This Functional Requirements Document (FRD) is to provide a detailed understanding of the functions of Rainforest Alliance, its subsidiaries and legal entities, as well as to ensure that all functions pertaining to Finance and Accounting, Grant/Contracts Management, Payroll, Project Accounting, and Base Human Resource activities are captured correctly and reliably. The FRD will also detail certain business process enhancements that each division would like to see implemented in the future.
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1. Introduction
Rainforest Alliance (RA) is an alliance of farmers, forest communities, companies, and consumers committed to creating a world where people and nature thrive in harmony. Our work is bringing real, measurable benefits to forests, communities, and landscapes around the world.

We work with a diverse array of people, companies, and governments to restore balance to the world’s most important and vulnerable landscapes, conserve biodiversity and ensure sustainable livelihoods. The members of our alliance—from farmers and foresters to businesses and consumers—share a steadfast commitment to finding creative, pragmatic solutions to some of the world’s most pressing challenges.

As the international development environment changes in terms of contract sources, right-sizing indirect costs, and increased compliance, the demands placed on the organization change. As a result, the back-office functions at RA are evolving to meet a new reality. RA must ensure that it can demonstrate that its business is professionally managed; expended and compliant with internal policies & procedures; achieving value with and being good stewards of donations and contributions; and meeting project aims. RA receives significant sources of revenues from contributions, governmental/foundation grants, contracts, and royalty revenue.

In addition to needing to be compliant with business requirements in terms of applicable statutory regulations, this changing environment is also driving RA to:

- Provide clear and consistent Financial Policies and Processes;
- Implement systems designed to accommodate the detailed financial reporting requirements of RA and donors with flexibility to produce reliable, multi-entity, multi-year, and multi-layer reports;
- Assess system capabilities in order to facilitate integrated functions where required; and
- Integrate systems in order to ensure data is shared from RA systems of record rather than manually duplicated across multiple sources.

As such, the focus of this FRD is on what enhancements are needed to meet the aforementioned imperatives, ensure more efficient operations of the business, and determine the most efficient way of making information accessible to all departments from one data source, while balancing these improvements with a limited budget and a stated desire to reduce overall costs and the overhead burden on the organization.

Currently, there are various disparate applications which are installed at different points in the various functional areas. This set-up results in business process inefficiencies and software integration challenges.
To that end, the FRD is proposing the adoption at RA of an Organization-wide Financial Management System (FMS) as a key part of process and business management improvements. An FMS is a type of management software that enables users to share information across the entire business using a shared database that supports the way different business units work.

This means that employees in different departments—for example, accounting and development—can rely on the same information to meet their respective needs. It also allows for the integration of functional processes such as customer relationship management, professional services automation (project management, resource management, time tracking, expense management/budgeting, billing and invoicing, reporting), human resource information systems management, and the automation of many back-office functions.
2. Organizational Structure
The internal RA organization structure is matrixed, allowing for cross-organizational connections between RA teams around the globe. It consists of 3 layers: CEO -> Business Units (led by Leadership Team Members, or the “LT”) -> Departments (led by Department Heads, or a “DH,” and each rolling up to a Business Unit).

Diagram 1: RA Organizational Structure
3. Entity Structure

Rainforest Alliance Holding, Inc. (Holding) is an international non-profit organization, organized on January 1, 2018 in Delaware, USA to serve as the common parent nonprofit corporation providing centralized governance and oversight over Rainforest Alliance, Inc. (RA Inc) and Stichting Rainforest Alliance (Stichting RA, formerly known as UTZ). RA Inc (US) and Stichting RA (Netherlands) merged on January 1, 2018 and serve as the 2 Headquarters (HQs) for the organization. Employees total approximately 400 globally, with the majority concentrated in the 2 HQs.

Stichting RA consists of two legal entities: Stichting Rainforest Alliance (ST) (a non-profit “ANBI” organization) and Rainforest Alliance B.V. (BV) (a for-profit organization) (referred to together as “ST/BV”). Both companies are registered in the Netherlands (Amsterdam). Stichting RA owns 100 percent of the BV and net income made by the BV flow fully into Stichting RA. Stichting RA focuses on innovative partnerships with companies, farmers, NGOs, governments and others. BV produces royalty income consisting of UTZ certified coffee, cocoa, tea, hazelnuts, and more.

RA Inc is an international non-profit 501(c)(3) organization, registered in the United States (New York) with branches and affiliates in various countries. RA Inc focuses on innovative partnerships with companies, farmers, NGOs, governments and others as well as produces royalty income consisting of RA certified coffee, cocoa, tea, bananas, and more.

There is no activity at the Holding level.

As a result of the merger, the combined organization has 2 separate financial systems and multiple ancillary systems serving those 2 financial systems that may or may not be integrated.

A diagram of the global entities and the parent entities of each is presented below.
Diagram 2: RA Entity Structure
4. Purpose and Objectives

RA has legal entities around the world that require adherence to various accounting principles in the respective countries (see list below). They currently have a requirement for a Financial Management System that is multi-lingual and multi-currency enabled with a direct connection to a web-based foreign currency conversion tool (with ability to apply RA policy on currency conversion or enter manual rate if local law requires it). It must have multi-entity capability and the ability of enabling consolidations of multiple legal entities across the world, while adhering to legal reporting requirements of each country. In addition, it must have functionality to record transactions in an organization structure that is tied to the entities as depicted in Diagram 2, so that transactions being recorded can be restricted to individual(s) with defined roles/responsibilities in each entity or across multiple entities as needed.

