BRIslamic.Net User guide

Contents

Introduction....4
Application – Login....5
Home screen....6
Access rights maintenance....6
Roles maintenance....7
User login maintenance....8
General ledger....9
Products maintenance....11
Alwadia savings....11
Dormancy settings....12
Fixed deposit....13
Financing products maintenance....14
Product branch....16
Charges....17
Creating new charge....18
Charge rates....19
Charge GL interface....20
Exemption settings....20
Product charge settings....21
Client maintenance....23
Account Maintenance....24
Creating a joint account....24
Fixed deposits....25
Client Limits....26
Application....26
Sanctioning client limit....27
Application of client limits....28
Murabaha /Ijara financing fixed assets setup....28
1.Create an asset type....28
a.Create asset type....28

b.Set up accounting rule for asset type 29
c.Set up GL accounts for asset type 29
2.Create an asset sub type 30
3.Create asset 31
4.Use asset in murabaha financing 31
Murabahah 32
Application 32
Purchase details 34
Approve purchase 35
Murabaha contract 37
Save and Approve 38
Disbursement 38
View Accounts and transactions: 40
Financing: 40
Current/Savings account 41
Ijara 42
Application 42
Ijara Asset details 43
Approve purchase 44
Ijara Pricing 45
Save and Approve 45
Disbursement 45
View Accounts and transactions: 45
Financing: 46
Current/Savings account 46
Financing deviation/rejection before disbursement 47
Purchase order 47
Contract stage 48
Disbursement stage 49
Multiple disbursements 51
Introduction 51
Pre-requisites 52
Creating disbursement schedule 52
Disbursing 53

Financing payoff 54
Profit Descriptions..... 56
Transactions 56
Transfers 57
JV Posting.....58
Transaction Reversal.....59
Cash transaction 59
Reverse Transaction.....59
Delete Transaction 60
Transfer transaction..... 60
Reverse Transaction.....60
Delete Transaction 61
Reversal of financing repayment..... 62
Reports 62
Report browser 62
Processes (SOD, COB, EOD).....64

Introduction

BR Islamic.Net is a fully featured core banking product for use by financial institutions. This includes banks, microfinance and SACCO(savings and credit cooperative organization) institutions.

The system is a web enabled system accessed through the browser. This brings in the flexibility of being available on many devices that have a web browser. The system can be hosted locally within the institutions servers, or hosted in the cloud as may be needed.

The application is accessed via browser. http://<hosting server>:1477/BRClient/General/ eg **http://192.168.1.113:1600/BRClient/General/**

To run the application, ensure that in your browser, popups are enabled.

In the BR Islamic banking application, the following items are observed in the screens design:

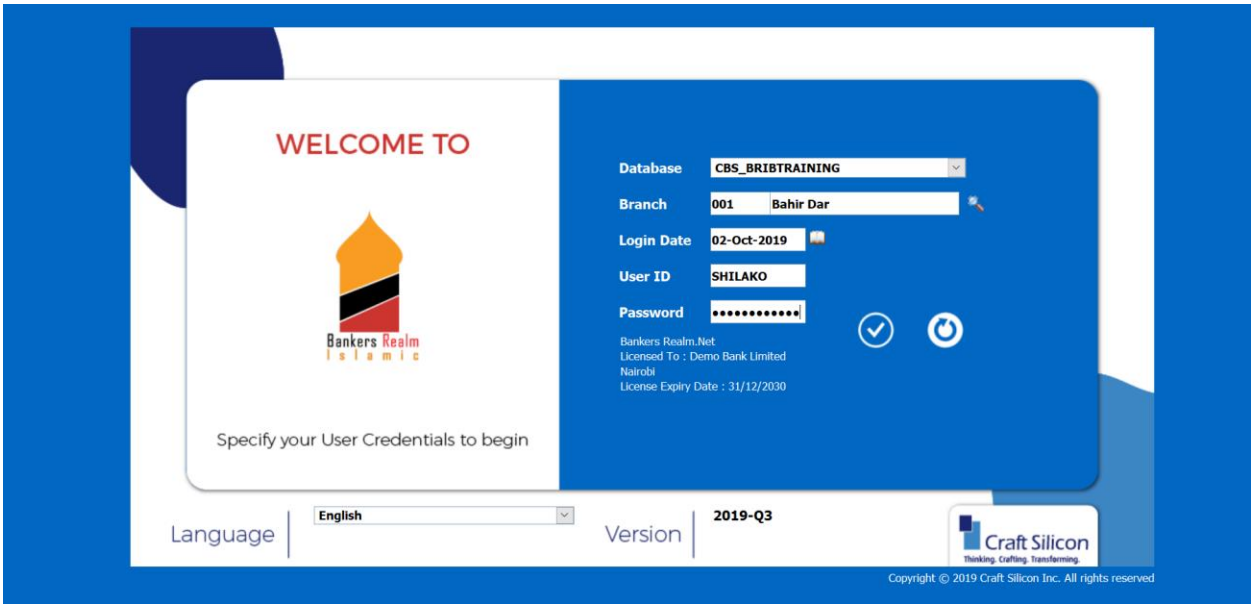
- Fields with blue labels are mandatory fields.
- Fields with labels ending with ID and with search icon are searchable by clicking the search icon or pressing F2 key.
- Buttons for Add/Edit/Delet/Cancel operations are always on the right hand side of the screen
- Some screens may have sub screens. This will be accessible from a panel on the left side of the screen. The panels may contain “Data entry”, “View” etc groupings for the subscreens. To access a subscreen, the parent screen usually has to have a current record displayed, otherwise the subscreen will not be displayed.
- Error messages are displayed at the bottom of the screen. The message color “red” is usually for severe errors where the current operation may not proceed. “Blue” message is for information errors where operation may still be allowed to proceed. Confirmation popup messages are also used on various sections.

NB:

Chrome, Firefox, Internet explorer and Safari browsers are fully supported. For best user experience, run system in browser full screen mode (Pressing F11 activates full screen mode in browser)

Application – Login

After typing the application url in the browser, the screen below will pop up



Select the database from the available. This is typically the name of your institution.
Then select the branch you belong to. After this selection, the branch working date will be loaded automatically.
Type in your user name and password and press enter.
NB:

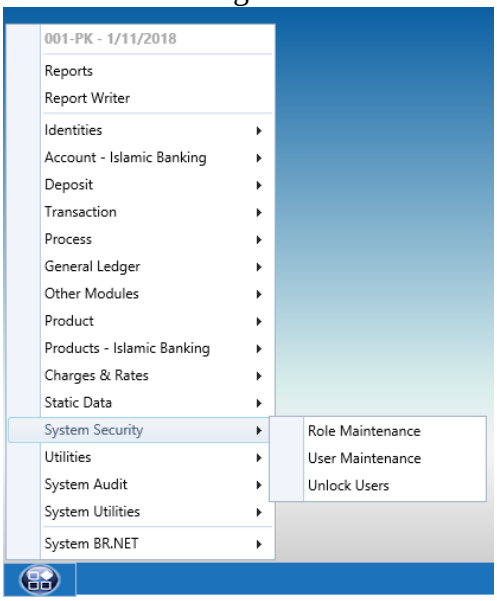
- Immediately you select database, the license details will be shown below the password field. In instances where the server response or network is slow, this may fail to be loaded immediately. You can re select the database again to force system to refresh. Login is not possible until the license details are shown.
- You can choose a different language from the available list in language selection at the bottom left side of the screen (default is English). System language for a user can be changed once the user has logged in.

