

# Business Requirements Document – Leave Management System

## PROJECT DETAILS

<b>PROJECT NAME:</b>		<b>Leave Management System</b>
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## 1. EXECUTIVE SUMMARY SNAPSHOT

The purpose of this Business Requirements Document (BRD) is to define the functional and non-functional requirements for implementing a new Leave Management System (LMS) that will streamline the process of requesting, approving, tracking, and reporting employee leave across the organisation. This system aims to replace the current manual and fragmented methods, which often result in delays, errors in leave balance calculations, and reduced visibility for both employees and management.

The proposed LMS will provide a centralised, user-friendly platform where employees can apply for leave, managers can review and approve requests, HR can maintain accurate leave records, and management can generate reports for workforce planning and compliance purposes.

Our analysis identified key challenges with the present process:

- Manual leave tracking via spreadsheets leads to errors and inconsistencies.

- Lack of real-time visibility into leave balances and schedules.
- Inefficient approval workflows causing delays.
- Limited reporting capabilities for decision-making.

The scope of this BRD includes the design, development, and deployment of the LMS, integration with existing HR/payroll systems, role-based access, and compliance with labour regulations. Out-of-scope items include payroll processing changes and unrelated HR modules such as performance management.

The primary business drivers for this initiative are improved efficiency, reduction in administrative overhead, enhanced employee satisfaction, and better compliance with leave policies and legal requirements.

The target audience for this BRD includes project stakeholders such as HR administrators, department managers, IT development teams, and executive leadership, who will use this document as a reference for planning, execution, and validation of the system's deliverables.

Target outcome: Reduce HR processing time for leave requests by **60%** within the first quarter of implementation, with an overall reduction in leave balance discrepancies to under **2%**.

This document assumes an organisation of approximately **500 employees** across three office locations in India, operating under Indian labour regulations. The LMS will cater to multiple leave categories, including statutory and company-specific leave types.



## 2. PROJECT DESCRIPTION

The Leave Management System (LMS) project aims to design and implement a centralised, digital platform for managing all aspects of employee leave within the organisation. The purpose of this system is to replace the current manual and fragmented leave tracking process, which relies heavily on paper forms, emails, and spreadsheets.

At present, employees submit leave requests through manual forms or informal email communication. These requests are processed by managers and HR staff using spreadsheets or legacy tools, often resulting in delays, errors in leave balance calculations, inconsistent record-keeping, and limited visibility into organisation-wide leave data.

“According to the HR Manager, the manual leave approval process often delays payroll finalisation and frustrates employees.”

The proposed LMS will serve as a unified solution that enables employees to submit leave requests online, managers to review and approve requests efficiently, and HR to maintain accurate, real-time leave records. The system will also generate reports for workforce planning, ensure compliance with labour laws and organisational policies, and integrate with payroll systems to streamline salary adjustments.

By undertaking this project, the organisation seeks to improve operational efficiency, enhance employee experience, reduce administrative burden, and ensure transparent, accurate leave management across all departments.



### 3. PROJECT SCOPE

The scope of the Leave Management System (LMS) includes designing, developing, and implementing a digital platform accessible via both a web portal and a mobile application. The system will enable employees to submit leave requests, managers to review and approve them, and HR to track leave balances and integrate data with the existing payroll system.

IN-SCOPE ITEMS	OUT-OF-SCOPE ITEMS
<ul style="list-style-type: none"><li>• <b>Item 1: Web Portal &amp; Mobile Application</b> – For employees, managers, and HR to manage leave requests and approvals.</li></ul>	<ul style="list-style-type: none"><li>• <b>Item 1:</b> Payroll processing itself (beyond leave-related data updates).</li></ul>
<ul style="list-style-type: none"><li>• <b>Item 2: Leave Request Submission</b> – Employees can apply for various types of leave (e.g., annual, sick, maternity/paternity).</li></ul>	<ul style="list-style-type: none"><li>• <b>Item 2:</b> Performance management or appraisal modules.</li></ul>
<ul style="list-style-type: none"><li>• <b>Item 3: Manager Review &amp; Approval Workflow</b> – Multi-level approval capability.</li></ul>	<ul style="list-style-type: none"><li>• <b>Item 3:</b> Recruitment and onboarding functionalities.</li></ul>

