**Finsis**

**Introduction**

Traditionally, for the low-income and lesser privileged individuals/groups in the society, bank

loans and other forms of financial assistance have been hard to come by for fear of defaults

and bad debts. It is in this backdrop that microfinance is emerging as a new business

opportunity for financial institutions, which promises to help the underprivileged become

financially stable, at the same time ensuring that financial institutions continue to make profits.

Microfinance is the process of providing financial services such as loans, savings, etc. at a micro level or small scale to individuals with little or no income. A microfinance loan passes through various stages or events from the moment it is given till the time it is repaid. The process begins with a loan application form in which the borrower is asked to furnish their details and the kind of facility requested. The credit department appraises the application and takes a decision whether the applicant is eligible for the loan asked and whether loan can be extended to that customer. The credit institution will apply its own parameters in arriving at this decision. Assuming that the loan is sanctioned the microfinance institution gives a commitment and stipulates terms and conditions governing the same. The credit institution may levy a processing charge at this stage. The loan amount is then disbursed and credited to the **settlement account** of the borrower. Interest accrues on the account which has to be serviced by the borrower besides repaying the principal amount as per the repayment schedule. If the loan is not repaid or there is a delay the loan status is changed to reflect its deterioration. On the other hand if the microfinance account is conducted well it will close on the date the last instalment is due and paid.

Our TRES Finsis system for microfinance captures and maintains the parameters with respect to the life cycle of the microfinance loan outlined above and this is detailed in the subsequent sections. The TRES Finsis system is designed to cater to the lending needs of SACCOS and other financial institutions.

**Menu features**

**1.Dashboard**

To display reports in graphic modes for quick analysis.

Is divided into five grids

**Grid 1**

Contains today’s updates(events done today):-

New centers, new clients, closed clients, closed loans, disbursements so far done, deposits so far done, withdraawals so far done.

**Grid 2**

It’s a summary of the overall data available in the system:-

Total number of centers, total number of stations/branches, total number of clients(generally without arrears, with arrears and closed), total number of closed clients, total deposit balance so far, total loan principal balance so far, total principal plus Interest balance.

**Grid 3**

Has a doughnut chart representing the company’s OLB status for active loans and loans in arrears. Users with special privileges can search and populate same data based in the office type (e.g head office, Kwale region) or level type(e.g Kinango branch, Kirewe branch)

**Grid 4**

It’s a graph representing a disbursement history of the total disbursed amounts against date

**Grid 5**

It's 100% full table on display below the above grids showing aging of loan portfolios. A graphic table has the entities such as:-

1. Number of days a loan been active(e.g 1-30 days)
2. Principal overdue in the known currency
3. Principal balance (the difference between the total available principal amounts in the client accounts from the total principal balances of our clients
4. Principal balance in %
5. The accounts affected per the set number of days

**2.Create**

Has these activities in a drop down

1. **Group**

This is a sub-menu in the create menu where new group can be created. The details for the form under this sub-menu are:- Group name, County, Sub-county, Ward, Village, Nearest landmark, Meeting time, Meeting day, Meeting frequency(Weekly, bi-weekly or monthly), Number of clients, Group creation date(Implicit), Office type(e.g Head office, Kwale region), Level type(e.g HQ, Kinango branch), Officer and GPS coordinates(Updated by an officer after identifying the meeting point with clients)

1. **Client**

This is a sub-menu in the create menu where new client can be created. The details for the form under this sub-menu are everything to know about a client which is:-

* **Personal details** - Full names, ID number, Phone number, Email, Date of birth, Gender, County, Sub-county, Ward, Group name, Office type(e.g Head office, Kwale region), Level type(e.g HQ, Kinango branch).
* **Next of kin details** - Full name, ID number, Phone number, Relationship, physical address.
* **Supporting documents** - National ID, Passport size photo

This menu is also going to have a search field feature where:-

* We can search clients belonging to one group using the **group name(** Only to users with special privileges because they access full system with all data as opposed to normal users who would be accessing only the assigned portfolio in a branch)
* Search client of a group using client ID, national ID or unique client name(Both users with special privileges and normal users)

1. **Officer**

We can create an officer from this sub-menu. The details to display in the creation form are:-

* **Personal details** - Full name, Email, Phone number, ID number, Date of birth, Gender, Office type(e.g Head office, Kwale region), Level type(e.g HQ, Kinango branch).
* **Next of kin details** - Full name, Phone number, Relationship,
* **Supporting documents** - National ID, Passport photo, Bank account number.

All officers belong to Head Quarter branch(HQ) which is in Head office category of office type. When we create officers we cant assign them to any other category beside the above, because they will be clients as well of the company. Their center is BML staffs and their portfolio will be managed from the main branch. The assigning of an officer to a group will done when the group is being created.

1. **Station/Branch**

This is where we can set up a new station whenever the organization has expanded. A new station creation form is supposed to have details such as:-

**KYC** - Name(Defined based on admin preference), Station code(auto generated), County, Sub-county, Ward, GPS coordinates and station category choice option(i.e office type or level type).