RA currently operates in the following countries and the solution will be supportive of the currencies in those countries:

1. Brazil
2. Cameroon
3. China
4. Colombia
5. Cote D’Ivoire
6. Costa Rica
7. Democratic Republic of Congo
8. Ghana
9. Guatemala
10. Honduras
11. India
12. Indonesia
13. Kenya
14. Mexico
15. The Netherlands
16. Peru
17. United Kingdom
18. United States
19. Vietnam

Languages to be supported:

- Dutch
- Spanish
- Portuguese
- English
- French

Following the assessment of the current state and the implementation of the updated technology strategy, RA will be able to successfully affect change and make progress in the following areas:

- Enable real-time, reliable information on which the organization can base its decisions, adapt/change, and accomplish its strategic vision;
• Enable a broad international focus with multi-organizational/multi-company accounting;
• Provide for a more efficient financial close and consolidation;
• Provide better financial and performance analytics including KPI for managers and executives;
• Enable more accurate allocations (benefits, shared services, office and indirect);
• Efficiently close month/year end due to automation of consistent month end processes (e.g. income recognition, overhead charging, allocations, consolidation of field office reporting);
• Improved overall organizational efficiency by improving processes that affect all staff including expense declaration, timecards, and invoice processing;
• Integration to existing and new RA systems, reducing likelihood of human error;
• Reduce reliance on disparate systems;
• Form an effective partnership with a technically strong, customer-service vendor/implementer (Implementation Partner) as an integral part of this process and into the future to support the system as RA’s needs evolve;
• Update global policies and procedures to reflect any changes that arise from this process; and
• The availability of one “system of truth” for financial data that all departments can use.

Efficient Relationship Management (RM)
• Ability for the Finance & Accounting teams to work smarter, be more proactive, analyze data and trends, and generate greater job satisfaction by building strong relationships within the organization;
• Improved organization of, and access to, business development-related information and fundraising commitments;
• Improve processes and, where applicable, enable true automation of everyday related tasks;
• Ease of accessibility to the same accurate information leading to greater efficiency for multiple teams supporting all processes;
• Improved analytical data and performance reporting;
• Leverage RA’s Salesforce CRM through integration with the FMS to automate monthly release of restrictions and to enable “commitment accounting” for grants and contracts to enable more impactful project management;
• Integration into FMS dashboarding; and
• Recording vendor/funder name as a field in the FMS to improve understanding of the financial history of each vendor/funder.

**Clean Audits**
• Efficient and more accurate month and year end close;
• Smoother and less stressful annual statutory audit process;
• Better preparedness for Program Audits;
• Proper controls in place to meet US GAAP, European, and any other applicable International Accounting Standards;
• Link to currency conversion and automated foreign-exchange handling;
• Automatic allocation calculations at each month end close with the ability to adjust as needed (currently there are allocations for benefits, office costs, and indirect costs and there is a plan for a future allocation for shared services between RA Inc and Stichting RA);
• Work flowed accounts payable with e-document storage and electronic approval structure tied to RA’s internal approval limits;
• Ability to access and search supporting documentation by transaction to allow for effective and efficient testing for both internal and external processes;
• Automated, integrated accounts receivable invoicing for Royalty income; and
• A global, unified approach to payroll & time recording that is user-friendly, provides visibility into the cost of running a project (whether internal or external), and integrated with HR systems.

**Reporting, Budgeting, and Intelligent Forecasting**
• Ability to create reporting and statistical dashboards for querying FMS data (canned and customizable by user) for improved efficiency in the reporting process, allowing budget holders to query reports and review comparative activities;
• Ability to create budget to actual dashboards for department heads which will result in improved conversations and decision-making, common understanding and a cohesive working environment;
• Improved efficiency and accuracy in the reporting process, allowing budget holders to query reports and review comparative activities including ability to create customized financial dashboards;
• Automated structured excel reporting resulting in reduction of existing manual work, less time creating manual excel reports and increase in review of structured reports, while increasing time available for added value activities and interactions;

• Reporting to management will improve with increased clarity and with more relevant, appraised reforecasts when required

• The ability to capture business relationship data, track opportunities and its sources and determine resources needed and their availability;

• Ability to utilize historical legacy data for reporting purposes for approximately 7 years from go-live;

• Clarity on budgets due to version control and phasing, providing slicing of budgets for different reporting years; and

• Ability to prepare and forecast more accurately project, departmental, and organizational budgets.

Support to RA’s Offices in the Field

• Each field office will have its own entity within the FMS, in its own local currency as well as multi-currency functionality, and the ability to set different business rules per country depending on local requirements;

• Eliminate manual input of field financial data from outside databases to reduce errors;

• Enable one “system of record” for all financial transactions around the world;

• Ability to focus reviews of field office financial data on financial and regulatory compliance as opposed to number crunching and data cleaning;

• Enable capability to collect financial data and meet regulatory requirements of each country;

• Quick aggregation of field cost data to support the timely preparation and submission of bills and invoices for enhanced cashflow; and

• The ability to easily share information or reports to local tax authorities to comply with different requirements, such as mapping to differing GL natural accounts.

Integration

In an environment that is not integrated there are multiple databases overlapping and the ability to get a “real-time” view of the business performance becomes challenging. Various reports such as finance, sales, marketing, and services which show the performance of the company are very crucial for an integrated view of RA’s operations. Countless hours are wasted
on trying to get error-free information. Eventually the growth of the business suffers due to the inaccuracy of the information being provided.

