update their SRS Vacation Tracker.

Export to Excel Print

Email Message

To:	Employees who did not submit this month 
CC	
Subject	
Body	
<input type="button" value="Send Email"/>	

 Need business help or technical support?
Review our [contact information](#) for assistance.

Monthly Reminder - Example

Hello:

This is a reminder to submit vacation time for the previous month in MIT's Atlas system:

<https://atlas.mit.edu/atlas/Main.action?tab=home>

Under: Time and Vacation Entry -> My SRS Vacation Tracker

If you have taken vacation time, you need to report the days taken, then hit **Submit**. If you have not taken vacation time during this period, you need to indicate that by clicking on **No Vacation to Submit**.

Keep in mind that you can accrue no more than 40 days of regular vacation time in addition to 5 days of "5th week vacation (for eligible employees only)". Once these limits have been reached, you lose the benefit of subsequent earned vacation time.

MIT policy requires that you accurately report vacation time. Vacation credits have a positive impact on the financial statement of sponsored research programs accounts.

If you need to report vacation time beyond what is allowed by the automated system, please contact Payroll@mit.edu for assistance. Thank you very much for your attention to this matter.

Vacation Tracking – Sponsored Research Staff

- Part-Time Employees:
 - “Vacation is accrued – and balances are displayed – in standard 8-hour days. If you have a 50% schedule and normally work 4-hour days, a balance of 10 days in Vacation Tracker is equal to 20 of your actual days.”
 - “Even though vacation balances are *displayed* in standard 8 hour days, when you *report* vacation, Vacation Tracker interprets the value of a full or half day according to your current % effort.”
 - Example (from <https://hr.mit.edu/vacation/srs>)
 - *Joe works at 60% effort, three full (8-hour) days per week. If he self-reports a full day in Vacation Tracker, only 60% of a standard day (roughly 4.8 hours) will be deducted from his vacation balance. Instead, the vacation administrator needs to report 8 hours for each of his vacation days.*
 - *If you need help determining the appropriate number of vacation hours to report for an employee, please email hrpolicies@mit.edu.*

Vacation Tracking – Weekly Paid Staff

- Vacation balance
 - Displayed on Time Sheet
 - Vacation accrual is based on your standard work schedule.

Vacation and Sick Balances	
Accrual Rate Date	09/04/1995
Last Updated Date	11/09/2010
Sick	168.00 hrs
Personal	22.50 hrs
Vacation	82.00 hrs
5th Week	37.50 hrs
5th Week Deadline	09/03/2015

- Vacation Accrual formula

$(\# \text{ of weekly hours} / 5) \times 1.6667$ (or 1.25 if in your first year at MIT)

Research Staff – Vacation Examples

- Postdoc Vacation Example:

- Eddy Haskell is a second year Postdoc with 100% effort on WBS Cost Object(s). Eddy is taking the week of May 16th – 20th off for a much needed break. Eddy requested the time off with the appropriate supervisor.

- **Scenario #1** - Eddy returns from vacation and updates the SRS vacation tracker **before May 31st**.

- The SRS vacation tracker was updated during the month the vacation was taken. The 5 days of vacation will not post to the WBS Cost Object. The 5 vacation days will post to an HR/Payroll Cost Object - *VACATION - RESEARCH STAFF*

Position	Effort	Effort on WBS	Salary	Monthly Salary
Postdoc	100%	69XXXXX	\$ 55,227.00	\$ 4,602.25
Vacation Days per Month				
21.5	Vacation Pay Per Day		May Vacation	Vacation Days
	\$ 214.06	16th - 20th	5	SRS Vacation Tracker Updated
				May
May Salary Posted to 69XXXXX				
\$ 3,531.96	Vacation Paid HR/Payroll - Vacation research Staff			Total Salary Plus Vacation
	\$ 1,070.29		\$ 4,602.25	

Research Staff – Vacation Examples

- Postdoc Vacation Example:

- **Scenario #2** - Eddy returns from vacation and does **not update the SRS vacation tracker until asked to do so in June.**

- The SRS Vacation Tracker was not updated until after the May payroll had been processed. The WBS Cost Object will receive a credit in June for the May vacation time taken. This will appear on the Edacca with a “V” next to the effort % and show as posting in June.

