



*Some effort has been put  
but the recommendation  
and sample for this  
document have somewhat  
not been followed. The lit  
review is largely absent*

*6/10*

**BACHELOR OF SCIENCE IN INFORMATION TECHNOLOGY**

**PROGRAMMING PROJECT: BIT 2206**

**SAVINGS AND CREDIT COOPERATIVE MANAGEMENT SYSTEM FOR  
LOCA SAVINGS AND CREDIT COOPERATIVE**

**BY**

**NJOROGE MORRIS KIMANI**

**16/05387**



**PROJECT PROPOSAL DOCUMENTATION SUBMITTED IN PARTIAL  
FULFILMENT FOR THE REQUIREMENTS FOR THE AWARD OF A DEGREE  
IN INFORMATION TECHNOLOGY**

**PRESENTED TO: Dr. LUCY MBURU**

## **Declaration**

I declare that this project is my original work and has not been presented in any other college or university for the award of a Diploma or a Degree.

Student

Name..... Date.....

Signature.....

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## 1. Background

Since time in memorial: organizations, civilizations, armies, states and even businessmen just to mention but a few have all been heavily reliant on the accuracy, reliability and timeliness of data they have about their environment for their survival and progress. This is no different today in the age of powerful computing devices.

Improved decision making, customer service and products are all attributed to the embracing of technology by modern organizations which has also aided in making processes transparent and ensured that accountability is upheld for every action performed on a computer system.

LOCA is a savings and credit cooperative society that was formed in 2015 by taxi drivers who came together into a group called Local Cabs Association thus its members are cab/taxi drivers from within Nairobi and its immediate environs.

The SACCO is tasked with the responsibility of ensuring: all member contributions are well kept and accounted for; loans are processed as fast as possible following the right protocols and new members are well educated about how the SACCO operates before giving their consent to be a part of the SACCO.

In the beginning, the SACCO had only ten members and almost two years later, the number has gone up to almost eight hundred and still growing each day.

Being a relatively young SACCO, most of its activities are either semi-automated or completely manual meaning it has difficulty in:

- i) Real time addition of contributions to member accounts.
- ii) Loan processing.
- iii) Updating loan payments.
- iv) Creating reports and statements which are vital to the SACCO's management and members as well.

Due to the problems stated above, LOCA Sacco seeks to automate its functions which will better the quality of service it offers to its members.

## 2. PROBLEM STATEMENT

The system that is currently in use has the following flaws:

➤ **No real-time account updates**

since contributions are not added to the member accounts in real time, they do not always accumulate the interest they should from the time the contributions were made.

➤ **Data Redundancy**

Members carry around books that indicate the amount of money they have so far deposited and any loans that they are paying and so does the management. This causes data redundancy and also a security threat to members.

➤ **Data Security and Integrity**

Data stored manually is subject to malicious or accidental modification by anonymous or known people who may be authorized or unauthorized users of the current system. This causes losses in both money and customer confidence. The inability to hold specific persons responsible for malicious data modification also encourages corruption

### 3. LITERATURE REVIEW

Daily operations are being influenced today by information management systems.

SACCOs play an increasingly important role in Kenya's financial sector, serving a growing number of both urban and rural poor households (NDEGWA, 2014). The ability to have a place one could make savings that are guaranteed to accumulate a given amount of interest over time and availability of loans with reasonable interest rates make them an important part of the lives of many people.

The LOCA Sacco management system needs to be made in a way that makes it dynamic and able to meet the current and future growth expectations. It will be an effective tool in ensuring data security and accuracy as well as accountability and transparency within the Sacco.

The effect of such an efficient system will be an improved relations with customers and eventually a growth both in customer base but also in revenue in terms of capital to keep the Sacco running and expand.

*The lit review is insufficient. It should also contain more than one citation*

## 4. Proposed Solution

The new, automated LOCA Sacco Management System will be a software that will be in two parts.

1. **Front End:** This will be a graphical user interface with which authorized staff will be interacting with to perform their daily functions such as: registering a new member, accepting deposits and validating/rejecting loans and also generating reports.
2. **Back End:** It will be the database where the data will be stored. Security measures such as access control will be implemented here to protect the integrity of the data being stored or modified within the database.

With this software in place, the problems facing the manual system will be countered in the following ways:

1. **Real time updates:** Data entered or modified within the system will be automatically updated in the database therefore the data within the database will be timely and reliable.
2. **Eliminating data redundancy:** With all the data being digital, there will be no need of any physical record to be kept by both the Sacco and the customers and will always be available immediately on request.
3. **Secure data:** Data security will not be a worry any more since there will be access controls that will prevent unauthorized personnel from accessing the data in the system by use of username and passwords. This will also limit the powers of the staff since they will only be able to perform the functions their job description states on the database. This will improve accountability.

