Document 2: Specification

I. Introduction

The Global Alliance for Improved Nutrition (GAIN) is a Swiss-based foundation launched at the UN in 2002 to tackle the human suffering caused by malnutrition. Working with both governments and businesses, we aim to transform food systems so that they deliver more nutritious food for all people. You can learn more about our mission and values here.

Headquartered in Geneva, Switzerland, GAIN has representative offices in The Netherlands, the United Kingdom, and the United States. We currently have a presence and conduct programming activities in Bangladesh, Benin, Ethiopia, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Rwanda, Tanzania and Uganda, with the possibility of expanding in the future. Our global headcount is c.350 and our annual turnover is c. $50m.

II. We what are looking for

We are looking for cloud-based Software as a Service solution/s which will replace our current on premises finance & procurement system architecture with a reduced number of systems.

Recognising the strategic benefits of a unified technology landscape, and existing constraints, this procurement is limited to solutions within the Microsoft ecosystem. We invite bidders to demonstrate how their capabilities, experience, and delivery approach can help us achieve our business objectives while driving process improvement and create additional value.

Our initial intention is to contract for a total period of c. 4 years: one project implementation year followed by three years of support from the Go Live date. Following this, contract extensions will be at GAIN's discretion and based on the renewed commercial offer from the chosen provider. However, given the time and resource required to implement a new system, we do not anticipate re-tendering while the solution continues to meet our needs.

III. Current situation

As an international non-profit, GAIN manages a diverse portfolio of donor-funded programmes, requiring a finance function that supports multiple operating entities, currencies, and reporting requirements.

Our current finance systems have served us well but have evolved over time into multiple separate applications. This has resulted in inefficiencies, the need for various integrations, and a labour-intensive process for reporting which means we lack a 'single source of truth' for crucial data.

We now require a modern solution that will simplify our technology landscape; improve efficiency; integrate procurement functions; better support our evolving business needs and provide very high levels of resilience and security.

Our IT Architecture

Our current finance system is Microsoft Dynamics NAV, deployed on-premises and used as our primary accounting system. Each country and representative office is configured as a separate company within NAV (so, a total of 16 entities currently, with the possibility of expanding in the future), enabling local financial management while financial consolidation is performed centrally.

Our finance technology landscape includes 3 additional systems:
- Vena for budgeting, forecasting and procurement planning
- Cubes for financial and management reporting
- GPS, an in-house procurement system, built in SharePoint/Power App. This solution provides automated approval flows and document storage for both sourcing and P2P processes**.**

These systems support our core finance processes but operate as separate applications. **Any proposed new solution must, at a minimum replace these 4 systems (NAV, Vena, Cubes, GPS).**

More broadly, finance related data is processed and stored in multiple systems:
- A contract drafting signature and retention module from Salesforce ('CLM')
- A project management module from Salesforce ('PRISM')
- A newly installed HRIS system, Cezanne
- A Payroll system, Sage
- An in-house, stand-alone travel request/travel expenses approval system, built in SharePoint
- In house, stand-alone donor proposal tracker and pipeline tracker – these are maintained via excel and connected via Power Query to pull data into NAV.

Any proposed solution will need to interface and share data with these systems via direct API integration and may replace some of this functionality in the longer term.

From Go Live it must connect and transfer data with, at a minimum Cezanne and Salesforce. In a future phase, we may look to bring more of these processes/data into our finance system and/or source additional modules from our chosen solution.

We will prioritize for shortlisting providers with experience of integrating these solutions.

Our Finance function

Our finance function comprises approximately 37 professionals split across central and country teams. Working as one global function, the team supports decision-making across multiple countries, donors and funding streams.

The central team is responsible for financial reporting, financial planning and analysis, treasury, financial systems and governance and is based across various locations including Switzerland, the United Kingdom and Kenya.

Country finance teams, based in our 12 programmatic locations, support programme delivery, local statutory compliance and day-to-day financial operations. Our compliance operates for each of the 16 countries and must meet their individual requirements.

The overall structure of the Finance function is not expected to change significantly as a result of the new finance transformation project and each entity will continue to generate their own sets of accounts, as well as Group level accounts.

GAIN's fiscal year, as a Swiss based organisation, begins on 1st July and ending on 30th June.

Our Procurement function

Procurement at GAIN is extremely decentralised. Currently all c. 350 of GAIN's staff run their own sourcing and purchase to pay processes including: raising procurement requests communicating with suppliers, collecting, uploading and evaluation and PO creation via the GPS.

GAIN does not currently include a Requisition step in its procurement processes (although we are open to this) and does not (and does not intend to) hold any significant inventory from which projects draw down stock.

Some larger Country Office have full time or part-time Procurement/ Procurement & Logistics staff, however this not consistent across the organisation.

A global Head of Procurement sits in the UK and is responsible for setting policy & strategy; training & capacity building, data & analytics and administering very high value or complex tenders

Deliverables & Timescales

Our current intended project timelines are below: we are also prepared to consider a phased approach, with certain elements hitting our Go Live target, and other elements coming online throughout 2027

Implementation period	November 2026 – June 2027
Go Live date	1st July 2027
Snagging/hyper care	July – September 2027
Support contract	July 2027 – July 2030

Commercials & contracting

Please provide both your standard terms and conditions and details of your support Service Level Agreements as part of your response.

