

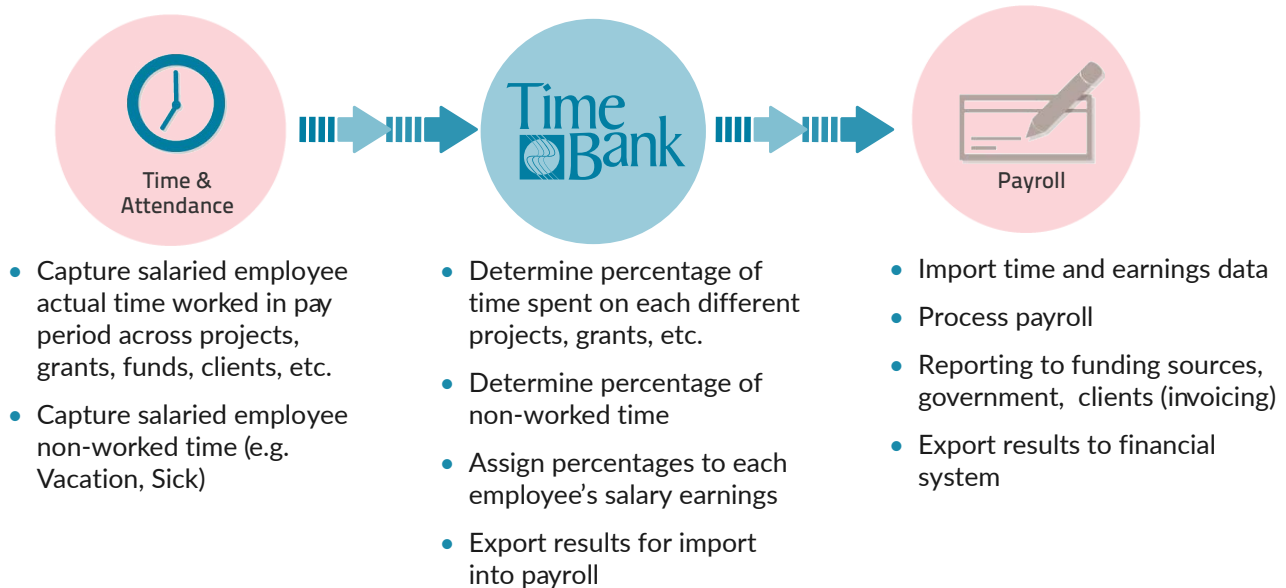
IDI Time Bank Solutions: Salary/Project Allocation



Our Time Bank™ **Salary Allocation** solution is designed for salary exempt employees that work over or under standard pay period hours and need to have their earnings allocated proportionally across different labor codes worked (e.g. department, project, grant, fund). This solution also has the flexibility to allocate the exempt employee's PTO earnings proportionate to the worked time labor distribution or to a fixed account.

Below are sample scenarios that we see most often for clients needing this salary allocation solution. The solution can be tailored to reallocate employee hours instead of earnings and also accommodate different allocations for non-worked time (e.g. allocate PTO in same proportions to projects as worked time).

Data/System Flow



Note: This solution is designed for allocating salaried employee hours/earnings. IDI does have Time Bank solutions to allocate non-exempt/hourly time by percentages worked described at the end of this document.

Use Cases for Salary and PTO Allocation

Below are examples of an exempt employee allocation with a semi-monthly* pay period. These are common examples of for allocating salaries by project.** Time Bank can support other allocation options (e.g. assign all PTO earnings to fixed accounts).

* This solution also supports weekly, biweekly or monthly payroll frequencies

** Project is used as generic term. Other labor types could be grant, fund, department, client, etc.

Sample employee:

- Employee's pay period salary is \$3000
- Employee charges 92 project hours and 8 vacation hours in the semi-monthly pay period:
 - 30 Regular Hours on Project 1
 - 40 Regular Hours on Project 2
 - 22 Regular Hours on Project 3
 - 8 Vacation Hours

Use Case 1: Salary Allocated 100% Across Worked Hours with PTO Allocation

Time Bank Logic:

Step 1: Determine percentage worked by project in the pay period

- 30 hours in Project 1 / 92 worked hours = 32.61%
- 40 hours in Project 2 / 92 worked hours = 43.48%
- 22 hours in Project 3 / 92 worked hours = 23.91%

Step 2: Calculate worked earnings by project

- \$3000 worked earnings x 32.61% for Project 1 = \$978.26
- \$3000 worked earnings x 43.48% for Project 2 = \$1304.35
- \$3000 worked earnings x 23.91% for Project 3 = \$717.39

Step 3: Calculate non-worked (PTO) earnings by project***

- 8 hours x 32.61% for Project 1 = 2.61
- 8 hours x 43.48% for Project 2 = 3.48
- 8 hours x 23.91% for Project 3 = 1.91

“ I’ve been really happy with the Time Bank Online salary allocation solution. It’s saving me a lot of time -- three or four hours every payroll! And it removes the chance for error.”