System integration is becoming even more important due to the increasing advances in automation technology, the recent merger of 2 ways of working and 2 distinct systems, and the associated need to simplify processes for easier management. An integrated system will streamline processes, reduce costs, and ensure efficiency. There must be easy integration between modules to ensure real time data access. Additionally, data coming from other applications must be real-time to enable users to have up-to-date data. Some of the benefits RA expects from an Integrated system are:

- Enhanced analytical productivity of the employee;
- Real-time visibility of data and transactions;
- Elimination of the complexity with data synchronization and cost;
- Increased efficiency with processing across the organization;
- Reduced time and costs of major IT systems and support;
- Integration with Bank(s) where possible to have Workflwoed payment approvals/bank releases and foreign local reporting authorities;
- Integration with Corporate Card(s) for ease of reconciling and tracking outstanding expense reports;
- Integration with external tax reporting/revenue/governmental agencies where feasible; and
- Real-time FX conversion capabilities and integration with FX transaction sites (with ability to apply RA policy on currency conversion or enter manual rate if local law requires it).

The FMS must be able to seamlessly integrate functions and customer information with 2-way functionality from both the Salesforce CRM and Traceability-related CRM tools that will sit outside of the FMS utilizing APIs.

Additionally, integration of Human Resource, Time Reporting, Travel and Expense Reimbursement, and Payroll functions is required, if they are not native to the application being suggested/recommended.
5. **System Architecture**

Desired Outcomes

The overall solution must work towards a common set of outcomes and be architecturally compliant with RA’s technical standards. These shared outcomes provide equal opportunity for either best-in-breed or single solution vendors.

Below is a high-level list of the solution outcomes.

1. **Unified, seamless, end-to-end solution from process, information, and user perspectives**
   - "As if 1 system" integration and access across core finance, accounting, payroll, and contract applications
   - Plug-and-play capability to easily include partner applications: Salesforce and Traceability-related Customer Relationship Management tools (CRMs), Projects, Contracts, Human Capital Management, Time and Expense Reporting, etc.
   - Seamless connections to bank websites where feasible
   - Central portal and menu for shared launch, operation, and ease of use from Web Browser desktops, portable, and mobile devices

2. **Simplified and streamlined processes, analytics, and standards leveraging industry best practices**
   - Rapid implementation in under six months, using industry best practices to handle increasing levels of complexity, while easily configurable to RA’s specific requirements
   - Continuous improvement of processes after implementation
   - Integrated with Microsoft Office tools, email, and commercially available Enterprise Content Management and Collaboration tools
   - Embedded analytics, dashboards, and metrics
   - Embedded budgeting and reporting tool
   - Enterprise application integration (open and versatile API integration)

3. **Hosted, highly available, secure solution requiring minimal IT support**
   - Vendor and Implementation Partner monitor, manage and deliver to pre-determined set of performance levels defined and enforced by a Service Level Agreement (SLA)
   - Standards-based, multi-site, domestically sourced data centers for secure, high availability, fault tolerance, disaster recovery, and data integrity
4. **Ecosystem designed to stay current, relevant, and usable**

- Vendor and Implementation Partner responsible to keep application up-to-date and tested with current commercially available functionality, patches and fixes
- Vendor driven, guaranteed compliance with varied regulatory (Tax, ACA...) and cyclical (Open Season, 1099, W-4...) events
- Robust Market Application Store specializing in engaging Self-Service (Cx, UX), and end-to-end solution bolt-ons
- Clear roadmap and product evolution framework
- Rich online user community, video trainings, documentation

5. **Best practice granular, role-based/entity-based security, access control, identity management, and audit logs**

- Meet and stay current with all RA Security Requirements to ensure authorized access and protection of information required by regulatory and other compliance requirements
- Enterprise level Single Sign-On with seamless and flexible options for authentication, authorization, and identity management
- Configurable audit logs and reports
- Ability to work offline as needed for areas with power interruptions

6. **Strong Workflow architecture with easy customization**

- Workflow is a particular pain point for RA. The primary workflows RA requires within Core Financials are as follows:
  - Accounts Payable
  - Expense Reimbursement
  - Corporate Credit Card Processing
  - Accounts Receivable customer billing
  - Time Recording
FUNCTIONAL REQUIREMENTS AND DESIGN DOCUMENT

- General FMS controls within/between Modules, including Journal Entry Creation and Approval
- Donation and revenue processing

- The system should include robust, easy to configure workflow functionality for at least these major processes that does not require significant technical knowledge

- Moreover, the system administrator(s) in RA should be able to configure, reassign/modify approvers, and modify workflows with minimum technical training
6. General Attributes / Look and Feel

RA is looking for a “next generation” FMS that will allow users to access the system regardless of location through a standard web browser on web enabled devices including laptops, tablets and/or smart phones. Ideally, the system will “resize” itself to the device so that screen layout and user access is not compromised. The system must be quick with short load times between each screen.

The system must have an open Application Programming Interface (API) (web services) to fully integrate with similarly architected third party applications. It is contemplated that at a minimum the solution will be integrated with Human Capital Management (HCM), Payroll, RA’s Traceability systems, banking platforms, a currency conversion tool, and Customer Relationship Management applications, and the vendor needs to be able to convincingly demonstrate that it can “plug and play” with solutions that RA puts forward in those areas.

The application should be scalable up or down with the ability to increase or decrease the number of entities, users in all user categories, as well as, the ability to increase or decrease the number of solution modules as business requirements change. It should have a robust user access control environment with the option of both pre-defined and customizable role and individual user permission sets. It should be flexible for configuration and customization to meet workflow and process needs. The software changes if necessary, for the platform will become generic and not be RA specific. This will vastly help with the maintenance and upkeep of the platform.

The system must be a Cloud-based application, easy to use and intuitive for the user experienced with financial systems. It should have context sensitive, robust user “Help” functionality available on every screen to solve transaction processing issues. It must have the ability to work offline as needed for areas with lower bandwidth or power concerns. The software licensing must include multiple environments (Development, Test, Production) to support maintainability of the system.

All system entries including changes to master files should be logged and locked for audit trail purposes identifying user, date, and time of entry.