For the implementation phase, we are open to considering both time and materials and fixed costs for the implementation phase of the project, although we prefer a fixed cost approach.

Please detail clearly in your commercial proposal at what point in the implementation/roll out process licence/subscription cost become payable; **we do not expect to start paying full licence or subscription costs until we have full working access to the system.**

Invoices will be paid Net 30 days if they are delivered with a GAIN Purchase Order Number: if no PO is quoted in an invoice, this will delay payment and will not count towards the 30-day terms. GAIN normally does not expect to receive more than one invoice per month per vendor. If your commercial approach requires multiple invoices per month, please clearly state this in your Response.

Dependencies & Constraints

This is a high-priority project for GAIN, and we intend to devote the necessary resources from our Finance, IT, and Procurement teams.

However, as a small organisation we do not have a dedicated PMO function and there may be constraints regarding availability of other internal resource/subject matter expertise as we do not intend to backfill roles during the project. We are interested in hearing, as part of your response, your experience of working with similar organisations and how you have addressed this challenged successfully in previous projects.

Other considerations

As a Swiss based organisation, GAIN must adhere to the Federal Act on Data Protection (FADP) in handling financial and other sensitive data.

IV. Detailed scope

The Finance and Procurement Management System shall operate as a single, integrated finance and procurement solution covering the full source-to-pay lifecycle (sourcing, tendering, supplier management, purchasing, receipt, and payment) together with all finance functions defined in this document.

The System shall operate as the single authoritative source of financial and procurement truth, while integrated systems retain authority over their respective operational and non-financial domains.

This detailed scope is included to aid your understanding of our Requirements. We do not expect Bidders to respond to each individual item in the scope at this stage, however we do expect you to draw to our attention any significant areas which are outside your proposed solution’s capability.

In Scope

- General ledger accounting
- Donor and grant accounting
- Grant income and receipts accounting
- Budgeting and expenditure control
- Commitment (encumbrance / budgetary) accounting
- Sourcing and tendering, including RFQ/RFP issuance and supplier response capture
- Quotation management and bid evaluation
- Supplier management, including supplier master data, onboarding, and performance records
- Purchase requisition, purchase order, and contract award workflow
- Goods and services receipt
- Accounts payable
- Cash and bank management - including electronic payment file generation per country banking format
- Fixed asset accounting
- Multi-currency and multi-entity accounting
- Timesheet capture and labour cost allocation
- Staff payroll split and batch allocation to cost centres, grants, and projects
- Automated calculation of overhead recovery rates and use of funds
- Integration with HR/payroll and contract & grant management systems
- Donor, statutory, and management reporting
- Enterprise analytics and reporting (Power BI)
- Statutory sales documents solely for jurisdictional compliance (e.g. e-invoicing)
- Correction of Dimension, Description, or Reason fields in posted General Ledger entries via authorised correction journal - not direct field edit
- Export of data to Microsoft Excel across all modules

- Automated allocation of shared/office costs to donor project and grant budget codes
- Self-service, ad hoc, multidimensional financial data retrieval

Out of Scope
- Commercial accounts receivable
- Fundraising and donor CRM system
- Programme monitoring and evaluation (M&E) systems

***Note** — Statutory Sales Documents Exception: Sales documents may exist solely to meet statutory compliance requirements in specific countries or jurisdictions (e.g. e-invoicing or tax submissions). They are not used for commercial revenue processes.*

3. Architectural Principles

3.1 Finance System Centrality

FR-ARCH-001: The Finance Management System shall be the only system authorised to:
- Post transactions to the General Ledger
- Maintain accounting balances
- Produce official financial statements
- Produce donor-certified financial reports

3.2 Preservation of System Authority

FR-ARCH-002: Each remaining externally integrated system shall retain authoritative ownership over its operational data.
- The Project Management system owns project and budget codes
- The HR and Payroll System/s owns employee, payroll, and allocation data.
- The Contract & Grant Management system owns legal agreements and grant definitions.

3.3 Loose Coupling with Strong Financial Controls

FR-ARCH-003: Systems shall be integrated via REST APIs, webhooks, and a central integration layer to enable independent operation while enforcing financial validation, auditability, and traceability.

3.4 Single Tenant, Multi-Company Deployment

FR-DEP-001: The system shall be deployed as a single tenant containing 16 independent legal entities: Bangladesh, Benin, Ethiopia, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Rwanda, Tanzania, Uganda, Netherlands, UK, USA, and Switzerland.

FR-DEP-002: A dedicated Consolidation Company shall be established for global reporting.

FR-DEP-003: The solution shall use a single environment with statutory compliance achieved via applicable localisation apps or extensions installed in the environment, rather than separate environments per country.

3.5 Centralised IT Governance

FR-DEP-004: System administration, master data governance, and integration management shall be performed by a Centralised IT team. Local entities shall have autonomy over operational transactions but shall not modify core financial structures (Global COA, Global Dimensions, posting setup rules).

3.6 Non-Production Environment Strategy

FR-DEP-005: The solution shall provide, at minimum, separate Development, Test/SIT, UAT, and Production environments, in addition to the single multi-country production tenant defined in Section 3.4.

FR-DEP-006: Promotion of configuration and customisation between environments shall follow a controlled release process with documented approval at each stage.