Home screen

The home screen is as shown above. All modules are accessible from the menu button on the bottom left side of the screen as shown by the red arrow. Clicking on it will list the menu items that are accessible by the logged in user

Access rights maintenance

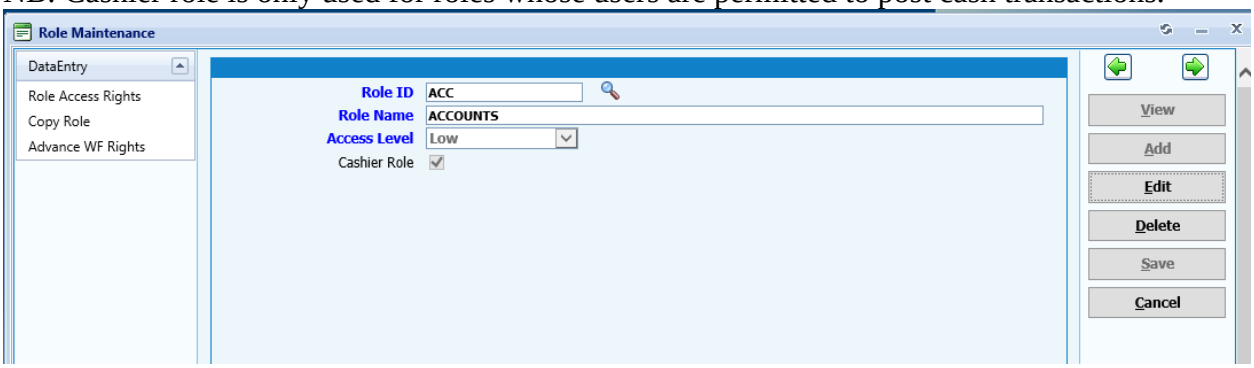
The access rights module is used to manage user roles and users of the system. The roles are created and access rights granted for them as needed on per module basis. Then users are created and each user assigned on a role or multiple roles as may be required.



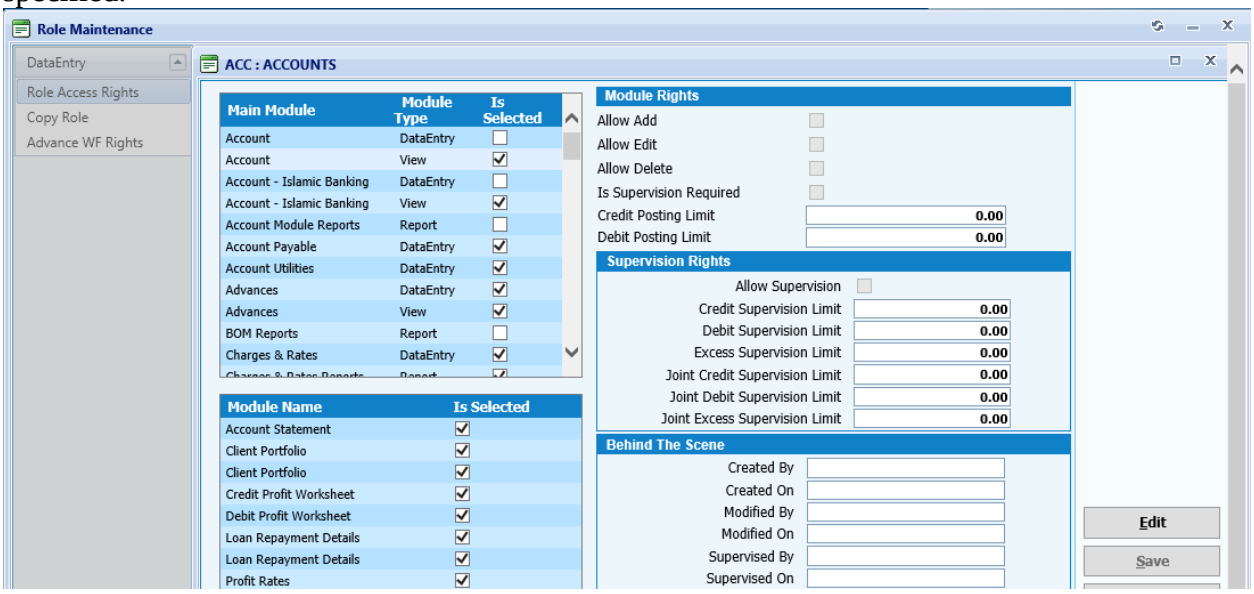
From the menu, select System security option as shown above
NB: The menu items available will vary based on access rights assigned to the currently logged in user. Main menu items user does not have access to will not be displayed.

