

In Business for You

Workstream Description

Award Management

Nonprofit Model 21.3

2021-11-30



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Context

Unit4 has developed the **Nonprofit Model** (NP Model), which is the approach to deliver out of the box capabilities embedded in the software based on best practices for Nonprofit organizations. It is supported by additional database configuration, documentation and an iterative delivery model.

Workstreams

The Model consists of several workstreams. For each of these workstreams, documentation is available that describes the supplied capabilities. The following workstreams are available:

- Finance (mandatory)
- Budgeting
- Asset administration
- Procurement
- Sales
- Human Resources
- Payroll
- Travel & Expenses
- Project Cycle Management
- Award Management
- System Administration
- Volunteer Management

The workstreams setup is predefined based on the process scoped for the solution. In the personalization phase, the information specific from the customer is configured. Unit4 ERPx is a highly flexible and agile solution that can easily be adapted to support different system setups and processes.

Intended audience

This document's intended audience is the organization award management department, familiar with all processes completed by the award management department from data collection to reporting. Readers are not required to know all the details of Award Management. However, some knowledge of Award Management basic concepts would be advantageous for reading this document.

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Award Management Process

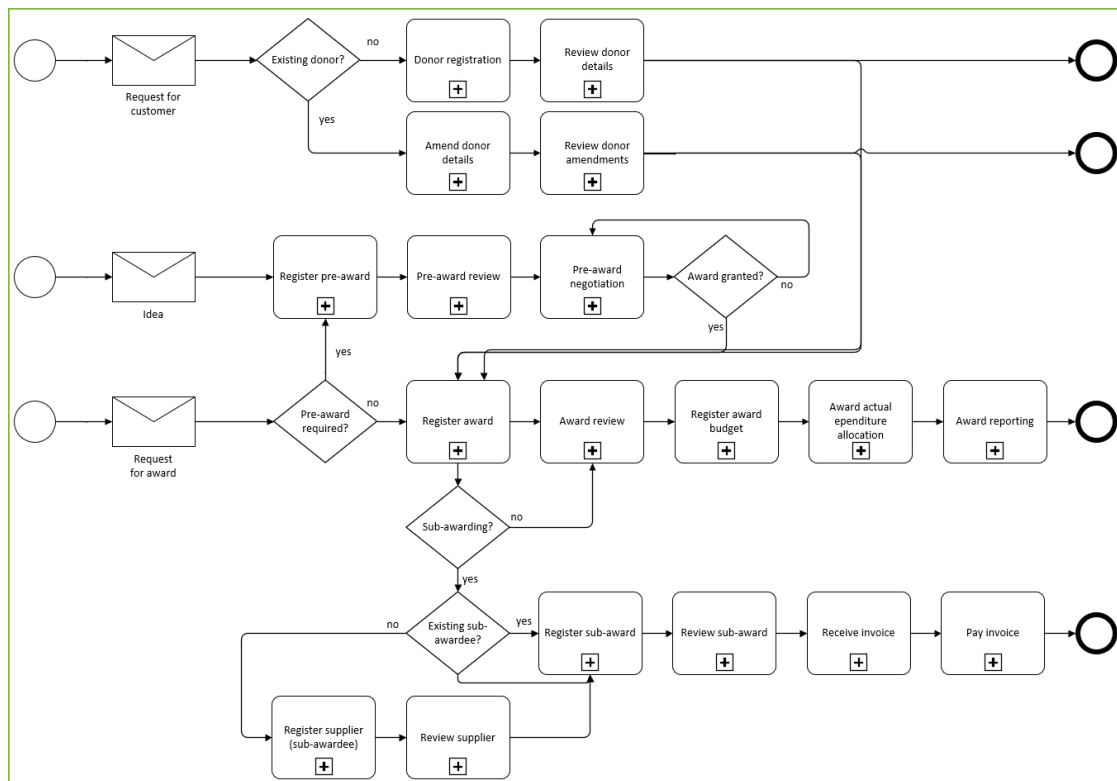


Figure 1 - Award management process

This documentation describes the workstream for Award Management. Award Management provides support for the process of donor registration, pre-award management, post-award management and sub-awarding. Next to a predefined configuration of these processes, described in detail in this documentation, the solution consists of a standard set of inquiries and reports and predefined tailorable stationery outputs.

The described structures and processes are based on the software capabilities provided with Unit4 ERPx.

The Award management workstream is part of the core scope of the NP Model. However, some specific process steps and/or requirements are not included in the core implementation level. For those, there is a reference in the chapter name that identifies it as an Addition.

Donor Management

Nonprofit Model organizations are funded by donors via multiple funding sources such as contributions, donations and awards, depending on the nature of the funding. Managing donors is essential as a prerequisite to support award management and accounting.

Donors

The donor record stores all the relevant data from a specific donor. It collects general information such as name details & contact information and the organization's legal identification number. New donors are automatically numbered with a unique range.

Donors are aggregated into donor groups first - to define AR control accounts for the group and secondly for reporting. The following predefined donor groups are provided within the solution:

Donor Group	Definition
10	Donor group for domestic donors
11	Donor group for international donors
12	Donor group for operating units in a multi-organization environment

When the donor gives donations from a different bank account, since they use a payment recipient or factoring entity, the solution provides payment recipients to be linked to the donor. In the receipt matching process, the payment recipient bank account is used instead of the original donor bank account.

