

Use Cases

Use Case 02: WHO Awards – end to end process

Description:

All Voluntary Contributions to WHO are recorded as 'awards' under which all related revenues and expenditures are recorded. Similarly, allocation of Assessed Contributions, Servicing Costs and other internal fund allocations are also reflected as awards. An award is assigned a unique, sequential code reflecting one donor / activity combination. One grant agreement may be recorded as one award or as several related awards (most usually if it is negotiated centrally and covers multiple activities under different programme categories and hence under different responsible directors/ Award Managers).

The award is the tool through which donor funding is linked to the budget structure, made available for implementation over one or multiple budget periods and which starts the process steps for recording the accounting entries for revenue and accounts receivable. The award is the control (currently manual) to ensure that the funds made available for implementation are correctly released matching the total revenue recorded.

The award is the 'A' in PTAE0, the string of information required to record expenditure in the accounting system. The **P**roject and **T**ask link to the budget structure, the **A**ward to the donor agreement, the **E**xpenditure to the account code and the **O**rganization to WHO's set of books.

- A large amount of financial and management information and data from the agreement needs to be accurately recorded in the system using system templates and LOVs for standard data.
- The contribution may be denominated in USD (the accounting currency) or in a foreign currency.
- The agreement may specify a series of payment terms to be attached to the AR invoice and reported as due dates for payments.
- The agreement may include a detailed 'contribution budget' by activity against which expenditure needs to be tracked and reported.
- Start and end dates of the agreement are entered into the award controlling the dates for implementation – from raising a PO to delivery – all activities must fall within the agreement implementation dates.
- The fund type for accounting purposes will be recorded through the award and reflected in all related accounting entries - e.g.
 - The contribution may be for a partnership recognised under a specific fund;
 - The degree of flexibility/specificity will also drive the fund type;
- The revenue stream and appropriate account code will also be recorded via the award.
- Details attached to accounting entries such as donor, fund type and account code should be locked for subsequent adjustments.
- All awards are linked to an active award manager and administrator through the HR system which controls that the staff assigned are active employees under contract for the duration of the activity. Contract ends should be flagged in the system so that responsible staff can be updated on e.g. retirement.

- For multiple awards created for different proposals / activities / award managers under one grant agreement there is a need to control the consistency and accuracy of the following across the awards: 1) basic data; 2) total amounts and allocations; 3) donor dates, references, reporting requirements and payment terms; 4) exchange rates. Current control is via a manually entered identical code in a flexfield – all other consistency and accuracy checks are manual based on an extract of the tagged awards. System built control to record the level of information grant versus sub-award is required.

Users:

Currently only the awards team have access to create and modify awards in the accounting system and to run the concurrent processes to transfer awards revenue and AR data to the GL module.

Award managers and administrators have read only access – the only exception being the input and update of reporting requirements and submissions.

Read only users require access to clear and timely data on the basis details, status, implementation, unused balances, reporting requirements, revenue recognised and collection of receivables and outstanding balances – by award or by grant.

Management require output data as above rolled up to show performance at department, division, donor level as well as on a granular basis.

The following 3 main areas should be considered:

1) Award creation (user = awards team)

Based on request received through the workflow (or via interface with e.g. Salesforce), user to verify data and to enter data fields (free text or LOVs).

User to convert LC agreement to USD – should be system driven based on given exchange rates (currently manual).

User to split funds into instalments by budget period (currently a 2-year biennial period). Instalments to reflect agreement dates and biennial dates to control the approved period of implementation.

User to split instalments by direct vs indirect costs and update information fields on instalment type and indirect costs rate. System verification required (currently manual).

User to enter Payment Terms to be attached to AR invoice (dates / amounts).

User to enter billing and revenue. LC amounts to be translated to USD by system given LC amounts and relevant rates/dates. Currently converted outside of the system – USD equivalent calculated to 2dpls at quoted rate and then exchange rate recalculated to 11 dpls to ensure 100% accurate LC recording in AR system.

User to link current budget period instalment to budget structure through ERP Chart of accounts or separate budget system.

User to link sub-awards under one grant agreement using a template with standard grant agreement data. Possible to dictate levels of reporting, management etc. E.g. reporting at grant or individual sub-award level.

User to link award with repository containing signed agreement

User to control status of award and to release award once created/verified/reviewed and approved through a workflow (currently manual).

2) Implementation

a) User = awards team.

User to process increases, decreases and other amendments (e.g. dates) based on signed donor amendments;

User to process transfers of instalments (current <-> future) between budget periods based on award manager internal decisions;

User to re-allocate amounts between budget categories based on award manager decisions

System to provide

- Full audit trail available on all fields edited
- Tracking exchange rate used for modifying transactions
- Control function to verify overall value revenue = instalments before and after adjustment

User to process carry forward of unused funds following the end of the budget period. Unused funds to be automatically 'delinked' from prior biennium budget structure.

b) User = award manager

User to raise expenditures (salaries, POs) in line with the donor agreement. Expenditure recorded correctly against correct award in PTAE0.

System to provide:

Reminders on % completion vs time

Reminders on % completion vs contribution budget

Data on funds not available for implementation i.e. not fully allocated through the budget structure

Reminders for interim reporting due as at closed accounting period.

Data and reminders on AR past due

3) Reporting and closure

System to provide

Report by award on status of expenditure (PO closure, reports received on DFC, DI)

Control over expenditures charged by expenditure batch after the end date to ensure they relate to the correct period

Extract of revenue recorded, outstanding AR balances to be reported in a final certified report

Extract of expenditures by budget period, account code and contribution budget category if required – to be reported in / with a final certified report

Automatic closure of the award when balance nil and all conditions met for closure with reminder flag for FCFS.