

ACCOUNTING SYSTEM FEATURES/SPECIFICATIONS (SUPPLY AND TRAINING)

OVERVIEW

- The system must be fully integrated or fully interfaced; i.e. General Ledger, Accounts Payable, Accounts Receivable and Fixed Assets.
- The system must include an integrated Cashbook.
- The system must be able to provide as a minimum basic budgeting facilities.
- The system must support Accruals/Resource based accounting practices.
- The system must provide all screens, documentation and help (on screen and electronic/printed manuals) in UK/US English.

SECURITY

The system must allow an unlimited number of “potential” users subject to licensing requirements; for example named users or concurrency.

The system must control user access via an authentication mechanism based on a unique username and password login for each user.

The system should store the user passwords in the database using irreversible encryption methods.

The system must ensure that all authentication data and the mechanism itself is protected against unauthorized access.

The system should allow the System Administrator to specify the minimum password length and whether passwords are case sensitive or not.

The system must not echo the password on screen, instead the system must display an asterisk (*) or similar character.

The system must allow the System Administrator to specify who can amend user passwords:

The system must log user access (including reporting): • date last used • unsuccessful log-in attempts (user name, password and workstation)

The system must log user activity; for example, by function.

CONTROL ACCESS

The system should allow for each user to be assigned to a user group; for example by job function or departmental structure/hierarchy.

The system should allow the definition of different levels of access control for each user group to allow for segregation of duties and delegated financial authority levels; for example, supplier creation, supplier modification, invoice entry and invoice authorization.

The system should provide full access control at both a functional level and a data level.

The system must not display any function or information to which the user has not been granted access:

- menus/screens
- transaction types; i.e. documents
- transaction data; i.e. single accounts or groups of accounts
- standing data

The system must split access control by activity: • add • modify/change • delete • enquire • report

The system must apply the access controls to the running of standard and ad-hoc reports / enquiries as well as the core functionality.

The system should provide a configurable default user access control; for example, grant “enquire-all”, “change-none” type permissions.

The system should be capable of operating on a network that will allow remote access; for example, using two-factor authentication via a key fob device and a network password.

TRANSACTION PROCESSING

The system must permit users to amend or cancel (delete or void) any transaction at any time prior to authorisation or the commitment of data to the database, subject to process and user access controls.

The system should facilitate the correction of mis-postings; i.e. by the posting of a simple reversal transaction.

The system must be able to handle all transactions in any currency including UGX Shilling, Sterling, US Dollar and the Euro.

The system must allow narrative to be attached to any transaction or transaction line.

The system should provide a notebook facility to allow diary notes to be attached to any transaction data or standing data. These notes must automatically be stamped with the user name and date/time when created. It should also be possible to search notes by date, user name or keyword, and through the use of wildcards or partial data.

The chart of accounts underpins the financial functionality of the overall system. The system should provide a common chart of accounts across all modules, consisting of multiple (at least 5) key elements (dimensions), for example:

- cost centre code, representing a section or department against which income, expenditure or activity is to be recorded
- expense head code (natural account), reflecting what expenditure has been incurred, income received, balance sheet accounts etc.
- job code, an additional analysis code; for example, a project code thus allowing expenditure incurred across a range of cost centres to be recorded and tracked to a specific project
- activity code, a further analysis code allowing further breakdown of expenditure
- sector code, a further analysis code allowing further breakdown of expenditure

Note: as Department’s reporting structures change, there should be the flexibility for more key elements (dimensions) to be added and flexibility in the number of characters in the Chart of Accounts fields.

The system must permit additions and amendments to the chart of accounts structure without corrupting existing data at any level in a simple and efficient way; i.e. without the need to rebuild the chart of accounts. For example, in the event of a Departmental reorganization, it must be possible to transfer Cost Centers and all associated data to a new or another existing Cost Centre and report on the data accordingly. When required, the application of changes must be from a specific effective date

within the financial year. In particular, audit trails of previous data entry and processing should remain intact.

The system should allow each element to be defined as an alphanumeric field with an overall account code length of at least 15 characters.