Donor workspace

An out-of-the-box portfolio of donors and associated workspace is provided. This contains the portfolio of all donors and is accessible by award managers. The donor portfolio displays an overview of all donors, including main details, open AR balance, and DSO (days sales outstanding) as alerts.

From the portfolio zooming into a specific donor's workspace you access overview, payments and awards information. It includes the donor details, workflow tasks and metrics

These metrics are provided:

- Donor open AR balance amount
- Donor DSO (Days Sales Outstanding), or maximum days due for payment
- Donor open AR balance history for the last 12 months
- Donor DSO history for the last 12 months
- Donor open balance per invoice and due date
- Donor due balance per invoice and due date
- Current awards per donor
- Award amounts per donor
- Open AR balance per award

Links are available to the following activities:

- Donor record with all donor details
- Maintenance of open AR items
- Statement of Accounts report to be generated (and optionally send per email)
- Payment receipt entry

Donor ID	Donor name	Donor group ID (T)	Country code (T)	Language	Currency	Donor open bala...	Donor DSO (KPI)...	Notifications	Refresh
10005	Bloomberg	International Donors	United Kingdom	EN	GBP	0	0	+2	
10007	Danida	International Donors	Germany	DE	EUR	0	0	+2	
10040	DEC	International Donors	United Kingdom	EN	GBP	0	0	+2	
10010	DFID	International Donors	United Kingdom	EN	GBP	0	0	+2	
10045	European Civil Protection & Humanitarian Aid Operatons (E...	International Donors	Belgium	EN	EUR	0	0	+2	
10001	European Union	International Donors	Belgium	NL	EUR	0	0	+2	
10030	Gilead Sciences	International Donors	United States	US	USD	0	0	+2	
10037	Government of Norway	International Donors	Norway	EN	NOK	0	0	+2	
10035	Government of Scotland	International Donors	United Kingdom	EN	GBP	0	0	+2	

Figure 2 - Donor portfolio

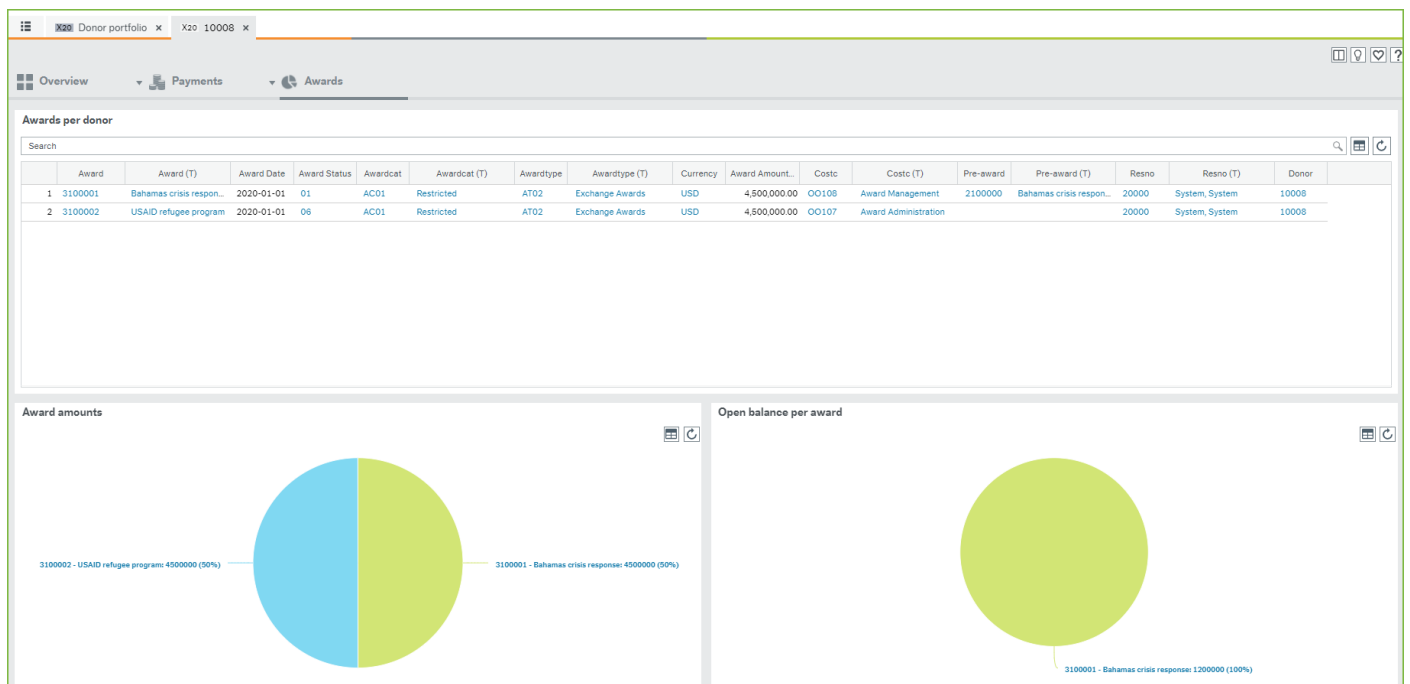


Figure 3 - Donor portfolio, award metrics

Donor creation

New donors are created as records in the system by users who have the required permission (typically the AR department). It is required to record at least one address for donors, but the solution provides multiple address types for registration. The following address types are available:

Address Type	Definition
General	Used to indicate an address that is the physical location of an organization, an office or from where an operation is performed
Bank	Used to indicate the bank address
Copy	Used to specify the address to which a copy of the documents can be sent

The screenshot displays the 'Donor' record form in the UNIT4 ERP system. The form is titled 'Donor' and includes a breadcrumb trail: Donor > Contact information > Invoice > Payment > Relation > Action overview. The main form area is divided into several sections:

- Donor**: Includes a 'Lookup' field with the value '10001' and a dropdown arrow. Below it is the 'USAID' label.
- Donor ID**: A text field containing '10001'.
- Donor name ***: A text field containing 'USAID'.
- Classification**: Contains three fields:
 - Donor group ***: A dropdown menu showing 'International Donors' with a small '11' below it.
 - Country ***: A text field containing 'United States' with 'US' below it.
 - Language ***: A text field containing 'English UK' with 'EN' below it.
- Donor identification**: Contains four text fields:
 - Company registration number**: 'US67687678687'
 - VAT registration number**: 'USTX75767878'
 - Short name ***: 'USAID'
 - External ref ***: 'USAID'

At the bottom of the form, a status message reads: 'Updated by SYSTEM, 4/1/2021 8:11:34 AM (User time zone)'.

Figure 4 - Donor record

Donor amendment

The donor amendment process is used to maintain existing donor records. Before changes are actioned, amended donor records are sent in a workflow for approval. Changes that trigger workflow are:

Field	Definition
Donor group	Group that defines the AR control account
Donor name	Donor name
Bank account	Bank account of the donor
Company registration number	The company registration number (Chamber of Commerce)
IBAN	International Bank Account Number
Currency	Currency
Language	Language of the donor for reporting and stationery output
Payment method	Payment method
Status	Status of the donor
Payment terms	Payment terms
VAT registration	VAT registration number

The approver sees the old and amended values triggered for workflow in their approval screen to compare values.

For further information on Donors, please refer to the Accounts Receivable chapter in the Finance Workstream Description.

Donor review

Donors created and amended by the Award management users are sent for approval by the AR discipline within the finance department. A workflow approval process is provided, which distinguishes new donor records from donor amendments. In the first scenario, the full record is subject to approval by the task owner, where, in case of amendments, only the old and new values are presented for approval to the task owner.

Pre-Award Management (Addition)

The pre-award process is when an organization identifies potential grants to be awarded and creates award proposals to the respective donor. It is a main component of the fundraising process and is mainly used for large institutional donors, governments and federal agencies. This process usually involves capturing all relevant information for a proposal in a pre-award record, including budget information, narratives on objectives, the team involved and results in a proposal/bid. The solution provides a way of capturing the pre-award information and entering all the relevant information of the pre-award. When this pre-award gets granted, the pre-award status is changed and the record is used as award record for post-award management.

Pre-award workspace

An out-of-the-box portfolio of pre-awards and associated workspace is provided. This contains the portfolio of all pre-awards for a responsible award manager, including the pre-award main details, proposed amount and likelihood, the team working on it, and any attached documents, workflow tasks and critical reports and report deadlines.

Additional metrics and KPIs are displayed in several dashboards:

- Proposed amount
- Likelihood of the pre-award proposal
- Weighted value as proposed amount multiplied by likelihood percentage
- Show the history of the likelihood of the proposal over time
- Pre-award budget transactions

Links are available to the following activities:

- Pre-award record to amend associated pre-award details
- Pipeline of all pre-award proposals per status; pipeline dashboard contains the current pre-awards per status, per potential donor and per period. It also displays the total awarded amount and success rate across proposals as well as per the funded amount
- Budget entry and amendment

Pre-award	Description	Potential Donor	Currency	Proposed Amount	Likelihood (KPI)	Date from	Date to	Expected Decision Date	Pre Award Status (T)	Refresh
2100000	Bahamas crisis response	USAID	USD	1,500,000.00	50%	1/1/1900	1/1/1900	1/1/2021	Development	
2100001	Syrian Refugee crisis	ECHO (EU)	EUR	500,000.00	25%	1/1/1900	1/1/1900	2/1/2021	Concept Note	

