Function Requirement Specification

Opening balances

to

Chart of Accounts

Document Reference: 503-100-C-FRS

Project: Opening balances

System:

Functions/Features:

Version: 0.1

Contents

1. Overview

This document serves to describe the requirements to migrate balances from the existing AS-IS NPDA into the TO-BE Accounting sub system.

The objective is to provide a general ledger in compliance with general accounting practices. This solution will serve as a building block for the NPDA system accounting and finance this solution must cover all scenarios and exceptions as it is currently happening in the organisation. This solution needs to make tracking easier as well as improve reporting and complying with SLA requirements.

2. Scope

The scope of work is to deliver accounting services as a basic building block and to separate and decouple its concerns from non-financial concerns.

An accounting system is required that will record all of the PDA transactions into the general ledger accounts and Debtors and Creditors Ledger Accounts by utilising a Journal Entry. This is specified outside of this FRS.

The Scope of this document is to determine what the requirements are for each system / bank account in order to start with an opening balance on the set out deployment date.

Out of Scope

• Recoveries

To be discussed in further workshops.
Not needed to form part of fast track Financial GL – Out of Scope

• Legal & PDA Fee Balance

Not needed to form part of fast track Financial GL – Out of Scope

• Obligation Balance

Not needed to form part of fast track Financial GL – Out

2.1. Requirements List

The following tables lists the requirements for the business process and highlights those that are new and will change the business process. For each of the requirements, potential ideas on how they can be satisfied are also included. The table is organized by requirement priority to indicate a possible ordering for solution. Where applicable, the business problems from the Current Business Process Model are referenced.

Requirements List					
Req.ID	**Description**	**Priority**	**Originated By**	**Date Updated**	**Problems Addressed**
001	The Solution design for opening balances across all systems and bank accounts will be generated from various sources as above mentioned. A solution needs to be determine how to identify a consumer in the new general ledger.	H			AS at a cut-off date - balances from NPDA are migrated to the new accounting system.
002	The solution must be able to provide the following to business while maintaining complete traceability: • A Trail Balance • Statements: Per creditor, per consumer, per bank account, per hour, etc. • Adjustments • Profit and Loss • Balance Sheet	H			The Chart of Accounts must be finalised and linked to standard reports.
003	CUT-OFF Date for migration of balances.				AS at date for balances extracted and will be used as the Journal posting date.
004	To add a front end screen where a financial controller/mandated user can add the amount a DC or consumer owes to the PDA for example Advanced fees or defaulted debit order where the NPDA has funded distributions.				Advanced fees or defaulted debit order where the NPDA has funded distributions
005	A Chart of Accounts (COA) is required - COA is a list of the				The new set of Chart of Accounts for improving the accounting practice and procedures in the

accounts used by an organization to define each class of items for which money or the equivalent is spent or received. It is used to organize the finances of the entity and to segregate expenditures, revenue, assets and liabilities in order to give interested parties a better understanding of the financial health of the entity.				solution.

2.2. Chart of Accounts

These will be a type of a reconciled consumer deposit.

Funds awaiting distribution
Suspended funds
Bank Account 1
Bank Clearing Account 1
Bank Account 2
Bank Clearing Account 2
Bank Account 3
Bank Clearing Account 3
Bank Account 4
Bank Clearing Account 4
Bank Account 5
Bank Clearing Account 5
Unidentified Bank Account
Unidentified Control Account (after 7 days)
Unidentified Control Account (less than 7 days) Only positives
Unidentified Control Account (less than 7 days) Neagtives
Unlawfull debit orders
Bank Charges

Parent Account Consumer Control Account
(total of all the consumer accounts)
- Consumer 1
- Consumer 2
- Consumer 3
Unidentified Creditor Refund account
Interest Bank Account
Interest Received Account

Parent Account Creditor Control Account
DC fees (rehab / neg) - do we split it?
- DC 1
- DC 2
- DC 3

Parent Account   Legal Fees
- DC 1
- DC 2
- DC 3
NPDA Fees

2.3. Business Rules

This section will describe the business rules.

