In Business for You

Workstream Description

Project Cycle 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 NP 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 members of the organization's project management department, familiar with all the project management department's processes, from data collection to reporting. Readers are not required to know all the details of Project Cycle Management. However, some knowledge of basic project management and accounting concepts would be advantageous for reading this document.

Contents

Project Cycle Management

This documentation describes the Project Cycle Management workstream. Project Cycle Management supports the financially oriented business processes for project initiation, project budgeting, project implementation with timesheets, expenses and procurement, project monitoring and forecasting, and project closing. With a predefined configuration for the processes mentioned above described in detail in this documentation, the solution includes a standard set of inquiries and reports and predefined tailorable stationery output.

The process is linked to Program management containing the management of a collection of projects with a shared objective. The content of the NP Model for this process is described first.

Figure 1 - Project Cycle Management process
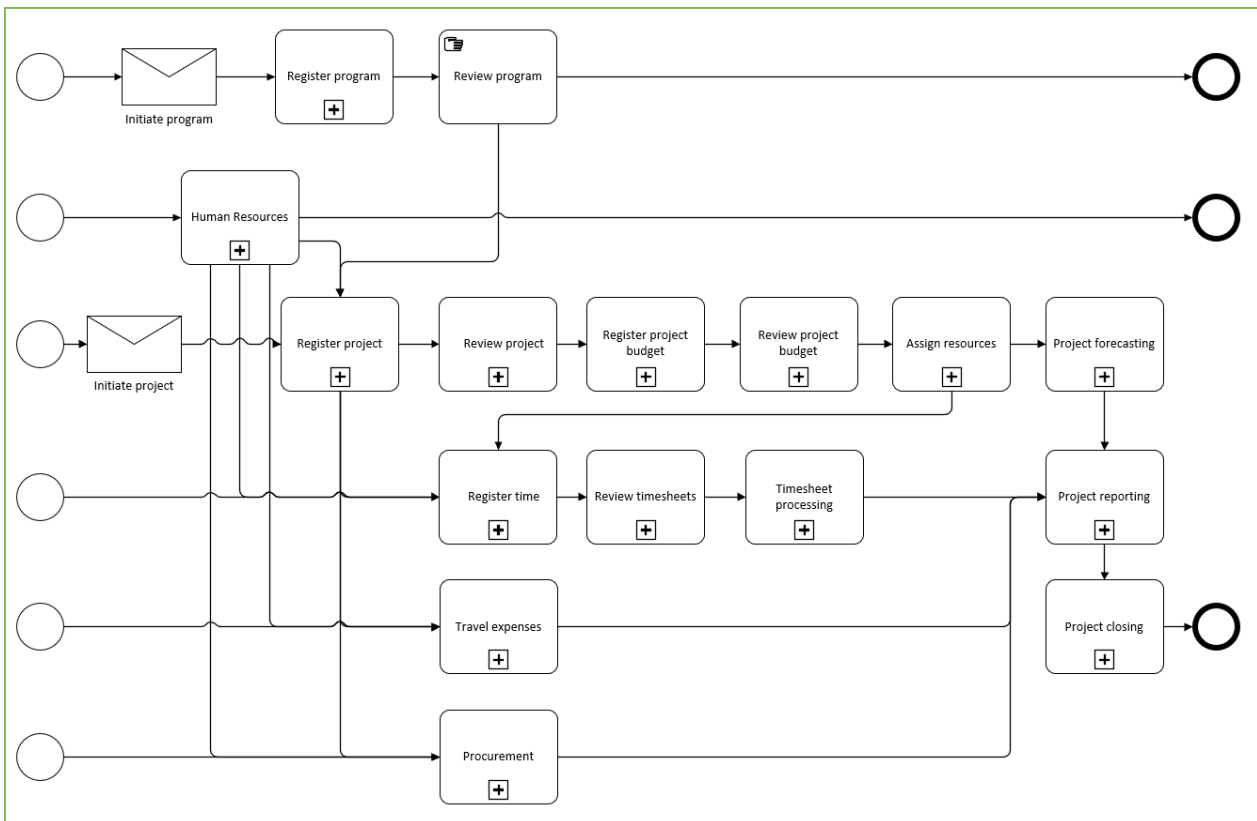
The described structures and processes are based upon the software capabilities provided with Unit4 ERPx. The Project Cycle Management workstream is part of the core scope of the NP Model. However, some specific processes and/or requirements are not included in the core implementation level. For those, there is a reference in the chapter that identifies it as an Addition.

Program initiation

Programs are a collection of projects in the NP Model that have a similar objective, and where synergies arise, these projects are managed as a single program. Therefore, projects can be associated with the program they belong to. The program itself contributes to one or many objectives and, in the end, to the organizational goal(s). The Program model in NP Model is compliant with the Common Data Model (CDM) for Nonprofits as defined by NetHope and Microsoft. [1]
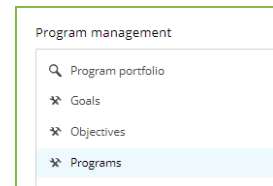

Figure 2 - Program management menu

Program workspace

A program workspace is provided with all required KPIs and metrics relevant for the program manager and links to the most common activities this user needs access to. It contains information on the program details, connected projects, and program financials. Associated program documents are available.

Additional metrics and KPIs are displayed in several dashboards:

- Program main details
- Program initial and revised budget amount
- Program actual spending (consolidated from connected projects)
- Program budget variance as budget -/- actuals
- Connected project details
- Number of connected projects
- Program cost center distribution
- Program budget distributed per project
- Program budget variance per connected project, spending category, account, and period
- Program procurement amount per project
- Time transactions per program, project, activity, and resource

