

Temporary Vacation Leave Conversion Program (TVLCP) Guidelines and Procedures

Effective: 11/1/05 – 10/31/06

The TVLCP is a temporary emergency program in response to Hurricane Katrina, pursuant to guidelines established by the IRS. The TVLCP allows employees to convert accrued vacation leave into cash contributions for donations to qualified tax-exempt organizations providing Hurricane Katrina disaster relief in accordance with the following:

- Employee must be eligible to accrue vacation leave
- Employee must have an earned balance that equals or exceeds the number of hours donated
- Once an authorization to donate vacation hours has been processed, it is irrevocable and the employee's vacation balance will be decreased by the number of hours authorized below
- Donations will be made directly to the qualified tax-exempt organization by UC on behalf of the employee
- A one-time donation form may be submitted between November 1, 2005 and October 31, 2006 (donations to the organizations must be made by December 31, 2006 in compliance with IRS requirements)
- The donation amount will not be included in the employee's income reported to the IRS. Since the IRS allows the donation amount to be excluded from the employee's W-2 taxable income, the employee cannot claim a charitable deduction on his or her tax return.

Employee must coordinate the request and determine the number of hours to be donated with their department, and the department may assess the request based on funding considerations.

Authority:

Departmental approval is needed to proceed with this action.

Criteria:

All donations must be made to one of three Tax-Exempt Charitable Organizations: Red Cross (Hurricane Katrina Relief), Habitat for Humanity (Operation Home Delivery), United Way (Hurricane Katrina Relief Fund). Donated hours are not deductible on an employee's tax return.

Process:

<i>Responsibility</i>	<i>Action</i>
Employee	<p>Completes donation form Determines number of hours to donate Identifies designated charity Signs and forwards to Supervisor/Department for approval</p>
Supervisor / Department	<p>Approves or denies donation form If approved forwards to Division/Service Team for processing If denied returns to employee with explanation</p>
Division / Service Team	<p>Receives and processes donation form Performs / verifies hour to dollar calculation Completes form to use as DCD for AP-OPTRS action</p> <p>Process OPTRS action Pay on alternate cycle from regular payroll as an <u>hourly</u> transaction Uses DOS code TVL Immediately faxes completed form to Payroll attn: Laurie Corn Immediately emails Payroll to advise donation has been faxed (Laurie with a copy to Walt, Abby & Don)</p> <p>Deducts donation from employees leave accrual bank (no corresponding TRW entry)</p> <p>Distributes copies as indicated</p>