

ESG Payment Request Process Workshop

GRANTS MANAGEMENT SYSTEM (GMS)

TN HOUSING DEVELOPMENT AGENCY – COMMUNITY SERVICES



ESG Payment Request Process

- The pay request will take place in the Grants Management System (GMS).
- <https://qagms.thda.org/Security/Login?ReturnUrl=%2f>

ESG Payment Requests

GMS is a web-based grant application and grant management system. Access to GMS is secure and grantees must login using online account credentials. The user accounts are tied to a specific email address. If an email address changes, or if it becomes inactive, the grantee must create a new account to continue accessing GMS. There are two GMS role designations for pay requests: “Manager” and “User.”

- Program Manager: Responsible for managing the program and users in GMS. Must be an employee of the applicant. This role is able to submit payment requests. Only a Manager role can change the assigned role for other users.
- Program User: This role may enter and edit data as well as upload documents prior to submission; however, this role is not able to submit payment requests. Note: The roles in GMS are not necessarily required to match the hierarchy of the agency – some grantees might find that having multiple users at the manager level is more effective when submitting pay requests.

ESG Payment Requests

- Payment requests are submitted with the “Create Draw” function in the Grants Management System (GMS).
- Payment Requests need to be submitted on a monthly basis.
- Payment Requests that are complete and include all required back-up documentation will be processed within 30 days of submission.
- Please note that Payment Requests submitted without the appropriate documentation will be returned to the grantee and delayed until the requested documentation has been received.

ESG Payment Requests

- Supporting documentation is required on all draw requests
- Supporting documentation may include, but is not limited to, personnel expenditure detail, equipment invoices, and/or proof of payment. See Documentation Standards [HERE](#)
- THDA reserves the right to request any and all documentation related to the draw request.
- If a draw is lacking supporting documentation, it will be returned to the grantee for corrections
- All expenses should be separately itemized when entered into GMS. This process will create and serve as the general ledger. Therefore, it is not necessary to include a general ledger with the payment request.

ESG Payment Requests

- For salaries, please explain who is being paid and what percentage of time is billed to ESG. For example:

Salaries and benefits.....\$4,351

Jane Doe – 75% shelter, 25% HMIS

John Smith – 50% RRH, 50% Prevention

- Enter the total amount billed under the “**Total Amount**” column in GMS and the amount to be paid under the “**Amount Paid by ESG**” column.

ESG Payment Requests

May bill for both Direct and Indirect Costs

- Direct Costs: Costs for employee wages, travel, equipment, materials and services furnished specifically for the ESG grant.
- Indirect Costs: Costs incurred for rent, office supplies, insurance, utilities, etc... that benefit more than one program.

Direct Costs VS Indirect Costs

- Direct costs can be identified specifically with a particular final cost objective: case manager salary, rental assistance for clients, purchase of food for shelter meals
- If an organization has only one source of funding, a single ESG grant, then 100 percent of its expenses would be direct, because all costs are solely and clearly tied to an ESG award and related activities.
- If an organization has more than one funding source and has multiple programs in its portfolio, then some costs—such as administrative costs and overhead costs like facility rental and utilities—will be hard to tie to a single funding source and activity, and are thus shared or indirect costs.

Indirect Costs 24 CFR 576.109

- Indirect costs are costs that benefit more than one program (ie. rent, office supplies, insurance, utilities, etc.)
- ESG can only pay its percentage of total indirect costs according to the agency's **approved** *cost allocation plan*
- If indirect costs will be billed, Grantee must provide letter citing from their cost allocation plan the percentage of indirect costs that may be billed to ESG and must provide copy of *cost allocation plan*.

Process of Payment Request

1. Upon receipt of Payment Request/Draw Reimbursement, THDA will have two staff reviews for documentation, eligibility and accuracy.
2. If any there is any missing documentation, ineligible expenses or errors found, the draw will be returned to the grantee with a condition explaining why the draw was returned and corrections needed.
 - ✓ You will receive an email from GM@thda.org with the reason why the draw was returned
 - ✓ Revisions will need to be made in GMS, resubmitted and approved by Authorized Signees for THDA review
3. Once the draw is approved by the first and second THDA reviewer, it will be sent to the ESG Program Manager for final approval and funds will be drawn from HUD (IDIS).
4. The draw will then be reviewed by the THDA fiscal department and sent to the state Finance and Administration for payment
5. Reimbursement will be deposited directly in grantee's account, typically within 2 weeks, no later than 30 days after receipt of a complete draw request.

Process of Payment Request

- Holidays slow the process, so plan ahead for your reimbursements.