Links are available to the following activities:
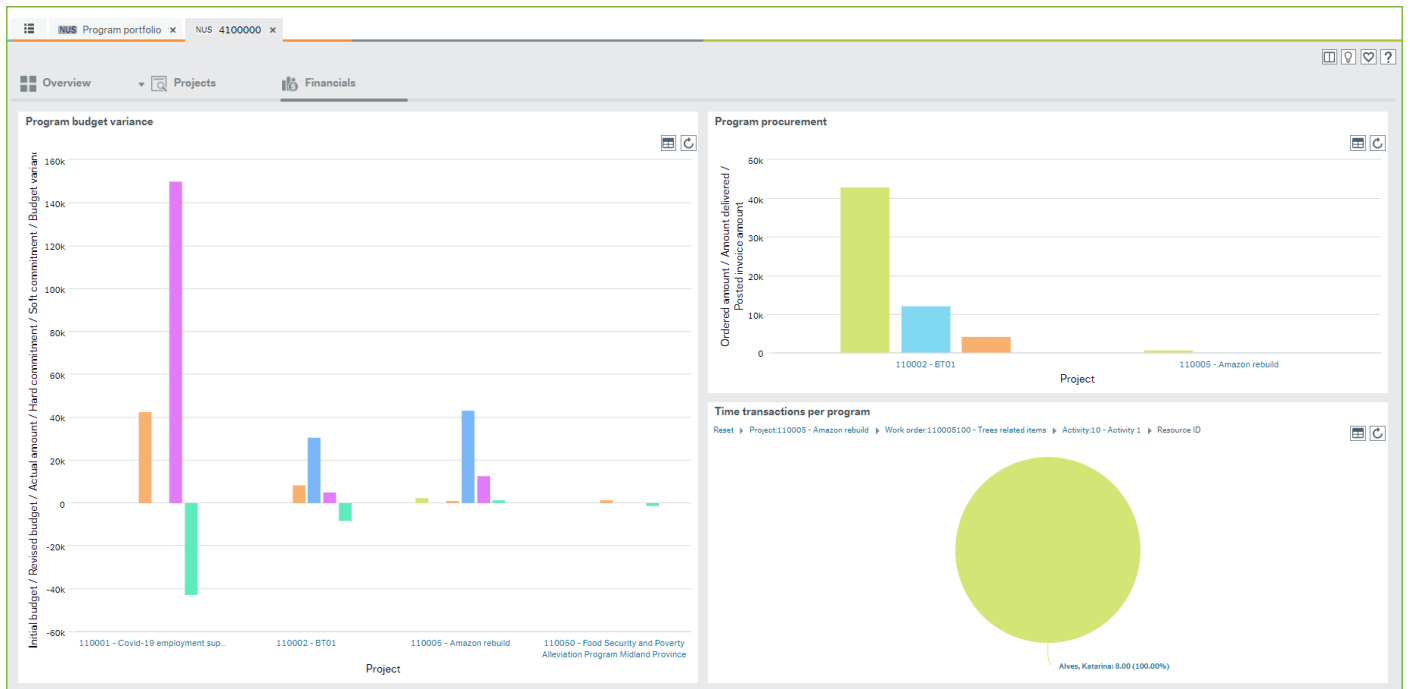
- Maintenance of program details

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[1]https://docs.microsoft.com/en-us/common-data-model

Figure 3 - Program workspace

Program registration

A program is registered with all associated details. A responsible program manager can be associated with the program and the country of implementation, scope and sector. Within the registration of new projects, the link with the associate program is made. Multiple projects are linked to a single program in this way for reporting purposes.

Figure 4 - Program registration

The program record contains an overview of all linked projects and their real-time balances for actuals and budget and the agreed budget variance.

Registration of objectives and goals

Objectives and goals can be defined as predefined values during data collection in implementing the NP Model. This allows the program manager to associate the programs to one or multiple objectives and apply a hierarchy with child and parent objectives.

Figure 5 - Registration of an objective

Objectives registered are associated with the organization's goals. The objective type defines the category the objective belongs to, which is defined in the CDM. The following objective types have been provided:

Objective types
Strategic objective
Financial objective
Operational objective
Governance objective
Partnership objective

Review program

The program details can be reviewed in the program manager's record as a manual action assuming the program manager creates it. An optional workflow for review and approval can be applied, which is currently not part of the standard content.

Project Initiation

Project initiation is the first step in the project cycle and contains the project's creation capturing all relevant project details, defining the project structure and the project budget. The project is linked to one or many awards/grants to define the sources of funding.

Project workspace

A project workspace is provided with all required KPIs and metrics relevant for the project manager and links to the most common activities a PM needs access to. It contains information on the project details, planning, progress, procurement, timesheets, and travel expenses spent on the projects. Tasks and associated project documents are available.

Additional metrics and KPIs are displayed in several dashboards:

- Project main details

- Project initial and revised budget amount

- Project actual spend amount

- Project budget variance (budget – actuals)

- Project budget consumption percentage (actuals/budget)

- Project spending per account class, account, and period

- Project spending on personnel expenses

- Project spending on procurement expenses

- Project spending on travel expenses

- Total number of entered timesheet draft hours, hours pending approval, approved hours, rejected hours, and processed hours

- Timesheet hours per status with drilldown to resource level

- Time transactions and time cost per resource and per activity

- Expense claim balances for claims pending approval and approved claims

- Travel expenses per expense type and resource

- Pending travel requests

- Procurement amount total for requisitions, purchase orders, registered invoices, and open supplier balance

- Pending requisitions per order and supplier

- Pending purchase order progress (ordered amount, delivered amount, invoiced amount)

- Purchases per supplier (ordered, delivered, invoiced amount)

Links are available to the following activities:

- Maintain project details

- Project manager details

- Project closing process with open items validation

- Program details connected to this project

- Pending workflow tasks

- People planning for assigning resources to the project

- Project budget, revised budget, and forecast maintenance

- Timesheet entry

- Travel request entry

- Expense claim entry

- Purchase request entry
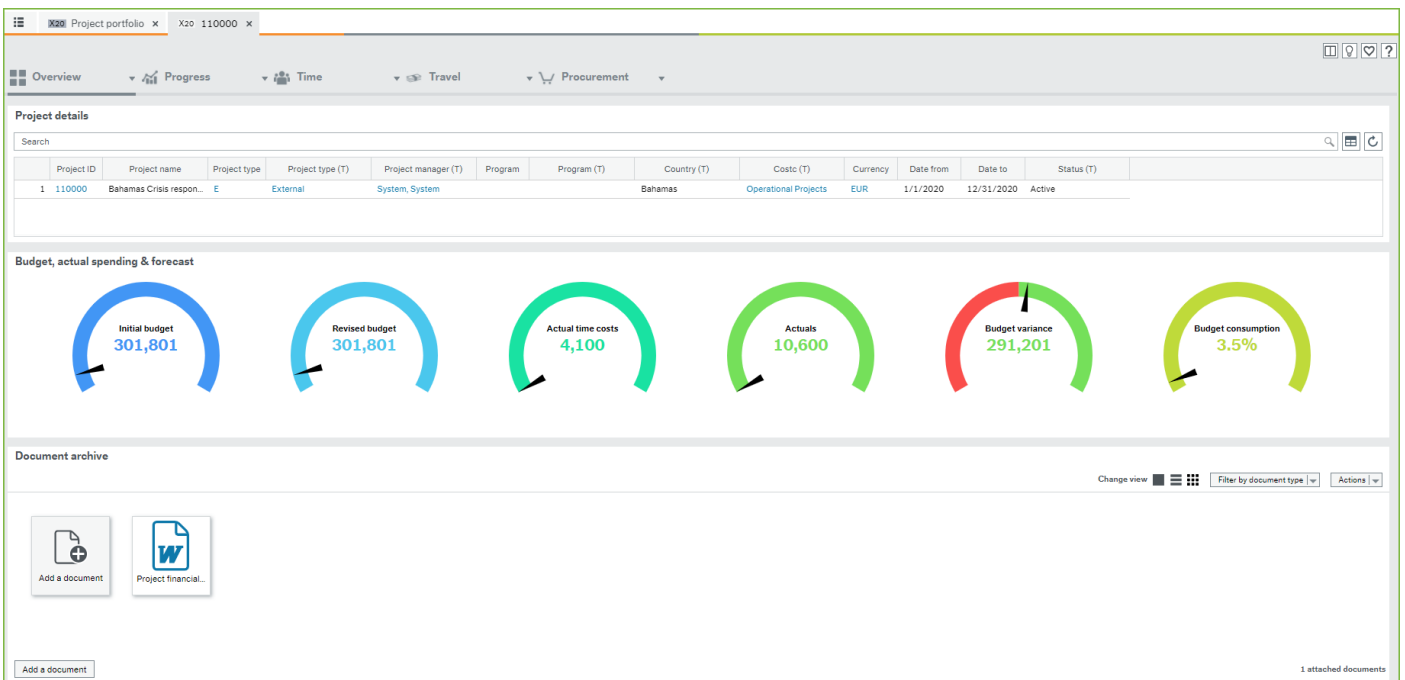
- Purchase order entry

Figure 6 - Project workspace

Project registration

The Project record is the core record within the project cycle. It gathers all relevant project data in terms of generic information and references to the different reporting structures for thematic and geographical reporting. It references the organizational structure by defining the cost center in which the project is implemented. Every new project gets a unique sequential number. The solution provides two types of projects to be captured:

Project types
External operational projects.
Internal administrative and capital projects

As documentation is an imperative part of a project, the ability to attach documents to each project is fundamental. Five document folders are provided for attaching project documents.

Document Types
Award Agreement
Financial Report
Financial Progress Report
Email
Project Documentation

The project is linked to a cost center for organizational reporting to a country for geographical reporting and a programmatic/thematic reporting program.

UNIT4

UNIT4 ERP

☰ | Projects X20 ✕

Projects

| Project | Relation group | Work orders | Activities | Connections | Critical Reports | Project Closing |

Project

Lookup

| 110001 | ... |

Syrian refugee crisis

Project code

110001

Project name *

Syrian refugee crisis

Management

Project manager *

| System, System | ... |

20000

Project type *

External ▼

Key dates

Start date *

1/1/2021 📅

End date *

12/31/2021 📅

Final completion date

📅

Progress

Status *

Active ▼

Work breakdown structure

| Work orders | Activities |
| ☑ | ☑ |

Analysis

Cost centre *

| Operational Management | ... |

OO910

Country *

| Syrian Arab Republic | ... |

SY

Program

| Crisis response program | ... |

4100000

Updated by **SYSTEM**, 4/1/2021 7:05:39 AM (User time zone)

| Save | Clear | New | Copy | Planner | Open transactions |

Figure 7 - Project registration

Linked awards

The solution relates every project to the award(s)/grant(s) funding it. This allows you to link project spending against the income to be received from the grant(s). One or multiple projects can be associated with the same grant, and multiple grants can fund a single project. The awards are linked to projects using workorders. Each workorder identifies a specific (part of an) award with its own donor and conditions. It allows for multiple awards being connected to the same project. Every workorder contains the award value it is funded by, which allows for retrieving information on awards that are funding multiple projects. The project and the award are posted in every financial transaction, whether posted directly or resulting in a project transaction such as timesheets, travel expenses, and/or procurement.

Thematic / Programmatic reporting

A thematic reporting structure is provided to report on a thematic basis as projects are linked to programs, which are linked to objectives and finally linked to goals. Therefore, every project is linked to the associated program. This is used to retrieve this reporting structure (programs, objectives, goals) of which the values are entered during implementation.

Geographical reporting

Another reporting structure provided in the system is the geographical structure. In this structure, Projects are linked to countries, which are linked to sub-regions that will be linked to regions. Therefore, every project is linked to a country. A default ISO country list is provided in the solution. The sub-regions and regions provided use the UN naming convention.

Critical reports

A section on the project record is used to define the PM's critical reports to keep track of the project and report on the financial progress. A predefined list with five categories of critical reports is provided:

Document categories
Closeout
Final
Financial
Interim
Technical

Project Structure

The project structure is the breakdown of a project into smaller components. In the solution, the structure is defined by work orders and activities.

A project is divided into one or many workorders as awards to allow for multiple funding sources, each with their own donor connected. Each workorder has a direct connection to an award that allows awards funding multiple projects. Different activities are defined per project, which is a unique set of tasks per project. This allows for comparing the financial spending per activity with the impact achieved per activity in the Logical framework.

Award / Work order

The award is funding that was provided by a donor. To capture the award funding a project, the awards are connected to workorders that are part of the project. This stores the award information and the respective donor(s) to the project. This structure provides the many-to-many relation between projects and awards that are often found in the sector.

For more information on Awards, please refer to the Award Management Workstream description.

Activities

Activities are used in budgeting and actual financial transactions, either directly posted or resulting from other processes as timesheets, travel expenses, and purchase requests. Activities are defined per project and should be equal to the activities defined in the Logical framework (or Results framework). This allows for comparing the financial spending per activity with the achieved impact per activity monitoring the Logical framework. The activities are unique per project, and validation takes place during the entry of any transaction to check whether activities within the project are used.

Project review

Changes to existing projects are handled in the project record directly. The changes are subject to review in a workflow and are effectuated after approval has been given. The approval is done by the project manager as the final responsibility for the project. In case the project manager changes the project details, automatic approval is applied. The approval task shows both the old and the new values for the project manager as a reference.

