Terms of Reference

Development of Integrated Business Management Modules

1. Introduction

Reach Out Mbuya Health Community Initiative is seeking for a qualified Service Provider to provide a reliable Enterprise Resource Planning (ERP) system preferably Microsoft Business Central aimed at supporting the day-to-day operations of the organization.

This document outlines the terms of reference for designing and developing a set of integrated business management modules for Reach Out Mbuya Health Initiative. These modules will encompass:

- Human Resources (HR)
- Finance
- Budgeting
- Inventory
- Procurement

The objective is to create a comprehensive system that streamlines business processes, improves data accuracy, and enhances decision-making across the organization.

2. Project Scope (**Much Detailed Scope for each module has been provided in the table**)

2.1 **Modules to be Developed**.

- HR Module:
    - Employee onboarding
    - Time and attendance tracking
    - Leave management.
    - Performance management
    - Payroll processing and Employee Biodata management
    - Staff Exit management.
    - Staff contract tracking
    - Disciplinary and Grievances management
    - Employee Time sheet tracking
    - Online approvals and signatures should be appended to all transactions.
    - Automated Payslips
    - Gratuity/ Benefits tracking
- Finance Module:
    - General ledger accounting
    - Cash flow management.
    - Bank Transactions
    - Banking integration
    - Bank reconciliation.
    - Handle Multiple Currencies
    - Support multiple Bank Accounts
    - Reporting and analytics

Terms of Reference

- Budgeting Module:
  - Budget creation and forecasting
  - Budget tracking and variance analysis
  - Budget checks and commitments
  - Budget Reallocations
  - Budget Carryovers
  - Budget approvals
- Inventory Module:
  - Item management (including product and service catalogue
  - Stock level tracking.
  - Purchasing and receiving
  - Item Tracking
  - Transfer Orders
  - Inventory costing and valuation.
  - Reporting and analytics

- Procurement Module:
  - Supplier management
  - Purchase order creation and management.
  - Goods receipt and invoice processing
  - Purchase Requisition (prefer sharePoint)
  - Purchase order attachments.
  - Prepayments
  - Vendor performance analysis
  - Purchase order Archival.
  - Accounts Payable Reports
  - Online approvals and signatures should be appended to all transactions.

- Accounts and Receivable module
  - Receivable management
  - Differed Revenues
  - Prepayments
  - Aging Receivable Reports
  - Online approvals and signatures should be appended to all transactions.

- Fixed Asset Module
  - Fixed Asset register
  - Fixed Asset maintenance
  - Depreciation
  - Appreciation and write down of Assets.

- o Disposal of Assets
- o Fixed Asset reports

2.2 Platform Compatibility

Evaluate the feasibility of developing each module using:

- Microsoft SharePoint: Suitable for modules focusing on document management, workflow automation, and collaboration (e.g., HR Module, purchase requisitions and document approvals).
- Microsoft Dynamics 365 Business Central: Suitable for modules requiring robust data management, financial controls, and integration with other business applications (e.g., finance, budgeting, inventory, procurement, Payroll).
- *NB: Vendors can either apply for both SharePoint and Business Central or can apply for one.*

3. Licensing

- For modules to be developed using Business Central, we are looking at licenses for 24 users.
- For modules developed on SharePoint won't require any licensing.

4. Connection / Hosting

- The desired connection and hosting type for modules developed on Business Central is on premise (ROM server Room) but accessible by all ROM authorized users across all ROM sites (Head Office, Mother Teresa, Kinawataka)
- For modules developed on SharePoint will be integrated with ROM Microsoft 365 Tenant.

5. Project Deliverables

- Detailed requirements document for each module
- Functional specifications outlining the functionalities and user workflows.
- System design document detailing the technical architecture and data model.
- Developed and tested modules (on SharePoint and/or Business Central)
- User training materials and documentation
- Provide Technical support for 3 months after deployment.

6. Project Schedule

A detailed project schedule outlining key milestones and timelines will be developed after the initial feasibility assessment.

7. Project Resources
A dedicated project team will be assembled with representatives from:

- Business units (HR, Finance, Operations, etc.)
- IT department
- Development team (external or internal)

8. Acceptance Criteria

Terms of Reference

Each module will be considered successful upon meeting the following criteria:

- Meets all functional and technical requirements outlined in the design documents.
- Integrates seamlessly with existing systems (if applicable)
- User-friendly interface with intuitive navigation
- Secure and reliable data management
- Achieves user adoption and facilitates efficient workflows.

9. **Change Management**

- A comprehensive change management plan will be implemented to ensure user buy-in and adoption of the new modules. This includes:
- User communication and training
- Change management support throughout the implementation process.

