

# Unit4 response to Elizabeth Glaser Pediatric AIDS Foundation Clarification

Implementation of Enterprise Resource Planning (ERP) System

Submitted by:

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# Unit4 Response

1. EGPAF's indirect cost rate is calculated as total indirect costs (accumulated in a pool) divided by total direct costs. Each project must be charged for its fair share of the indirect cost pool. How does UNIT4 propose allocating and recording this entry to the General Ledger?

The Unit4 solution includes out-of-the-box indirect cost capabilities, which allow an organization to allocate pertinent indirect costs to active projects based on predefined distribution rules. These rules are flexible and will enable EGPAF to manage calculations based on fixed financial values, percentages or user-defined statistical values (i.e., headcount, square footage, etc.). In addition, indirect costs can be posted and allocated automatically via an Excelerator Postback, either immediately or as a period-end process (depending on user-defined rules), across grants, projects and/or sub-awards according to your predefined rules for activity-based allocations. You will also be able to adjust these rules to address any future changes (i.e., additional/modified indirect pools and bases of allocation), which will automatically adjust in the following cost allocation run.

An automatic process retrieves the information as specified in the former step and uses this to distribute the indirect costs for that period across your active projects. Subsequently, the system creates the re-allocated indirect cost in a usable posting format for your General Ledger.

Account	Initial account	Journal description	Currency	Cur.amount	Amount	Cost centre	Project	Resno	Workorder	Activity	Award	Transno	Trans type	Project %	Award %	Total indirect cost
695010	515010	Airfare Expenses	USD	297.67	297.67		110001		110001100		3100004	1	GL	1.67%	100.00%	17,891.90
695020	515000	Accommodation Exp	USD	310.24	310.24		110001		110001100		3100004	1	GL	1.67%	100.00%	18,619.00
695030	515030	Meals Expenses	USD	146.92	146.92		110001		110001100		3100004	1	GL	1.67%	100.00%	8,815.00
695040	515040	Allowances Expense	USD	73.47	73.47		110001		110001100		3100004	1	GL	1.67%	100.00%	4,408.00
695050	515050	Other Travel Expense	USD	50.48	50.48		110001		110001100		3100004	1	GL	1.67%	100.00%	3,029.00
695060	515060	Mileage Expenses	USD	36.38	36.38		110001		110001100		3100004	1	GL	1.67%	100.00%	2,183.00
695070	515070	Credit Cards Expense	USD	70.22	70.22		110001		110001100		3100004	1	GL	1.67%	100.00%	4,213.00
695080	515080	Daily Subsistence Allowance	USD	289.47	289.47		110001		110001100		3100004	1	GL	1.67%	100.00%	17,368.00
695090	521090	Construction Services	USD	0.40	0.40		110001		110001100		3100004	1	GL	1.67%	100.00%	24.00
691140	521140	Fuel	USD	11.17	11.17		110001		110001100		3100004	1	GL	1.67%	100.00%	670.00
691180	521180	General Food	USD	0.32	0.32		110001		110001100		3100004	1	GL	1.67%	100.00%	19.00
691340	521340	Equipment	USD	9.44	9.44		110001		110001100		3100004	1	GL	1.67%	100.00%	27.00
691430	521430	Office furniture	USD	340.68	340.68		110001		110001100		3100004	1	GL	1.67%	100.00%	20,441.00
691470	521470	Generic Products	USD	1,373.20	1,373.20		110001		110001100		3100004	1	GL	1.67%	100.00%	82,392.00
691760	521760	Office Supplies	USD	0.00	0.00		110001		110001100		3100004	1	GL	1.67%	100.00%	0.00
691790	521790	Marketing Costs	USD	0.00	0.00		110001		110001100		3100004	1	GL	1.67%	100.00%	0.00
695010	515010	Airfare Expenses	USD	298.18	298.18		110002		110002100		3100005	1	GL	1.67%	100.00%	17,891.90
695020	515020	Accommodation Expense	USD	310.24	310.24		110002		110002100		3100005	1	GL	1.67%	100.00%	18,619.00
695030	515030	Meals Expenses	USD	146.92	146.92		110002		110002100		3100005	1	GL	1.67%	100.00%	8,815.00

Subsequently, the generated indirect cost allocation transactions are posted to your General Ledger.