Figure 5 - Pre-award portfolio

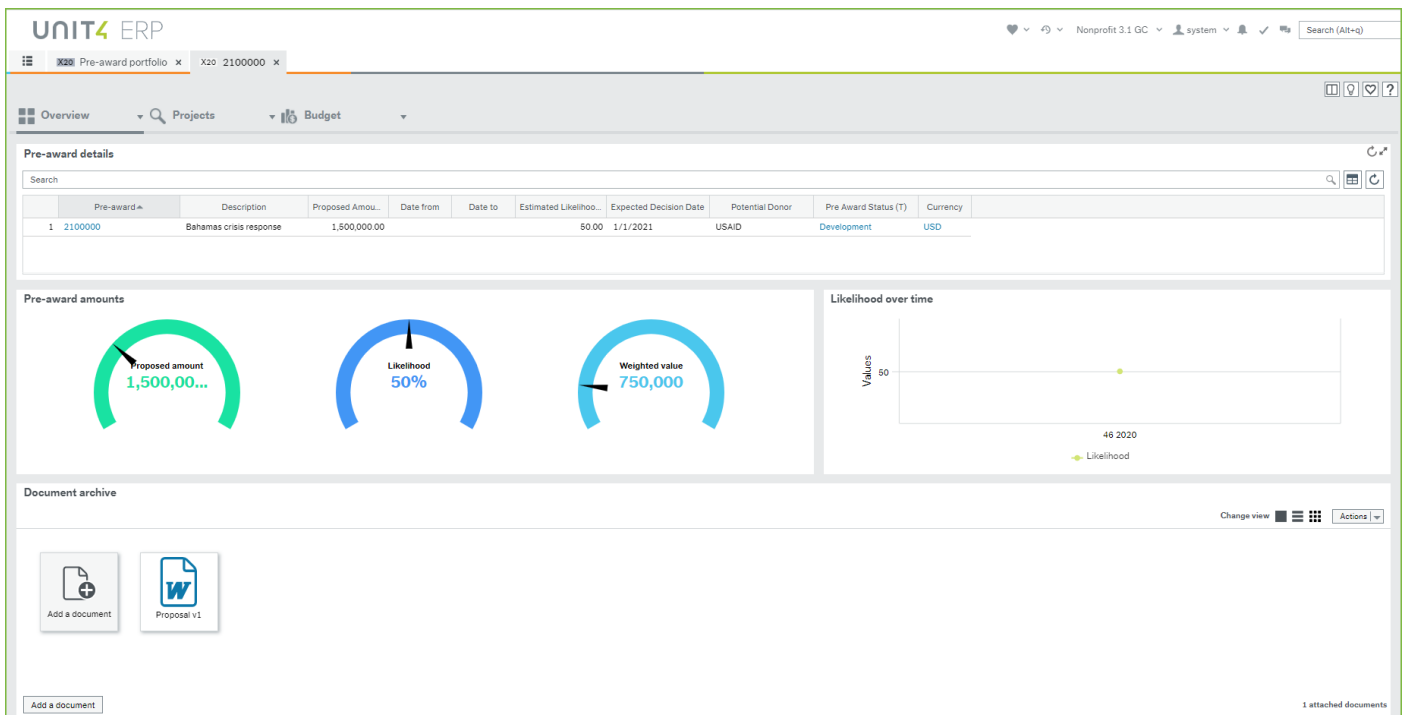


Figure 6 - Pre-award workspace

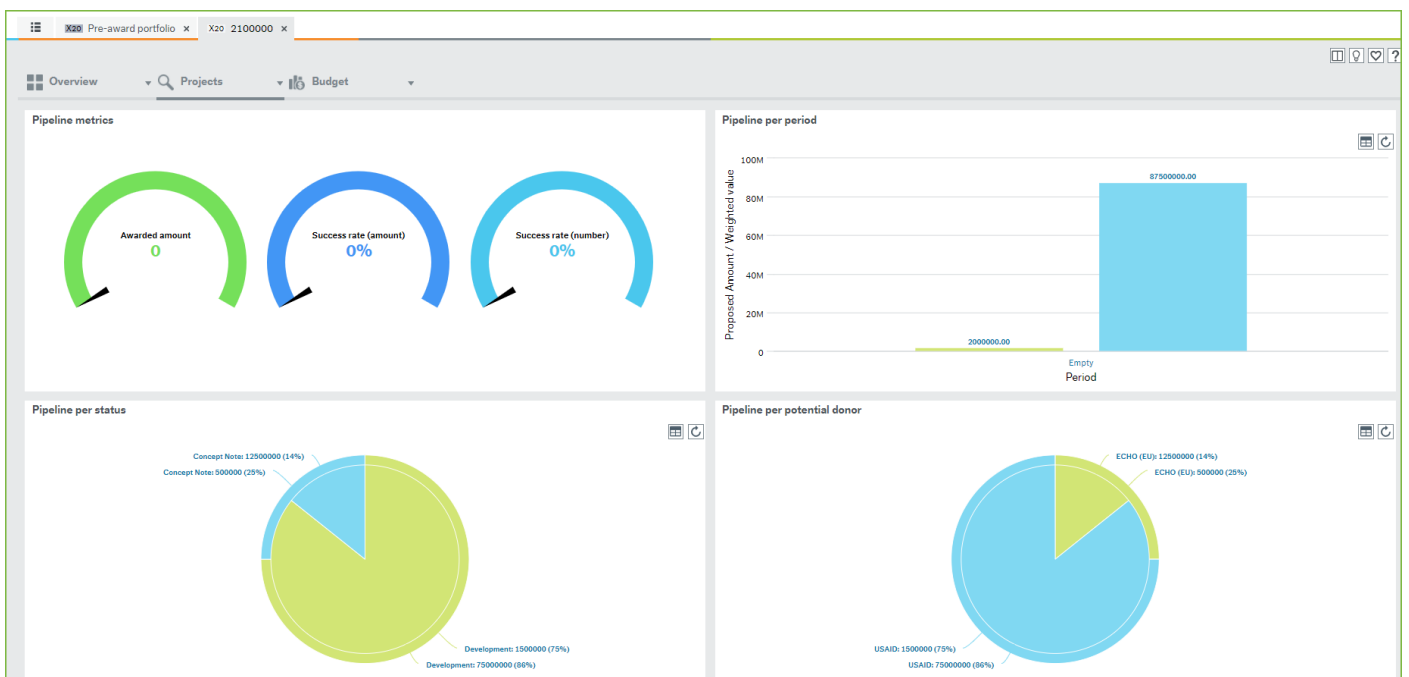


Figure 7 - Pre-award pipeline

Pre-Award registration

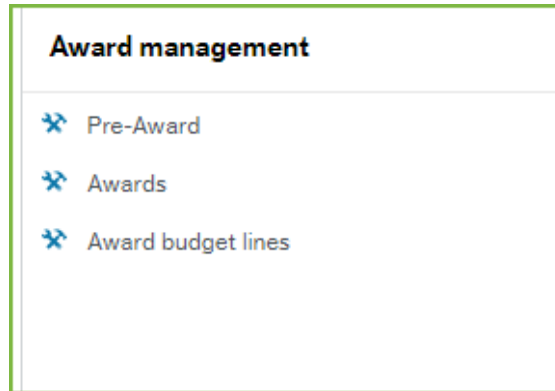


Figure 8 - Award management menu

The solution includes a pre-award record that contains all relevant information to be collected in the pre-award process. Every award gets a unique automatic number. It includes general information such as the name and date validity of the pre-award and detailed information in separate tabs, each with its own purpose. In the pre-award phase, the solution provides two specific tabs to keep track of the process, the pre-award details and the pre-award team. They contain the main pre-award information such as the award manager, status tracking, potential donor, target beneficiaries and project purpose. For status tracking, default values are provided (e.g. Approved, Cancelled, Completed, Declined, Development, Execution, Exploration). The pre-award team tab contains the team members working on the pre-award and the tasks they must complete.

Having the pre-award information, amounts and status in the solution, reporting on the pre-awards pipeline is possible.

Pre-Award

Attribute Relations Action overview **Details** Team

Attribute

Attribute	Attribute value	Description
PRE-AWARD ZÁ09	2100000 2100000	Bahamas crisis response

Details

Potential Donor
USAID

Relationship Manager
Maria, Garcia
EM10002

Relationship Mngr E-mail
samsmith@upride.org

Pre Award Status
Development

Pre Award Status Date
2019-01-01

Expected Decision Date
2019-01-01

Proposed Start Date
2019-01-01

Proposed Amount
450,000.00

Estimated Likelihood
75.00

Documents Attached

Comments

Topic Keywords

Target Beneficiaries

Figure 9 - Pre-Award Details tab

Pre-Award

Attribute Relations Action overview Details **Team**

Attribute

Attribute	Attribute value	Description
PRE-AWARD ZÁ09	2100000 2100000	Bahamas crisis response

Team

<input type="checkbox"/>	Team Member	Role
<input type="checkbox"/>	Maria, Garcia EM10002	Grant manager

Add Delete

Tasks

<input type="checkbox"/>	Task Description	Est Completion Date	Actual Completion Date	Assigned Resource	Status	Comments
<input type="checkbox"/>	Create proposal	2018-10-12	2019-01-01	Maria, Garcia	Complete	

Add Delete

Figure 10 - Pre-Award Team tab