Position	Effort	Effort on WBS	Salary	Monthly Salary
Postdoc	100%	69XXXXX	\$ 55,227.00	\$ 4,602.25

May Salary Posted to 69XXXXX	Vacation Accrued	May Vacation	Vacation Days	Vacation Days per Month
\$ 4,602.25	1.6667	16th - 20th	5	21.5

SRS Vacation Tracker Updated	Vacation Pay Per Day	Vacation Paid HR/Payroll - Cost Object Vacation Research Staff	May Vacation Credit Posted in June	May Salary Posted to 69XXXXX
June	\$ 214.06	\$ 1,070.29	\$ (1,070.29)	\$ 4,602.25

Research Staff

Vacation Examples

Continued

- Postdoc Vacation Example:
 - Rihanna is a second year Postdoc with 50% effort on WBS Cost Object(s) and 50% effort on discretionary (Internal Order). Rihanna is taking the week of May 16th – 20th off for a much needed break. Rihanna requested the time off with the appropriate supervisor.
 - **Scenario #1** - Rihanna returns from vacation and updates the SRS vacation tracker **before May 31st**.
 - Rihanna has 50% effort on WBS Cost Object(s) so half of the vacation time taken will post to an HR/Payroll Cost Object - *VACATION - RESEARCH STAFF*. **The remaining 50% of the vacation time will post as usual to the discretionary account (Internal Order).**

Research Staff

Vacation Examples

Continued

- Scenario #1 – Rihanna 2nd Yr Postdoc

Position	Effort	Effort -Cost Object	Salary	Monthly Salary	Total
Postdoc	50%	69XXXXX	\$ 55,227.00	\$ 2,301.13	
	50%	1XXXXXX		\$ 2,301.13	
				Total Salary	\$ 4,602.25

Vacation Accrued	May Vacation	Vacation Days	Vacation Days per Month	Vacation Pay Per Day
1.6667	16th - 20th	5	21.5	\$ 214.06

SRS Vacation Tracker Updated	Effort	Effort -Cost Object	May Vacation Salary	May Salary	Salary + Vacation posted in May
May	50%	69XXXXX	\$ -	\$ 1,765.98	\$ 1,765.98
	50%	1XXXXXX	\$ 535.15	\$ 1,765.98	\$ 2,301.13
HR/Payroll Vacation Research			\$ 535.15		\$ 535.15
			\$ 1,070.29	\$ 3,531.96	\$ 4,602.25

Research Staff

Vacation Examples

Continued

- **Scenario #2** - Rihanna returns from vacation and does **not** update the SRS vacation tracker until asked to do so in June and the WBS Cost Object award end date was May 31st. (Award Status still active, not term code 3)
 - The effort on the WBS Cost Object is now on Suspense, Internal Order (Discretionary, Service Center etc..) or GIB the vacation will credit the research WBS and the vacation liability/accrual “HR/Payroll Vacation Research” account

Position	Effort	Effort -Cost Object	Salary	Monthly Salary	Total
Postdoc	50%	69XXXXX	\$ 55,227.00	\$ 2,301.13	
	50%	1XXXXXX		\$ 2,301.13	
				Total Salary	\$ 4,602.25
Vacation Accrued	May Vacation	Vacation Days	Vacation Days per Month	Vacation Pay Per Day	
1.6667	16th - 20th	5	21.5	\$ 214.06	
SRS Vacation Tracker Updated	Effort	Effort -Cost Object	May Vacation Salary	May Salary	Salary + Vacation posted in May
June	50%	69XXXXX	\$ -	\$ 2,301.13	\$ 2,301.13
	50%	1XXXXXX	\$ -	\$ 2,301.13	\$ 2,301.13
			\$ -	\$ 4,602.25	\$ 4,602.25
Effort	Effort -Cost Object	May Vacation Salary (June Posting)	June Salary		Salary + Vacation posted in June
50%	1XXXXXX (Suspense)	\$ -	\$ 2,301.13		\$ 2,301.13
50%	1XXXXXX	\$ -	\$ 2,301.13		\$ 2,301.13
	69XXXXX	\$ (535.15)	\$ -		\$ (535.15)
	HR/Payroll Vacation Research	\$ 535.15	\$ -		\$ 535.15
		\$ -	\$ 4,602.25		\$ 4,602.25

Vacation Payout

- Vacation Pay at Termination
 - All accrued unused vacation time will be paid in full upon termination of employment. This is capped at 40 days plus anytime remaining on the 5th week.
- Non-WBS Cost Object – unused accrued vacation will be paid out and post to the cost object where the effort is charged according to ESDS.
 - This includes discretionary, GIB, Service Center cost objects, etc.
 - Example:
 - Bob Builder is a Fiscal Officer who is retiring from the Institute. Bob is paid on the DLC GIB account. As of May 31, 2022, Bob’s last day at the Institute, Bob has 20 accrued vacation days remaining. Bob’s final salary was \$80,000 at 100% effort.