<ul style="list-style-type: none"> <li>• <b>Item 4: Leave Balance Tracking –</b> Real-time updates to leave balances for all employees.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Item 4:</b> Employee benefits administration (outside leave entitlements).</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Item 5: Integration with Payroll System –</b> Synchronising approved leave data to ensure accurate payroll adjustments.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Item 5:</b> Integration with third-party attendance devices or biometric systems (unless already available through existing systems).</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Item 6: Reporting &amp; Analytics –</b> Generation of leave usage reports for HR and management.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Item 7: Role-Based Access Control –</b> Different permissions for employees, managers, and HR administrators.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Item 8: Compliance &amp; Policy Enforcement –</b> Automated application of company leave policies and legal requirements.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Item 9: Future-proofing:</b> The LMS will be designed with modular</li> </ul>	

architecture to allow integration with biometric attendance systems in future phases.	
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4. BUSINESS DRIVERS	
<p><b>Business Driver 1:</b> Improved Operational Efficiency</p> <p>KPI: Cut average leave approval turnaround time from <b>2 days to less than 1 day.</b></p>	<p>The current manual leave tracking process consumes significant HR and managerial time due to reliance on emails, paper forms, and spreadsheets. Implementing a centralised digital platform will reduce administrative overhead, eliminate duplicate work, and speed up approvals.</p>
<p><b>Business Driver 2:</b> Accuracy and Compliance</p>	<p>Manual calculations often lead to errors in leave balances and payroll adjustments. The new system will ensure accurate tracking of leave entitlements, automatically enforce company leave policies, and maintain compliance with local labour laws.</p>
<p><b>Business Driver 3:</b> Enhanced Employee Experience</p>	<p>A user-friendly platform for leave applications and approvals will improve employee satisfaction by providing transparency, self-service capabilities, and faster response times to requests.</p>
<p><b>Business Driver 4:</b> Better Data for Decision-Making</p>	<p>The system's reporting and analytics features will allow HR and management to identify leave patterns, plan workforce allocation more effectively, and make informed decisions about staffing and resource management.</p>

## 5. PRESENT PROCESS

Currently, the organisation manages employee leave through a manual, paper-based and email-driven process. Employees submit leave requests by sending an email to their immediate manager or filling out a physical form. The manager then reviews the request and, if approved, forwards it to the HR department for record-keeping.

HR staff maintain leave balances in spreadsheets, manually updating them whenever new requests are approved. These spreadsheets are also used to reconcile leave data with the payroll system at the end of each pay period.

Key challenges with the present process include:

- **Time-consuming approvals** due to back-and-forth emails and lack of a centralised system.
- **Risk of errors** in leave balance calculations and payroll adjustments because of manual data entry.
- **Limited visibility** for employees and managers into real-time leave balances and team availability.
- **Difficulty generating reports**, as data is stored across multiple spreadsheets with no automated reporting tools.

This process is inefficient, prone to errors, and creates delays in communication between employees, managers and HR.

**Step-by-Step Current Workflow:**

1. Employee sends leave request via email or paper form.
2. Manager manually reviews and either emails approval/rejection or signs physical form.
3. If approved, manager forwards to HR via email.
4. HR manually updates Excel sheet for leave balances.
5. Payroll team reconciles leave records at end of month using updated spreadsheet.

**Bottleneck:** The manual HR update in Step 4 is the single largest cause of errors and delays, especially when multiple HR staff edit the same sheet.

## 6. PROPOSED PROCESS

The proposed Leave Management System (LMS) will replace the current manual process with a centralised, automated platform accessible via both a web portal and mobile application.