Several alerts are provided to support the pre-award process. On pre-award status modification, a notification is sent by email to the members of the pre-award team. Additionally, if there is a pre-award task that will become due in the coming 7 days, a notification is sent by email to the team members assigned as task owner.

A win-loss analysis section is provided to provide the reasons for winning or losing the award. This information can be used afterward in reporting and gives an insight into the success factors.

Pre-award review

Part of the pre-award process is the continuous review of the likelihood of getting the funding awarded. A workflow process to support this review and approval process is provided. This process requires approval from the grant manager to review the entered details and continue with the process. Task owners are notified by an aggregated daily alert of new tasks in the task mobile app or by email.

Pre-award budget

Creation of a proposal or pre-award budget is supported via a specific pre-award budget version that contains the granularity of account, activity and currency over periods. The budget can be directly accessed from the pre-award workspace and can be amended by the user.

The screenshot displays the 'Pre-award budget' interface. At the top, there are tabs for 'Pre-award portfolio' and 'Pre-award budget'. Below the tabs, there are navigation options: 'Overview', 'Projects', and 'Budget'. The main content area is titled 'Pre-award budget' and includes a 'Selection criteria' section with the text 'Pre-Award: Bahamas crisis response (2100000)'. Below this is a 'Graphical presentation' section. At the bottom, there is a table with the following data:

Zoom	Account	Activity	Currency	Budget	Notes/Comments
<input type="checkbox"/>	* 513010	* 100 (Capacity bi)	USD	500,000.00	
Σ				500,000.00	

Below the table, there are several action buttons: 'Add', 'Delete', 'Copy row', 'Change row', 'Add to batch', 'Change values', 'Distribute', and 'Reset to original'.

Figure 11 - Pre-award budget

Post-award Management

Award workspace

An out-of-the-box portfolio of awards and associated workspace is provided. This contains the portfolio of all awards for a responsible award manager, including the award main details, associated projects, and any attached documents and workflow tasks. It also includes payment schedule, open and paid receivables on award level and the award budget.