Screens should be clean and uncluttered reflecting good design. Users should be able to hide, move and rename fields within screens through drag and drop to customize each user’s system experience and to integrate RA business nomenclature. It should be easy to navigate between different monthly and fiscal periods with ability to build appropriate controls for entries to closed periods.

The system should be easy to learn with strong support and training, with a typical implementation time.

All modules within the system should have the ability to import transactions or other data such as master file information through Excel/CSV templates and conversely the ability to export all
reports, queries, and tables to Excel, Word, or pdf as relevant. The system should also connect directly with e-mail tools such as Outlook for the purpose of emailing invoices directly to customers.

RA would like to have a “paperless” back office. The solution should allow for the drag and drop of relevant documentation – Excel, Word, image files, and/or PDF files – from user desktop, mobile devices, thumb drive, scanning device, etc. to all system screens in all modules where supporting documentation is required or desirable. Ideally, the solution would maintain a searchable database by module of all documentation housed within the system or some other document management functionality to quickly find archived documentation. In addition to files attachment and storage, the solution should provide unlimited Note fields where users can add date stamped narrative commentary and share such commentary with system colleagues.

Where possible, expenses or timecard systems or modules should be available via an App on a smartphone or tablet.
7. Reporting, Budgeting, and Intelligent Forecasting

Report Writer
One of the great drawbacks of the current application is the inability to easily extract data from the system. RA is looking for a solution that has an intuitive, robust, user friendly, and native reporting system that will allow for the generation of ad hoc queries and reports from every module, not only the GL. All reports should be “savable” in a “favorites” folder for reuse or use as a template. The ability to schedule in advance the running of reports and to export reports to Excel, Word, and/or pdf, as well as to distribute reports through email at user discretion is desired. Users should have their own dashboard for creating such reports that is intuitive. For entity-level, standard, or more complex reports, report-writing should stay in-house after training IT or Finance & Accounting staff (less reliance on external party to tailor/create most reports).

Standard Reports
In addition to the functionality above, the solution should come with a full suite of pre-configured yet customizable standard report templates, including but not limited to: detailed General Ledger, Trial Balance, GL Transaction History, Journal Entry History, Profit & Loss, Balance Sheet, Statement of Activities, Statement of Cash Flow, Statement of Functional Expenses, Cash Receipts, Cash Disbursements, Outstanding Checks, AP Aging, AP Outstanding by Vendor, Vendor Master File, AR Aging, AR Outstanding by Customer, Customer Master File, Transaction History of a given vendor/donor/stakeholder, Bank Book, Fixed Asset Detail by Asset Category, Prepaid Expense Report, Depreciation for Month, and YTD Detail by Asset Category. These reports should be viewable in multi-currency format if necessary.

Dashboards & Business Intelligence
The system should provide for user configurable, robust, flexible, real time dashboards (charts, tables, and graphs) which can be tailored to individual users and provide the ability of the system to place real time actionable information on the desktops of the LT, DHs, Budget Managers, Program Managers, Accountants, etc., such as:

- Ad Hoc Reports
- Profitability Analysis
- Benchmarking
- Dashboards
- KPI's
- Performance Metrics
- Predictive Analytics
- Profitability Analysis
- Scorecards
- Strategic Planning
- Trend Indicators
- Visual Analytics
- Quantitative Analysis
- Simulation Models
- Drag & Drop
- Drill Down Capabilities

The tool must be flexible and be managed internally with all updates being done on the cloud to eliminate the need for the IT department involvement.
Budgeting
RA needs an Integrated Budgeting tool to facilitate a simplified budgeting, planning, and modeling function to provide management visibility into the organization’s performance. RA would like excel-like sheets to streamline the planning process and allow users to drill into cell values to get a deeper understanding of the data. Configurable options and the ability to create custom calculations that can provide the flexibility to build models suited to RA’s unique business needs and save time to make budgeting less painful. Functions needed are:

- “What if” scenarios
- Consolidation/Roll ups
- Forecasting
- Multi Company
- Multi-Department/Projects/Funds
- Version Control
- HRIS Integration for salary information
8. Technology

Technical Requirements Mapped to Solution Outcomes

Unified, seamless end-to-end solution: “as-if-1-system”

Seamless and transparent sharing of data is required across applications, even beyond the Financial, Human Capital Management, Customer Relationship Management, Budgeting, Contract Management, and Contract solutions. The unified solution must be better than a loosely coupled assortment of modules; it must easily switch between applications and provide an auditable system of record with shared security/controls and logging of user interactions.

More specifically, each solution must provide triggered, real time transaction and master information integrations according to the “as-if-1-system” standard below:

- **Desired**: Native push from each feed source directly into system of record (journals, vouchers, etc.) triggered by configurable event (approval—payroll/grant application, close—subledger, pay—grantee, employee). Vendor/Implementation Partner maintains, tests and supports end-to-end integration. Linked drill from ledger to feed source.

- **Mandatory Transaction**: Integration for transaction must include at least one of the following methods provided by the vendor’s product [in priority order]: 1) Native call to system; 2) Integration API using WEB Services and industry best practices Service Oriented Architecture (SOA); 3) Separate integration layer with ETL product using configurable parameters. Product vendor/Implementation Partner maintains, tests, and supports integration methods.

- **Mandatory Master**: Bi-directional sharing of master information must support each of the following methods [in priority order]: 1) Native synchronization; 2) Integration API using WEB Services and industry best practices for SOA supporting JSON and file format exchange. All master information sharing must be bi-directional, gated by application security, and tracked by audit log. Integration to leading CLOUD based Salesforce and Traceability-related CRMs is required.

When the desired end-to-end, native integration is not included in product solution, the implementation vendor/Implementation Partner maintains and supports the integration configuration for both transactions and master information.

For all integrations, the ancillary solution and implementation is always responsible for sending and sharing information with the FMS. The desired arrangement is a shared integration guaranteed by both the sending and receiving product implementers.

