

# How to track and manage PTO more effectively

Paid time off encompasses vacation days, sick time, personal days, and time taken under your company's various leave policies. Providing adequate time off for employees is essential in order to prevent burnout, promote employee wellness, and boost performance. However, managing and tracking PTO can be a nightmare for companies large and small.

Before you start tracking and managing employee PTO balances, you'll need to formulate a PTO policy to determine how PTO is going to be accrued or offered. Check out our [guide to choosing a PTO policy](#) if you need help exploring options and choosing a policy. Once you have a policy in place there are still a number of things to track including time-off balances, requests, and usage.

If you're struggling to keep track of everything involved with paid time off, here are some tools and methodologies to manage the different aspects of your company's PTO management.

## Tracking PTO balances and accruals

Unless your business has shifted to an unlimited PTO policy, you'll need to track the balance available for each employee. (Even if you have unlimited PTO, you probably should track it to understand how much time employees are taking off!)

Most employers provide PTO on an accrual basis. This means that employees accrue a set number of PTO hours for each pay period, week, or a number of hours worked. Tracking accruals is relatively simple for full-time salaried staff, as they will be accruing a set amount of sick and vacation hours each pay period. For part-time and hourly staff, you'll need to track hours worked to determine the amount of PTO accrued. There are a number of ways to manage this accrual and ensure that employees receive the appropriate amount of sick leave and vacation time.

## Software solutions

There are a number of PTO software solutions that make it easy to track employees' paid time off balances and accrual. Your payroll software will likely include a feature to set the accrual basis and add the appropriate number of hours each pay period.

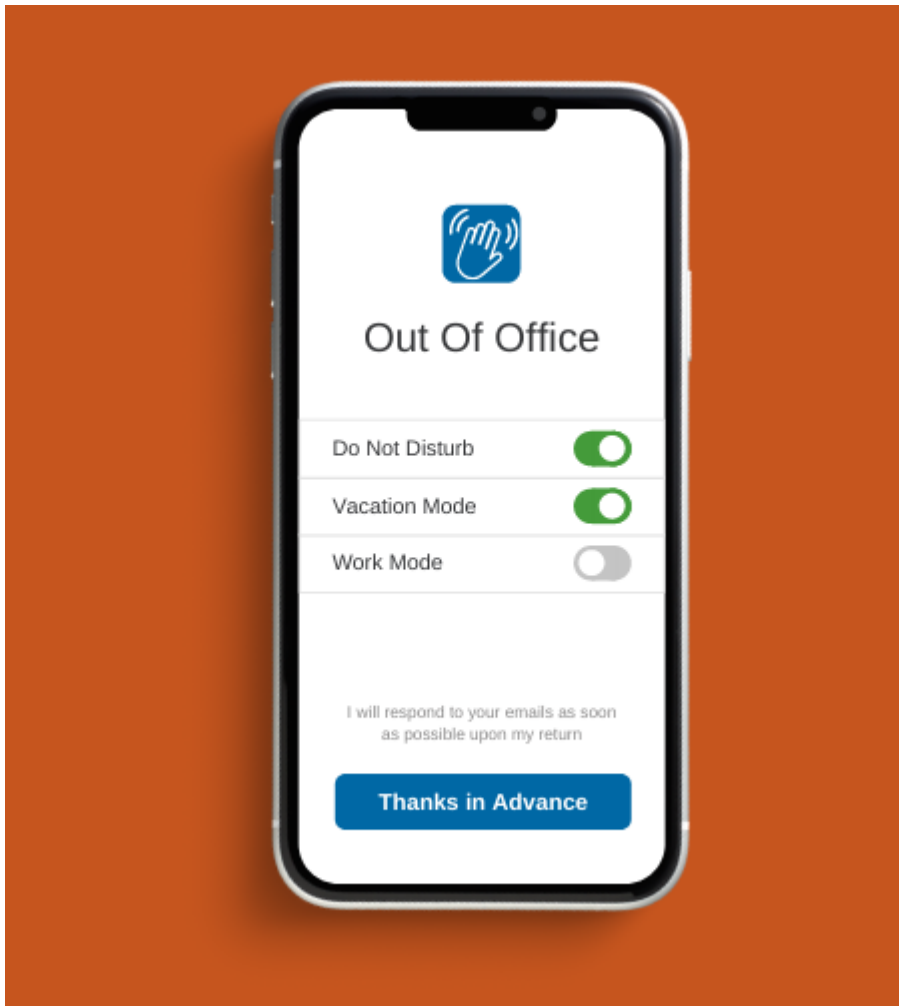
ADP, Quickbooks, Zenefits, Zoho, BambooHR, Zenefits, and other major payroll and HR software systems used by employers offer PTO features including accrual tracking, requests, and time tracking functionality. An all-in-one system tends to be easiest for both employees and employers.

