

Business Requirements Document

Document Control

Document Name	Version	Date	Author	Role	Status
Business Requirements Document	1.0	April 30, 2025	Sonal Khobragade	Business Analyst	Approved
Business Requirements Document	0.2	April 29, 2025	Sonal Khobragade	Business Analyst	Review
Business Requirements Document	0.1	April 28, 2025	Sonal Khobragade	Business Analyst	Draft

Executive Summary

This Business Requirements Document (BRD) outlines the business needs and requirements for the Financial Management System (FMS). The system aims to streamline financial operations, including budgeting, expense management, financial reporting, and compliance. This document serves as the foundation for subsequent technical requirements and system design.

Business Background

Current Business Environment

The organization currently manages financial operations through a combination of manual processes and disparate systems. Budget planning is performed in spreadsheets, expense management relies on paper forms and email approvals, and financial reporting requires manual data consolidation from multiple sources. This approach has resulted in inefficiencies, errors, and limited visibility into financial performance.

Business Opportunity

Implementing an integrated Financial Management System presents an opportunity to:

- Reduce manual effort and processing time for financial transactions
- Improve accuracy and consistency of financial data
- Enhance visibility into financial performance through real-time dashboards and reports
- Strengthen financial controls and compliance
- Enable data-driven decision-making through improved financial analytics

Business Objectives

The primary business objectives for the Financial Management System are:

1. Reduce manual data entry by 80% within six months of implementation
2. Decrease processing time for financial transactions by 60% within three months of implementation
3. Improve accuracy of financial reporting by 95% within six months of implementation
4. Achieve 100% compliance with financial regulations and internal controls
5. Provide real-time visibility into financial performance for all stakeholders
6. Realize a return on investment of 250% over three years

Business Requirements

ID	Requirement	Description	Priority	Source
BR001	Budget Planning and Forecasting	The system must support budget planning and forecasting with annual, quarterly, and monthly views.	High	CFO
BR002	Expense Management	The system must provide expense submission and approval workflows with configurable approval levels.	High	Finance Director
BR003	Financial Reporting	The system must generate standard financial reports	High	CFO

		including P&L, Balance Sheet, and Cash Flow statements.		
BR004	Financial Dashboards	The system must provide financial dashboards with KPIs and drill-down capabilities.	Medium	Executive Team
BR005	Multi-Currency Support	The system must support multi-currency transactions with automatic currency conversion.	Medium	Finance Director
BR006	Audit Trail	The system must maintain audit trails for all financial transactions with user ID, timestamp, and IP address.	High	Compliance Officer
BR007	Financial Close Procedures	The system must support month-end and year-end closing procedures with checklists and automated entries.	High	Finance Manager
BR008	Access Control	The system must provide role-based access control with configurable permissions.	High	IT Security
BR009	System Integration	The system must integrate with the existing accounting system and other enterprise applications.	Medium	CIO
BR010	Compliance Reporting	The system must generate compliance reports for regulatory requirements and internal controls.	Medium	Compliance Officer

Business Process Requirements

Budget Management Process

The budget management process must support the following activities:

- Annual budget planning with monthly breakdowns
- Budget allocation by department and expense category
- What-if scenario modeling for budget planning
- Budget vs. actual variance analysis
- Budget adjustments with approval workflow
- Budget forecasting based on historical data and trends

Expense Management Process

The expense management process must support the following activities:

- Expense report submission with receipt attachments
- Configurable approval workflow based on amount and expense type
- Expense policy enforcement with automatic flagging of policy violations
- Expense categorization and allocation to departments and projects
- Expense reimbursement tracking
- Expense analytics and reporting

Financial Reporting Process

The financial reporting process must support the following activities:

- Generation of standard financial reports (P&L, Balance Sheet, Cash Flow)
- Custom report creation with user-defined parameters
- Scheduled report distribution to stakeholders
- Export of reports to various formats (PDF, Excel, CSV)
- Drill-down from summary to transaction details
- Comparative analysis across periods

Financial Close Process

The financial close process must support the following activities:

- Month-end closing checklist with task assignments and status tracking

- Automated accruals and deferrals based on predefined rules
- Journal entry creation and approval
- Account reconciliation
- Financial statement generation
- Period locking to prevent unauthorized changes