For “plug-and-play” interfaces to Salesforce and Traceability-related CRMs, Project Budgeting, and Project Management Tools (if not native to the FMS), the same real time, bi-directional
integration capabilities are expected, but the integration configuration responsibility will be shared with each business partner.

Specific portal, menu, and user sign-in features should also facilitate “as-if-1 system” configurations, audit trails, and authorization. Functionalities should include:

- Human Resource Integration
- Integration with Salesforce CRM (Contracts and Donations)
- Integration with Traceability CRM
- Integrated Reporting and Budgeting tool (with forecasting capabilities)
- Cloud enabled
- 1 Common Database
- Fully integrated modules

**Simplified and Streamlined Processes, Analytics, and Standards**
The product must have a built-in, streamlined best practice workflows supporting rapid deployment with a maximum contract award to live timeline. Configurable workflow, integration with leading Enterprise Content Management (ECM) and Office tools is also required. Built-in dashboards and analytics with industry best practice KPI/metrics is required. These analytics should default based on role, be easily configurable, and ideally supported by leading BI products (if needed).

**Hosted, Highly Available, Secure and Scalable solution**
Each product must be hosted and managed in a highly available, secure, multi-location data center with full disaster recovery and 24x365 support. Vendor/Implementation Partner monitors, manages, and delivers to pre-determined set of performance levels defined and enforced by a Service Level Agreement (SLA). Rapid provisioning of Secure Software Development Life Cycle (S-SDLC) with built-in tools to create, test, and deploy demo, training, development, user acceptance, and testing environments. This solution must be capable of providing off-line functionality in the event of internet “down-time”.

**Ecosystem Designed to Stay Current, Relevant, and Usable**
The solution must reduce the risks associated with aging and unsupportable systems by automatically performing periodic technology renewals on at least a quarterly basis. The product vendor will be responsible for automatically installing and ensuring the solution is updated in terms of functionality, patches, and fixes. The update process must allow RA to independently verify and promote the updates from testing (UAT) to production. The expected architecture to support automated renewals is as follows:
- **Application or solution layer**: Multi-tenant, with continuous delivery for patches and Quarterly updates for features
- **Database layer**: Option for dedicated, private instance allowing for RA security and flexibility in accepting update
- **The product’s ecosystem should include:**
  - **Market Place or Store**: Partner applications focused on partner, customer, and user engagement enabling innovative self-service and end-to-end solutions
  - **Open Standards**: HTML5, REST, Java, Architecture balances BASE and ACID enterprise architecture standards
  - **Platform and Solution Leader**: Recognized quadrant (Gartner, Forrester, etc.) leader and innovator at both platform and solution layers
  - **Mobile**: Mobile applications desired for secure and convenient self-service

The innovation capacity is proven by the combined platform and solution’s agility and scalability. Self-service portals should exist for known cyclical events, such as Open Season, as well, as the flexibility to adapt and interconnect with future RA Learning Management Systems (Training), etc.

**Best Practice Granular, Role-Based Security, Access Control, Identity Management and Audit Logs**

Each solution must meet and stay current with RA’s Security requirements. In addition, authentication and authorization must use Single Sign On (SSO).

**Desired** Native Azure Active Directory for additional Identity Management

**Mandatory** SAML-based SSO integration with identity management systems.

Support for multi-factor mobile authentication, automated account provision with fine-grained authorization levels are also desired.

Robust dashboards and reports to monitor solution access and audit logs is also required.
9. **Functional Areas**

**ORGANIZATION & ENTITY GENERAL SETUP:** RA Holding will encompass all entities of the entire organization. RA Inc, Stichting RA and BV (child of Stichting RA) will be designated at setup within Holding. Each legal entity will have a “company” and be assigned to RA Inc, Stichting RA or BV with its own currency. All legal entities for RA Inc will be converted to USD. All entities for Stichting RA/BV will be converted to EUR. RA Inc and Stichting RA will be consolidated in USD in RA Holding. Please see Diagram 2 to understand which entities have a parent/child relationship.

**Accounting Modules:**

- General Ledger Module (Multiple Segments to accommodate multiple entities and organizational structure codes for assets, liabilities/net assets, revenue, expense)
- Accounts Payable Module (with Prepaid expense functionality)
- Accounts Receivable Module
- Bank Reconciliation Module
- Fixed Asset Module
- Cash Manager Module (to handle non-AR revenue including unrestricted donations)
- Payroll Module (with integrations where possible)
- Project Accounting Module
- Time Reporting Module
- Budgeting Module
- Financial Reporting Module
- Grants Management Module (bi-directional integration with Salesforce CRM)
- Consolidation with robust intercompany elimination functionality

**Functionality:**

- Multi-Currency with real-time currency transactions
- Human Capital Integration (to enable employee setup in FMS, timely processing of payroll, and tracking of paid time off)
- Multi-Lingual
- Time and Labor
- Expenses
• Cross-organizational collaboration
• Fund Accounting
• Allocations

**Financial Planning**
• Budgeting (Multiple Versions)
• Budget Proposal Pricing
• Financial Planning
• Cash Forecasting
• Project and Financial Reporting (Multiple Levels)
• Allow for flow of projected revenue from Salesforce CRM to FMS through either integrated sync or mass imports in order to feed into financial planning

**Grants Contract Management**
• Compliance requirements of donors, revenue recognition, release of restrictions, and internal policies
• Grants Management (to include tracking of commitments and payments against those commitments)
• Monthly revenue recognition process based on various types of restrictions (i.e. donor restriction, milestones, percentage completion, recording of expenses)
10. General Ledger

The general ledger is the definitive and comprehensive statement of all RA’s financial activity. It will represent the record-keeping system for RA’s financial data that will be validated by the trial balance. It will provide a record of each financial transaction that takes place during the fiscal year and will store data for future years from the time of implementation.