## 5. Project Objectives

The proposed system (once implemented) will have the following impact:

### 5.1 System objectives

- i. To reduce errors and improve the accuracy of data input.
- ii. Store customer details for future reference
- iii. Add new members into the system
- iv. Add new staff details to the system
- v. Print for the customer a receipt
- vi. Generating reports for system owners

### 5.2 Project objectives

- i. To collect comprehensive information, this will enable the project to run sufficiently.
- ii. To carry out a field research on what information should be available to make the system functional. .
- iii. To design a good and interactive user interface and required modules.
- iv. To implement and test the code to check if it meets the user requirements and satisfy its functionality.
- v. To document all the activities and tasks.
- vi. *Not a valid project objective*  
Reduce operational cost by ensuring minimum human labor.



## 6. METHODOLOGY

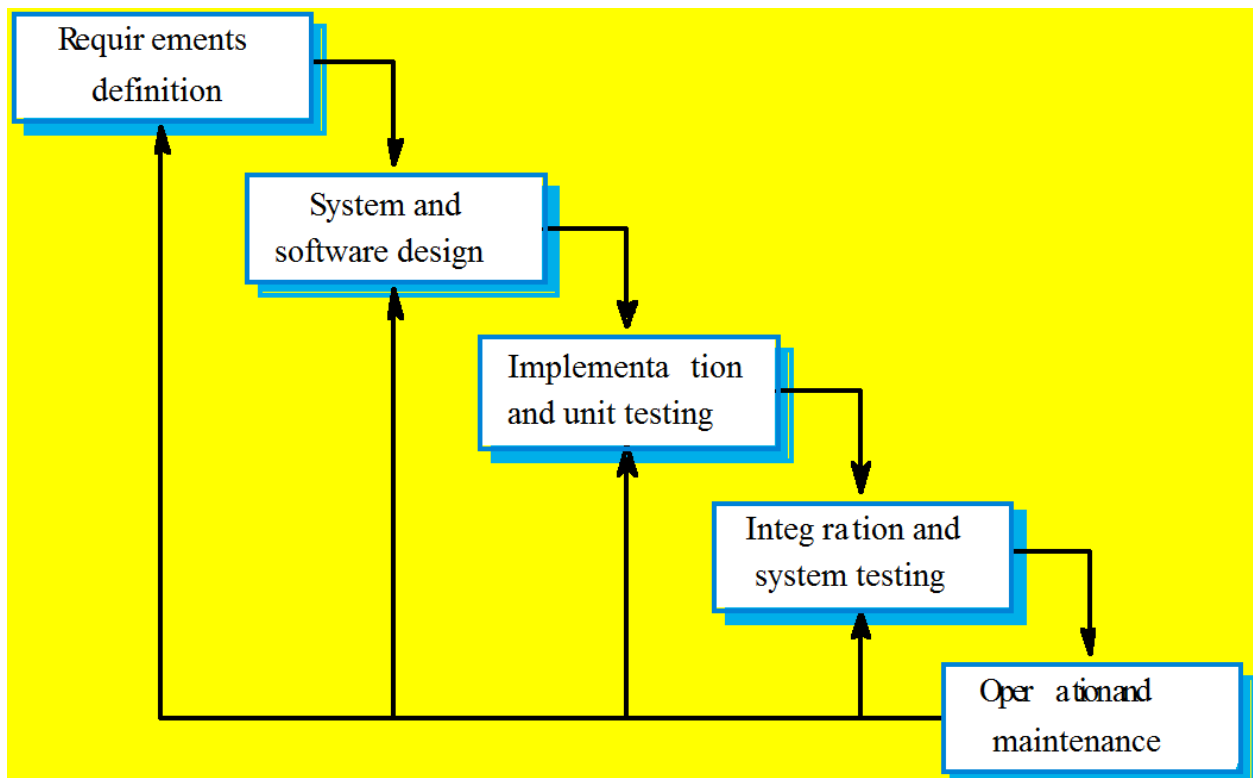
The proposed application will make use of the Waterfall Model System Development Life Cycle process. This is because I will be able to breakdown production of the whole system into development of one single functional unit at a time and integrate all of them into the final system.

This involves a series of several phases

The process will include 5 phases as below.