The system should allow each level/element of the account code to be defined as mandatory or optional; for example, the first two are compulsory for all transactions, and the next three to be in the main optional, although for certain purchases for example a third component may also be compulsory.

The system should permit the different elements of the account code to be created or amended separately.

The system should provide for the dynamic insertion of new account code combinations which are created for the first time that a transaction is posted to that account code, provided that all the elements of the account code exist and the combination is valid, subject to process and user access controls.

The system should provide a facility for the bulk creation and amendment of account code combinations; for example, upload chart of accounts changes from spreadsheet file.

The system must have the ability to identify elements which are for expenditure and income (operating statement items) and for assets and liabilities (balance sheet items).

The system must permit the deactivation of elements so that no postings are possible (subject to process and user access controls); either: • permanently (with option to re-open) or • temporarily controlled by the use of specific open and closed dates

The system must prevent active elements from being deleted; i.e. when there postings to the account.

The system should allow inactive elements to be deleted; i.e. where there has been no posting to the account element, subject to the appropriate security/access control and audit trail.

The system should provide validation procedures for individual elements and combinations of account codes, i.e. posting rules, to determine valid account code combinations.

The system should control user access to individual elements and combinations of account codes, in terms of posting and enquiries/reporting etc.

The system must provide controls ensuring that, for each element of the account code, any new codes are included in at least one hierarchy; for example, all new cost centres will point to an existing organisational parent.

The system should provide the ability to move an element from one area of a hierarchical structure to another, with associated data being automatically realigned, subject to appropriate security/access control.

ACCOUNTING PERIODS

The system should allow at least 53 periods to be defined for each individual entity; for example:

- 52 or 53 weeks
- 12 calendar months
- 12 periods based on 4, 4 and 5 weeks
- 13 periods based on 4 weeks or

The system should allow the addition of additional periods if required for year-end purposes.

The system must not allow periods to be deleted once data has been posted to them.

The system must allow multiple years to be open at the same time though posting for ordinary users will only be possible in the current year.

The system must provide the functionality to open and close accounting periods to control posting of transactions into current and/or previous/future periods.

The system must allow periods and/or years to be re-opened if necessary – the system must recalculate all forward balances on re-closing (with a ripple effect throughout all further periods/years). This must be managed under strict controls.

The system must roll closing balances from one period into the opening balances for the subsequent period(s).

The system must allow/prevent the posting of transactions to present, future and previous periods and years, with security defined at user level; for example: • certain users may post to an open past or future period, as well as the current period, • while others are restricted to posting to the current period only

The system must allow prior year and audit adjustments to be made throughout the current year. This must be subject to strict security/ access control. All such adjustments must be also applied to the current year where relevant.

In particular, the system must allow posting to a new year/period before any accounts for the previous year/period have been finalised.

The system must recalculate all forward balances after posting adjustments have been made.

The system must warn the user if they attempt to post to a non-current period.

DATA ENTRY, VALIDATION, LOOKUP

Data entry should be kept to a minimum with automation being used wherever possible to reduce the number of keystrokes.

The system must provide automatic validation during data entry (with ability to make corrections) of all codes including (but not limited to): • entity codes • each element of the General Ledger account code • supplier and customer codes • currency codes • tax codes

The system should display the description of the input codes at the time of entry, if required.

The system must not allow final posting of entries until the relevant validation checks have been performed.

The system should have the option to produce a validation report once the data has been input, if required. The validation report should contain positive verification that the data has successfully passed the checks set out below.

The system should support wildcard lookups; for example, a drop down list of all matching entries with facilities to allow the user to identify and select the required entry; for example, a list of creditors and their addresses.