Required Documentation

- **Salaries** – Require a timesheet with the **first** draw. If a new employee starts after the first request is submitted, please submit a timesheet for the new employee along with the first draw for which their salary is included. Enter the correct “Pay Period Dates” as well as “Paid Date” in GMS. Submit payroll statements/paystubs with draw request. Please include explanation of fringe calculations in first draw of salary reimbursement if applicable.
- **Utilities** – Submit a copy of the invoice, proof of payment and indicate in GMS which portion is to be paid from the ESG funds.
- **Transportation** - When requesting reimbursement for mileage, a mileage log must be included. If reimbursement for gas is being requested, please submit a copy of the gas receipt(s). Reminder ESG does not reimburse for client gas, gas cards or repairs.
- **Equipment/Supplies** – Submit a copy of the invoice, proof of payment and indicate in GMS which portion is to be paid from the ESG funds. Reminder: ESG does NOT reimburse for taxes.
- **Rent** – Copy of check or proof of payment. Each line of the expense details must be entered in GMS for every client receiving financial assistance. Please list each client separately. If your organization is a DV, you do not have to list the client’s name or payee/vendor if it will compromise the client, however, all other detail fields must be completed.
- **Security Deposits** – Submit invoice and proof of payment. Each line of the expense details must be entered in GMS for every client receiving financial assistance. Please list each client separately.
- **Moving Costs** - Submit a copy of the invoice and indicate in GMS which portion is to be paid from the ESG funds.

Required Documentation

- **Childcare** – Submit copy of invoice and proof of payment. Each line of the expense details must be entered in GMS for every client receiving financial assistance. If your organization is a domestic violence agency, you do not have to list the client's name or payee/vendor if it will compromise the client, but you will need to complete the other fields
- **Data Entry** – Submit a copy of invoice and proof of payment. Follow salary and equipment directions as needed.
- **Food** – Submit copy of the receipt. If a gift card is purchased, you must include receipt for items purchased using the gift card. Please remove any taxes as **ESG funds may not be used to reimburse taxes.**
- **Hotel/Motel Vouchers** – Submit copy of the invoice (indicate which portion is to be paid from the ESG funds) along with copy of the receipt/proof of payment. Please list each client separately. **ESG does not reimburse for state taxes (county, city, and occupancy tax may be reimbursed)** If your organization is a domestic violence agency, you do not have to list the client's name or payee/vendor if it will compromise the client, but you will need to complete the other fields.
- **Maintenance** – Submit copy of invoice (indicate which portion is to be paid from the ESG funds) along with copy of the receipt/proof of payment.
- **Furnishing** – Submit copy of invoice (indicate which portion is to be paid from the ESG funds) along with copy of the receipt/proof of payment. **ESG does not reimburse for state tax.**

Supporting Documentation

For Prevention and Rapid Rehousing Assistance:

- Client name or identification number
- Client's address
- Date of financial assistance
- Amount of assistance
- What expense was for (application, deposit, rent, moving expenses, utilities, etc...)
- Vendor Name: To whom was the check written?

Supporting Documentation

- HUD requires ALL employees whose time is billed to ESG to maintain time and attendance records. This standard includes exempt employees.
- Salaries (under any category): For the first pay request only, please submit copies of timesheets for all employees charged under ESG.
- Transportation: Grantees may charge mileage for personal vehicles, but mileage logs must be submitted with each pay request. Grantees may invoice gas, but grantee must submit gas receipt with each pay request. Maintenance bills for agency- owned vehicles are required.



Financial Records 24 CFR 576.500(u)

- The recipient must retain supporting documentation for all costs charged to the ESG grant
- This includes invoices and proofs of payment for goods and services funded with ESG monies
- ESG records must be kept by Grantee for a period of 5 years from the end of the grant term

ESG Match 24 CFR 576.201

- ESG funds must be matched dollar for dollar, but does not have to be in the same category.
- ESG match can vary from month to month, but will need to be caught up by the end of the third quarter.
- THDA will not process any pay request after the third quarter if match is not caught up.

ESG Match Documentation

If using donations

- Include the list of items donated in the month you are claiming the match (you can use general categories, i.e., food, clothing, household items, etc.).

If using the value of a building

- Include a copy of the assessed value or rental value of the building for our records.
- **A donated building may be counted as match one time, either in a lump sum or as a prorated amount divided by a set number of years.**

If using salary of employees as match

- Include the following documentation:
 - Name(s) of employee(s)
 - Title(s) of position
 - Amount of salary
 - Funding source

- Another agency's contribution cannot be used as match unless it is a direct donation to the Grantee.

Common Problems

- Timesheets are not included in first draw.
- Supporting documentation does not backup expenses charged.
- Salaries are not explained.
- Mileage logs are not included.
- Indirect costs are charged with no approved cost allocation plan submitted to THDA.
- Expenses are ineligible.
- Match is not documented.
- HP/RRH information (date, vendor, client ID, amount) is not listed.
- HP/RRH financial assistance given to public housing units is not identified as deposit only.
- HP/RRH financial assistance is not separated.
- Sales tax is not removed.
- Dates in GMS do not match supporting documentation.
- Expenses outside of the grant contract are requested. This happens most frequently at the beginning and ending of the grant.

Quicker Processing Times

1. Order of required supporting documentation is congruent with GMS
2. Required supporting documentation is in one PDF or PDFs separated by Activity
3. ESG Documentation Standards are reviewed before your first draw to ensure all required supporting documents are included ([HERE](#))
4. Draw requests are submitted monthly, minimum



Summary/Contact Information

Refer to the following user guides to ensure a successful draw request submission

- Expense Guide [HERE](#)
- [Documentation Standards](#)
- How to Submit a Draw Request
- Pay Request Information Sheet [HERE](#)

Please contact esg@thda.org for any questions or concerns.