Roles maintenance

The role maintenance screen is accessed from “System Security > Role Maintenance”. From this you can create /modify the roles as needed. To create a new role, type in the role ID cone and click view. The Add button will be activated. Click on add and specify the name.
NB: Cashier role is only used for roles whose users are permitted to post cash transactions.



To manage the access rights for the role, click on the Role access rights option under data entry tab (Top left side of the screen). The modules in the system will be listed. Select the main modules the role is allowed to access. For each main module, the list of sub modules will be shown. Each sub module will correspond to a specific screen in the system. Select the required ones as well.
For each of the sub modules you select, the module rights will need to be specified where applicable. For instance, if it is a data entry module, add/edit/delete will need to be selected if the users in the role should be able to do those operations in the selected module. Additionally, for transactions, posting limits beyond which the transaction will require supervision can be specified.

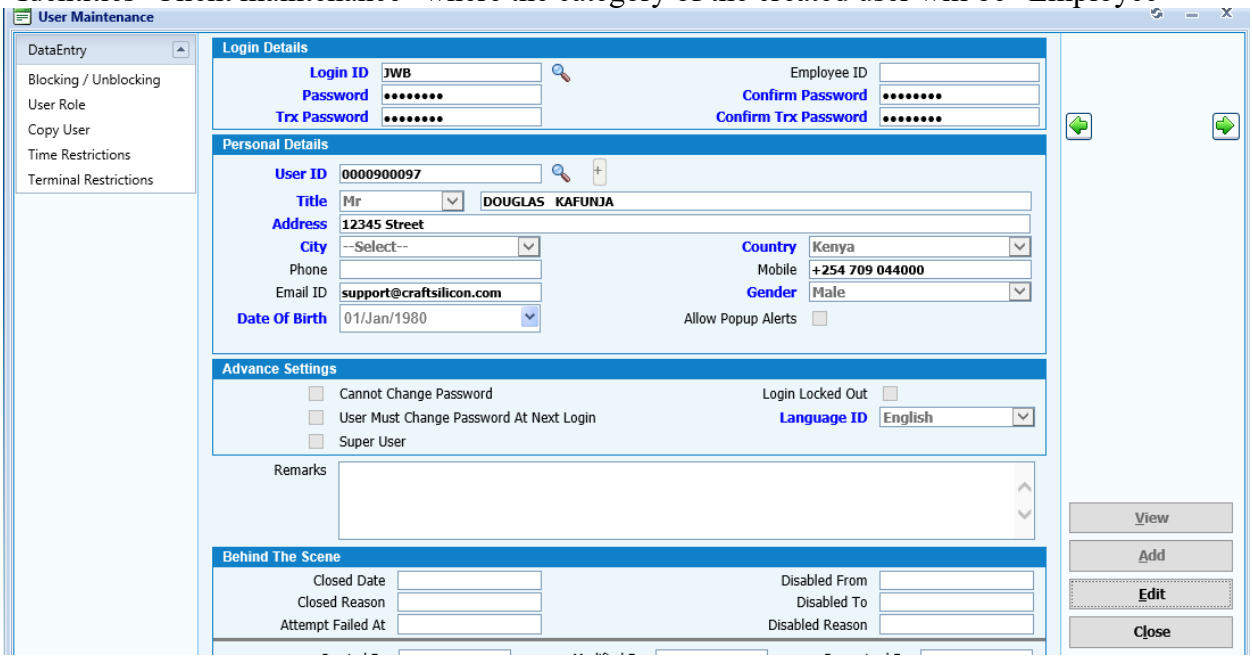


NB: The maker checker can be activated on each module individually by selecting “Is Supervision Required” check box. That will force any data entry/change made by users in the role to require supervision by user with “Allow supervision” rights for the module.