The system must provide the following input controls: • data type; for example, alpha, numeric or alphanumeric • minimum field size; for example, at least two characters • within range/outside limits; for example valid day within month

The system should provide the following input controls: • inappropriate punctuation; for example, inappropriate characters in monetary values • check digits; for example, last digit of payable order • relationship with other fields; for example, start/end dates • relationship with other data already in the system; for example, transaction reference

The system must provide duplicate invoice checking; for example, an invoice being posted has been posted to the same customer with either the same external reference number, date or amount. The system must offer one of two duplication check options, if required and provide one of the following actions: • prevent entry of duplicate invoices • warn the user before allowing the duplication of invoices

The system should provide workflow type functionality that is flexible in enabling transactions and/or communications to be effected and records updated with the use of user-defined triggers; for example, create a transaction on a specific date or after a specified interval, or send an email if a specified balance/value is exceeded etc.

AUDITING AND SYSTEM INTEGRITY

Audit Log

The system must provide comprehensive auditing facilities covering all data entry and user activity.

The system must record sufficient information to permit users and external auditors to check easily the completeness of the audit trail.

The audit trail/log must record as a minimum: • username/password • workstation • date/time stamp • all relevant transaction data • all relevant standing data

The system must record all attempted security violations

Audit Reporting

The system must provide built-in audit reports

The system must also allow user-defined audit reports to be created using the report writer.

The system must allow the user to select/sort the audit data, for example by: • username • data item

The system should allow the audit report to be: • displayed on screen • printed to hardcopy output • saved to electronic output; for example. ASCII, RTF, PDF file

System Integrity

The system must incorporate full system integrity controls including (but not limited to): • controls to reduce the risk to the integrity of the system in terms of data input and data changes (including interfaces) • reports and enquiries to monitor and report on the integrity of the system • procedures to verify the referential integrity of the database • functions to restore system integrity from a backup or a rollback segment.

The system must provide transaction data integrity facilities including (but not limited to): • reconciliation of control accounts to subsidiary ledgers • maintaining the General Ledger in balance • reconciliation of General Ledger transactions to balances • reconciliation of Accounts Payable transactions to supplier balances • reconciliation of Accounts Receivable transactions to customer balances • reconciliation of Fixed Assets to asset control accounts

The system must also: • verify the creation of valid account code combinations • verify the creation of customer codes, supplier codes and bank sort codes • validate automatic system referencing; for example, journal numbers

Archiving

The system must provide the System Administrator comprehensive archiving facilities to allow data which is no longer required on a day-to-day basis to be summarised and removed from the main application database.

The system must allow all data to be archived: • transaction data • standing data

The system should allow archived data to be viewed and reported on.

The system must provide facilities to allow archived data to be restored.

The system must not permit financial data to be deleted other than via the standard archiving procedures.

Enquiries

The system must provide ad-hoc enquiry facilities across all data, subject to user access control.

The system must allow access to all prior year/period data (if not archived off system).

The system should allow the user to define search/filtering criteria; for example: • account code • creditor/debtor code • name • first line of address or post-code • description • date range; for example, input date, due date, payment date • period range • internally generated number

The system should allow the user to save the search criteria for future reuse, if required.

The system should allow the user to define the information; i.e. the fields they wish to display.

The system should allow searches based on partial codes; for example, all salary costs regardless of source, showing all accounts that match the selection. Note that it should be possible to use 'wildcards' in searches in any position of the code, replacing leading as well as trailing characters if required.

The system should allow simple and quick navigation and access to:

- drill down to obtain more detail; for example, from a period balance, see the underlying transactions
- drill up to summarise data
- drill around to follow cross references; for example from a payment, see a list of associated invoices and
- drill across to other ledgers/modules; for example from General Ledger summary accounts to the original transactions originating in Accounts Payable

The system should allow all screen enquiries to be printed or saved to a file.

All enquiry screens should have the ability to scroll forwards and backwards when looking at more information than will fit in a single window.

Report Writer

The system must provide either a built-in report writer or integrate with an industry standard stand-alone reporting application capable of reporting across all data, subject to user access control; for example (including but not limited to):

- Business Objects
- Cognos Impromptu/PowerPlay
- Crystal Reports

The report writer should be intuitive, user-friendly and functionally rich and allow relative novices to construct useful reports. It is essential that these data processing/reporting routines may be defined without specialist programming knowledge. In other words, the skills to define these processes may be acquired by any PC literate user with appropriate training; for example, the use of drag and drop layout tools, dropdown lists of valid fields and formula wizards etc.

