



City of Billings - Community Development Division

Staff Time Tracking & Grant Draw Procedures

Community Development's time-tracking practices and accounting methods are continually monitored by the U.S. Department of Housing and Urban Development, the Corporation of National and Community Service, the City's Finance Department, and the City's external auditing team.

Staff Time Tracking

Personnel Expenses - 2 CFR 200.430:

(i) *Standards for Documentation of Personnel Expenses* (1) Charges to [Federal awards](#) for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the [non-Federal entity](#);

(iii) Reasonably reflect the total activity for which the employee is compensated by the [non-Federal entity](#), not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);

(iv) Encompass federally-assisted and all other activities compensated by the [non-Federal entity](#) on an integrated basis, but may include the use of [subsidiary](#) records as defined in the [non-Federal entity](#)'s written [policy](#);

(v) Comply with the established accounting policies and practices of the [non-Federal entity](#) (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and

(vi) [Reserved]

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Each staff member has a spreadsheet with the grant programs they may be working in. They track the number of hours they spend for every day in the week. Here is an example:

| Week Beginning | Monday | | | | | | Tuesday | | | | | |
|-------------------|------------------|------------|-------|-------|-------------|-------|---------------|------------|-------|-------|-------------|-------|
| | HOME | | CDBG | | | VISTA | HOME | | CDBG | | | VISTA |
| | HOME Admin | Aff Hsg | COVID | Rehab | Foreclosure | | HOME Admin | Aff Hsg | COVID | Rehab | Foreclosure | |
| 7/1/2020 | Last fiscal year | | | | | | | | | | | |
| 7/6/2020 | | | | 0.25 | | 7.75 | | | | 3.00 | 1.50 | 3.50 |
| 7/13/2020 | | | 1.25 | 2.50 | 2.25 | 2.00 | | | | 3.50 | 3.25 | 1.25 |
| 7/20/2020 | | | | 1.00 | 4.50 | | | | | 1.25 | 6.75 | |
| 7/27/2020 | | | | 0.50 | 2.50 | 5.00 | | | 0.50 | 5.25 | 1.75 | 0.50 |
| 8/3/2020 | | | 1.50 | 2.00 | | 4.50 | | | 2.00 | 3.75 | | 2.25 |
| 8/10/2020 | | | 4.00 | 1.00 | 0.75 | 2.25 | | | 4.25 | 0.75 | 0.50 | 2.50 |
| 8/17/2020 | | | 0.50 | 1.75 | 0.75 | 6.00 | | | 3.00 | 3.25 | 0.50 | 1.25 |
| 8/24/2020 | | | 0.75 | 2.25 | 0.50 | 4.50 | | | 0.50 | 4.25 | 2.75 | 0.50 |
| 8/31/2020 | | | | 0.75 | | 7.75 | | | 1.50 | 4.25 | 0.50 | 1.75 |
| 9/7/2020 | Holiday | | | | | | | | | 0.50 | 1.75 | 5.75 |
| 9/14/2020 | | | 1.00 | 0.75 | 3.50 | 2.75 | | | 3.50 | 0.50 | 1.25 | 2.75 |

Every quarter, Finance sends the Community Development manager the exact amount that was spent for each staff member in the Division for wages, unemployment insurance, industrial accident, health insurance, FICA, retirement, Medicare, etc.

The average percentage of time a staff member spends in each grant program is calculated every quarter. The personnel costs are then multiplied by the percentage for each grant program and drawn accordingly.

Internal Grant Draw Procedures

The City of Billings is tracking the expenses corresponding to the HUD grant years by reserving a different fund for each grant year. Expenses are tracked within the accounting system by type of expense in each grant year.

Quarterly reports:

1. During the quarter each expense and project is tracked in a fund that corresponds to the correct origin year.
2. At the end of the quarter, a report is pulled from the City's accounting system by the Finance Department and sent to the Community Development Manager.
 - a. The report gives the quarter's budget (which matches the amount in IDIS), the amount expended year-to-date, and the amount left in the budget. This report also tracks the Revenue by Program Income or Entitlement.
 - b. This report from the accounting software is entered by the Community Development Manager into a spreadsheet "Innoprise Draw Report" tracking the budgeted amount, the current quarter's expenses (difference between prior YTD amount and current YTD amount) and any necessary changes against the IDIS balance to determine the amount of the draw.
 - c. Salaries and Benefits are tracked in a separate fund and are reallocated at the end of the quarter according to the time spent in each program per employee, not to exceed the budgeted amount in the funds.
 - i. The HR Department pulls a payroll report by employee for the quarter (by the date paid) to be sent to Finance and the Community Development Manager.
 - ii. The Community Development Manager allocates the salaries and benefits for each employee for each program by the number of hours tracked during the quarter – "Staff Allocations by Program".
 - d. Necessary changes to the expenses during the quarter including the salaries allocation will be adjusted in the City's accounting software by journal entry to match the total expenses in each fund and the spreadsheet created by the Community Development Manager "Innoprise Draw Report".
 - e. The Innoprise Draw Report also tracks the closed and pending loans by name and IDIS #.
3. A Quarter Draw Summary is created by the Community Development Manager.
 - a. The Quarter Draw summary summarizes the IDIS number, and activity, the draw expected from IDIS and which grant year(s) and amount per grant year to be drawn.
4. The Community Development Manager tracks the sum total of the programs and grant years according to the Origin Year Test and the Program Year Test within the Community Development Drawdowns spreadsheet.
 - a. The program year test is filled out per quarter to test that no more than 20% of Program Income and Entitlement shall be obligated.

- b. The origin year test pulls the CDBG Administration amounts in the Quarter Draws Summary by Grant Origin Year and compares it to 20% of the total Entitlement funds for the origin year for Planning and Administrative Expenses. This is tracked over multiple years/quarters to compare the admin expense totals for the origin year.
5. The Community Development Manager also tracks the Program Income and Entitlement amounts by year in the spreadsheet entitled IDIS & Revenue Book to track which revenues are used by IDIS # and Activity.
6. The Innoprise Draw Report, Quarter Draw Summary, Community Development Drawdowns, and Staff Allocations by Program are returned to the Finance Department to create the journal entry for changes and compare the final amounts to the City's accounting system. After the Journal Entry, the balance of the City should match the Innoprise Draw Report. The difference between the final City balances (Budget less Actual) at the end of the quarter, less the balance of the IDIS report on the website should equal the draw amount.
7. Once compared, the Community Development Manager reports the projects within the IDIS system.