**Infrastructure** - Primary economic activity, availability of electricity, Network availability, Internet access, Number Of staff, Road accessibility.

**Regulation** - License type, Regulatory body, Mobile money transaction types, services offered.

This menu is going to have a filter button feature where:-

* We can filter using **office type** to display all office type stations or using **level type** to display all level type stations. Purpose of this menu is stations set up only and this menu will be visible to person with special privileges only.

**NOTE: All of the above sub-menus will have a table just below the forms to display the data created.**

**Going deep into client profile.**

**Individual Client information**

This information will be accessed from an individual client profile. All company clients from the system will be accessed from the **client sub-menu** of the **Create** menu in the display table. Every row of the client data in the clients information table will have a button to view a client information. This client information display will be basically all the data inserted when the client was created and should be read only. Below the clients details will be buttons that will allow changes or updates. Such buttons will also help with accessing the individual client accounts. These buttons will be adorned as **Account** for client accounts and **Edit** for editing of personal details. Below is a brief expansion of what these two buttons take us to when clicked.

1. **Edit Button**

Once clicked the system will just populate the client creation form with details of the particular client loaded back in the respective form fields. The details below will be displaying for editing

**Personal details** - Full names, ID number, Phone number, Email, Date of birth, Gender, County, Sub-county, Ward, Group name, Office type, Level type.

**Next of kin details** - Full name, ID number, Phone number, Relationship, physical address.

**Supporting documents** - National ID, Passport size photo

**NOTE:-**This part is important in the case where client has or want to changed their details, e.g has obtained their personal ID, has divorced their partners or wants to change their next of kin

1. **Account**

Once clicked the system will load us a page for the client accounts. The accounts are automatically created to a client after a successfully creation of a client to the system. These accounts exist for different purposes. The expected accounts in display will be savings account, loan servicing account. A clients savings account will receive clients savings paid and loan servicing account or settlement account(current account) will hold the clients amounts paid for the loans repayments. These accounts will be defined with default names as **Boresha Acc Savings(BAS) for savings,** **Boresha Debit Acc**(**BDA**) for loan servicing.

It is important under this sub-module to accommodate a feature that allows **creation** (**adding up)** of another account in case a need arise. This will help to add more dynamism and will make the system user friendly. This feature will help with creation of accounts such as **emergency account** and **Mradi account** to clients in time when they are of need.

Below the accounts of this individual client will be a table of the loans the client has or had. A new client will have just an empty table.

**The action buttons**

Our system will be able to perform actions that will be helpful to accounts on occasions. Actions such as **reversal of transaction** or **repayment of transaction** are what we are talking about. The two action buttons that we shall use are:-

**Revert** - This button is favoured to be available in the system purposely to enable reversal operations. Transactions such as **loan disbursement** and **deposit entries** will happen to be the main to be affected by this action.

**Repay** - available in the system purposely to enable repayments

Lets see below how these actions will be applied in the loan and deposit system operations.

**Action buttons to a disbursed loan**

Every single loan info in a table will have a **view button** that enables accessing of the loan’s information, and for edit purposes. Once this view button is clicked the system will load us a page that will enable us view the respective loan information. The loan information will be displayed as read only. Then there will be the two **action buttons** just below it, **revert** for reversing of disbursement, **repay** for the loan repayment. When these two buttons will be clicked we should be able to perform the actions to the disbursed loan as described below.

1. **Revert**

At some point we might be forced to commit reversal of a loan transaction. Reversal operation to a disbursed loan will often be needed when we want to **reschedule** the disbursement date of a loan or we want to **abandon(**do away with completely) a loan. Reason why we could be forced to apply these two scenarios:-

* A client requested and have paid for the rescheduling
* The delivered item does not meet client expectations

A revert button will have the ability to take the loan back to the initial state of disbursement. This means the reversal operation is basically falling back to the previous repayment date of a loan on every click applied, until we reach to a **revert disbursement** button where if clicked its when the initial disbursement page is reached. The initial disbursement page arrived will enable us do the needed edits from the loan application’s input fields. This page with this operation will require two buttons:-

* **Disburse** - To re-disburse the loan after the needed editing have been concluded
* **Abandon** - To do away with the loan completely

1. **Repay**

This button is purposely for manual loan repayments. Even though we know that the system is automatic this button will be adopted to help in situations where a need to manually repay a loan has arisen. When this button will be clicked it will invoke a dialogue window. This dialogue window would contain following details:-

1. The repayment methods like(**Bank, Mpesa**, **journal entry, BDA settlement account).**
2. Repayment account(**BAS**, **BDA, BDA settlement account)**
3. Repayment date
4. Amount due
5. Reference number
6. Notes for the reason of repayment
7. Submit button
8. Close button

Repayment amount will be verified and accepted for repayment if the selected account has more or enough balance corresponding with the applied amount to be repaid. A repayment done with the repayment accounts(**BAS**, **BDA, BDA settlement account)** is done along with either bank or Mpesa or BDA settlement account method. Repayment done with journal entry method wont need a repayment account and so the(repayment account) input field need not send data to the database.