FR-DEP-007: Non-production environments shall support controlled read/write access for integration testing, including the ability to load representative test data without exposing production data.

4. Related Systems Overview

4.1 HR & Payroll System

FR-EXT-HR-001: The HR and Payroll System shall maintain authoritative employee and allocation data, calculate payroll cost allocations, and transmit validated payroll journals to Finance.

FR-EXT-HR-002: The HR and Payroll System shall not post payroll costs to the GL or produce financial statements.

4.2 Contract & Grant Management System

FR-EXT-GR-001: The Contract & Grant System shall maintain authoritative grant definitions and rules, manage amendments, ceilings, and validity periods, and supply enforceable grant data to Finance.

5. Finance Management System - Functional Requirements

5.1 General Ledger & Localisation

FR-GL-001: The system shall maintain a configurable Global Chart of Accounts (COA) shared across all entities.

FR-GL-002: The system shall support multiple legal entities with independent books, local functional currencies, and independent fiscal calendars.

FR-GL-003: The system shall record all posted transactions with immutable audit trail details (user, timestamp, source system, and source document reference). Posted entries shall not be subject to direct field editing.

FR-GL-004: The system shall support intercompany accounting and eliminations.

FR-GL-005: (Correction of Posted Entries): Where a posted entry requires amendment (e.g. correction of dimension, description, or narrative), this shall be achieved via an authorised correction journal with full audit trail. Direct editing of posted voucher fields is not permitted.

FR-LOC-001: The system shall utilise statutory localisation apps or extensions for required jurisdictions, including UK Making Tax Digital VAT, India GST and e-invoice JSON export, and Kenya eTIMS compliance.

FR-LOC-002: Sales documents may be enabled only to support statutory compliance features in specific jurisdictions; they shall not be used for commercial sales order processing.

5.2 Dimensions & Master Data Consistency

FR-DIM-001: Every financial transaction shall require mandatory tagging with the following dimensions: Donor, Grant, Programme or Project, Country or Legal Entity, Cost Centre or Department, and Funding Type (Restricted or Unrestricted).

FR-DIM-002: The system shall validate allowed and disallowed dimension combinations prior to posting.

FR-DIM-003: Transactions with missing or invalid mandatory dimensions shall be rejected with a structured error message.

FR-DIM-004 (Golden Company): The system shall support master data synchronisation from a designated Golden Company to ensure global dimension consistency across all entities.

FR-DIM-005 The system should allow for multi-dimensional reporting, which can be configured. Such dimensions would include, for example, Expense Type or Activity.

5.3 Donor & Grant Accounting

FR-GR-001: The system shall maintain grant master records including ceilings, currencies, validity periods, and eligible cost rules.

FR-GR-002: The system shall prevent posting of transactions that violate grant ceilings, dates, or eligibility rules.

FR-GR-003: Grant amendments shall be versioned and applied prospectively without altering historical transactions.

FR-GR-004: Restricted funds shall be isolated from unrestricted funds at all times.

5.4 Grant Income & Receipts

FR-INC-001: The system shall record donor cash receipts by donor, grant, currency, and funding type.

FR-INC-002: The system shall support deferred income and income recognition per donor agreement.

FR-INC-003: Foreign exchange gains and losses on restricted funding shall be tracked and reported separately.

5.5 Budgeting, Budgetary Control & Reforecasting

FR-BUD-001: The system shall support annual and multi-year budgets by donor, grant, programme, and country.

FR-BUD-002: The system shall support multiple budget versions, revisions, and approvals with full audit trail (who, when, and why).

FR-BUD-003: The system shall enforce hard and soft budget controls at defined stages.

FR-BUD-004: The system shall support forecast and reforecast versions independent from the original approved budget and shall produce Budget vs Forecast vs Actual reporting.

FR-BUD-005: Commitment values shall reduce available budget where budgetary control is enabled.

FR-BUD-006: The system shall support creation of multiple forecast scenarios ("what-if" models) by Budget Code, GL Account, and Month, independent of the approved budget and reforecast versions defined in FR-BUD-004.

FR-BUD-007: Scenario planning shall reduce reliance on external spreadsheet tools by supporting entry, comparison, and reporting of scenarios natively within the system.

5.6 Overhead & Use-of-Funds Calculation

FR-OHD-001: The system shall support automated calculation of indirect overhead recovery using a pre-approved organisational rate applied to eligible direct costs.

FR-OHD-002: The overhead rate basis, eligible cost categories, and calculation methodology shall be configurable per donor or grant agreement.

FR-OHD-003: The system shall produce a Use-of-Funds report showing actual expenditure against donor-approved budget lines, including overhead allocation, for each grant.

FR-OHD-004: Overhead recovery postings shall carry the same mandatory dimensions as direct costs and shall reconcile to the General Ledger.

5.7 Commitment Accounting

FR-COM-001: The system shall recognise financial commitments originating from approved procurement events and reduce available budget prior to actual expenditure.

FR-COM-002: Commitments shall be reversed or adjusted upon cancellation, amendment, closure, or invoice conversion of the source documents.

FR-COM-003: Commitment and actual expenditure balances shall be reportable independently and in aggregate.

5.8 Accounts Payable

FR-AP-001: The system shall support invoice capture, validation, and approval workflows.