- Requirements analysis and definition
- System and software components design
- Implementation and unit testing
- Integration and system testing
- Operation and maintenance

### The Waterfall Model



For data collection and also to get to capture what the system requirements, I will implement the following:

### 6.1 Questionnaires

This will be a number of questions based on the current system being used. I will distribute them to the staff. An advantage of this is that the data I will collect will be accurate due to the anonymity guaranteed from using the questionnaires. A sample will be:

Sample of LOCA SACCO Management system questionnaire				
Question	Yes	No	N/A	Remarks
a) Are there any problems associated when serving customers? If yes give some remarks				
b) What features should be included in the system to make it interactive? If yes give some remarks				
c) Does it take long for an employee to serve a client? If yes give some remarks				
d) Is the current manual system tiresome? If yes give some remarks				
e) Is it easy to keep track of loans and customer accounts? Explain.				
f) Do you generate daily, weekly, monthly and yearly reports?				

### 6.2 INTERVIEWS

This is a direct interaction with the users of the current system. I will use structured questions where I will already have a set of predetermined questions and at times use unstructured questions which will also help me in interacting with all the user of the system and stakeholders. They will feel more comfortable with my presence and improves the accuracy of any data or information I obtain.

## 7. RESOURCES AND BUDGET

The proposed system will require the following resources for its development to be completed:

- i. A desktop computer or laptop – 1 GB RAM, 100GB Hard Drive
- ii. Microsoft Windows 7 and higher.
- iii. WAMP Server containing an SQL database.
- iv. ~~Visual Basic .NET~~
- v. Thermal printer for receipts
- vi. Printer for reports
- vii. Printing paper

Item	Quantity	Unit Price (Ksh)	Total Value (Ksh)
Laptop Computer	-	-	-
Thermal Printer	1	9,000	9,000
Thermal printer Paper	1	400	400
Printing paper ream	1	500	500
<b>TOTALS</b>			<b>9,900</b>

## 8. Constraints

### 8.1 Development

Developing a fully operational and secure automated system will be challenging due to the tests needed to ensure that it is as secure as it is intended to be.

### 8.2 Busy users and stakeholders

Some of the users and stakeholders I will need to interact with will be working and so getting ample time to obtain the information I need from them is going to be challenging.

### 8.3 Non-compliance

This is a problem that will come mainly from the users of the current system who feel that the new automated system will threaten their job security hence they will put up defense mechanisms that will negatively affect the completeness of the information I collect from them.

## 9. PROJECT SCHEDULE

The project will take three months to fully complete, test and implement.

	START DATE		COMPLETION DATE		
TASK ID	PLANNED START TIME	ACTUAL START DATE	PLANNED COMPETIO N DATE	ACTUAL COMPLETION DATE	DELIVERABLES
1. Writing Project Proposal	15/1/2018	16/1/2018	22/1/2018	23/1/2018	Proposal Documentation
2. Proposal Presentation	25/1/2018	25/1/2018	25/1/2018	25/1/2018	Proposal Presentation
3. Feasibility study	26/1/2018		29/1/2018		Feasibility study Documentation
4. System Design	29/1/2018		6/2/2018		System Design Documentation
5. Construction	6/2/2018		3/3/2018		Actual System
6. System Testing	9/2/2018		10/3/2018		System
7. Documentation	26/1/2017		20/3/2018		Final Document
8. Presentations					System Presentation

## 10. GANTT CHART

MONTH	JANUARY				FEBRUARY				MARCH			
WEEK	1	2	3	4	5	6	7	8	9	10	11	12
PROJECT IDENTIFICATION												
PROPOSAL												
FEASIBILITY STUDY												
SYSTEM DESIGN												
CONSTRUCTION												
TESTING												
DOCUMENTATION												
PRESENTATION												

*Color difference should only distinguish complete tasks from incomplete ones*

## CONCLUSION

The survival of any organization today is dependent on the efficiency of their automated systems and the security it offers to their data.

This system if fully implemented will save LOCA Sacco a lot of time in processing their data and a reliable way of storing their information as well as improving the general interaction with the customers. What will make this system stand out among other similar productions will be its scalable aspect meaning it will be able to grow with the Sacco and if need be, can even support an online platform if they wish to provide their services over the internet.

This system is the Sacco's best chance at gaining a competitive edge against all other upcoming cooperatives.

## REFERENCES

NDEGWA, K. D. (2014). THE EFFECT OF SACCO SOCIETIES REGULATORY AUTHORITY'S . Nairobi

William R. Duncan (1996). A GUIDE TO THE PROJECT MANAGEMENT BODY OF KNOWLEDGE .

[https://www.kenyadiasporasacco.com/what\\_is\\_a\\_sacco.aspx](https://www.kenyadiasporasacco.com/what_is_a_sacco.aspx)

<https://abacus.co.ke./how-saccos-work>

*All references listed here must be cited in the text*

*Include more references, and write complete refs, not just URLs*