



Article # 1247

Technical Note: **Difference Between Converting Unused Paid Leave to Cash and Adjusting Unused Paid Leave Balance**

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 7.0 for SQL and Express
AccountMate 6.5 for LAN with Upgraded Payroll

Module(s) Affected: Payroll

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Description

Companies who provide paid leave as a benefit may differ in the way they handle unused paid leave. One company may choose to convert unused leave to cash while another may choose to inform employees that they will forfeit their leave if it is not used at the end of the year. AccountMate 7, through the new **Convert/Adjust Unused Paid Leave** function, allows you to convert unused paid leave to cash; or to make an adjustment to unused paid leave due either to forfeiture of paid leave balances or if there's an under/over accumulation of unused paid leaves.

This document will show you the difference between converting unused paid leave to cash and adjusting an unused paid leave balance. It also will provide the procedures necessary to convert unused paid leave to cash from recording the unused paid leave balance until the check is issued.

Solution

The table below compares conversion of unused paid leave to cash and adjustment of unused paid leave balance.

<u>Conversion to Cash</u>	<u>Adjustment</u>
If you select the "Convert to Cash" option in the Convert/Adjust Unused Paid Leave function, you can enter a positive value only in the "Hours" column.	If you select the "Adjust Hours" option in the Convert/Adjust Unused Paid Leave function, you can enter a negative or positive value in the "Hour" column.

It increases the YTD Used balance.	It increases the YTD Accumulated balance if you make a positive adjustment to unused paid leaves; otherwise, it decreases the YTD Used balance.
It decreases the Paid Leave Balance.	It increases the Paid Leave Balance if you make a positive adjustment to unused paid leaves; otherwise, it decreases the Paid Leave Balance.
It creates an additional payment record. In addition, you can process apply payment/payroll transaction for the additional payment and ultimately prints a check for the employee who opts to convert the unused paid leave balance to cash.	It does not create any additional payment record.

The information in this document was provided to help you understand the effects on paid leave related balances when converting unused paid leaves to cash or adjusting unused paid leaves.

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