Opening Balance types:

Rule Id	Business Rule
	• **Consumer Funds Balance:** Objective: To start all consumer accounts with an opening balance. Information will be extracted to determine how much has been distributed vs. how much is owed. Received but not distributed Money Received and Distributed Money Deposits vs. Distribution Extractable from NPDA – BOA's run SQL Scripts to extract amount deposited vs. actual amount distributed.
	• **DC Balance** Will be the amount a DC owes us (PDA Fees), in the current system this is a manual process. Solution: To add a front end screen where a financial controller/mandated user can add the amount a DC owes to the PDA for example Advanced fees. This will then create an opening balance in order to determine what is outstanding etc. These requirements to be documented for workflow and screen design. Most likely a search; find, select; functionality with an ability to create a negative balance owing.
	• **Unidentified Balance** Unidentified deposits are currently reported on, extraction from current system to determine the opening balance. Extractable from NPDA – BOA's run SQL Scripts to extract amount deposited vs. actual amount distributed.
	• **NPDA Balance**

	Will be the amount a DC or consumer owes us (PDA Fees), this is not currently catered for. Solution: To add a front end screen where a financial controller/mandated user can add the amount a DC or consumer owes to the PDA for example Advanced fees or defaulted debit order where the NPDA has funded distributions. This will then create an opening balance in order to determine what is outstanding etc. These requirements to be documented for workflow and screen design. Most likely a search; find, select; functionality with an ability to create a negative balance owing.

3. Mapping for Migration of balances

This section will describe mapping of balances from Current NPDA to New GL.

SOURCE:

Action items: RG to provide extract for opening and closing balance from NPDA

Data Model extract from NPDA:

Consumer Funds Balance:
All consumer accounts with an opening balance.

DC Balance
Will be the amount a DC owes us (PDA Fees), in the current system this is a manual process.

Unidentified Balance
Unidentified deposits are currently reported on, extraction from current system to determine the opening balance.

NPDA Balance
Will be the amount a DC or consumer owes us (PDA Fees), this is not currently catered for.

DESTINATION:

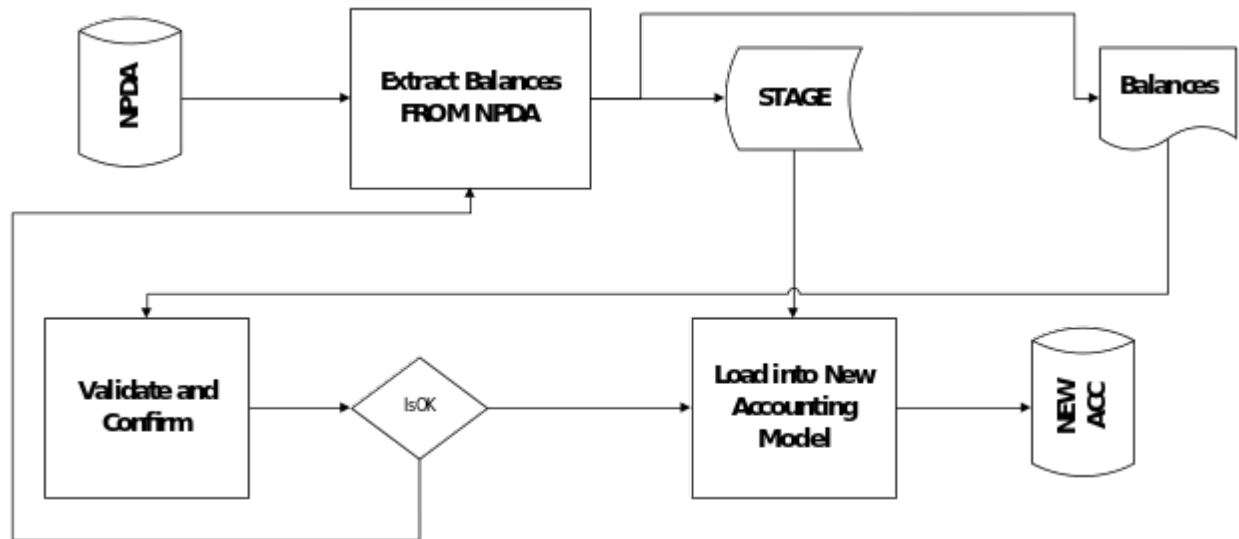The opening balances will be posted to the following Chart of Accounts:

Parent Account	Account
	Bank Account 1
	Bank Clearing Account 1
	Bank Account 2
	Bank Clearing Account 2
	Bank Account 3
	Bank Clearing Account 3
	Bank Account 4
	Bank Clearing Account 4
	Bank Account 5
	Bank Clearing Account 5
	Unidentified Bank Account
	Unidentified Control Account (after 7 days)
	Unidentified Control Account (less than 7 days) Only positives
	Unidentified Control Account (less than 7 days) Neagtives
	Unlawfull debit orders
	Bank Charges
Parent Account	Consumer Control Account (total of all the consumer accounts)
	- Consumer 1
	- Consumer 2
	- Consumer 3
	Unidentified Creditor Refund account
	Interest Bank Account
	Interest Recevied Account
Parent Account	Creditor Control Account
	DC fees (rehab / neg) - do we split it?
	- DC 1
	- DC 2
	- DC 3
Parent Account	Legal Fees
	- DC 1
	- DC 2
	- DC 3
	NPDA Fees

Mapping Rules:

SOURCE	Transformation rule	DESTINATION
• **Consumer Funds Balance:** All consumer accounts with an opening balance. Information will be extracted to determine how much has been distributed vs. how much is owed. Received but not distributed Money Received and Distributed Money Deposits vs. Distribution	Extractable from NPDA – BOA's run SQL Scripts to extract amount deposited vs. actual amount distributed.	Consumer Control Account Consume A/C
• **DC Balance** Will be the amount a DC owes us (PDA Fees), in the current system this is a manual process.	Solution: To add a front end screen where a financial controller/mandated user can add the amount a DC owes to the PDA for example Advanced fees. This will then create an opening balance in order to determine what is outstanding etc. These requirements to be documented for workflow and screen design. Most likely a search; find, select; functionality with an ability to create a negative balance owing.	DC Fees DC 1..N A/C

SOURCE	Transformation rule	DESTINATION
• **Unidentified Balance** Unidentified deposits are currently reported on, extraction from current system to determine the opening balance.	Extractable from NPDA – BOA's run SQL Scripts to extract amount deposited vs. actual amount distributed.	Unidentified Bank A/C Unidentified Bank Control A/C
• **NPDA Balance** Will be the amount a DC or consumer owes us (PDA Fees), this is not currently catered for.	Solution: To add a front end screen where a financial controller/mandated user can add the amount a DC or consumer owes to the PDA for example Advanced fees or defaulted debit order where the NPDA has funded distributions. This will then create an opening balance in order to determine what is outstanding etc. These requirements to be documented for workflow and screen design. Most likely a search; find, select; functionality with an ability to create a negative balance owing.	NPDA Fees A/c

4. Process of migrating balances

Steps to migrating balances:

Steps	Description
Extract Balances FROM NPDA	Run Query to extract balances for: • Consumer Funds Balance • DC Balance • Unidentified Balance • NPDA Balance This step will move the balances to staging area and also produce a balances report with some control totals.
Validate and Confirm	The balances report which reflects the open balances to be moved to the new set of accounts is used to validate the sanity of the extraction.
Load into New Accounting Model	If all is ok with the extraction then the balances are loaded into the new account sub-system.

5. Test Cases

This section contains the test cases that are needed to perform tests on the designated software. Test cases are developed from the requirements of the application build. Preparation of the test cases can begin in parallel with the defining of requirements and will be concluded at the end of requirements definition. One or more test cases can be defined for each requirement.

TEST CASE					PAGE:
SYSTEM/INTEGRATION/APPLICATION/BUILD:				DATE:	
Test Case Number	Test Case Name	Process	Business/Application Conditions	Associated Task Scenarios	Priority

6. Operational Impact

This section documents the operational procedures that are impacted to be used to effectively operate the system and application.

6.1. Operating Schedule

6.1.1. Daily:

6.1.2. Monthly:

6.2. Operating procedures

6.3. Expected volume and throughput of data

7. Risk Areas

This document will highlight core dependencies relating to the accounting module which will form part of the General Ledger.

Current business rules and reporting need to be sufficient to form part of the interim solution.

8. APPENDICES

8.1. Related Work Papers

These work papers were created during the Analysis Stage and were used as inputs to this deliverable:

Work Paper/Products	Location

8.2. REVISION HISTORY

The following table shows the history of revisions that have been made to this document.

Date	Description	Person Responsible
2016/02/18	**Documented Created**	**Ashley Leonard**

8.3. GLOSSARY

A standard glossary of terms.

Term	Definition