The fields that need approval are the following:

Workflow triggered fields	
Date from	Award
Date to	Country
Cost center	Status
Program	Project type

Project budgeting

Project budgeting is the process through which a business estimates the cost of a project. The user is enabled to budget in different budget versions to capture an initial project budget and amend this in a revised budget. The project budget entry allows you to enter all cost categories (accounts) to define your budgeted amounts. Additional to the project level, the budget is also defined by award and activity, which allows better project control (actuals vs. budget). The award level introduces the source of funding for a certain cost category, and the activity level is enabling the comparison of the budget with the logical framework activities. The solution will automatically use the currency of the project. The project manager or controller can directly enter the project budget from the project record which inherits the project ID and the project's timeframe for budgeting. The budgeted amounts are automatically distributed across the project's lifetime in monthly periods, but the project manager or controller can change the period values accordingly.

Register a project budget

The project budget entry allows you to enter all GL accounts to define your budget. It contains your internal chart of accounts where you enter several hours times a cost rate per resource or enter the amount for a certain cost category. The solution will automatically use the currency of the project. The budget is opened directly from the project record, so the project number is populated automatically. The project's start period and end period are used to distribute the budget amounts over the project's lifetime.

Figure 8 - Project budget versions
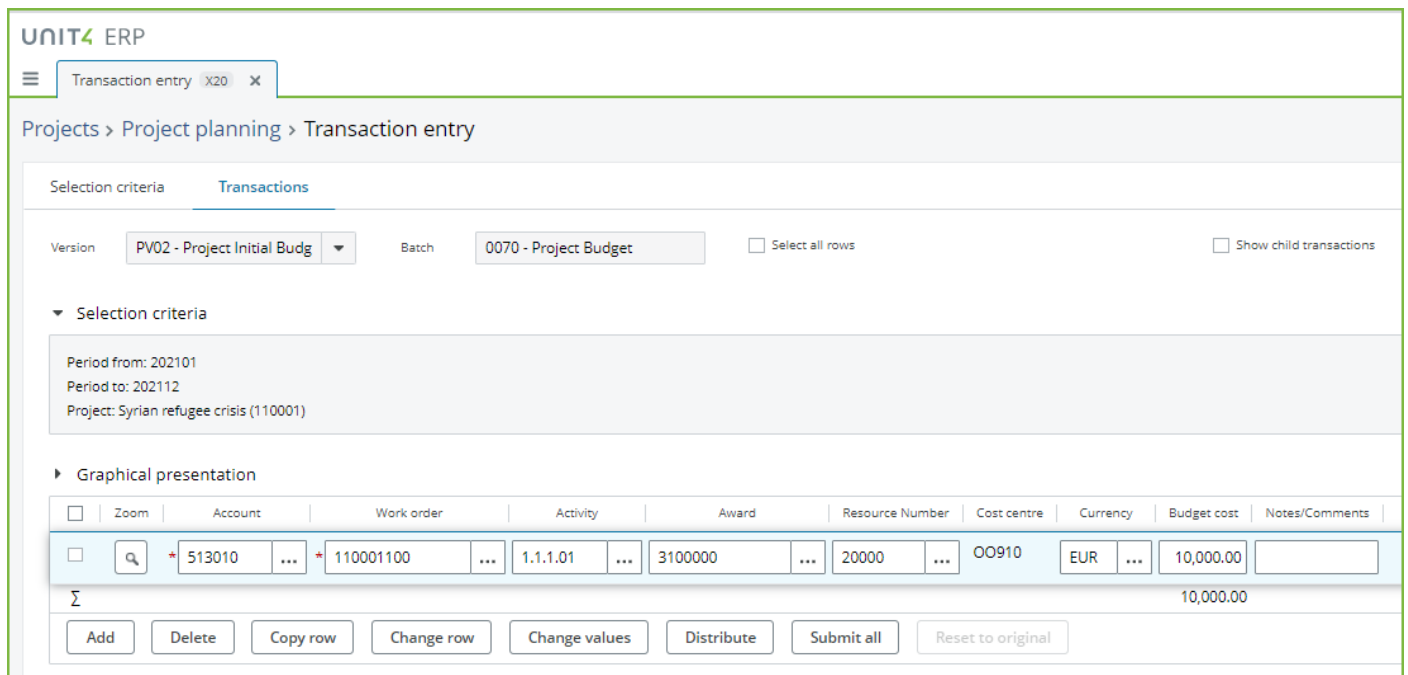
Figure 9 - Project budget entry

Review project budget

The project budget is subject to approval in workflow. The two-step approval process requires the project manager's approval in the first step and the financial manager in the second step.

Register a revised project budget

The solution allows the user to create a revised budget directly from the project record. To create a revised project budget, the PM can copy the initial budget lines to the revised budget version and make amendments accordingly. The initial budget is kept for auditing purposes as a baseline.

Resource planning (addition)

Resource planning allows resource managers to assign resources to a project activity based on the resource assignments overview. New project tasks and department related tasks are entered here, and planned absence is shown in this view to show the availability and utilization of resources. The planned assignments are imported into the timesheet automatically to ease the entry of time. The user, in this case, must only confirm the planned time before submitting the timesheet. Multiple groups of resources can be defined based on their location, hierarchical level, function, skills, and competencies to show only the relevant resource's allocation.
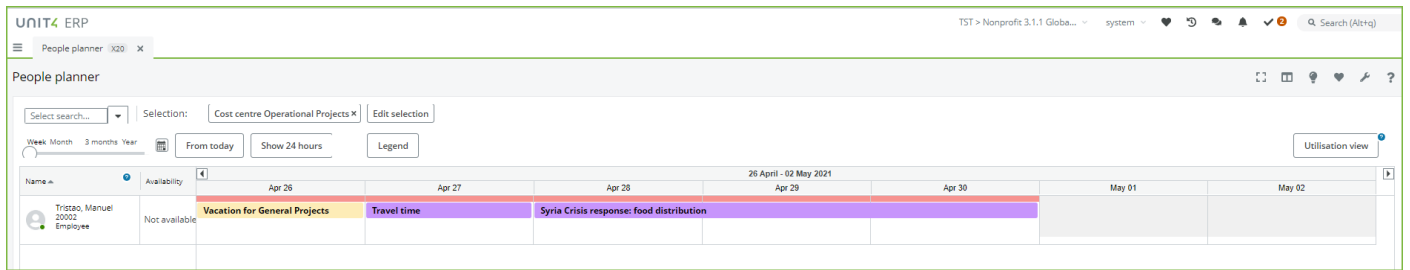

Figure 10 - Resource planning on projects

Resources

Resources

Implementing projects cannot be done without people, and therefore a minimal resource record must be defined as part of the Project Cycle Management workstream.