Position	Effort	Salary	Monthly Salary	Vacation Payout
Fiscal Officer	100%	\$ 80,000.00	\$ 6,666.67	
Effort on GIB		Vacation Days per Month	Vacation Pay Per Day	
1XXXXXX		21.5	\$ 310.08	
Edacca May		Vacation Accrued for May	Accrued Vacation Days Unused	Vacation Payout to GIB June
\$ 6,666.67		1.6667	20	\$ 6,201.55

Research Staff Vacation Payout Examples

- **Example:**

- Scenario #1: Wanda Maximoff has reached the end of the fourth year as a Postdoc. The last day for Wanda at the Institute is May 31st. Wanda Maximoff is 100% paid on Research and will complete the Postdoc appointment with 20 accrued vacation days.

Position ▾	Effort ▾	Salary ▾	Monthly Salary ▾	Vacation Payout ▾
Postdoc	100%	\$ 59,780.00	\$ 4,981.67	
Effort on 69XXXXX		Vacation Days per Month	Vacation Pay Per Day	
69XXXXX		21.5	\$ 231.71	
69XXXXX Edacca May		Vacation Accrued for May	Accrued Vacation Days Unused	Vacation Payout to HR/Payroll Vacation Research - June
\$ 4,981.67		1.6667	20	\$ 4,634.11

Research Staff Vacation Payout Examples

The following example that is common but should be avoided

- Example:
 - Scenario #2: Wanda Maximoff has reached the end of the fourth year as a Postdoc. The last day for Wanda at the Institute is May 31st. The award Wanda was working on ran out of funds at the end of April. The fiscal officer moved Wanda to Suspense for the month of May. Wanda will complete the Postdoc appointment with 20 accrued vacation days.

Position	Effort	Salary	Monthly Salary
Postdoc	100%	\$ 59,780.00	\$ 4,981.67
Effort moved to Suspense	May Salary Posted to suspense	Vacation Days per Month	Vacation Pay Per Day
1XXXXXX	\$ 4,981.67	21.5	\$ 231.71
Vacation Accrued for May	Accrued Vacation Days Unused	Vacation Payout to Suspense - June	Suspense Q4 Edacca
1.6667	20	\$ 4,634.11	\$ 9,615.78

BEST PRACTICE:

- Change cost objects timely to avoid suspense posting of salaries
- Ultimately, if this cannot be done (for example 1 month of research employee will post to GIB acct due to ending of award), Administrators need to reach out to Payroll (payroll@mit.edu) to get this fixed to the right accounts.

Resources and Help

Resources

MIT Vacation Policy:

<https://policies.mit.edu/employment-policy-manual/40-leave-policies/42-vacation>

Vacation Tracking for Support/Service Staff:

<https://hr.mit.edu/vacation/support>

Vacation Tracking for Sponsored Research Staff:

<https://hr.mit.edu/vacation/srs>

Vacation Rates:

<https://ras.mit.edu/rates/employee-benefits-eb-rates>

Vacation Budgeting:

<https://ras.mit.edu/grant-and-contract-administration/preparing-and-submitting-proposal/budget-development/personnel>

Resources and Help Cont.

Additional Help

RAS Contract Administrator

RA Support Team – ra-help@mit.edu

Payroll – payroll@mit.edu

Human Resources - hrpolicies@mit.edu

Cost Analysis Team

- Tiffany Melendez - tmelende@mit.edu
- Joe Foley - joefoley@mit.edu

We Appreciate Your Feedback

Please use one of the following methods to share your feedback:

- **QR code** below to access the survey using your phone or mobile device



- Click this link (copied to the chat)
https://mit.co1.qualtrics.com/jfe/form/SV_dg0gawg5tYnxmtM

*The link will also be provided in a follow up email



Resources - Questions – Help

Your RAS Contract Administrator

- [By DLC](#)
- [By Sponsor/Agency](#)

RA Support Team – ra-help@mit.edu

Community Drop In Sessions

- Held every Monday (non holiday), 1pm-2pm
- Zoom mtg link: <https://mit.zoom.us/j/91518116791>

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Sessions