

HFA: Idaho Housing and Finance Association
Entry Name: Turning HR from a Cost Center to a Revenue Generator

With the use of Human Resource Information System (HRIS) technology, most Human Resources (HR) departments have the ability to generate multiple payrolls and human resource functions for more than just the company who owns that system. Much like attorney firms charge billable hours, HR can charge billable hours when they outsource their services to small non-profits, or any company who does not have a dedicated HR or payroll function. Providing HR and payroll services for one company makes it very efficient to replicate those same functions using HRIS for another company, and then charge for those outsourced services. This is what we do at Idaho Housing and Finance Association (IHFA).

At IHFA, the HR staff is comprised of a human resources generalist, payroll and benefits specialist, an assistant, and a director. The program we use is ABRA, which can perform six different payrolls for up to six different companies. Currently, we not only provide payroll and HR functions for IHFA, but we outsource our payroll and HR services to a separate entity "The Housing Company" (THC), which is a 501c3 non-profit, property management company. THC owns 30 Tax Credit or Section 8 apartment complexes throughout the state of Idaho, and those properties are run by on-site staff of Resident Managers and Maintenance Personnel. THC currently has 50 employees, and the IHFA payroll and HR services provided for them are: recruitment and selection, benefits negotiations and billings, employee relations, workers compensation and unemployment claims handling, timekeeping, policy and procedure development/administration, as well as all legal compliance and training.

These services are performed for a fee to THC, and IHFA tracks the hours spent on various HR activities and bill THC monthly for the services. The billing breaks out the functions performed for the month, identifying which apartment complexes or projects received these services. The billable rate is an hourly rate comprised of salaries and benefits costs for the HR staff.

THC and IHFA have different employee classifications and benefit structures, but similar policies, procedures, and HR functions needing to be performed, such as: EEO tracking, Affirmative Action Plans, unemployment and workers compensation claims. To ease the burden of payroll and timekeeping functions all happening at the same time, pay dates are staggered for these two companies. One company is paid on the 15th and last day of the month; the other company is paid on the 5th and the 20th of the month.

To alleviate benefits administration, health plan years are also staggered for these two companies' health plans. One company's plan year is May through April, and the other company is July through June. This eases the burden so benefits aren't negotiated or open enrollment isn't being conducted for two companies at the same time.

The ABRA technology used by IHFA makes it easy for HR staff to manage the HR and payroll services for more than one company, turning a cost center into a revenue generator.