## Excel tracking

Some small businesses don't have the budget for software solutions for PTO tracking. Some small businesses track PTO accrual, balances, and usage in Excel or Google Sheets spreadsheets.







There are a variety of templates and tutorials available for free online that can help you stay on top of PTO in Microsoft Excel. One option is [Leaveboard's PTO Tracking Excel Template](#). This system can work well for small businesses that do not have too many staff members to track balances for and lack the budget for alternate solutions. It does get more complex if you have multiple accrual rates or PTO policies for different employees (either due to seniority or employees in different regions with variable local requirements). However, you can still use Excel as long as you pay attention to detail and stay on top of updating your spreadsheet each pay period.

## Tracking PTO requests

Having an organized system for tracking time-off requests is necessary in order to ensure that you will have adequate staffing coverage to meet business needs.

## PTO tracking software

Your payroll management software may already have PTO tracking features built-in. Many payroll software services provide varying degrees of PTO features that can track accruals, requests, usage, and more! Some even have helpful features that allow employees to see how much they'll have accrued by a future date so that they can plan vacations further out.

Check if your payroll or time tracking software incorporates PTO request features.

## Some popular options include:

- [Factorial HR](#). A PTO manager that allows employees to submit PTO requests for vacation time, sick days, and other absences based on your organization's PTO policies. Employees are also able to view accrued time and time taken. It also includes reporting features to help management track absences by department, date, employee, and other options to track trends in PTO usage and ensure adequate staffing.
- [BambooHR](#). This time and PTO tracking system is designed for small-to-medium sized businesses. It has a simple user experience designed for employers transitioning from the spreadsheet method or manual tracking.
- [Quickbooks PTO Tracker](#). Businesses using QuickBooks for payroll and financial management may want to look into their PTO Tracker add-on. The tracker lets employees view their PTO balances, request time off by the day or hour, and has an option for direct time-off entry without the approval process. Employers can enter and track multiple paid and unpaid PTO policies.

### **Direct requests to manager**

Some companies don't utilize software for PTO requests and instead direct employees to put in a request directly to their manager through their preferred communication channel. These requests may be made on paper, over Slack or Teams, in person, or via email. This system works for small departments, but it can be hard to keep requests organized with larger departments. If you have a small business this method is perfectly fine, but you will probably outgrow it at some point.

### **Tracking PTO used**

How you track PTO used will largely depend upon how you track hours overall. They can be recorded in your PTO request system, payroll system, or when employees submit their time.

If your employees submit their hours on a weekly timesheet, their PTO usage should be noted on the timesheet. Managers should also make note of call-outs, employees leaving early or arriving late due to appointments, and other absences and time off used throughout the week. This allows management to reconcile their own records with employees' self-reported hours worked and PTO used.

If you use a time clock system or time tracking software you'll have a clear record of the hours worked. Depending on the time tracking system used you may need to add PTO hours into your payroll system manually. Employees may be able to note paid time off hours taken in time tracking apps or software programs. Small businesses often use the timesheet method to track hours as there are no software costs associated with it, but there are free time tracking programs like [Clockify](#) or [Jibble](#) that can provide employers with more detailed employee time tracking reports. Clockify and other free apps can be used to record PTO usage and hours worked.

For vacation time, the vacation requests will adequately serve as a record of the PTO used, but for unexpected absences such a sick time, family emergencies, or partial day absences for appointments it is important to keep adequate records so that the appropriate hours can be deducted from the employee's balance. Employees likely won't think to record what time they're leaving if an emergency arises, so management should maintain accurate records in a designated software system, Excel sheet, calendar, or other chosen location.

### **Effective time off management**

The best PTO and leave management option for your business will depend on your company's budgets, policies,

size, and preferences. All of the above options offer functionality and are relatively easy to use. The most important thing is to find the solution that works best for your needs and that you will stay on top of. Staying organized with PTO tracking is essential, so choose the method that is easiest for you and your staff.