User Requirements

Finance Executives

Finance executives require:

- Executive dashboards with key financial metrics
- High-level budget vs. actual reports
- Financial performance trends and forecasts
- Compliance status and risk indicators
- Mobile access to critical financial information

Finance Managers

Finance managers require:

- Detailed budget management capabilities
- Financial close management tools
- Comprehensive financial reporting
- Audit trail and compliance monitoring
- System configuration and administration

Department Managers

Department managers require:

- Department-specific budget vs. actual reports
- Expense approval capabilities
- Budget planning and forecasting tools
- Department-specific financial metrics
- Simple and intuitive user interface

Employees

Employees require:

- Easy expense report submission
- Mobile access for expense submission
- Status tracking for submitted expenses
- Clear feedback on policy violations
- Minimal training requirements

Business Rules

ID	Rule	Description
BR001	Budget Approval	All department budgets must be approved by the department manager, finance director, and CFO before finalization.
BR002	Expense Approval Thresholds	Expenses under \$500 require department manager approval only. Expenses between \$500 and \$5,000 require department manager and finance manager approval. Expenses over \$5,000 require department manager, finance manager, and CFO approval.
BR003	Budget Variance Alerts	The system must alert department managers and finance when actual expenses exceed 80% of the budgeted amount for any category.
BR004	Financial Close Timeline	Month-end close must be completed within 5 business days after month-end. Year-end close must be completed within 15 business days after year-end.
BR005	Receipt Requirements	Receipts are required for all expenses over \$25. Expenses without required receipts must be flagged for review.
BR006	Budget Adjustments	Budget adjustments over 10% of the original budget require the same approval process as the original budget. Adjustments under 10% require only department manager and finance manager approval.
BR007		

	Currency Conversion	Currency conversion must use the exchange rate as of the transaction date for expense reporting and the month-end rate for financial reporting.
BR008	Fiscal Year Definition	The fiscal year runs from January 1 to December 31. The system must support this fiscal year definition for all financial processes.
BR009	Data Retention	Financial transaction data must be retained for 7 years in accordance with regulatory requirements.
BR010	Audit Requirements	All changes to financial data must be logged with user ID, timestamp, IP address, and before/after values to support audit requirements.

Assumptions and Constraints

Assumptions

- The existing accounting system provides an API for integration with the new FMS.
- Current financial processes are well-documented and understood by the finance team.
- Historical financial data is accurate and can be migrated to the new system.
- The organization's financial policies and procedures will not change significantly during the project.
- End users will adopt the new system with appropriate training and support.

Constraints

- The system must be implemented before the start of the next fiscal year (January 1, 2026).
- The project budget is fixed at \$805,000 with no additional funding available.
- The system must integrate with the existing Oracle ERP system.
- The system must comply with GDPR, SOX, and industry-specific financial regulations.
- The system must use the organization's standard technology stack (Microsoft .NET, SQL Server).

Glossary

Term	Definition
FMS	Financial Management System
P&L	Profit and Loss statement, a financial report that shows revenues, costs, and expenses during a specific period
KPI	Key Performance Indicator, a measurable value that demonstrates how effectively a company is achieving key business objectives
SOX	Sarbanes-Oxley Act, a U.S. law that sets requirements for public company boards, management, and public accounting firms
GDPR	General Data Protection Regulation, a regulation in EU law on data protection and privacy
ERP	Enterprise Resource Planning, a type of software that organizations use to manage day-to-day business activities
API	Application Programming Interface, a set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service
CFO	Chief Financial Officer, the senior executive responsible for managing the financial actions of a company
CIO	Chief Information Officer, the executive responsible for managing, implementing, and usability of information and computer technologies
ROI	Return on Investment, a performance measure used to evaluate the efficiency of an investment

Approval

This Business Requirements Document has been reviewed and approved by the following stakeholders:

Name	Role	Date
Michael Johnson	CFO, Project Sponsor	April 15, 2025
Sarah Williams	Finance Director	April 15, 2025
David Chen	CIO	April 15, 2025
Lisa Thompson	Compliance Officer	April 15, 2025
Jennifer Lopez	Project Manager	April 15, 2025