10. **Evaluation and Selection**:
Proposals will be evaluated based on:

- Technical expertise and proposed solution.
- Project team qualifications and experience.
- Price and cost-effectiveness.
- References and past performance.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
REQ 1.0.0	**Financial Management**			
1.0.1	The system must be accessible in multiple distributed offices/staffs in the field			
1.0.2	The system should be in position to create financial years.			
1.0.3	The system should support closing of financial year, calculate reserves			
1.0.4	System must support accrual basis of accounting as well as cash basis Accounting			
1.0.5	System must have a provision for creating and managing Chart of Accounts which forms the basis for execution of data entry, transaction processing and financial reporting.			
1.0.6	System must support multi-currencies and adjustments			
1.0.7	System must have a provision for correcting wrongly posted transactions			

Procurement of an Integrated Financial and Human Resources Management System

1.0.8	System must be able to process journal vouchers and their approval			
1.0.9	System must have a provision to add supporting documents to a journal transaction			
1.1.0	System must generate voucher Nos automatically			
1.1.1	System must have the capability to allow printing journal voucher before and after posting			
1.1.2	System must calculate exchange rates automatically			
1.1.3	System must allow batch journal processing			
1.1.4	System must be configurable to allow matching of vendor invoices and vendor payments			
1.1.5	System must be configurable to segregate vendor payments, journal adjustments, and staff advances			
1.1.6	System must be able to track all advancements to staff, partners and accountabilities made, must be able to communicate non-accounted for funds			
1.1.7	Support for adding Donors, projects, activities and track funds/expenses per donor, activities and project			
1.1.8	System must be configurable to support managing of implementing partners – track advanced funds and demand for accountability			
1.1.9	System must maintain donor rate used at budgeting			
1.2.0	System must support multiple bank accounts			
1.2.1	System must support bank reconciliation, its approval			
1.2.2	The system must be able to integrate with other money processing systems such as Beyonic, Bank etc			
1.2.3	The system must have a provision for maintaining a petty cash account			
2.0.0	**Fixed Asset module**			
2.0.1	The system must have a provision to add, and maintain fixed asset register			
2.0.2	System must support asset acquisition			
2.0.3	System must be able to calculate asset depreciation			
2.0.4	System must be configurable to support asset insurance, maintenance, and disposal			

2.0.5	The system should support fixed asset appreciation and write down			
2.0.6	The system should allow reclassification of journals in case of any damage or change of locations			
2.0.7	The system should be able to generate reports that draw out analysis for the fixed asset register over a given period of time			
2.0.8	The installed General Ledger must have a detailed security system that allows the customization of separation of duties involved at all aspects of the general ledger system including set up, imports, journal entry posting, and journal entry reversing. Reporting, view only rights, etc.			
2.0.9	The system must be able to calculate VAT and WHT whenever required			
2.0.10	The installed General Ledger must have a comprehensive audit trail from sub-ledgers including GL, transaction detail, customer/vendor ID, check number invoice, PO and Cash receipts.			

Accounts Payable

This Section specifies requirements for the Accounts Payable Module of the system.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
3.0.1	The installed Accounts Payable system must tie into the Purchase Order system seamlessly.			

3.0.2	The installed system must allow for scanning of invoices, with the ability to access easily through a drill down feature.			
3.0.3	The system must be configured with capability to allow automatic assignment of vendor. numbers.			
3.0.4	The system must be configured with capability to automatically. generate unique AP batch numbers.			
3.0.5	The system must be configured with capability to allow correction to the distribution of an invoice without re-entering. the invoice (prior to posting to			
3.0.6	The system must be configured with capability to allow selection of invoices for payment by bank account, due date range, payment date, AP batch number, etc.			
3.0.7	The system must be configured with capability to support multiple payment types, cheque, wire transfer, cash, etc.			
3.0.8	The system must be configured with capability to flag if invoices exceed total.			
3.0.9	The system must be configured with capability to flag duplicate. invoice for a vendor (even if paid in prior years)			
3.1.0	The system must be configured with automatic batch balancing. controls - unable to finalize a batch not in balance.			
3.1.1	The system must be configured with capability to support system inquiries for invoice-by-invoice number, invoices by cheque/EFT number and invoices by vendor, invoices by date, etc.			
3.1.2	The system must be configured with the capability to have multiple bank accounts from which to issue payments.			

3.1.3	The system must be configured with the capability to allow AP module to post to the general ledger in detail (not in summary form)			
3.1.4	The system must be configured with the capability to allow the user to override the invoice amount in thecase of discrepancies and identify the invoice as paid in full.			