The system must not permit the report writer to update the database.

The system should provide a web browser based version of the report writer.

The system must be delivered with a suite of standard financial and management reports; for example (including but not limited to) trial balance, balance sheet, profit and loss statement, day book.

The system should be capable of the production of the annual accounts including a full user-defined cash flow statement.

The standard reports should be flexible and allow selection by any relevant data; for example:

- account codes
- account types (assets, liabilities)
- analysis types
- transaction/batch numbers and ranges
- dates and periods
- amount ranges and sorting and grouping by:
- account code
- activity date
- account type and
- debit or credit balance

The report writer should be capable of reporting on:

- transaction data
- standing data
- current year and periods
- prior years and periods

The report writer should be able to combine financial and non-financial information.

The system should also allow users to define their own reports.

The system should allow user-defined reports to be saved for future re-use.

The report writer must be provided with a graphical interface to allow drag/drop and WYSIWYG editing/page layout.

The system should provide a reporting “wizard” to guide inexperienced users through the creation of reports

The report writer should allow a user to copy existing reports and edit/delete them.

The report writer should allow a user to create their own reports by selecting screens and fields.

The report writer should allow a report being sent to disk to be saved in a number of different formats including (but not limited to): • ASCII text • RTF • PDF (Adobe Acrobat) • Microsoft Excel • XML

GENERAL LEDGER

The General Ledger must be fully integrated or fully interfaced with Accounts Payable, Accounts Receivable, Cash Book and Fixed Assets.

The system must be able to support multiple entities; for example, business units, separate companies (for example Trading companies).

The system must maintain self balancing ledgers.

The system should apply updates in real time automatically to other modules, unless relating to a process which has been specifically designated as a batch process for control purposes; for example, cheque run processing.

The system should have the ability to group cost centre/account codes into multiple summary code combinations for reporting purposes, in order to ensure that income and expenditure analyses reflect the Department’s reporting hierarchy, which may vary from the standard chart of accounts ‘view’ of the Department.

The system must support multiple transaction types.

The system must operate in multiple currencies with the ability for different entities to designate different base currencies.

The system must allow the definition of multiple VAT rates; for example, standard, zero-rated, exempt, non-recoverable.

JOURNALS

The system must allow the entry and posting of journals as a two stage process comprising (1) input of the entry and (2) its checking, amending, and authorisation which will lead to the automatic updating of the General Ledger with no further intervention required.

The system should provide the capability for employee and monetary approval limits for journal approval to be different for different managers depending on the approval submission path; i.e. through user access controls.

The system should allow the online entry of: • a single journal or • a batch of journals

The system should allow the storage of partially completed journals (which may be out of balance) and their subsequent retrieval for completion; i.e. transactions can only be posted when they are in balance

The system should provide journals to cover both the transfer of items within the General Ledger and between Sales Ledger accounts, Purchase Ledger accounts, the Cashbook and the General Ledger.

The system should support multiple journal types including (but not limited to): • standard • recurring, allow users to specify the recurring date • reversing; allow users to specify the reversing date • combined reversing/recurring • template; to facilitate frequently used journals • allocation • prior period and prior year

The system should also support both reversing and non reversing accrual journals.

The system should allow journals to be auto-numbered (if required) with the option to use different numbering sequences per journal type.

The system should allow for journal numbers to be auto-checked for duplicates.

The system should allow narrative (at least 200 characters) to be added to each journal header and journal item line.

The system should allow journals to have an unlimited number of lines, with a mixture of debits and credits.

The system should allow users to adjust, subject to security, currency exchange rates for each journal line.

COST ALLOCATION/APPORTIONMENT

The system should have the ability to generate regular, automatic journals to simplify the posting of overhead allocations to cost centres, projects, activities etc. The methods of apportionment should cover: • percentage based • pro-rated • statistical based • budget-based and • amount-based

Many of the basis on which costs are allocated in the General Ledger may be maintained in other modules such as the Sales Ledger. The system should provide a seamless link to the General Ledger allowing such basis to be used. It is likely that these bases will change from one accounting period to the next.