Project (T)	Account class (T)	Account	Account (T)	Obligated amo.	Revised obliga.	Actual amount	Soft commitment	Hard commitment	Estimated amo.	Budget varian..	Awardas	Period
* Project: 110090 - Water Flood New York												
* Account class: F002 - Funding Income				-207,187.50	0.00	0.00	0.00	0.00	0.00	-243,750.00	-207,187.50	
* Account class: F003 - Procurement expenses				138,743.75	0.00	3,465.44	0.00	0.00	0.00	160,875.00	133,278.31	
* Account class: F005 - Travel Expenses												
* Workord: 110060100 - United Nations - Immediate help on water flood												
41	Water Flood New York	Travel Expenses	515010 Airfare Expenses	3,400.00	0.00	0.00	0.00	0.00	4,000.00	3,400.00	3100000	202112
42	Water Flood New York	Travel Expenses	515020 Accommodation Expense	2,125.00	0.00	0.00	0.00	0.00	2,500.00	2,125.00	3100000	202112
43	Water Flood New York	Travel Expenses	515030 Meals Expenses	1,275.00	0.00	0.00	0.00	0.00	1,500.00	1,275.00	3100000	202112
44	Water Flood New York	Travel Expenses	595010 ICA - Airfare Expenses	0.00	0.00	143.22	0.00	0.00	0.00	-143.22	3100000	202112
45	Water Flood New York	Travel Expenses	595020 ICA - Accommodation ...	0.00	0.00	152.76	0.00	0.00	0.00	-152.76	3100000	202112
46	Water Flood New York	Travel Expenses	595030 ICA - Meals Expenses	0.00	0.00	72.30	0.00	0.00	0.00	-72.30	3100000	202112
47	Water Flood New York	Travel Expenses	595040 ICA - Allowances Expense	0.00	0.00	37.64	0.00	0.00	0.00	-37.64	3100000	202112
48	Water Flood New York	Travel Expenses	595050 ICA - Other Travel Exp.	0.00	0.00	24.02	0.00	0.00	0.00	-24.02	3100000	202112
49	Water Flood New York	Travel Expenses	595060 ICA - Mileage Expenses	0.00	0.00	18.50	0.00	0.00	0.00	-18.50	3100000	202112
50	Water Flood New York	Travel Expenses	595070 ICA - Credit Cards Exp.	0.00	0.00	34.20	0.00	0.00	0.00	-34.20	3100000	202112
51	Water Flood New York	Travel Expenses	595090 ICA - Daily Subsistence	0.00	0.00	139.16	0.00	0.00	0.00	-139.16	3100000	202112
				6,800.00	0.00	621.80	0.00	0.00	8,000.00	6,178.20		
* Workord: 110060101 - USAID - Immediate help on water flood												
52	Water Flood New York	Travel Expenses	515010 Airfare Expenses	6,811.11	0.00	0.00	0.00	0.00	7,777.78	6,811.11	3100001	202112
53	Water Flood New York	Travel Expenses	515020 Accommodation Expense	4,131.94	0.00	0.00	0.00	0.00	4,861.11	4,131.94	3100001	202112
				0.00	0.00	5,952.64	0.00	0.00	0.00	-5,952.64		

In addition, EGPAF can create triggers to automate your allocation processes.

### Trigger to Allocate Fringe:

**Trigger setup**

Trigger type lookup: PR  
 Trigger lookup: FRICR  
 Trigger ICR rate: Fringe ICR 26%

Trigger type: PR  
 Trigger: FRICR  
 Description: Fringe ICR 26%  
 Period from: 199401  
 Period to: 209912  
 Trans.type flag:   
 Transaction type: PR - Period Reallocation Trigger

**Source**

#	Zoom	Status	Client	Account	Cat1	Cat2	Cat3	Cat4	Cat5	Cat6	Cat7	Period to	User	Updated
1		Normal	NUS	521320		11*					3*	209912	SYSTEMUS	4/4/2022

For all Transactions posted to account 511320, and projects that start with 11 and for all awards starting with 3.....