DEADLINE: Applications should be submitted by Friday 5th April 2024

Terms of Reference

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
3.1.5	The system must be configured with capability to allow user to perform electronic matching of purchase orders and invoices.			
3.1.6	The system must be installed and configured with the ability to match items by the following: Receiver documents · Invoice · Purchase order. · Contract · Inspection documents User-defined item			
3.1.7	The system must be installed and configured with the ability to automatically relieve an encumbrance when anexpenditure transaction is entered.			
3.1.8	The system must be capable of notifying a user of transactions with insufficient appropriation.			
3.1.9	The system must be installed and configured with the capability to support advance payments to vendors.			
3.2.0	The system must be installed and configured with capability to track advance payment balance.			
3.2.1	The system must be installed and configured with capability to cross reference a purchase order and invoice for the same. transaction.			
3.2.2	The system must be installed and configured with capability to prevent duplicate payments.			
3.2.3	The system must be installed and configured with capability to accommodate electronic			

Terms of Reference

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
3.2.4	payments (i.e. EFT, wire transfer, etc.) with remittance advice to the associated vendor.			
3.2.5	The system must be installed and configured with capability to create and recreate multiple electronic payment groupings by EFT, etc.			
3.2.6	The system must be installed and configured with capability to support electronic and digital. signatures.			
3.2.7	The system must be installed and configured with capability to process transactions in real time or in batch.			
3.2.8	The system must be configured with capability to maintain vendor payment records for current year, year to date and prior years.			
3.2.9	The system must be configured with capability to accumulate year to date purchases per vendor.			
3.3.0	The system must be configured with capability to print list of vendors at any time based on user specified format such as, vendor ID number, alphabetic, year to date purchase amounts, sequenced by product line etc.			
3.3.1	The system should allow partial delivery of goods against a given purchase order			
3.3.2	The system should allow partial payments made against an invoice			

3.3.3	The system should allow a single payment applied to multiple invoices			
3.3.4	Support for Purchase requisition and its approval.			
3.3.5	Support for payment requisition and approval.			

Accounts Receivable

This Section specifies requirements for the Accounts Receivable Module of the system.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
4.0.1	The Accounts Receivable Module must be installed and configured with capability to allow customization of separation of duties involved in entering customers, processing payments, generating invoices, and making adjustments.			
4.0.2	The Accounts Receivable Module must be installed and configured with capability to allow a supervisor generate reports to review all daily AR activity and approve prior to finalizing posting to general ledger.			
4.0.3	The Accounts Receivable Module must be installed and configured with capability to activate and deactivate customers/Advancees.			

4.0.4	The Accounts Receivable Module must be installed and configured with capability to display open items and balance forward status and aging for customer invoices.			
4.0.5	The Accounts Receivable Module must be installed and configured with capability to enter invoices, credit/debit memos and payments individually.			
4.0.6	The Accounts Receivable Module must be installed and configured with capability to enter credit memos to update accounts. receivable.			
4.0.7	The Accounts Receivable Module must be installed and configured with capability to allow partial. bill of an invoice amount.			
4.0.8	The Accounts Receivable Module must be installed and configured with capability to track advances and accountabilities.			
4.0.9	The Accounts Receivable Module must be installed and configured with a General Ledger distribution report to summarize the distribution of Accounts Receivable general ledger transactions by account and date.			
4.1.0	The Accounts Receivable Module must be installed and configured with capability to run Accounts Receivable reports in excel so they can be sorted by the column(s) of our choosing.			
4.1.2	The Accounts Receivable Module must be installed and configured to allow a user to customize Customer list, to select, Customer number, name, address, lease card, location, phone number, email.			
4.1.3	The Accounts Receivable Module must be installed and configured with capability to allow automatic posting to subsidiary and general ledger accounts.			
4.1.4	The Accounts Receivable Module must be installed and configured with capability to segregate types of receivables - set up different rules to accommodate different types of receivables.			

4.1.5	The Accounts Receivable Module must be installed and configured with capability to choose to view the AR details in the General ledger or post the net entry to the General ledger.			
4.1.6	The Accounts Receivable Module must be installed and configured with capability to generate CSV file for upload.			
4.1.7	The Accounts Receivable Module must be installed and configured with ability for more than one person to be in the system at a time without slowing the system down.			
4.1.8	The Accounts Receivable Module must be installed and configured with capability to save invoices as PDF and the PDF to be searchable.			
4.1.9	The Accounts Receivable Module must be installed and configured with capability to produce revenue reports monthly.			
4.2.0	The Accounts Receivable Module must be installed and configured with capability to produce cash receipts report for comparison to bank statement.			
4.2.1	The system must be installed and configured with capability to automatically assign sequential customer numbers.			
4.2.2	The system must be installed and configured with capability to define payment options for customer by receivable.			
4.2.3	The system must be installed and configured with capability to classify customers by user-defined classifications.			
4.2.4	The system must be installed and configured with capability to validate user-defined customer codes during online entry.			
4.2.5	The system must be installed and configured with capability to support multiple payment term schedules.			
4.2.5	The system must be installed and configured with capability to generate customer statements at user-defined date intervals from date of invoice.			