Additional metrics and KPIs are displayed in several dashboards:

- Award actual income
- Award total budget
- Award actual spending to date
- Award budget to actual spending variance
- Award consumption as percentage spend on total budget
- Next donor report due in days
- Payment schedule
- Next donor payment due in days
- Payments due

Links are available to the following activities:

- Award record to amend associated award details
- Donor information of current award
- Payment receipt entry
- Budget entry and amendment

Award	Description	Donor	Donor (T)	Awardcat (T)	Awardtype (T)	Currency	Award Amount	Award Date	Award consu...	Award variance (...)	Status	Notifications	Refresh
3100000	Covid-19 family ...	10001	European Union	Temporarily Restricted	Contribution Awards	USD	5,000,000.00	6/1/2020	0%	0	N	● +2	
3100001	Bahamas crisis r...	10008	USAID	Restricted	Exchange Awards	USD	4,500,000.00	1/1/2020	0%	-12000	N	● +2	↻

Figure 12 - Award portfolio

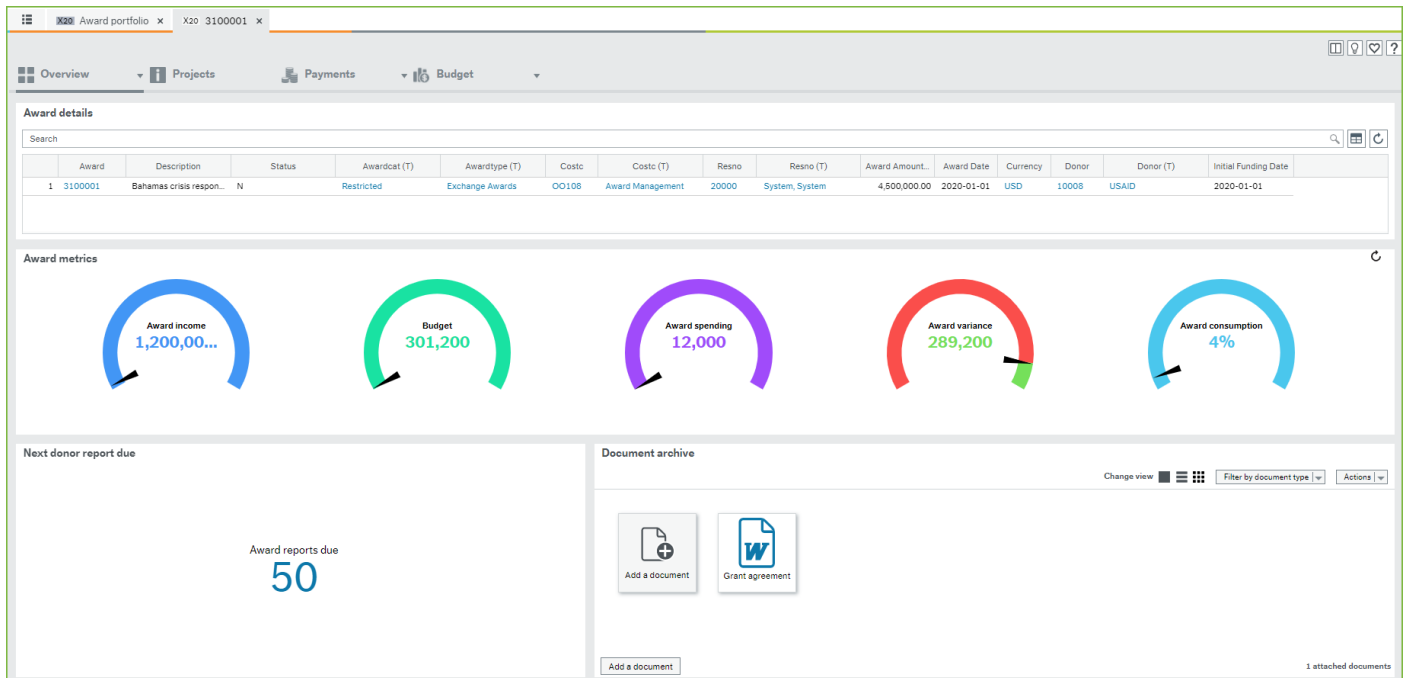


Figure 13 - Award workspace

Award registration

The post-award process is when an organization has been awarded, and all award details from the grant agreement are captured, and the document itself is attached. The award is used in the processing of income and is used to allocate project expenditure against it. It is, therefore, one of the accounting dimensions within the General Ledger. The solution provides capturing the award information and attaching relevant documents.

The award record has specific tabs with information that is recorded after the award is granted. The following tabs are provided:

- Relations: award labels for reporting purposes
- Action overview: shows the list of workflow actions mainly when the award is created initially
- Details: information of the award (e.g. donor, awarded amount, purpose of the award, project reports, award currency and exchange rate table to be used)
- Categories: award budget line mapping to the internal chart of accounts for donor reporting purposes
- ICR rates: detail of the ICR (Indirect Cost Rate) applied in the agreement
- Team: award team and tasks specified for donor reporting purposes and alerts
- Financial transactions: shows the open and paid installments on the award

Figure 14 - Award details entry

To keep an award record as complete as possible, the solution provides several document types that enable attaching documents to the award record. These documents are stored in the document archive in the solution. To close an award record within the solution, the field called status is set to “closed.” When saved, the award record will be no longer valid to be used in the solution but will be kept for historical retrieval. The award record is not available anymore for income processing in financial and budget transactions.

Award review and approval

Award creation and amendments are subject to the workflow for review and approval. The award manager is set as the initial task owner in the approval process, after which the finance department must review and approve. Task owners are notified by an aggregated daily alert of new tasks in the task mobile app or by email.

Award budget

A budget version for the creation of award budgets is provided. The award budget contains the agreed donor budget based on the grant agreement. This is specified by award budget lines (donor budget lines), cost categories typically not directly matched to the organization’s nominal accounts. The award budget is specified per nominal account, activity, award currency and distributed per period. It can be entered manually or by using a batch upload via Excel.