In the new process:

1. **Leave Request Submission** – Employees log into the LMS, select the type of leave, input start and end dates, and submit the request.
2. **Manager Review & Approval** – The system routes the request to the relevant manager for review. Managers receive notifications, review the request, and approve or reject it directly in the system.
3. **HR Validation & Record Update** – Approved requests are automatically updated in the employee's leave balance, visible to both the employee and HR.
4. **Integration with Payroll** – The LMS synchronises approved leave data with the payroll system to ensure accurate salary calculations.
5. **Reporting & Analytics** – The system generates real-time leave reports, showing trends, balances, and workforce availability for HR and management.
6. **Notifications & Transparency** – Employees and managers receive automated email or in-app notifications regarding approval status and updated balances.

This streamlined process will:

- Eliminate manual data entry and reduce errors.
- Improve visibility of leave balances for all parties.
- Shorten approval times with automated workflows.

- Provide accurate and up-to-date records for compliance and decision-making.

Additional Automation: The system will automatically flag overlapping leave requests within a team or department, allowing managers to avoid scheduling conflicts and prevent understaffing.

## 7. FUNCTIONAL REQUIREMENTS

### – PRIORITY

The functional requirements outlined below define the core capabilities the Leave Management System (LMS) must deliver to replace the existing manual process. These requirements are prioritised using the following rating system:

VALUE	STATUS	DESCRIPTION
1	Immediate	The requirement is critical to the project's success. Without fulfilling this requirement, the project is not possible.

2	High	The requirement is high priority re the project's success, but the project could still be implemented in a minimum viable product (MVP) scenario.
3	Moderate	The requirement is important to the project's success, as it provides value, but the project could still be implemented in an MVP scenario.
4	Low	The requirement is of low priority, but the project's success is not dependent upon it.
5	Prospective	The requirement is out of the project's scope and is included as a possible component of a prospective release and/or feature.

– CATEGORIES (LM)			
ID	REQUIREMENT	PRIORITY	RAISED BY
LM-01	Employees can submit leave requests specifying type, dates, and reason.	1	HR Department
LM-02	Managers can approve, reject, or request changes to leave requests.	1	Line Manager
LM-03	Real-time update of leave balances after approvals.	1	HR Department
LM-04	Integration with payroll system to automatically adjust salary for unpaid leave.	2	HR Department

LM-05	Dashboard for employees to view leave history and balances.	2	Employee Rep
LM-06	Notifications (email/in-app) for leave submission, approval, or rejection.	2	IT Department
LM-07	Configurable leave policies (annual leave, sick leave, maternity, etc.) based on company rules.	1	HR Department
LM-08	Reporting module for HR to generate monthly/annual leave reports by department.	2	HR Department
LM-09	Multi-level approval workflow for specific leave types.	3	Line Manager
LM-10	Calendar view showing team members' leave schedules.	3	Department Head
LM-11	Chatbot interface to check leave balances.	5	IT Department
LM-12	Automatic leave accrual projection for the next 6 months.	5	HR Department

#### Priority Justifications:

- **LM-01:** Without the ability to submit leave requests, the LMS cannot function at all.
- **LM-02:** Enables managers to respond directly in-system, removing the current delays caused by manual communication.

- **LM-03:** Ensures real-time accuracy of leave balances, preventing payroll disputes and compliance issues.
- **LM-04:** Reduces payroll adjustment errors and speeds up salary processing.
- **LM-05:** Improves transparency and employee satisfaction by allowing self-service access to leave data.
- **LM-06:** Improves workflow efficiency by notifying stakeholders automatically at each stage of the process.
- **LM-07:** Ensures the LMS enforces company leave policies and legal requirements without manual oversight.

MoSCoW Prioritization			
Priority	Requirement (ID)	Description	Reason
Must Have	LM-01	Employee leave request submission	Core functionality — without it the system is unusable.