Shelly Worden,

Area Agency on Aging & Disabilities of Southwest Washington

Results to Payroll

Sample Payroll grid display based on the calculations above:

Regular Hours	Regular Earns	Overtime Hours	Overtime Earns	Temp Project	Temp Rate	Vacation Hours	Vacation Earns
30	978.26			1		2.61	
40	1304.35			2		3.48	
22	717.39			3		1.91	

***Time Bank will ensure that the total earnings exactly equals the salary pay period amount.

Sample employee:

- Employee's pay period salary is \$3000
- Employee charges 92 project hours and 8 vacation hours in the semi-monthly pay period:
 - 30 Regular Hours on Project 1
 - 40 Regular Hours on Project 2
 - 22 Regular Hours on Project 3
 - 8 Vacation Hours

Use Case 2: Salary Allocated 100% Across Worked Hours with PTO Allocation

Time Bank Logic:

Step 1: Determine percentage worked by project in the pay period

- 30 hours in Project 1 / 100 = 30%
- 40 hours in Project 2 / 100 = 40%
- 22 hours in Project 3 / 100 = 22%
- 8 vacation hours / 100 = 8%

Step 2: Calculate worked earnings by project

- \$3000 worked earnings x 30% for Project 1 = \$900.00
- \$3000 worked earnings x 40% for Project 2 = \$1200.00
- \$3000 worked earnings x 22% for Project 3 = \$660.00
- \$3000 worked earnings x 8% for vacation hours = \$240 / 8 = \$30 per vacation hour

Step 3: Calculate non-worked (PTO) earnings by project (using worked time only)***

- 8 hours x 32.61% for Project 1 = 2.61 x \$30 = \$78.30
- 8 hours x 43.48% for Project 2 = 3.48 x \$30 = \$104.40
- 8 hours x 23.91% for Project 3 = 1.91 x \$30 = \$57.30

Results to Payroll

Sample Payroll grid display based on the calculations above:

Regular Hours	Regular Earns	Overtime Hours	Overtime Earns	Temp Project	Temp Rate	Vacation Hours	Vacation Earns
30	900			1		2.61	78.30
40	1200			2		3.48	104.40
22	660			3		1.91	57.30

***Time Bank will ensure that the total earnings exactly equals the salary pay period amount.

IDI Time Bank Solutions: Salary/Project Allocation

Sample employee:

- Employee's pay period salary is \$3000
- Employee charges 92 project hours and 8 vacation hours in the semi-monthly pay period:
 - 30 Regular Hours on Project 1
 - 40 Regular Hours on Project 2
 - 22 Regular Hours on Project 3
 - 8 Vacation Hours

Use Case 3: Salary Minus Non-Worked Earnings with PTO Allocation

Time Bank Logic:

Step 1: Determine worked earnings for hours worked and PTO time

- $\$3000 / 80 \text{ standard hours worked} = \37.50 per hour
- $\$37.50 \text{ per hour} \times 8 \text{ vacation hours} = \300
- $\$3000 - \$300 \text{ vacation hours} = \$2700 \text{ worked salary}$

Step 2: Determine percentage worked by project in the pay period

- $30 \text{ hours in Project 1} / 92 \text{ worked hours} = 32.61\%$
- $40 \text{ hours in Project 2} / 92 \text{ worked hours} = 43.48\%$
- $22 \text{ hours in Project 3} / 92 \text{ worked hours} = 23.91\%$

Step 3: Allocate worked salary to each project

- $\$2700 \text{ worked earnings} \times 32.61\% \text{ for Project 1} = \880.44
- $\$2700 \text{ worked earnings} \times 43.48\% \text{ for Project 2} = \1173.91
- $\$2700 \text{ worked earnings} \times 23.91\% \text{ for Project 3} = \645.65

Step 4: Calculate non-worked (PTO) earnings by project***

- $\$300 \text{ non-worked earnings} \times 32.61\% \text{ for Project 1} = \97.83
- $\$300 \text{ non-worked earnings} \times 43.48\% \text{ for Project 2} = \130.43
- $\$300 \text{ non-worked earnings} \times 23.91\% \text{ for Project 3} = \71.74

Results to Payroll

Sample Payroll grid display based on the calculations above:

Regular Hours	Regular Earns	Overtime Hours	Overtime Earns	Temp Project	Temp Rate	Vacation Hours	Vacation Earns
30	880.44			1			97.83
40	1173.91			2			130.43
22	645.65			3			71.74

***Time Bank will ensure that the total earnings exactly equals the salary pay period amount.

Payroll Admin User Steps

Processing Frequency: Once Per Pay Period (end of pay period)

1. Run Time Bank (double click icon)
 - Time Bank retrieves employee hours, labor codes, earnings, etc. directly from the time & attendance system
2. Import Time Bank file into payroll
 - Review results and process payroll
 - Create reports for project tracking, billing purposes or to funding sources



Other Commonly Requested Time Bank Solutions for Salary Allocation Clients

Below is a list of IDI solutions outside of the Salary Allocation solution described above. Please contact IDI to learn more about these frequently requested solutions:

- **Allocating non-exempt/hourly overtime or PTO by percentages worked:** Reassigning employee overtime or PTO hours by labor codes worked (instead of to the department/job when 41st hour occurs in the week).
- **Retro/Prior Period Fair Labor Standards Act (FLSA):** Calculating overtime adjustments based on a non-discretionary payment (e.g. bonus or commission) paid in current month but applied to prior month's overtime earnings to comply with FLSA guidelines.
- **Bonus/Incentive Solutions:** For companies with complex bonus or other incentive polices (e.g. commissions), Time Bank can be further customized to automate calculation of incentives based on hours worked or other production information (e.g. sales).

Contact IDI at **866-846-3226 option 1** or sales@idesign.com to discuss our solutions.