4.2.6	The system must be installed and configured with capability to generate customer statements based upon subsets of the customer record defined by customer characteristics (i.e., customer type, department owner, etc.				
4.2.7	The system must be installed and configured with capability to generate consolidated statements for customers with multiple accounts.				
4.2.8	The system must be installed and configured with capability to automatically generate reimbursement requests based on expenditures.				
4.2.9	The system must be installed and configured with the capability to accommodate multiple payments. against a single advance.				
4.3.0	The system must be installed and configured with capability to apply a single payment to multiple advances				
4.3.1	The system must be installed and configured with capability to interface with Accounts Payable module to process refunds with data from the customer record.				

Financial Reporting

This Section specifies requirements for the Financial Reporting Module of the system.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
5.0.1	The Financial Reporting Module must be installed and configured to prepare all standard monthly, quarterly, year-to-date, actual to budget financial reports, and user defined reports.			

5.0.2	The Financial Reporting Module must be installed and configured to prepare all standard financial reports with comparisons to prior periods, such as prior month, prior quarter, and prior. year to date.			
5.0.3	The Financial Reporting Module must be installed and configured to generate reports to an Excel. spreadsheet.			
5.0.4	The Financial Reporting Module must be installed and configured to forecast for future periods based on defined parameters and historical data.			
5.0.5	The Financial Reporting Module must be installed and configured to generate financial statements			
5.0.6	Generate Donor reports, Project reports, Activity reports etc.			

Budgeting

This section specifies requirements for the Budgeting Module of the system.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
6.0.1	The Budgeting Module must be installed and configured with capability to directly link to spreadsheets and/or word documents.			
6.0.2	The Budgeting Module must be installed and configured with capability to create budgets at Department, donor or project level. upload and approval on the system			
6.0.3	The Budgeting Module must be installed and configured with capability to maintain budget history for prior years.			
6.0.4	The Budgeting Module must be installed and configured with capability to generate reports including budget, actual, encumbrance balances,			
6.0.5	System must be configured to support work plan preparations			

	at either project level or donor level or departmental level			
6.0.6	System must have a budget monitoring tool to avoid overspend and this tool must communicate in real time			
6.0.7	The system must support supplementary budgets, budget reallocations/revisions, and their approval			
6.0.8	The system should ensure availability of funds before processing a transaction that would result into an expense			
6.0.9	The system should allow one view the commitments and actuals against a given budget code and the existing balance			
6.1.0	The system should be able to support budget reallocations in the system			

Inventory Management

This Section specifies requirements for the Inventory Module of the system.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
7.0.1	The installed Inventory module on the system must support inventory receipt – by generating GRNs – Goods Received Notes			
7.0.2	The module must support adding, editing and maintaining of item/inventory list			
7.0.3	The Module must support categorization of inventory into classes			
7.0.4	The system must be configured with capability to do stock take on the system			
7.0.5	The system must be configured with capability to allow inventory issue to staff			
7.0.6	The system must be configured with capability to allow inventory transfer from HQ to different offices.			

7.0.7	Support for maintaining different inventory stores in the different offices			
7.0.8	System must support various units of measure for the different items			
7.0.9	System should track inventory levels and generate system alerts			
7.1.0	The system should be able to support item tracking			

Payroll & HR Management

This Section specifies requirements for the Payroll & HR Module of the system.

Requirement ID	Minimum Requirement	Notes	Compliance of Specification Offered	Technical literature on specification offered
8.0.1	Add, edit and maintain employee biodata. Maintain an active employee list			
8.0.2	The module must support adding, editing and maintaining of different Earnings, Deductions and statutory			
8.0.3	The Module must support categorization of employees and their benefits			
8.0.4	The system must be configured with capability to do payroll calculations with a few clicks			
8.0.5	The system must be configured with capability to process salary advance to staff and recovery through payroll deductions			
8.0.6	The system must be configured with capability to allow adding of employee to payroll of a specific month.			

8.0.7	Support for generating payroll reports, Support emailing of individual pay slips.			
8.0.8	System must support leave requests and approval. Track leave days used and leave balance			
8.0.9	System should support timesheet submission and approval			
8.1.0	System must be able to generate HR reports			
8.1.1	System should support Staff Exit management.			
8.1.2	System should support Staff contract tracking			
8.1.3	System should support disciplinary and grievances management			