The general ledger will hold account information that is needed to prepare the company's financial statements. Transaction data will be segregated by type into accounts for assets, liabilities, net assets, revenues, program expenses, and indirect expenses. It will be used to accept data from all sub-ledgers after posting of transactions to those ledgers.

It is expected that the organization and entity structure will reside on top of the General Ledger and will be able to accommodate the segments required for ease in financial reporting. RA expects that Project/Grant Accounting transactions WILL NOT reside in the General Ledger. Allocations for benefits, shared services, office costs, and indirect costs WILL reside in Project and/or GL modules.

The transaction details to be contained in the GL must be compiled and summarized at various levels to produce a trial balance, income statement, balance sheet, statement of cash flows, statement of functional expense, indirect calculation, fringe calculation, and other required financial reports. This will enable leadership, analysts, and stakeholders to assess the various levels of performance on an ongoing basis.

The solution MUST:

- Provide for a Chart of Accounts with a natural account code of at least six (6) alpha-numeric digits
- Provide for at minimum seven (7) user-defined chart fields/dimensions (data tags) to capture and report on:
  - source of funds,
  - business unit,
  - department,
  - country,
  - sector/crop/theme, and
  - project, etc.
- RA will allow for these segments to be captured in the Project Accounting Module where applicable, including project activity, deliverable, etc.
• Have the ability to ensure the subsidiary ledgers are always in balance and, if not in balance, have a report to identify transactions not in balance for easy reconciliation

• Allow for system controls set-up such as for segregation of duties to prevent a user from both entering and posting the same Journal Entry

• Have transaction date be independent of period for posting in all modules (i.e. transaction date does not determine period to post)

• Allow for multiple user defined journal types and maintain an automated numbering system for Journal Entries

• Provide for multiple levels of warning or prevention when an entry is being posted to a prior or future period

• Allow for drag and drop of pdf, WORD, images, and/or Excel attachments as well as note fields and/or comment history in relevant transaction screens

• Have the ability to import transactions or other data such as master file information through Excel templates and conversely the ability to export all reports, queries, and tables to Excel, Word, or pdf as relevant

• Have user configurable, robust, flexible automated workflow for Journal Entry approval

• Have the ability to drill down from the General Ledger to individual transactions through supporting sub-ledgers

• Have a suite of preconfigured financial and management reports and templates – standard financial statements, trial balances, general ledgers, transaction history etc. that can be customized

• Have an easy to use, flexible, intuitive report writer for custom reports

• Provide for the ability to export reports and queries to Excel, Word, and/or pdf as well as the automatic sending of reports through email

• Have functionality to electronically download banking transactions (on demand or through timed daily download) and automatically match cash receipt and disbursement transactions per bank with receipt and disbursement transactions per GL for bank reconciliation purposes

• Provide for “control accounts” tied to subsidiary ledgers that prevent entry from other than subsidiary sources (in other words, no direct posting by Journal Entry through the General Ledger)

• Provide for Journal Entry templates for recurring entries and the automatic reversal of accrual entries to periods to be defined by preparer/poster
• Email notifications when pending entries are ready to be posted to GL
• Ability to run cash and accrual reports
• Ability to see posted and unposted transactions
• Enable seamless consolidation and intercompany elimination process
11. Fixed Assets

RA has varying requirements for recognizing items as assets based on the entity location and local legal requirements. Some items are classified as “assets,” but when financial statements are consolidated, they can be classified as “expense” items. The application MUST be able to reclassify items at consolidation. The Solution MUST:

- Have multiple options for depreciation methods with varying thresholds based on entity requirements
- Have the ability to track non-depreciated assets under the capitalization threshold but maintained by Information Technology and Business Operations
- Have the ability to project and report future depreciation through life of asset
- Have the ability to import transactions or other data such as master file information through Excel templates and conversely the ability to export all reports, queries and tables to Excel, Word, or pdf as relevant
- Have a full suite of standard reports – Asset Listing by Class, Month/YTD/LTD depreciation and amortization, NBV, etc.
- Have an easy to use, flexible, intuitive report writer for custom reports against AP data
- Allow for drag and drop of pdf, WORD, various images types, and/or Excel attachments as well as note fields and/or comment history in relevant transaction screens
- Auto assign asset numbers but also accept Asset Tag Numbers
- Print out Fixed Assets Physical Inventory Count Sheets
12. Financial Reporting

The major goal for RA is to replace the manual financial close processes and eliminate the security risk of uncontrolled desktop spreadsheets in their financial reporting while maintaining confidence in the final numbers with version control and a comprehensive audit trail that starts at the data source. This includes unifying financial data with nonfinancial data (such as operational metrics), in a controlled cloud environment for more comprehensive reporting and consistency for reporting outputs. Further, to automate data collection from departmental stakeholders during the close cycle with flexible templates.

RA is seeking to normalize data from different areas of the business, without having to worry about reformatting. Predefined templates can be used for both unstructured and structured data, making real-time updates and roll-forwards to the next report much less cumbersome.

With increased accessibility to financial and nonfinancial key performance indicators (KPIs), RA can simplify internal reporting, such as management or operational reports, collaborate on enterprise data centralized in the cloud to streamline corporate performance management processes, regardless of geographic or departmental barriers. RA seeks to automate data collection and aggregation from other systems and collaborators. This would enable employees to spend more time analyzing KPIs and telling the company story, rather than requesting, collecting, and checking numbers.
13. Cross-organizational Collaboration

Role-based permissions enable report owners to control who can access, view, and edit data and commentary. Messaging within the platform eliminates email chains and lost communications.