FR-AP-002: The system shall enforce three-way matching (Purchase Order, Goods Receipt Note, Invoice) where applicable.

FR-AP-003: Invoices violating grant, budget, or approval rules shall be blocked from posting.

5.9 Cash & Bank Management

FR-CB-001: The system shall manage multiple bank accounts per entity and currency.

FR-CB-002: The system shall generate secure electronic payment files in the formats required by each operating country's banking infrastructure. Country-specific format requirements shall be documented in the Interface Catalogue (Section 10). Where bank API integration is available, this shall be supported in addition to file-based payment.

FR-CB-003: The system shall support automated and manual bank reconciliation.

5.10 Fixed Assets

FR-FA-001: The system shall manage the full fixed asset lifecycle including acquisition, depreciation, and disposal.

FR-FA-002: Assets shall inherit mandatory dimensions and donor restrictions where applicable.

5.11 Period Close & Financial Controls

FR-CLOSE-001: The system shall support fiscal calendars, period closing, and posting locks.

FR-CLOSE-002: Reopening of closed periods shall require authorised approval and full audit logging.

5.12 Reporting & Data Export

FR-REP-001: All financial reports shall reconcile fully to the General Ledger.

FR-REP-002: Reports shall support drill-down to voucher and source document level.

FR-REP-003: The system shall produce donor-specific reports in prescribed formats.

FR-REP-004: The system shall publish validated datasets to Power BI for enterprise analytics.

FR-REP-005 (Excel Export): All module grids and reports shall support export to Microsoft Excel (.xlsx) with data integrity maintained (dimensions, currencies, and period filters preserved in the export).

5.13 Shared Cost Allocation

FR-SCA-001: The system shall support allocation of actual shared/office costs to donor-funded project and grant budget codes using configurable allocation rules.

FR-SCA-002: Supported allocation methods shall include: headcount, FTE, direct expenditure, fixed percentage, and custom formula.

FR-SCA-003: Shared cost allocations shall be constrained by, and reduce, the available budget on the receiving project/grant budget code, consistent with FR-BUD-005.

FR-SCA-004: Shared cost allocation postings shall carry the same mandatory dimensions as direct costs (FR-DIM-001) and reconcile to the General Ledger.

5.14 Self-Service Analytics (ERP Data Cube)

FR-ANL-001: The system shall provide a self-service, ad hoc, multidimensional query facility ("data cube") over actuals, budgets, forecasts, commitments, grants, donors, and projects.

FR-ANL-002: The data cube shall present a simplified, curated field set suitable for non-technical finance users, distinct from the full underlying data model.

FR-ANL-003: Users shall be able to save, re-run, and export user-defined extracts without requiring IT or report-developer involvement.

6. Source-to-Pay Module

6.1 Purpose & Position

The Procurement & Source-to-Pay module shall:

- Support sourcing and tendering for goods, works, and services
- Capture and evaluate supplier quotations and bids
- Maintain supplier master data, onboarding, and performance records
- Support purchase requisition, approval, and purchase order issuance
- Support contract award and linkage to Contract & Grant records in the Contract & Grant management system
- Record goods and services receipt and trigger commitment/accrual postings
- Enforce procurement policy, delegation of authority, and audit trail across the full cycle

The module shall sit natively within the Finance and Procurement Management System, sharing its dimension model, approval infrastructure, and audit trail rather than operating as a separate integrated system.

6.2 Functional Requirements - Procurement

6.2.1 Sourcing & Tendering

FR-PROC-001: The system shall support creation and issuance of Requests for Quotation (RFQ) and Requests for Proposal (RFP) to both registered suppliers and to the general market.

FR-PROC-002: The system shall capture supplier quotations/bids against an RFQ/RFP, including price, currency, delivery terms, and validity period.

FR-PROC-003: The system shall support a documented bid evaluation and comparison process, including scoring criteria where configured.

6.2.2 Supplier Management

FR-PROC-004: The system shall maintain a supplier master record including registration details, banking information, tax status, compliance documentation, and approval status.

FR-PROC-005: Supplier onboarding shall require documented approval before a supplier can receive a purchase order.

FR-PROC-006: The system shall record supplier performance data (e.g. on-time delivery, quality issues) against completed purchase orders.

FR-PROC-007: The system shall allow for supplier verification checks to be carried out and relevant documentation uploaded.

FR-PROC-008: The system shall allow for the sharing of compliance related data with Lexis Nexis/Bridger Insight

6.2.3 Purchase Requisition & Approval

FR-PROC-007: The system shall support creation of purchase requisitions with mandatory dimensions (Donor, Grant, Programme or Project, Country or Legal Entity, Cost Centre or Department, Funding Type) consistent with FR-DIM-001.

FR-PROC-008: Purchase requisitions shall be routed through a configurable, delegation-of-authority-based approval workflow prior to conversion into a purchase order.

FR-PROC-009: An approved purchase requisition shall create a financial commitment consistent with FR-COM-001.

FR-PROC-010 The system should allow for multi-dimensional reporting, which can be configured. Such dimensions would include, for example, GL Code, GL description, Expense Type

6.2.4 Contract Award & Purchase Order Management

FR-PROC-010: The system shall support award of a purchase order or contract to a supplier based on the recorded bid evaluation (Section 6.2.1) or an approved waiver justification.