Allocate an additional 26%

**Destination**

#	F	Account	F	Cat1	F	Cat2	F	Cat3	F	Cat4	F	Cat5	F	Cat6	F	Cat7	F	TC	F	TS	R	Amount	Value	Number	M	User	Updated	
1	Manual	814020																0					26.060000	0.000000	0.000000		SYSTEMUS	4/4/2022
2	Manual	115020																0					-26.060000	0.000000	0.000000		GENNUS	4/4/2022

### Trigger to Allocate G&A:

**Trigger setup**

Trigger type lookup: PR  
 Trigger lookup: GA15  
 Trigger ICR rate: G&A 15%

Trigger type: PR  
 Trigger: GA15  
 Description: G&A 15%  
 Period from: 199401  
 Period to: 209912  
 Trans.type flag:   
 Transaction type: PR - Period Reallocation Trigger

**Source**

#	Zoom	Status	Client	Account	Cat1	Cat2	Cat3	Cat4	Cat5	Cat6	Cat7	Period to	User	Updated
1		Normal	NUS	521320		11*					3*	209912	SYSTEMUS	4/4/2022

**Destination**

#	F	Account	F	Cat1	F	Cat2	F	Cat3	F	Cat4	F	Cat5	F	Cat6	F	Cat7	F	TC	F	TS	R	Amount	Value	Number	M	User	Updated	
1	Manual	814030																0					15.000000	0.000000	0.000000		SYSTEMUS	4/4/2022
2	Manual	113020																0					-15.000000	0.000000	0.000000		GENNUS	4/4/2022

### Trigger to Allocate Overhead:

**Trigger setup**

Trigger type lookup: PR  
 Trigger lookup: OICR  
 Trigger ICR rate: Overhead ICR rate 10%

Trigger type: PR  
 Trigger: OICR  
 Description: Overhead ICR rate 10%  
 Period from: 199401  
 Period to: 209912  
 Trans.type flag:   
 Transaction type: PR - Period Reallocation Trigger

**Source**

#	Zoom	Status	Client	Account	Cat1	Cat2	Cat3	Cat4	Cat5	Cat6	Cat7	Period to	User	Updated
1		Normal	NUS	521320		11*					31*	209912	SYSTEMUS	4/4/2022

**Destination**

#	F	Account	F	Cat1	F	Cat2	F	Cat3	F	Cat4	F	Cat5	F	Cat6	F	Cat7	F	TC	F	TS	R	Amount	Value	Number	M	User	Updated	
1	Manual	814040																0					10.000000	0.000000	0.000000		SYSTEMUS	4/4/2022
2	Manual	115020																0					-10.000000	0.000000	0.000000		GENNUS	4/4/2022

## Results of the Automatic Allocation Trigger:

The screenshot shows the 'General Ledger transactions' interface in UNIT4 ERP. It displays a table of transactions with columns for Transaction type, Transaction number, Sequence number, Account, Account (T), Transaction date, Period, Tax code, Description, Amount, and Updated by. Two callouts are present: 'Original Journal' pointing to the first two rows of 'Transaction type: 2', and 'Automatic Allocation' pointing to the 'PR' row at the bottom of the 'Transaction type: PR' section.

Transaction type	Transaction number	Sequence number	Account	Account (T)	Transaction date	Period	Tax code	Description	Amount	Updated by	
<b>Transaction type: 2</b>											
1	2	1	192020	Bank USD	3/31/2022	202203	0	Cost allocation	-1,000.00	GENNUS	
2	2	0	521320	Laboratory and diagno...	3/31/2022	202203	0	Cost allocation	0.00	GENNUS	
<b>Transaction type: PR</b>											
3	PR	23150001	2	814020	Project ICR Fringe (ov...	3/31/2022	202203	0	Cost allocation	260.60	TRIGG
4	PR	23150001	3	814030	Project ICR G&A (gen...	3/31/2022	202203	0	Cost allocation	150.00	TRIGG
5	PR	23150001	4	814040	Project ICR Support	3/31/2022	202203	0	Cost allocation	100.00	TRIGG
									<b>510.60</b>		

2. How does UNIT4 handle a variety of provisional overhead rates that must be used for revenue recognition and donor reporting? For example, various donors allow different overhead rates. Until the Foundation has its final actual rate for the year, the Foundation records revenue and reports to its donors based on the approved (U.S. Government) provisional rates. How does UNIT4 handle changing to the final indirect rate and going back to “true up” the difference between the provisional overhead rate previously charged to projects and what the final rate turned out to be (requires adding or subtracting costs from all the projects so burdened).

In the Unit4 solution, you can record both provisional and final indirect cost/overhead rates on an individual award.