For further information on this topic, please refer to Resource management in the Human Resources Workstream Description.

Several project life cycle activities are organized around resources, such as project creation, timesheets, procurement, and travel expenses. Therefore, the solution provides you with a personnel record to capture all relevant resource information. Several types of resources are predefined to classify groups of resources in employees, contractors, and volunteers.

Figure 11 - Personnel record

Cost categories

For timesheet processing and posting of time costs, Unit4 recommends using direct cost rates only. Since the indirect costs are commonly allocated in cost distribution based on distribution keys and percentages, these are not included in the cost rate. The rates are defined per cost category. Every resource is linked to a cost category to retrieve the cost rate when processing time. Capturing volunteers as resources in the solution

allows volunteers to register their volunteered time in the solution for donor reporting. A direct cost rate containing the base pay component is captured during the implementation for every cost category.

The following categories are provided:

Cost Categories	
Administrative Staff	Team Lead
Management Staff	Solution Architect
Project Manager	Junior Technical Advisor
Senior Health Advisor	Senior Technical Advisor
Junior Health Advisor	Principle/Lead Advisor
Volunteers	

Work schedules

To define the standard working hours of the resources and use them in timesheet registration, the solution provides you with a predefined standard work schedule. It starts on Monday as the first day of the week and ends on Sunday. The following work schedule is provided:

Work schedule	Details
Standard work week	5 days' work week with 8 hours per day and 2 weekend days

For the personal calendar to be automatically generated, the associated work schedule combined with the holiday schedule (overview of all bank holidays) is used. Entering the bank holidays is part of the implementation process since these vary per country and the definition of the day types that build the working days. During Data Collection, additional work schedules are imported.

Project Implementation

Timesheet registration

In the Timesheet registration, approval, and time processing process capturing the time actuals on your projects is controlled. Time is entered against the project structure, which is called a work task and is a combination of project, workorder (award), and activity. Next to project hours, absence hours are entered to cover a full work week.

Unit4's recommendation is to let everyone in the organization enter time to have a consistent time registration. Therefore, the solution allows you to use internal and external projects. Time is populated for those resources with planned absences or planned hours coming from the people planning capability. The hours are suggested, and the user only needs to confirm the number of populated hours.

Figure 12 - Timesheet entry

The solution provides you with several timecodes to define the nature of the hours entered. The following time codes are provided:

Time code	Details	Unit
Regular Time	Actual work performed within the resource work schedule	Hours
Overtime	Actual work performed outside the resource work schedule	Hours
Vacation	With approval from the immediate supervisor, employees take vacation and record it as such on the timesheet. A check is done on absence entitlements. When using this time code the user has the option to allocate the vacation against an external donor project.	Hours

Time code	Details	Unit
Vacation for General project	With approval from the immediate supervisor, employees take vacation and record it as such on the timesheet. A check is done on absence entitlements. When using this time code the vacation is allocated against a internal absence project.	Hours
Sickness	When an employee cannot come to work due to an illness either planned or not. When using this time code the user has the option to allocate the sickness against an external donor project.	Hours
Sickness for General project	When an employee cannot come to work due to an illness either planned or not. When using this time code the sickness is allocated against an internal absence project.	Hours

Typically, absence hours for leave are entered against a balance. This balance is credited (in the case of absence) or debited and shows the total number of hours available linked to a certain time code. The absence entitlements are entered upfront per period and are displayed for the user at the start of the timesheet entry. The balance is updated when time is entered. The balance generation per resource is part of the implementation since these vary per country.

Incomplete timesheet submission

The user can save their timesheet as a draft, for instance, when entering time daily and submitting the timesheet weekly. This is Unit4's recommended practice and provides the user with a submit button to send the timesheet for approval at the end of the week. The solution also includes several checks that validate the time entered against the minimum and maximum number of contract hours to be worked weekly against the work schedule linked to the resource. When the minimum number of contract hours is not entered or the maximum number of contract hours is exceeded, the user receives a warning but can continue.

Timesheet reminders

The solution provides reminders, either by email or alert in the solution, to users weekly when timesheets are not submitted and therefore missing. When the timesheet is not submitted within the respective working week, the resource receives a daily notification message with the list of timesheets still to be submitted.

Restrict timesheet entry on projects

To limit the number of projects a user is allowed to enter time on, the solution provides you with a capability to define which resources or groups of resources are allowed to register hours on a specific project, workorder, and/or activity. It is not activated by default for every project, but the project manager can easily add the permissions and activate this capability for any project in his portfolio.
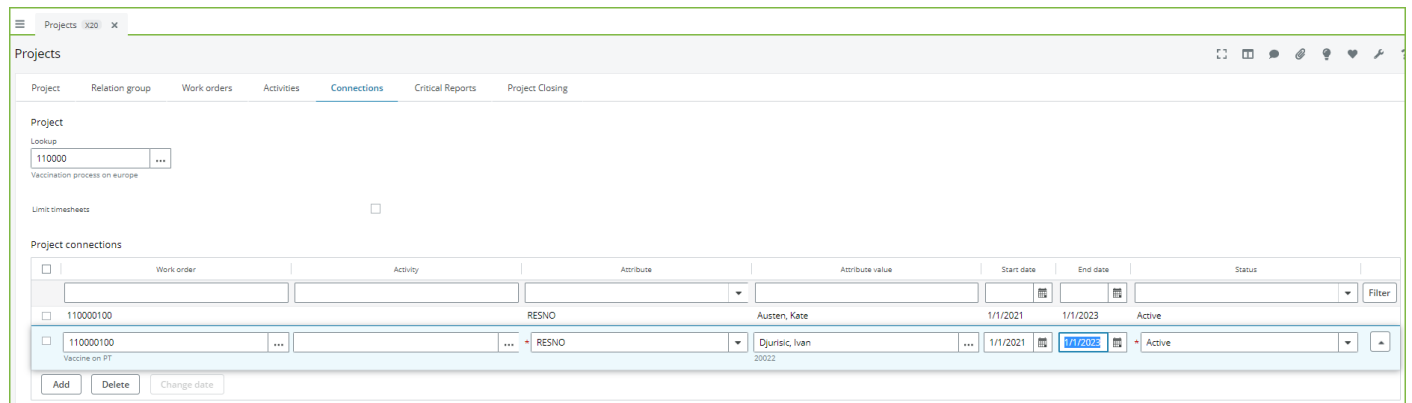

Figure 13 - Connection control maintenance

Timesheet entry by manager

To provide managers to enter timesheets for their team members. It allows the manager to see his/her team and enter a group timesheet for the members involved. This is specifically beneficial for managers that have teams operating in the field with limited access to the system.