FR-PROC-011: Purchase orders shall be linked to the originating requisition, the awarded supplier, and, where applicable, the related Contract & Grant record (Section 4.2).

FR-PROC-012: Amendment or cancellation of a purchase order shall adjust the associated commitment consistent with FR-COM-002.

6.2.5 Goods & Services Receipt

FR-PROC-013: The system shall support recording of goods and services receipt against a purchase order, including partial receipts.

FR-PROC-014: Goods/services receipt shall trigger an accrual in Finance consistent with FR-COM-001 and support three-way matching with the purchase order and supplier invoice (FR-AP-002).

FR-PROC-015: Receipt of a capital-eligible item shall be capable of automatically creating a draft Fixed Asset record (see FR-FA-003, Section 5.10).

6.3 Master Data - Procurement

Supplier Master:

SupplierID	Primary key — system generated
Name	Registered legal/trading name
CountryID	Country of registration
TaxID	Tax registration reference
BankDetails	Bank account details for payment
ComplianceStatus	Compliance documentation status
ApprovalStatus	Pending / Approved / Suspended
PerformanceRating	Aggregated supplier performance score

RegisteredDate	Date of onboarding approval

Purchase Requisition / Order Header:

PRID / POID	Primary key
RequestorID	Employee reference
SupplierID	Awarded supplier reference
Donor / Grant / Project	Mandatory dimensions per FR-DIM-001
Status	Draft | Submitted | Approved | Received | Closed | Cancelled
CommitmentRef	Linked Finance commitment reference
Delivery Due Date	Date by which the goods/services are required
Delivery Location	Location at which the goods/services are required

6.4 Procurement Reporting

- Open requisitions and purchase orders by requisitioner, approver, award, project/programme, GL code, cost centre supplier and donor, or any combination thereof
- Supplier performance summary
- Sourcing cycle-time and bid-participation report
- Three-way match exception report
- Commitment-to-actual variance by procurement category

6.5 Procurement Integrations

System	Direction	Data Exchanged	Notes
Contract & Grant System	Inbound	Grant ceilings, eligible cost rules	Validates requisition eligibility
HR System	Inbound	Delegation of authority, approver hierarchy	Real-time or daily sync
Finance (native)	Internal	Commitments, accruals, three-way match	Real-time, same system
Fixed Assets (native)	Internal	Capital item receipt to draft asset record	Real-time, same system

6.6 Procurement Security

The following roles shall be enforced within the Procurement module:

Role	Access Rights
Requisitioner	Create and submit purchase requisitions within own entity
Approver	Approve requisitions and purchase orders within delegated authority
Buyer (maybe Requistioner or another user)	Issue RFQ/RFP, record bids, award purchase orders
Reciepter (may be Requistioner/Buyer, or another user)	Record goods/services receipt against purchase orders
Supplier Administrator	Onboard and maintain supplier master records
Auditor	Read-only access to all procurement records with full drill-down

Segregation of duties shall prevent a single user from raising a requisition, approving it, and receiving the related goods or services for the same transaction, consistent with NFR-SEC-002.

7. Timesheet & Labour Costing Module (TLC)

This module formalises and automates the labour cost allocation process currently performed manually across Vena, Sage, Excel, and SharePoint. Its primary outputs are financial: labour journals, grant recovery entries, donor charging, payroll distribution, and project costing. The timesheet is the input mechanism; the core business capability is labour cost allocation and recovery.

7.1 Purpose & Position

The TLC module shall:

- Capture employee productive effort across projects, grants, and cost centres
- Allocate fully loaded labour costs to awards, donors, and indirect pools
- Support donor labour charging and recovery
- Perform leave reconciliation against the HR leave ledger
- Generate labour journals for financial close
- Feed grant reporting and workforce planning

The module shall sit within the Finance system under Cost Management, not under HR attendance, because its primary outputs are financial postings.

7.2 Functional Requirements - TLC

7.2.1 Timesheet Management

FR-TLC-001: The system shall support daily, weekly, and monthly timesheet entry periods.

FR-TLC-002: The system shall automatically generate upcoming timesheet periods for active employees on a configurable schedule (default: T-5 business days before period start).

FR-TLC-003: Timesheet entry shall require the employee to record: work date, project, activity, time type, and hours.

FR-TLC-004: The system shall validate that daily hours do not exceed the employee's configured working pattern, and that monthly totals equal the employee's expected hours.

FR-TLC-005: The system shall support part-time employees (e.g. 40%, 80%, 90% FTE) with proportionally adjusted expected hours.

FR-TLC-006: Timesheets shall support the following time types: WORK, VACATION, SICK, TOIL, HOLIDAY, TRAINING, ADMIN, and NFP (Non-Funded Programme).

FR-TLC-007: The system shall support forecast effort entry in addition to actual hours.

7.2.2 Approval Workflow

FR-TLC-008: Timesheets shall follow a structured approval workflow: Employee submission, Manager review and approval, Finance review, and Closed.

FR-TLC-009: Manager actions shall include: Approve, Reject, Return to employee, Delegate, Escalate, and Bulk Approve.

FR-TLC-010: Timesheet status shall be tracked through the following states: Draft, Submitted, Approved, Returned, Rejected, Locked, and Closed.

