TRACKING VACATION & SICK PAY

Need to keep track of everyone’s vacation? Not sure how much one of your employee’s has really been out sick? There is a tracking system for these situations plus holidays that is part of the Payroll system.

Four types of employee absences can be tracked:

- Vacation
- Sick pay
- Holidays
- Other, such as “comp” time.

These are basically four separate “ledgers” tracking the benefits accumulated and used. They do not trigger any journal entries. They are simply for tracking purposes.

If you don’t do your payroll checks through Lakeshore, you can still use the tracking feature. You will just have to manually enter your information rather than picking any of it up as part of the payroll check generation process.

Here are the steps needed to start using this feature.

**System options**

The first step is to activate the feature is to set up related system options. Go to

Reference Information
    System options
        Payroll

Check which type of absences you wish to track.

For Vacation and Sick Leave, you can set up the number of hours each employee is allowed at full pay. There are four ways to do this.

- Accumulate amount of eligible time based on hours worked
- Accumulate certain amount of time each pay period
- Accumulate certain amount of time each month
- Assign specific value for the whole year

The last option is the one that is most common and is the one we will use for most of our examples. For purposes of illustration, we will set up both types so you can see the difference.
If you want to use one of the other methods where the amount of time is accumulated, you can specify a waiting period for new employees. On the individual employees, you can also set a maximum amount of hours that can be accumulated.

**Employee setup**

The next step is to set up the accumulation factors for each employee. This is entered on the same screen where you set up the other payroll data for the employee.

Reference Information

Payroll

Employee data (payroll)

<table>
<thead>
<tr>
<th>Other Benefits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation:</td>
</tr>
<tr>
<td>Earn:</td>
</tr>
<tr>
<td>Sick leave:</td>
</tr>
<tr>
<td>Earn:</td>
</tr>
<tr>
<td>Annual maximum:</td>
</tr>
<tr>
<td>Overall maximum:</td>
</tr>
</tbody>
</table>

All values are entered in hours. You can use decimals, like 1.5 hours per pay period.

If you are just entering the annual number of hours, enter the number of hours the employee should receive each year. For example, for a 2-week vacation, you would enter 80 hours as the annual maximum.

If you are accumulating the hours allowed, then enter the number of hours of vacation/sick leave based on the number of hours worked OR the number of hours earned each pay period.

If you are accumulating benefits, you can set an annual and an overall maximum. For example, the employee cannot accumulate more than 4 weeks (160 hours) of sick leave. When the employee reaches that maximum, no additional leave will be accumulated until the employee uses some of the available time.

**Loading opening balances**

If you are assigning benefits just once each year, you can go to the following function to set these up.

<table>
<thead>
<tr>
<th>Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter new year balances for vacation/sick pay</td>
</tr>
</tbody>
</table>

If you load balances for all your employees at the beginning of the year, you can leave the employee number blank and opening balances for the year will be set up for everyone.

If you load the balances on the employee’s anniversary date, you will have to do the load employee-by-employee. In this case, you would specify the employee’s ID and the date would be the anniversary date.

The number of hours on the load transaction will be the total number of hours specified for the year.

Any employee whose data is accumulated using one of the other method is skipped.

The default description is “LOAD BALANCES” but you may change this if you wish.
Entering benefits through check runs

As leave is taken, you may indicate this as part of your payroll run. Click on the update icon beside the “hours worked” value on the payroll check review screen.

You will then see a screen where you can adjust the number of hours used. You may use decimal values such as 2.5 for two and one-half hours.

There is also a place for a short description of the entry such as “Memorial Day” or “Doctor’s appointment”.

Pay for vacation, sick leave, and holidays is calculated at the employee’s regular rate and the hours used are deducted from the regular hours used. They can be shown on the check stub as shown below.
To see the employee’s year-to-date balance, go to Payroll
Print Payroll Reports
Vacation/Sick pay detail

You can print a report for a single employee or for all employees.

<table>
<thead>
<tr>
<th>Payments</th>
<th>Description</th>
<th>Hours</th>
<th>This period</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular pay</td>
<td>30.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td></td>
<td>Vacation/Sick pay/Holiday</td>
<td>10.00</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td></td>
<td>COMMISSION</td>
<td></td>
<td>121.00</td>
<td>121.00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>40.00</td>
<td>2,121.00</td>
<td>2,121.00</td>
</tr>
</tbody>
</table>

In this report, you can see the .37 of sick leave that was accumulated for the payroll period paid through the 5/31 check as well as the 2 hours of sick leave used and the 8 hours of holiday pay from that check.

**Maintenance**

You may sometimes to add, correct, or delete entries. For example, you may prefer to enter sick leave notations as they occur rather than waiting until the next period. Or, you may want to load some opening balances when you first start using this feature.

To make new entries, go to Payroll
Add vacation/sick leave entry
If you want to correct or delete an entry that is already on file, go to

Payroll
  Change/Delete leave entry

Enter the employee ID, then click on the look up icon beside the date to pick the entry you want to affect. The list will start with the current year but you can use the “previous” or “next” key to see additional entries.
Change the information selected and click <Save> OR click on the <Delete> button to delete the entry.

**Resetting balances**

If it is your policy to clear any unused benefits at the end of the year (or anniversary date), then you may find the "reset" function useful. It can also be used if you have a change of policy and want to reset everyone to zero and reenter data under the new policy.

Go to

Year End
  Reset vacation/sick pay hours to zero

This function will generate an entry to force all the accumulated vacation or sick leave hours to zero.

You can do either vacation or sick leave or both. Indicate which values should be cleared by checking the appropriate check box.

![Reset Payroll Vacation/Sick Pay to Zero](reset-payroll-vacation-sick-pay-to-zero) V12

You would generally follow this function by using the "load opening balances" function described above to set up values for the new year. Or, enter the opening values manually through the "add entry" function.