RA seeks to centralize cross-departmental data with a full view of company performance and access to real-time data that can be updated in dashboards, therefore enabling faster and more-informed decisions.

RA requires the ability to easily create high-quality management reports, board books, and presentations. RA also requires the ability to format reports in dashboards, spreadsheets, documents, and presentations, thus reducing time during report creation with the ability to roll forward frequently used reports, as well as customized style guides and templates. This will result in: 1) increased visibility into the organization, 2) breaking down data silos, 3) building dynamic reports supported by strategic insights, and 4) bringing more value to the business environment. The idea is to create a connected, collaborative, and continuous process for performing analysis and developing reports and transform traditional processes to greatly reduce cycle times and ensure accuracy.
14. Accounts Payable

RA envisions an Accounts Payable process that eliminates all the redundancies that currently exist. The application MUST be capable of OCR recognition to enable the automated processing of vendor transactions into the payable and payment functions. The flow of invoice recognition, coding, and posting must be seamless and less time consuming and must eliminate as much human intervention as possible.

This function is the single most important workflow within Accounting and represents 85% of the transaction volume. The FMS should provide for a robust automated process from generation of a customizable commitment tracking for various contract types to final invoice payment. Workflow with notification should move the process along in a timely and orderly fashion. RA issues contracts for vendors, consultants, subgrants, etc. in the Salesforce CRM and the FMS process should allow for the attachment of/link to these documents. Commitments should be able to be initiated for contracts in the CRM contractual types and budget availability should be checked against the Salesforce CRM with different levels of “over budget” warning available at set up. Approved contractual types should be automatically emailed to vendors. The Solution MUST:

- Allow all forms within the Payable transaction cycle to be fully customizable as to form and content
- Have full commitment functionality tied to the issuance of a contractual vehicle that tracks the remaining commitment as the original contract less invoices charged against the contractual vehicle to date
- Have user configurable, robust, flexible automated workflow for the generation of contractual vehicles as well as for invoice approval with email notification to relevant parties throughout
- Have the ability to import transactions or other data such as master file information through Excel templates and conversely the ability to export all reports, queries, and tables to Excel, Word, or pdf as relevant
- Not allow duplicate vendors to be created or invoice numbers from being entered into the system
- Allow for drag and drop of pdf, Word, various images types, and/or Excel attachments as well as note fields and/or comment history in relevant transaction screens including the attachment of contractual vehicles, link to Salesforce CRM, and tax forms such as the W-9 and W-8
- Provide for the ability to choose among checking accounts, ACH, as well as the payment of multiple invoices on one payment and support Positive Pay
• Have an easy to use, flexible, intuitive report writer for custom reports against AP data including VAT billed to clients

• Provide for the ability to export reports and queries to Excel, Word, and/or pdf as well as the automatic mailing of reports through email

• Ability to interface with other systems for auto feed of transactions

• Have a suite of standard reports including but not limited to: Vendor Master File, Vendor Purchase History, Aging Report, Amount Outstanding by Vendor, 1099 etc

• Automated OFAC and other terrorist watchlist checks or reference to system that integrates
15. Accounts Receivable

Invoicing/Billing for RA’s Traceability Program

RA currently generates invoices for clients/customers primarily through a variety of traceability-related CRM tools or manually through the existing systems’ Billing modules. These CRM tools currently function outside of their accounting system and require exports/imports to generate invoices. The requirement is for an integrated accounts receivable module within the financial system that allows seamless integration with the organization’s traceability-related CRM platforms and enables the efficient processing of transactions from those tools. It must be able to capture transactions by commodity, location, etc., along with RA’s entity and organizational structure. Recording of these transactions must follow internal controls as defined by RA.

The integration must allow for:

- Real-time Customer Management information in FMS and CRM
- Workflow management
- Multi-national/multi-currency functionality
- Multiple invoice entry methods
- Credit and collections management
- Receipt application
- Reporting

In addition, invoices must be fully customizable and include tax lines, ability to add stamp and signature, change the design, etc.

Some royalty payments are made online via credit card. Currently, these are processed via online donations platform synced to the CRM. The system must allow us to continue offering credit card payments whether through the online donation platform in CRM or directly in FMS.

Other Incoming Funds – Cash Receipts/Pledges

RA receives fundraising revenue from donors through a variety of sources and processes including multiple online platforms and third-party vendors, checks, credit cards, wires, and stock. In addition, some RA offices other than the HQ offices (including RA Mexico and RA Indonesia) may need to issue invoices from their respective entities. Therefore, access to the AR module must be available to all entities for issuing invoices if needed.

Donations can be both unrestricted donations and restricted for certain projects. Currently all non-grant donations (i.e. donations not attached to a contract) are recorded in the current Salesforce CRM (called “Luminate”) and manually copied into the FMS. RA is in the process of implementing a new organization-wide Salesforce CRM platform where donations will be
recorded. The FMS must integrate with Salesforce CRM. In addition, RA has other smaller sources of revenue such as a planned online store for branded merchandise. For Grant donations (donations with contractual obligations), see the Contract Management section below.

The needs of the FMS related to donations (both grant and non-grant) are listed below and may not be totally inclusive at this time. The solution MUST:

- Allow for workflowed process for identifying and coding wires, credit card payments, checks, etc. This workflow should link the FMS transaction directly to the CRM donation record as well as display unique external IDs for both records
- Bi-directional real-time flow of information
- Multi-national/multi-currency functionality
- Capture donor name as a stand-alone field to enable transaction history reporting by donor (individuals or entities)
- Provide for the ability to attach any supporting documentation to relevant screens in any electronic media format
- Have robust reporting
- Include data validation rules or automatic reports to check for mismatches between revenue account and project code
16. Payroll

RA to determine the “full” requirements for global payroll processing and the extent of the required integration with any “third-party” system. At a minimum, payroll MUST support laws in the existing countries where RA operates and allow for the charging of fringe benefits along with time charged to projects (see Time Recording/Reporting section below).