FR-TLC-011: Automated reminders shall be issued to employees and managers at configurable intervals prior to submission deadlines.

FR-TLC-031: In addition to employee self-entry, the system shall support a Finance-prepared timesheet variant in which Finance pre-populates timesheet lines (e.g. from standard allocation rules) for employee review and confirmation, following the same Manager review, Finance review, and Closed workflow states as FR-TLC-008.

7.2.3 Labour Allocation Engine

FR-TLC-012: The system shall split payroll cost (salary, insurance, benefits, and overheads) across projects and cost centres using one of three allocation bases: actual hours worked, predefined allocation percentage, or a hybrid of both.

FR-TLC-013: Allocation rules shall be configured per employee with effective dates, and the sum of all allocation percentages for an employee shall equal 100% (tolerance: 99%–101%).

FR-TLC-014: Fully loaded labour cost shall be calculated as: Salary + Benefits + Social Costs + Insurance.

FR-TLC-015: Labour cost postings shall carry mandatory dimensions (Donor, Grant, Programme, Country, Cost Centre, Funding Type) consistent with FR-DIM-001.

FR-TLC-026: Labour cost values sourced from HR in local currency shall be converted to USD using the Finance system's applicable exchange rate type and rate date prior to allocation and budgeting use, with the original source currency and amount retained for audit.

FR-TLC-027: Staff cost currency conversion shall be triggered monthly, at the start of each period, upon availability of updated Finance-system exchange rates, and shall be capable of scheduled reprocessing if rates are subsequently republished.

FR-TLC-028: Calculated fully loaded staff costs shall be subject to a joint HR–Finance validation and sign-off step before being used for budgeting or timesheet charging.

FR-TLC-029: The system shall validate a proposed timesheet allocation against the staff budget remaining on the target project/budget code and shall block or warn per configuration when insufficient budget is available.

FR-TLC-030: The system shall validate that timesheet charges to a project fall within the employee's active contract or assignment dates.

7.2.4 Cost Recovery Engine

FR-TLC-016: The system shall allocate labour costs to Projects, Awards, Donors, Indirect Pools, Admin, and NFP cost centres.

FR-TLC-017: Grant allocation entries shall post as: DR Project Cost / CR Labour Recovery.

FR-TLC-018: Overhead recovery entries shall post as: DR Indirect Pool / CR Labour Allocation.

FR-TLC-019: Labour expense entries shall post as: DR Labour Expense / CR Payroll Clearing.

7.2.5 Leave Reconciliation

FR-TLC-020: The system shall integrate with the HR leave ledger to reconcile timesheet leave entries against HR leave records automatically.

FR-TLC-021: The following leave types shall be supported: Vacation, Sick, TOIL, Public Holiday, Maternity, and Unpaid Leave.

FR-TLC-022: Leave variances between the timesheet and HR leave ledger shall be flagged as LEAVE_VARIANCE exceptions requiring resolution before period close.

7.2.6 Month-End Close Controls

FR-TLC-023: The month-end close sequence shall be: Close Month, Freeze Timesheets, Validate, Allocate Payroll, Generate Journals, Post to GL, and Lock.

FR-TLC-024: The system shall prevent period close while any of the following validation exceptions remain open:

- MISSING_TIMESHEET - Employee has no submitted timesheet for the period
- ALLOCATION_ERROR - Sum of employee allocation does not equal 100%
- LEAVE_VARIANCE - Timesheet leave hours do not match HR leave ledger
- PROJECT_CODE_MISSING - Timesheet line references a project with no valid donor code

- APPROVER_MISSING - Employee has no configured manager or approver

FR-TLC-025: Finance shall have access to a Labour Close Dashboard showing real-time status of all validation exceptions, GL posting status, and cost variance summary.

7.3 Master Data - TLC

Employee Master:

EmployeeID	Primary key - system generated
eHRFID	HR system cross-reference ID
EmployeeNo	Organisation employee number
Name	Full name
CountryID	Legal entity / country
DepartmentID	Cost centre reference
ManagerID	Approver reference
FTE	Full-time equivalent (e.g. 1.0, 0.8, 0.4)
JoinDate / ExitDate	Employment period
TimesheetRequired	Boolean flag - excludes contractors where not applicable
NFPFlag	Identifies Non-Funded Programme participants
MonthlyCost	Base monthly salary
InsuranceCost	Monthly insurance component
EmploymentType	Permanent, Contract, Consultant
WorkingPatternID	Reference to hours per day / week schedule
Status	Active / Inactive / On Leave

Labour Allocation Rule:

RuleID	Primary key
EmployeeID	Employee reference

ProjectID	Project or cost pool reference
AllocationPercent	Percentage - must sum to 100% across all rules per employee
EffectiveFrom / EffectiveTo	Date range for which the rule applies
Priority	Resolution order when multiple rules overlap

7.4 Timesheet Transaction Objects

Timesheet Header:

TSID	Primary key
EmployeeID	Employee reference
Period / Month / Year	Timesheet period identifiers
ExpectedHours	Calculated from working pattern and FTE
WorkedHours	Sum of approved line hours
VarianceHours	ExpectedHours minus WorkedHours
Status	Draft | Submitted | Approved | Returned | Rejected | Locked | Closed
SubmittedDate / ApprovedDate / ClosedDate	Workflow timestamps