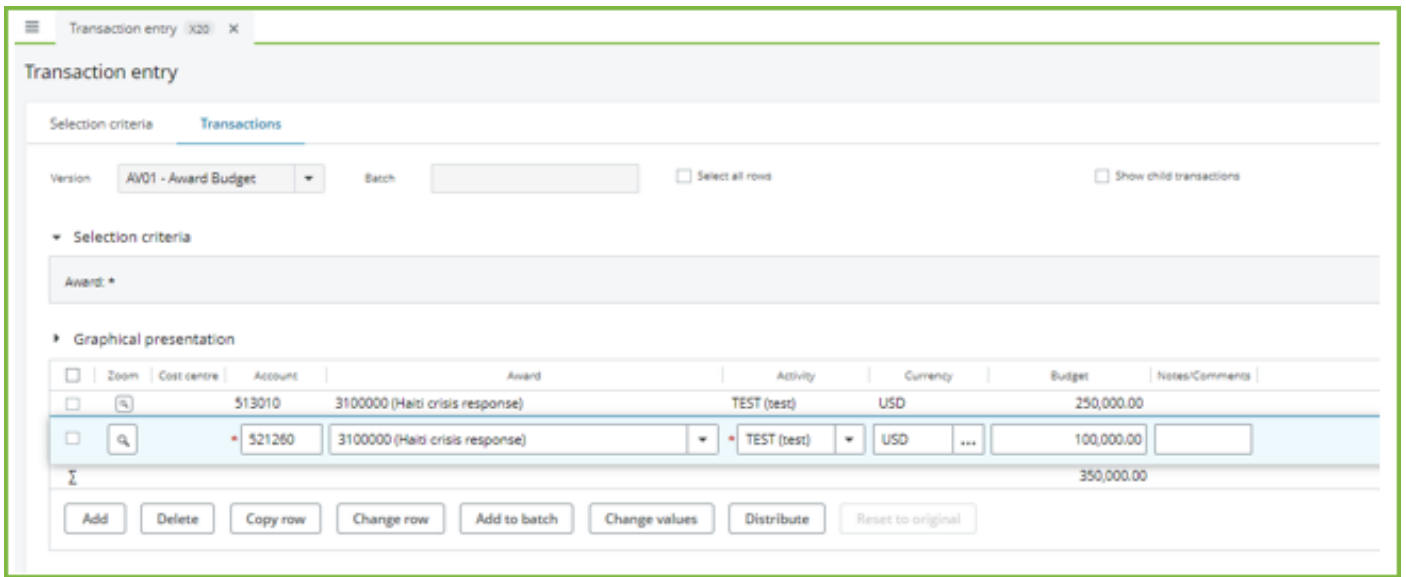


Figure 15 - Award budget entry

The budget is shown on the Budget tab on the Award record. The category mapping to the donor reporting categories on the Award record allows the aggregate of the actual expenditure and award budget per nominal account to be mapped to the donor's required budget lines.

Since these donor budget lines differ between donors and awards, an Award budget line-entry function is provided. This allows the creation of the donor reporting categories used in the Category tab of the Award record.