Timesheet review

The solution provides a workflow approval process for submitted timesheets. A predefined process is available to distribute absence related hours to the manager of the resource and project-related hours to the project manager. When the timesheet is rejected, it is sent back to the initiator, which can be the actual resource that has submitted the timesheet or any user with permission to submit time on behalf of others. To avoid approval tasks to stay unprocessed for a longer period, the workflow tasks are automatically escalated to the project manager's manager if the approval task hasn't been completed within three days.
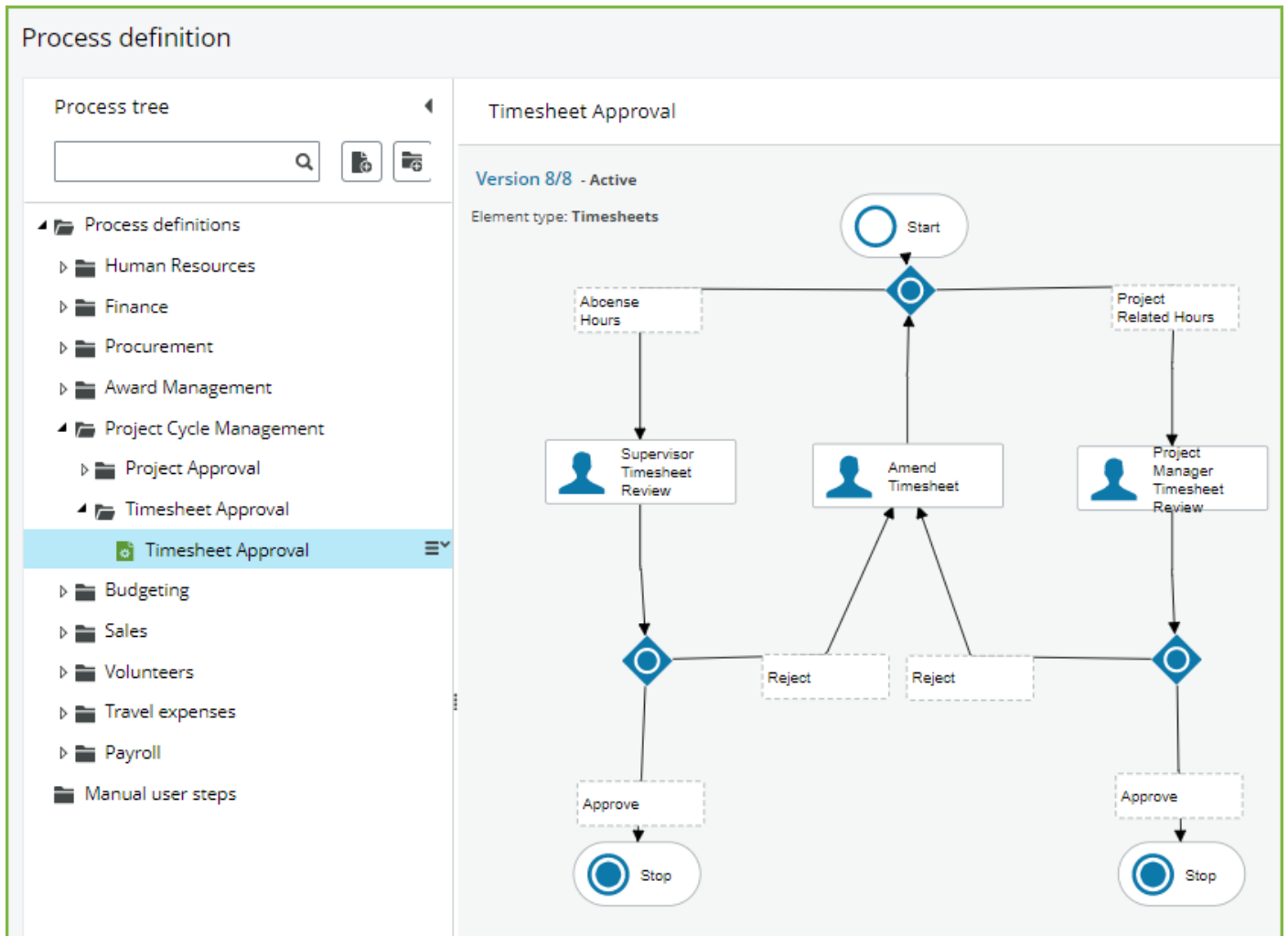
Figure 14 - Timesheet review process

Time processing

During time processing, the hours registered are costed and posted to the General Ledger. This process has 3 steps to transfer, validate, and post the time cost into the General Ledger. The first two transfer and validation steps fetch the correct direct cost rate for the hours and retrieve the correct GL analysis. The third step is the actual posting of the time cost to the General Ledger. All steps can be scheduled to run automatically.

The time cost is posted against the project and project cost center, award, and activity, where the recovery of the cost is posted against the resource and the resources cost center. Both project types have different cost and recovery accounts allocated for the time costing to differentiate between internal project time cost and external project time costs.

Timesheet maintenance

Changing timesheets saved in draft or submitted in workflow is possible at any time. Maintenance of timesheets that are approved and processed is provided as well. This allows granted users to correct timesheets by individual timesheet (per period and per resource). The solution automatically reverses the entry of the posted time cost and creates a new timesheet ready to be processed and posted. The allowed users can retrieve any timesheet per resource and period to be corrected and change the workorder, activity, project, number of hours, and description of hours.