Timesheet Line:

TSLineID	Primary key
TSID	Header reference
WorkDate	Date of effort
ProjectID	Project or cost pool
ActivityID	Activity code
CostCode	GL cost code

Hours	Hours recorded
TimeType	WORK | VACATION | SICK | TOIL | HOLIDAY | TRAINING | ADMIN | NFP
Comments	Free text narrative

7.5 TLC Reporting

Employee Reports

- My Timesheet — current period view
- Submission history
- Leave balance summary
- Allocation history

Manager Reports

- Pending approvals inbox
- Missing submissions — team view
- Department utilisation
- Labour variance by employee

Finance Reports

- Labour distribution by project, grant, and donor
- Payroll allocation reconciliation
- Donor recovery summary
- Project charging detail
- NFP utilisation
- Indirect allocation summary
- Month-end close pack
- Staff budget utilisation by Award, donor, cost centre, and project

Executive Reports

- Labour utilisation percentage by country
- Project effort distribution
- Country effort distribution
- Grant absorption rates
- Recovery rates vs budget

7.6 TLC Integrations

System	Direction	Data Exchanged	Notes
HR Master	Inbound	Employee, manager, joiners, leavers, leave ledger, FTE	Real-time or daily sync

System	Direction	Data Exchanged	Notes
Payroll	Inbound / Outbound	Salary, insurance, benefits → Recovery journals	Month-end batch
Projects / Grants	Inbound	Projects, awards, donors, cost centres	Golden Company sync
General Ledger	Outbound	Labour journals, grant allocation entries, overhead postings	Post at period close

7.7 TLC Security

The following roles shall be enforced within the TLC module:

Role	Access Rights
Employee	Enter and submit own timesheet; view own history and leave balance
Manager	Approve, return, or reject team timesheets; view department utilisation reports
Finance Analyst	Run labour close; view all validation exceptions; generate and post labour journals
HR	View leave reconciliation; manage employee working pattern data
Payroll	View and approve payroll allocation splits; reconcile recovery journals
Administrator	Configure allocation rules, working patterns, and module settings
Auditor	Read-only access to all timesheets, postings, and audit logs with full drill-down

Row-level security shall restrict employee and manager access to their own entity, country, and grant. Audit logs shall be immutable and retained for a minimum of 7 years consistent with NFR-SEC-003.

8. Non-Functional Requirements

8.1 Security

NFR-SEC-001: Role-based access control (RBAC) shall be enforced via Azure Active Directory with Multi-Factor Authentication (MFA) mandatory for all users.

NFR-SEC-002: Segregation of duties shall be enforced for AP entry, approval, and payment release. A single user shall not be able to perform invoice entry, approval, and payment release for the same transaction.

NFR-SEC-003: Immutable audit logs shall be retained for a minimum of 7 years in compliance with donor audit standards and applicable data retention regulations.

NFR-SEC-004: Integration and system service accounts shall be non-human, individually identifiable, and provisioned with least-privilege, company/entity-scoped permissions distinct from human user roles.

NFR-SEC-005: Credentials and secrets for service accounts shall be stored in a managed secrets store with rotation and access logging; hard-coded credentials are not permitted.

NFR-SEC-006: All integration API endpoints shall be documented in an Interface Control Document, including authentication method, scope, and rate limits.

NFR-SEC-007: External consultants and support vendors shall be granted temporary, time-bound access to non-production (and, where explicitly approved, production) environments, subject to documented approval, expiry, activity monitoring, and prompt revocation; VPN or equivalent controlled network access shall be required.

8.2 Accessibility & Language

NFR-ACC-001: The system shall support multi-language UI and document outputs for English, French, and Portuguese, covering the full set of operating countries in the deployment. Where local language requirements exist for additional operating countries (e.g. Bangla, Hindi, Bahasa Indonesia), these shall be assessed and documented during the Solution Design phase.

8.3 Availability & Disaster Recovery

NFR-AVL-001: The SaaS solution shall maintain a minimum availability of 99.5% measured monthly, excluding scheduled maintenance windows agreed in advance with GAIN.

NFR-AVL-002: Recovery Time Objective (RTO): maximum 4 hours.

NFR-AVL-003: Recovery Point Objective (RPO): maximum 15 minutes.

NFR-AVL-004: Disaster recovery testing shall be conducted at minimum annually and results documented.

NFR-AVL-005: The solution shall be hosted as a cloud-based SaaS service, with the vendor responsible for underlying infrastructure, storage, and platform security; storage architecture and data residency shall be documented in the Solution Design phase.

8.4 Performance

NFR-PERF-001: Journal posting response time shall be equal to or less than 5 seconds at the 95th percentile under normal load.

NFR-PERF-002: The system shall support concurrent multi-country users at peak periods without performance degradation below the defined SLA.

NFR-PERF-003: The system architecture shall scale to accommodate increasing transaction throughput as the organisation grows.

NFR-PERF-004: The system should provide for mobile data access and low internet bandwidth

8.5 Compliance

NFR-COMP-001: Donor audit standards shall be met through full traceability and drill-down to source documents from all financial reports.

NFR-COMP-002: Local statutory regulations shall be supported via localisation apps or extensions as required per jurisdiction.