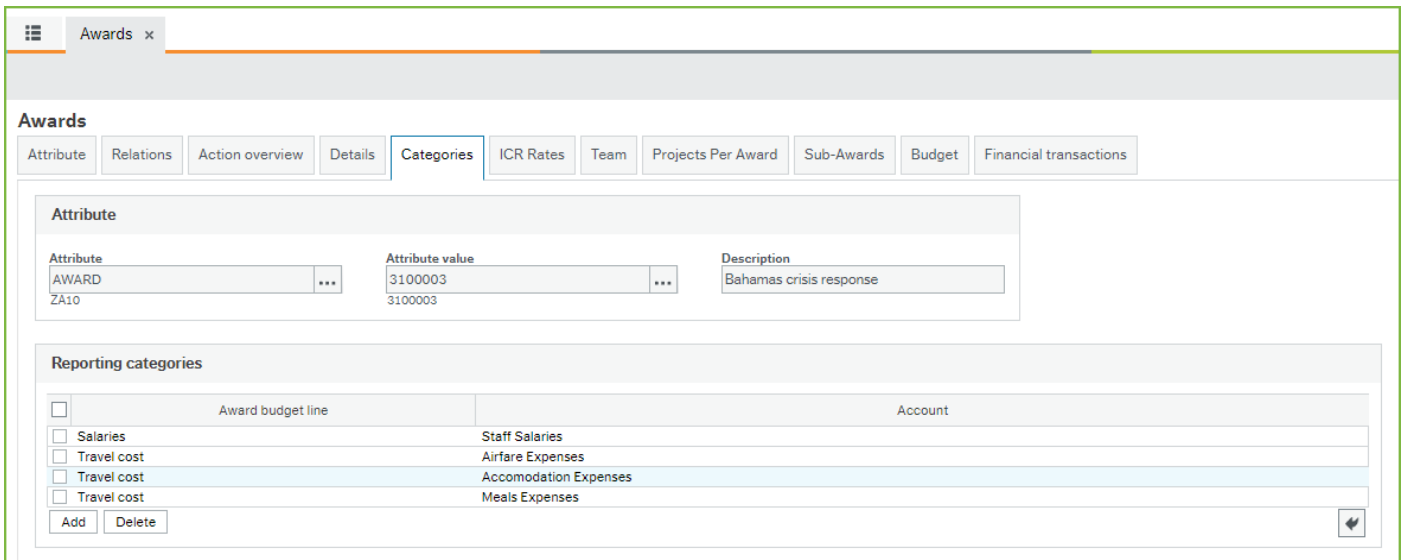


Figure 16 - Award budget line mapping to nominal accounts

Donor reporting

The solution provides a basic inquiry that contains budget, actuals and commitment details per project and award to support donor reporting. It contains the amounts in transaction currency, local currency, group reporting currency and award currency (donor currency). This allows the creation of donor reports based on this inquiry in the format the donor requires. Unit4 offers a standard add-on to Word to extract this data and add additional narrative, pictures and impact information.

The award currency amounts are calculated based on the defined currency and exchange rate table captured in the award record.

AW: donor reporting actuals

Selection criteria

Results

Search Detail level All levels Copy to clipboard

#	Award	Award (T)	Awarded amount	Currency	Exchange Type (T)	Reporting category	Reporting category (T)	Account	Account (T)	Currency	Actual curr. amount	Local currency	Actual amount	Rep. currency	Actual rep. amount	Award currency	Actual award amount
1	3100003	Bahamas crisis resp...	450,000.00	USD	USAID rates	10001	Travel cost	515010	Airfare Expenses	GBP	15,000.00	EUR	20,646.00	USD	23,092.50	USD	16,516.80
2	3100003	Bahamas crisis resp...	450,000.00	USD	USAID rates	10001	Travel cost	515020	Accommodation Expe...	EUR	12,500.00	EUR	12,500.00	USD	13,648.08	USD	10,000.00
3	3100003	Bahamas crisis resp...	450,000.00	USD	USAID rates	10001	Travel cost	515020	Accommodation Expe...	USD	15,000.00	EUR	13,615.50	USD	15,000.00	USD	15,000.00
4	3100003	Bahamas crisis resp...	450,000.00	USD	USAID rates	10001	Travel cost	515030	Meals Expenses	USD	2,500.00	EUR	2,269.25	USD	2,500.00	USD	2,500.00
- Σ1	3100...	Bahamas crisi...									45,000.00		49,03...		54,238.58		44,016.80
Σ											45,000.00		49,03...		54,238.58		44,016.80

Time executed 2019-11-11 1:47:10 PM Number of rows 5

Figure 17 - Award reporting inquiry (donor reporting)

Sub-Award Management (Addition)

Sub-awardees are third parties (local partners and agencies) who receive a part of the Nonprofit organization’s funding to perform or deliver part of the work or outcome. Payment of this funding is made based on deliverables agreed in the sub-award agreement. A commitment is created to this sub-awardee for paying for their services delivered. A sub-award may be provided through any form of legal agreement. To support this process, the current solution provides the capturing of the sub-award and to match received invoices (for time and expense agreements) or payment requests (for installment-based agreements) to be entered and matched with the sub-award.

Sub-Awardee

Within the solution, sub-awardees are created as suppliers since they are a third-party provider. A specific group, called sub-awarding suppliers, is provided to classify the supplier records for sub-awardees.

Please refer to the Accounts Payable chapter in the Finance Workstream Description for further information on this topic.

Figure 18 - Sub-awardee registration

Sub-Award

The sub-award record is captured as a Contract with a specific sub-awarding product group and product, connecting the different installments and deliverables of the contract to a specific award as contract lines. The sub-awarded amount is entered, creating a commitment on sub-award level. In the case of multiple installments, the solution allows multiple lines to be entered with their own periods and due dates, which results in the commitments to be reported in the correct due periods.

The screenshot shows the 'Contracts' registration interface. The main form is titled 'Contract' and includes the following sections:

- Contract Information:**
 - Lookup: [Empty]
 - Status: Active
 - Contract code: [NEW]
 - Contract name: Sub-awarding Orange Baby Uganda
 - Contract type: Standard contract
 - Contract group: [Empty]
 - Attribute: [Empty]
- Analysis:**
 - Supplier: 10000 (System, System) [Fixed]
 - Responsible: Administrator
 - Requested by: [Empty]
 - Buyer: [Empty]
- Payment information:**
 - Currency: US Dollar (USD) [Fixed]
 - Contract value (USD): 100,000.00
 - Contract value: 120,000.00
 - Payment terms: Net 30 days [Fixed]
 - Payment method: BACS [Fixed]
- Dates:**
 - Contract date: 6/14/2021
 - Confirmation date: 7/13/2021
 - Date from: 9/1/2021
 - Date to: 6/13/2022

At the bottom of the form, there are buttons for 'Save', 'Clear', 'New', 'Copy', 'Workflow map', 'Invoice control definition', and 'Products'.

Figure 19 - Registration of a sub-award contract

Invoice matching

A sub-award can be reimbursed, either by installments or using actual costs that occurred based on time & expenses. Therefore, the invoice registration process allows matching with the sub-award. It supports incoming invoices or payment requests to be matched against the sub-awards. The process automatically creates an open payable for payment to the sub-awardee. In the approval process of these invoices, the sub-award information is shown as a reference. The open commitment is updated with the reimbursed amounts, and the consumption of the sub-award is shown. It can be reported in project and award/donor reports.

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UNIT4

In business for people