The system should allow the balances that the allocations are based upon to be an account code; for example: • single account • ranges of accounts • cost centre or • ranges of cost centres

PERIOD END PROCESSING

The system must allow independent closure of accounting periods in the application.

The system should allow the period end roll over in feeder systems such as Accounts Payable and Accounts Receivable to take place in advance of that of the General Ledger; i.e. hold the General Ledger open for a few days after closing the Accounts Payable and Accounts Receivable.

The system should prevent feeder systems such as Accounts Payable and Accounts Receivable modules transferring journal information to the General Ledger without the General Ledger users being notified; even if the sub ledger period has been opened.

The system must allow for future processing of transactions while still closing the current period.

The system must update accounting balances and perform a roll forward when a new General Ledger period is opened.

The system must provide standard period end processing including (but not limited to): • automatic checks that all batch interface routines have been executed • reversal of accruals • update of monthly transaction records • preparation of full period audit trail • standard monthly journals processing

The system must allow for an efficient and effective monthly reconciliation mechanism of reconciling the: • Accounts Payable to the Accounts Payable control accounts in the General Ledger • Accounts Receivable to the Accounts Receivable control accounts in the General Ledger • Fixed Assets to the Fixed Assets cost, accumulated depreciation and depreciation expense accounts in General Ledger

YEAR END PROCESSING

The system must allow year-end adjustments in the General Ledger after the Accounts Payable and Accounts Receivable Ledgers have been closed for the year.

The system must allow users to input to and report normally on current and future years while still working on the previous accounting year.

The system must, at year-end close, provide automatic clearing of operating cost statement accounts to a designated 'general fund' account and carry forward balances on balance sheet designated accounts to provide for opening balances of the new year's balance sheet.

The system should allow a year end to be forced at any point in the financial year, for example, to allow for bodies that are wound up part way through a year.

BUDGET MANAGEMENT

The system must have fully integrated or fully interfaced budgeting and forecasting functionality.

The financial functionality of the system must be underpinned by the General Ledger chart of accounts.

The system should support multiple iterations of budgets/forecasts.

The system should be able to hold budgets at any level of the Chart of Accounts.

The system should support budgeting against both financial and statistical entries.

The system should allow budgets to be imported from the following file formats: • Microsoft Access • Microsoft Excel • CSV file

The system should allow budget information to be exported in the following formats: • Microsoft Access • Microsoft Excel • XML • CSV, ASCII text file etc.

CASH MANAGEMENT

The system's cash book facility must be fully integrated or fully interfaced with the General Ledger, Expenses Claims, Petty Cash, Accounts Payable and Accounts Receivable.

The system must support the maintenance of multiple cash books and bank accounts; for example, individual cash books in respect of various bank accounts operated by Departments with different banks.

The system must support multiple currencies.

The system should have the ability to manage multiple petty cash accounts and their associated control accounts.

The system should assist with the reconciliation of cash books and statements. This will involve a combination of electronic and manual matching; for example, interest charges and sundry receipts.

The system should provide facilities to easily and quickly manage and forecast cash requirements.

The system must be able to correctly handle VAT.

BANK RECONCILIATION

The system should provide the ability to load the bank statement and auto reconcile in one step.

The system should allow matches to be confirmed, suspended or rejected.

The system should provide warnings when discrepancies on statements, in respect of statement numbers, statement dates and closing balances are identified.

The system should allow missing statements that are subsequently received to be reconciled in the normal manner.

The system should allow reconciliation errors and mismatches to be brought to the user's attention.

OTHER FUNCTIONS INCLUDE:

Accounts Payable

Creditor/Supplier Management

Purchase Invoices

Purchase Credit/Debit Notes

Purchase Payments

Remittance Advices

Purchase Journals

Cash Allocation/Matching

Debtor/Customer Management

Sales Invoices

Sales Credit/Debit Notes

Sales Receipts

Sales Journals

Credit Control/Management

Fixed Assets