NFR-COMP-003: IFRS shall be supported for financial statement preparation where applicable.

NFR-COMP-004: Data protection and privacy regulations (including GDPR for EU-based entities and applicable national laws) shall be adhered to.

8.6 Maintainability

NFR-MNT-001: All customisation shall be extension-only. No modifications to the base application code are permitted.

NFR-MNT-002: All integrations shall be API-based to ensure upgrade compatibility.

NFR-MNT-003: The solution shall remain upgrade-safe across vendor-released updates.

9. Integration Architecture

FR-INT-001: A central integration layer (Hub-and-Spoke pattern) shall orchestrate all data exchange between the Finance System and external systems using REST APIs and webhooks.

FR-INT-002: The integration hub shall validate all inbound data against global dimension rules before accepting transactions for posting.

FR-INT-003: All integrations shall support idempotency (duplicate message suppression via idempotency key), retry logic, reconciliation reporting, and structured exception reporting.

10. Interface Catalogue

10.1 HR & Payroll Interfaces

INT-HR-001: Payroll Costing → Payroll Journal Draft in Finance

INT-HR-002: Employee Master Changes (joiners, leavers, FTE changes) → TLC Employee Master

INT-HR-003: Leave Ledger → TLC Leave Reconciliation

10.3 Grant & Contract Interfaces

INT-GR-001: Grant Master Sync → Grant Rule Update in Finance

10.4 Banking Interfaces

Payment file formats shall be defined per operating country. The following shall be documented in the Payment Interface Specification (ICD-PAY-001) prior to solution design:

- Kenya: SWIFT MT101, RTGS format, and M-Pesa bulk payment API
- UK: BACS and Faster Payments
- Netherlands: SEPA Credit Transfer (ISO 20022 XML)
- USA: ACH NACHA format
- All other countries: Format and bank confirmed during Solution Design phase

10.5 Master Data & SharePoint Distribution Interfaces

INT-MD-001: Project/Budget Code Creation (Golden Company) → Distribution to Reporting Layer and SharePoint Lists, with delivery confirmation and monitored SLA (see FR-INT-004, FR-GOV-010).

11. Enterprise Reporting Fabric

FR-ERF-001: The enterprise reporting fabric shall source all financial measures exclusively from the Finance System and enrich with non-financial context (e.g. programme data, beneficiary counts) while preserving a single version of financial truth.

12. Data Migration

FR-MIG-001: The system shall support migration of opening balances, vendor balances, fixed assets, active grants and budgets, and historical labour allocation rules.

FR-MIG-003: Migration scope shall include supplier master data, open purchase orders, and in-flight procurement transactions from the legacy GPS system, in addition to the items defined in FR-MIG-001.

FR-MIG-004: The target go-live date is the start of the GAIN financial year, 1 July 2027, subject to confirmation; all migration, cutover, and sign-off activities shall be planned against this date unless formally revised under Change Control.

FR-MIG-002: All migration activity shall be auditable and reconciled to legacy systems prior to go-live sign-off.

13. Governance Model

13.1 Global Controls

FR-GOV-001: Local country entities shall not modify the Global Chart of Accounts.

FR-GOV-002: Global Dimensions and global dimension rules shall be centrally managed by the Central IT team only.

FR-GOV-003: Posting setup rules (dimension mandatory rules, allowed combinations, and posting groups) shall be governed centrally.

13.2 Master Data Request & Approval Workflow

FR-GOV-004: All new dimension values shall be requested via a controlled workflow and created by Central IT (or a delegated Master Data Steward role) with full audit trail.

FR-GOV-005: A Golden Company shall serve as the authoritative master for global dimension value creation and distribution to all entities.

FR-GOV-009: Project and budget code creation shall be available through a single interface; on creation, the system shall automatically generate and link the dependent objects required for use (speedkeys, workflow routing codes, and approval rules) without separate manual set-up.

FR-GOV-010: Project/budget code updates in the Finance and Procurement Management System shall propagate to all dependent systems (Reporting Layer, SharePoint lists) within a defined SLA, with job monitoring and automated failure alerting per FR-INT-004/FR-INT-005, and a defined reprocessing/recovery procedure for failed propagation.

13.3 Role Model & Permissions

FR-GOV-006: The system shall enforce the following minimum role model:

Role	Primary Responsibilities
Central IT Admin	System configuration, user management, integration management, master data stewardship
Master Data Steward	Golden Company dimension management, COA maintenance
Local Finance Processor	Transaction entry within own entity; cannot modify global structures
Local Finance Approver	Transaction approval within own entity
AP Processor	Invoice entry, three-way match resolution
AP Approver	Invoice approval prior to payment release
Payment Releaser	Final payment authorisation; SoD-controlled — cannot also be AP Processor or Approver
Auditor	Read-only access with full drill-down; no posting rights
External Consultant / Vendor	Time-bound, approved access to non-production (or approved production) environments; access expires automatically and is logged (see NFR-SEC-007)

FR-GOV-007: Segregation of Duties controls shall prevent a single user from performing invoice entry, approval, and payment release for the same transaction.

13.4 Intercompany Governance

FR-GOV-008: Intercompany recharges shall be automated via IC Inbox and Outbox functionality with approvals and full audit traceability.