## Tab to Capture Indirect Cost Rates and Cost Pools Per Award:

The screenshot shows the 'Award' details interface in UNIT4 ERP. It displays a table of 'Award NICRA Rates' and 'Award ICR Rates-Prov...' and 'Award ICR Rates-Final'. The 'Award ICR Rates-Prov...' and 'Award ICR Rates-Final' sections are highlighted with red boxes.

Attribute	Attribute value	Description
GRANT	3100000	USAID - Award
ZA10	3100000	

  

Period	NICRA Rate	Total amount
202001	15.0000	0.00
Σ		0.00

  

Period	ICR Rate	ICR Pool
202001	26.0000	Fringe
202001	15.0000	G&A
202001	10.0000	OH

  

period	ICR Rate	ICR Pool
202001	28.0000	Fringe
202001	14.0000	G&A
202001	10.0000	OH

These rates are then used to true up the cost of the award using our flexible Postback tool as described in the previous answer. The Unit4 solution will enable EGPAF to record the allocation using the provisional rate with one transaction identifier and then use the final rate (different percentage) at the end of the reporting period to calculate the re-classification using another transaction identifier.

The same Postback tool will allow EGPAF to calculate and recognize revenue based on individual rules set per each donor/funder's revenue recognition requirements (i.e., revenue is only recognized when costs are incurred, revenue is recognized in full when the funding is received, match funding, etc.).

Unit4 has worked with many clients that all have specific revenue recognition requirements. We will work with the EGPAF team to determine which of our best-practice solutions we should utilize to address your needs during your implementation.

**3. Does UNIT4 have the ability to set target overhead rates and track current spending from that pool against that target?**

The Unit4 solution can track overhead rates on the individual award (see above). Overhead rates can be used to create a "target" that can be stored and reported against, similar to a budget vs. actual report. A dashboard can also be created for EGPAF to monitor direct and indirect cost spending and calculate the rate for comparison against the target rate at any time.

**4. What is Unit4's recommended integration approach for ADP and ERPx, such that U.S. biweekly payroll will be more efficient and that labor planning and forecasting labor costs can be done from within ERPx?**

The Unit4 solution includes planning and forecasting capabilities that can be utilized for the planning and forecasting need described. For a more efficient process, Unit4 would configure a bi-directional data flow between the Unit4 system and ADP. We would then post the data from ADP in the Unit4 solution for your labor planning and forecasting.

Should EGPAF choose to replace ADP with Unit4's Payroll solution, whether now or in the future, you would then use the Unit4 Payroll module to calculate labor costs for forecasting purposes. Using our Payroll functionality would also enable EGPAF to fully adopt our ERP solution, thus reducing interfaces.

**5. Can Unit4 reconcile bi-weekly payroll from ADP to the salary allocated via timesheets and booked to the General Ledger?**

To maximize efficiencies and support reconciliation, Unit4 would configure a bi-directional data flow between the Unit4 system and ADP. Your payroll processing and bi-weekly reconciliation would be possible via three data flows:

1. Employee census data sent to ADP (new hires, changes, terminations, rates, etc.)
2. Timesheet data sent to ADP for payroll processing and payment
3. Journal entry posting with all relevant detail (project/award) from ADP to Unit4

With the help of reporting, we can reconcile the payroll data generated in ADP (posted journal data) against your salary and timesheet data. In addition, Unit4 is engaged in active discussions with ADP to plan and build a robust and standardized set of data flows with ADP Workforce Now for the Unit4 Industry Mesh. Once available, Unit4 would be solely responsible for maintaining and updating these data flows for our clients.

**6. Please say more about Unit4's recommended approach for importing transaction-level data and vendor profiles from multiple different instances of online Quickbooks (in various local currencies) into ERPx.**

Our recommended approach uses the Unit4 solution's standard APIs to import transactions and vendor information from other financial applications, including QuickBooks. Transactions can be pulled over monthly, weekly or daily, depending on EGPAF's desired frequency. The upload process allows you to convert the transactions from local currency to a consolidation/reporting currency using the daily exchange rates managed in the Unit4 solution. The exchange rate tables can be automatically uploaded daily from a currency rate provider. In addition, the data coming from QuickBooks can be validated before being posted, making sure that the correct accounts, cost centers, project numbers etc., are being used. Vendor information can be synchronized using our standard APIs and used in real-time or according to EGPAF's desired frequency. We have other clients using QuickBooks for parts of their operations who also upload General Ledger and vendor information into the Unit4 solution in the way described above.