The two buttons will have two distinct functionalities:-

* **Save/submit button** - will only conduct repayment but never close a:-

1. Loan that will be due maybe hours, a day, days or week yet a user felt the need to make the repayment
2. Loan that’s fell in arrears and hasn’t reached end of its life cycle

* **Close button** - will make repayment and close a:-

1. Loan that will be due maybe hours, a day, days or week yet a user felt the need to make the repayment
2. Loan that’s fell in arrears and hasn’t reached end of its life cycle
3. Loan that’s reached end of its cycle but not in arrears yet(that is it’s a matter of hours) and user felt the need to make the repayment
4. Loan that’s reached end of it’s cycle, it’s been long overdue(definitely in arrears) user felt the need to make the repayment

**Action buttons to a deposit entry**

**Revert**

For deposit entries, the same will happen. The difference is that deposit entries don’t have an initial point that need to be attained. This is because every deposit done to a client on a particular day to a particular account(savings or loan servicing) should be treated as distinct transaction. So when reversal is done to this entry it will affect only this particular transaction of the intended date not the entire deposits done to the client. Occasions that could lead us to come to this actions are:-

* Error of entry, interchanged payments by an officer
* Error of entry during repayment, user paid to wrong client

**Repayment**

It will be done if we performed a reversal to an entry now we need to re-post it back which can be done from the entry receipts

**5.Transactions**

The operations under this menu are considered as “transactions” because they are either about receipt entries posting, loan creation, loan repayment or disbursement of loan. That means all of the operations here are related with **money** coming in or going out of accounts in the system. Has sub menus as below on a drop down

1. **Loans**

Is the sub-menu under **Transactions** menuwhere the loan creation, approval happens.Has 3 steps:-

**Loan creation**

Loan creation starts from filling of the loan’s details associated with the applied loan. Details will include:-

* **Client personal details** - Names, ID number, phone number, physical address, collateral, loan purpose.
* **Applied loan details** - Loan type, principal amount, interest rate(static), loan term, payment frequency, laf(for cash loan), lif(for product), insurance fee(for both), creation date, loan start date automatic generated, loan end date automatic generated, default end date(Normally unimaginably future date).

Once a loan is successfully created it will show in the table below the loan creation input fields with **Pending** approval status. The created loan here will just be on display but we cant perform any other operations. These loans will be available for approval in the approval **benchmark**. A user assigned an approval role is the only person expected to login to approve the loan. The user will do a thorough confirmation check on the loan details, if the loan meets the compliance parameters it will be approved or rejected if it does not.

1. **Disbursement**

Approved loans will be received in this menu to await disbursement.

1. **Deposits entries**

These are the posting entries reports done by the officer during the day, posting for clients payments. We expect all fresh transactions under this menu in a table. We expect different ways of generating data from this menu like:-

By filtering with center only

By officer

By branch

By region

**6.Reports**

Includes all the reports in the system generated in excel format or PDF

1. **Repayments**

A report that’s can give out all repayments done in the system when the right key words are used

* Withdrawals
* Loan repayments using savings
* Loan repayments using BDA
* Loan repayments using journal entry
* Loan repayments using BDA settlement accounts

1. **Par report**

Portfolio at risk report for the company

* For a branch
* For a region
* For the company

1. **Deposits summary**

* By group
* By officer
* By branch

1. **Sales**

* All sales done per day by officer, by branch, by region and by company
* Sale done per week by officer, by branch, by region and by company
* Sales done per month by officer, by branch, by region and by company

1. **OLB report**

* By group
* By officer
* By branch
* By region
* Company OLB

1. **Arrears**

Daily, weekly, 30 days accessed from different categories,

* By group
* By officer
* By branch only
* By region
* Whole company

1. **Client's demography**

Clients with details, which can be obtained either from Office type(e.g Head office), level type(e.g Kinango branch) or center(e.g Baraka Mwatsalafu)

1. **Disbursements**

All loans disbursed where information can be accessed based on dates or time the user require i.e in terms of time of the transaction, day, week,month, year,

1. **Forecasting**

To help with forecasting incoming arrears reports falling due for a whole branch, or region or company Portfolio

1. **Inventory**

This will be a fully menu of the inventory that will support with monitoring of the company stock. The menu will have functionalities that allow us to:-

* Request stock products that might have gone down in our stores by sending a request to the head of inventory,
* Facilitate stock taking by keeping track of our products for audit purpose,
* Be able to identify and deduct in real time our products that have been so far disbursed to clients,
* Able to give us the initial stock, the available stock and out of stock data
* Help with understanding closing and opening stocks

**8.Bulk action reports**

1. User action logs - Are the reports on user activities in the system such as:-

* Client creation,
* Client closure,
* Loan creation to disbursement,
* Loan repayment,
* Loan closure
* Loan rejection,
* Abandonment,
* Rescheduling

1. Collection sheets report(CSR) :- To forecast group's loan accounts that will fall due in two or three weeks from now

**9.Manage roles**

* Super user
* Admin
* Normal user