<b>Must Have</b>	LM-02	Manager approval/rejection workflow	Enables leave processing without delays.
<b>Must Have</b>	LM-03	Real-time leave balance update	Ensures accuracy, prevents payroll disputes.
<b>Must Have</b>	LM-07	Configurable leave policies	Ensures compliance with company rules and labour laws.
<b>Should Have</b>	LM-04	Integration with payroll system	Reduces manual payroll errors, but can be phased in later.
<b>Should Have</b>	LM-05	Dashboard for employees	Improves transparency and user experience.
<b>Should Have</b>	LM-06	Notifications (email/in-app) for request status	Improves communication and workflow efficiency.
<b>Should Have</b>	LM-08	Reporting module for HR	Enables quick generation of leave usage and compliance reports.
<b>Could Have</b>	LM-09	Multi-level approval workflow	Useful for special leave types but not essential in Phase 1.
<b>Could Have</b>	LM-10	Calendar view of team leave schedules	Helps with planning but not critical for MVP.
<b>Won't Have (Now)</b>	LM-11	Chatbot interface to check leave balances	Future enhancement — not needed for initial rollout.
<b>Won't Have (Now)</b>	LM-12	Automatic leave accrual projection	Value-adding feature but not critical at launch.

8. NON-FUNCTIONAL REQUIREMENTS		
ID	REQUIREMENT	RAISED BY
LM-NFR01	The system must load the leave application dashboard within 3 seconds for optimal usability.	HR Manager
LM-NFR02	The system must be available 24/7 with a minimum uptime of 99.5% per month.	HR Manager
LM-NFR03	All employee data must be stored securely with encryption both in transit and at rest.	HR Manager
LM-NFR04	The system must be fully responsive and accessible from mobile, tablet, and desktop devices.	HR Manager

LM-NFR05	The interface should comply with accessibility standards (WCAG 2.1 AA).	HR Manager
LM-NFR06	The system should allow concurrent access for at least 500 active users without performance drop.	HR Manager
LM-NFR07	The system should scale to 2,000 concurrent active users without requiring architectural changes.	IT Department

## 9. RACD – Risks, Assumptions, Constraints, Dependencies

### Risks:

- Delay in payroll API integration due to vendor unavailability or incomplete documentation.
- Employee resistance to adopting the digital platform due to comfort with the existing email/paper process.
- Data migration errors when importing existing leave balances from spreadsheets into the new LMS.

### Assumptions:

- All employees have access to either a smartphone, desktop, or both for using the LMS.
- Payroll system supports API integration without requiring major redevelopment.

- HR and IT teams will be available for testing and validation within the agreed timeline.

**Constraints:**

- Budget cap of ₹10 lakh for Phase 1 implementation.
- Go-live deadline set at 3 months from project start date.
- LMS must comply with Indian labour regulations and company leave policies.

**Dependencies:**

- Timely provision of payroll API documentation and access credentials by the vendor.
- HR department providing accurate and complete leave records for migration.
- IT department availability to set up server hosting, security protocols, and system integrations.

## 10. GLOSSARY

TERM/ABBREVIATION	EXPLANATION
LMS/ LM	Leave Management System – software for managing employee leave requests and approvals.
HR	Human Resources – department responsible for managing employee-related processes.
NFR	Non-Functional Requirement – system behaviours like performance, security, usability.
MVP	Minimum Viable Product – the smallest version of the system that can be released.
Leave Accrual	Process where employees earn leave days progressively over a set period.
Carryover Policy	Rules defining if and how unused leave is carried into the next cycle.
Entitlement Cycle	Time period (e.g., calendar or fiscal year) for which leave entitlements are calculated.
KPI	Key Performance Indicators - A measurable value that indicates how effectively an objective is being achieved.

## 11. REFERENCES

NAME	LOCATION
<b>Ministry of Labour &amp; Employment, Government of India</b> – Labour Laws and Leave Policies	<a href="https://labour.gov.in">https://labour.gov.in</a>
<b>Smartsheet</b> – How to Write Project Requirements	<a href="#">How to Write Project Requirements   Smartsheet</a>

## 12. APPENDIX

No additional supplementary materials were used for the preparation of this document beyond the listed references.

### Stakeholder Table

Role	Department	Interest in Project
HR Manager	HR	Accurate leave tracking, reduced manual workload, policy compliance
Payroll Officer	Finance	Timely and accurate payroll adjustments based on approved leave data
IT Lead	IT	Smooth system integration, performance optimisation, data security
Department Manager	Operations	Quick approval process, visibility into team leave schedules
Employee Rep	All Staff	Transparent leave balances, faster approval times, self-service options