Refer also to section on “Entity Structure” and Diagram 2.
17. **Time Recording/Reporting**

RA is seeking a global time-keeping system that allows time/salary/cost information to be posted to specific projects/activities, whether internal or external. The Solution MUST:

- Support manager and employee self-service (i.e. easy to see missing timecards, unapproved time, rejected time, incomplete time).
- Provide easy access for staff to submit/approve (i.e. mobile app and be FAST).
- Provide staff the ability to copy previous timecard allocations into current timecard.
- Have national holidays and other days off automatically set up in timecard.
- Provide the ability for organizational administrators to easily add or delete billing codes from staff profiles.
- Provide for the ability to reject/recall unapproved timecards and allow for timecard corrections with justification for time periods within the calendar year.
- Allow supervisors, staff, and finance managers to see their timecard status and that of their teams.
- Provide for linkage between HRIS and employee records in Financial System/Timekeeping to ease setup (i.e. know when an employee should start submitting timecards based on start date or stop based on termination date in HRIS -see section on Integration) and these fields should be updated automatically when a change is made in the HRIS system.
- Timecard periods & more real-time benefits recording:
  - Linkage of timecard periods (and # of timecards) to payroll frequency in each location (i.e. if paid monthly, employee has 12 timecards to fill out), allowing for benefits (paid via payroll) to be directly allocated to that employee’s projects.
  - If timecard not submitted/approved, sits in suspense until timecard is approved (i.e. the FMS will know what projects to allocate that period’s benefits to).
- Track PTO and shows users a dashboard of their PTO including workflow for approving time off.
- Accommodate different work schedules during the year.
18. Employee Travel and Expense Management

RA has two primary ways to pay for employee travel or other procurement related expenses: company-sponsored credit cards and out of pocket reimbursements. In the interest of real-time cost tracking, staff are encouraged to use the company credit card whenever possible. Out of pocket expenses are generally only used in situations where the use of the corporate card is not possible or would result in complications (e.g. booking both personal and business travel on the same itinerary). Additionally, RA intends to also roll out a cash advance function/option to its staff, especially those staff in countries where credit card adoption is low and the burden of significant travel costs being borne by the individual traveler is unreasonable.

Thus, there are three major categories of travel and expense management that are required:

1. Corporate Card tracking, reporting, and reconciliation
2. Out of pocket reporting and reimbursement
3. Cash advance approval, disbursement, reporting, and reconciliation

The system MUST:

• Be customer centric and easy to use with a clear customer interface, available on any internet browser or smart phone/tablet app
• Strong integration with FMS AP module
• Have the ability to capture all information required to support an expense (invoice, receipt, etc.) through smart phone or tablet and automatically attach such documentation to the expense report
• Provide for drag and drop or browse attachment of documentation in any electronic file format such as pdf or jpeg
• Provide for automated approval workflow with notification to the approving supervisor and staff including escalation
• Have the ability to link to corporate credit card provider data feeds to automatically download statement and transaction information
• Have the ability to follow organization defined spending limits for lodging, meals, etc. or per diem tagged to organization’s guidelines
• Have the ability to integrate with RA’s travel agent/provider and booking system
• Have the ability to reconcile totals in situations where expense reports include multiple payment types (e.g. using out of pocket expenses to offset erroneous personal charges on a corporate card or deduct out of pocket reimbursements from cash advance balances)
• Have the ability to enter out-of-pockets expenses and any other reimbursable expenses and be paid via ACH or Wire, integrated with the AP module

• Have the ability to process negative report and handle refunds and personal charges

• Have the ability to track unreconciled balances by employee

• Preference is given for the ability to automatically link provided receipts (either via e-receipts and/or attached receipts) with the credit card transactions
19. **Contract Management:**

RA is in the process of implementing a Contract/Grant Management solution based on the Salesforce CRM platform for use by the whole organization (currently only being used by RA Inc). Definitive information for this implementation will be available at a later date, but the needs of the FMS are listed below and may not be totally inclusive at this time. The solution MUST:

- Integrate with the Salesforce CRM application being implemented
- Ability to capture subaward, grant and project accounting data
- Provide fields for Salesforce to capture Current-to-date, Quarter-to-date, Year-to-date and Life-to-date project costs and information
- Provide fields for FMS & Salesforce to capture payment schedule and received payments against total commitment amount
- Monthly revenue recognition process based on various types of restrictions (i.e. donor restriction, milestones, percentage completion, recording of expenses) with ability to sync that information back to SF CRM, as reports in the Grants Management module or drive information in related dashboard reports
- Enable project managers to fully rely on Salesforce CRM for ALL project reporting
- Allow for defined close-out and roll-over process from Salesforce CRM
- Provide for the ability to capture contract data (award amount, start and end dates, funding source type, reporting dates, project managers, award types (contributions/exchange transactions), rules and restrictions etc.)
- It is essential that the FMS provide for multi-year and cross fiscal year grant/contract/project management
- Track invoicing/billing and interface with Core financials
- Have a full suite of standard reports as well as user friendly report writing functionality exportable to Excel
- Provide for the ability to attach any supporting documentation to relevant screens in any electronic media format
- Allow for live exchange of budget and actual amounts at transaction-level detail from GL and budget application from the Salesforce CRM application
- Must provide bi-directional integration with Salesforce CRM to ensure Grant/Donor agreement Revenue Recognition rules are fully available in billing module to allow for
revenue recognition within FMS Grants Management module for certain grants based on grant rules and allowable expenses

- Links within Grants Management record directly to award page in Salesforce CRM via unique data IDs