Travel Expenses

The expenses incurred due to travel or any other work activities are entered by the resources in an expense claim and sent for approval to the project manager. A preliminary step of requesting travel allows the resource to enter the purpose of travel and the estimated cost. This request is sent for approval to the project manager and resources manager. Once both approval levels are successfully completed, an alert is sent to the resource notifying him/her of the travel request's approval. After the travel request's approval, the resource can enter an expense claim that might consist of per diems based on the number of days traveling and individual entry of receipts of costs incurred. The resource can use the mobile (offline) expense app to capture the receipt on their mobile phone using their camera, including automatic recognition of the receipt's data (expense type, date, currency, amount).
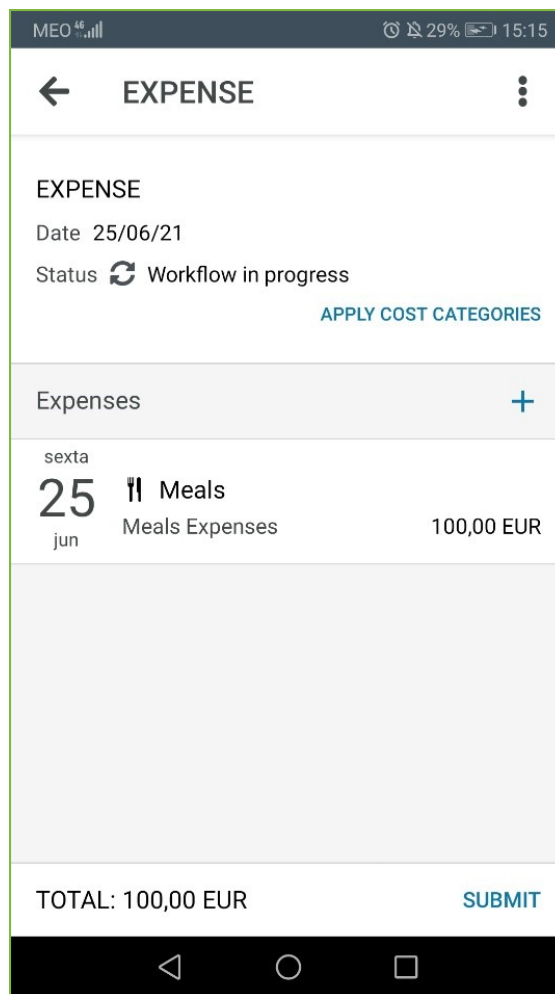
Figure 15 - Mobile expense claim entry

For further information on this topic, please refer to the Travel & Expenses Workstream Description.

Procurement

In addition to timesheet cost (personnel costs) and travel expenses, project expenditure also occurs from procuring items. Procurement reflects the process of purchasing goods and services for a project. Different processes can be used either by end-users (the Purchase requisitioning process) or by the Procurement department users (starting with creating a Purchase order) to answer urgent requests efficiently but still taking the correct approval and budget checking into consideration. Entering a purchase request on a project generates a soft commitment, where the purchase order generates a hard commitment. It allows the project manager to have insight into all commitments currently open on his project(s).
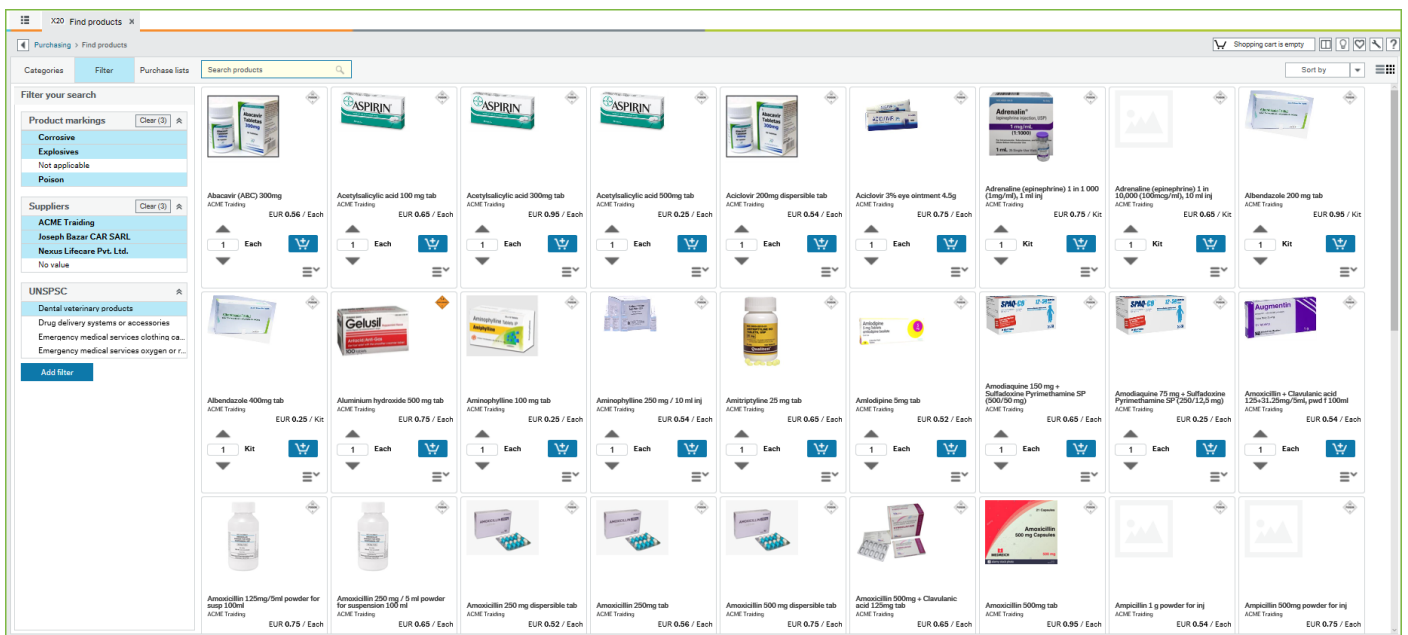
Figure 16 - Purchase request entry

For further information on this topic, please refer to the Procurement Workstream description.

Project Monitoring

Project forecast

The project forecast process enables the project manager to estimate future project costs and income based on previous outcomes. Different sources of transactions are retrieved to give a calculated forecast, which can be manually overwritten. The solution uses the actual spending in the earlier months and the budget for the coming months to calculate this forecast. Changes to this forecast are entered by the project manager, and the forecast is saved.
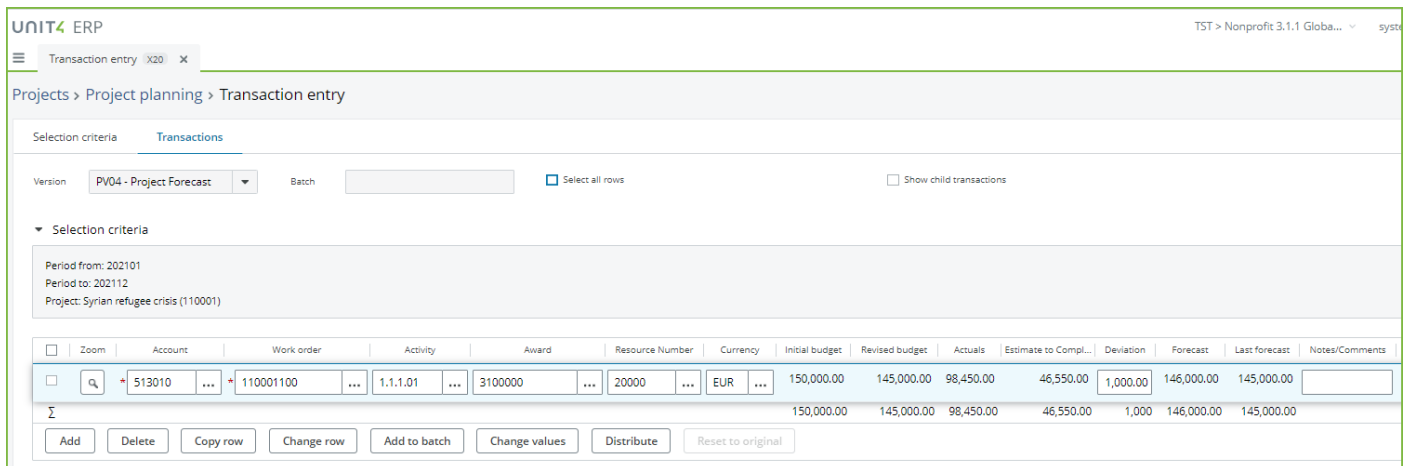

Figure 17 - Project forecast entry

Project reporting via IATI (Addition)

IATI (International Aid Transparency Initiative) is a standard donor reporting format containing 65 fields related to organization information, project details, project budget and actuals, and impact information. Donors more and more require this reporting standard to be used and IATI data to be uploaded to the IATI database. This can be done by XML file, API, or an open-source 3rd party tool such as Aidstream. We offer all 65 code fields used in the IATI format within the solution, including all valid values (as defined by IATI per August 1st, 2019).

IATI code list items	
DAC sector 5 digit	Earmarking Category
DAC sector 3 digit	File Format
Finance type	Finance Type category
Aid type	Gazetteer Agency
Flow type	Geographic Exactness
Organization type	Geographic Location Class

IATI code list items	
Region	Geographic Location Reach
Conditions attached	Geographic Vocabulary
Version	Geographical Precision
Verification status	Humanitarian Scope Type
Transaction type	Humanitarian Scope Vocabulary
Tied status	Indicator Measure
Activity Date Type	Indicator Vocabulary
Activity Scope	Loan Repayment Period
Activity Status	Loan Repayment Type
Aid Type (category)	Location Type
Aid Type Vocabulary	Location Type (category)
Budget Identifier	Organization Identifier
Budget Identifier Sector	Organization Registration Agency
Budget Identifier Sector (category)	Organization Role
Budget Identifier Vocabulary	Other Identifier Type
Budget Not Provided	Policy Marker
Budget Status	Policy Marker Vocabulary
Budget Type	Policy Significance
CRS Additional Other Flags	Publisher Type
CRS Channel Code	Region Vocabulary
Collaboration Type	Related Activity Type
Condition Type	Result Type
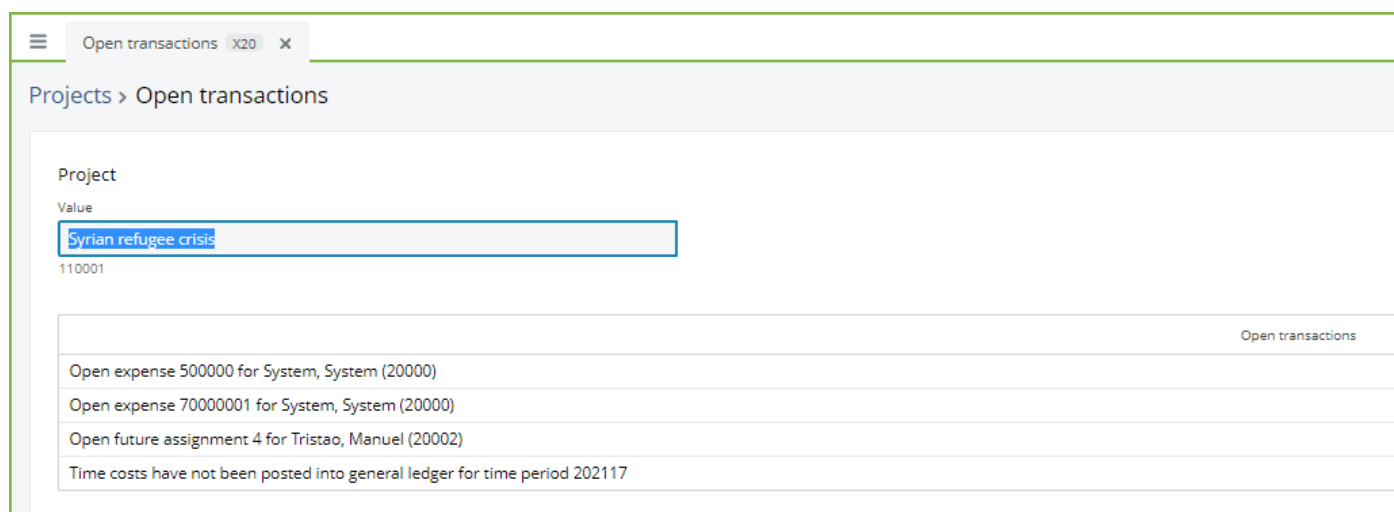
IATI code list items	
Contact Type	Result Vocabulary
Description Type	Sector Vocabulary
Disbursement Channel	Tag Vocabulary
Document Category	Activity hierarchy
Document Category (category)	IATI organization identifier

These code fields need to be captured either on the organization, project, or transaction level, depending on your organization's nature. Therefore, Unit4 has not added these fields on the 3 different levels but allows you to define which level is best suited for your organization's purpose as part of this addition. The integration to the IATI database via XM, API or 3rd party tool is an integration exercise and is not part of the implementation's standard scope.

Project Closing

The Project closing process marks the end of implementing a project, ensuring that all tasks are concluded and that all the required procedures have taken place. Receivables and Payables are two of the items described in this process that need to be completed. To prevent further changes to the project, the solution provides you with a status field on the project record, set to Closed. No financial transaction, timesheet, expense transaction, or purchase transaction can be made on the project after this status change.

To check whether closing the project is justified, the solution allows checking of all open transactions currently active on the project and running a validation process.

Figure 18 - Project closing transaction validation

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