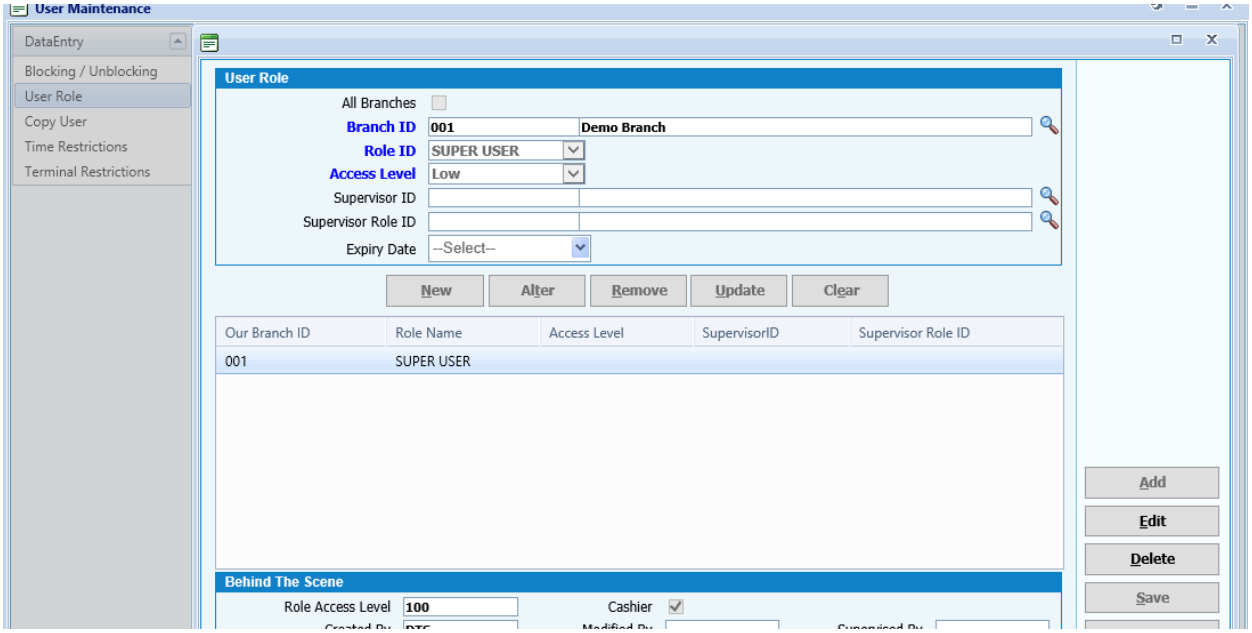
User login maintenance

The user login maintenance screen is accessed from “System Security > User Maintenance”. In this screen, the individual users who can log into the system are created. To view existing user, click on the login ID field and press F2 or click the search icon. The existing users will be listed and you can select the appropriate one to view.

To add a new user, type in the login ID and click view. If the login ID is new, the add button will be activated. Click on add button and input all the details available. In the Personal details section, a user ID is required. If the details of the new user are not existing in the system, then click the “+” button and input the details. This details will be saved and will be available under “Identities>Client maintenance” where the category of the created user will be “Employee”

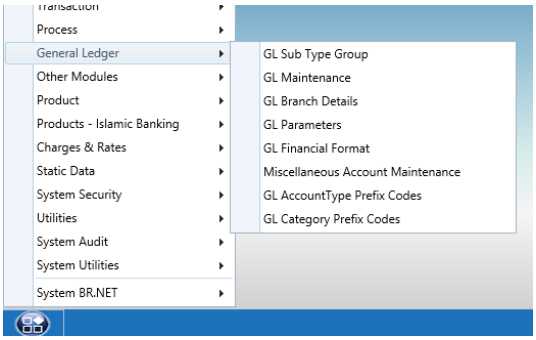


Once the user details have been saved, you can load the details again and specify the user role. Select User role from data entry tab. Then you can add the role that the user belongs to. Additional options to copy user profile into new user, blocking the user, login time restrictions and terminal (IP address) restrictions can be specified as needed.



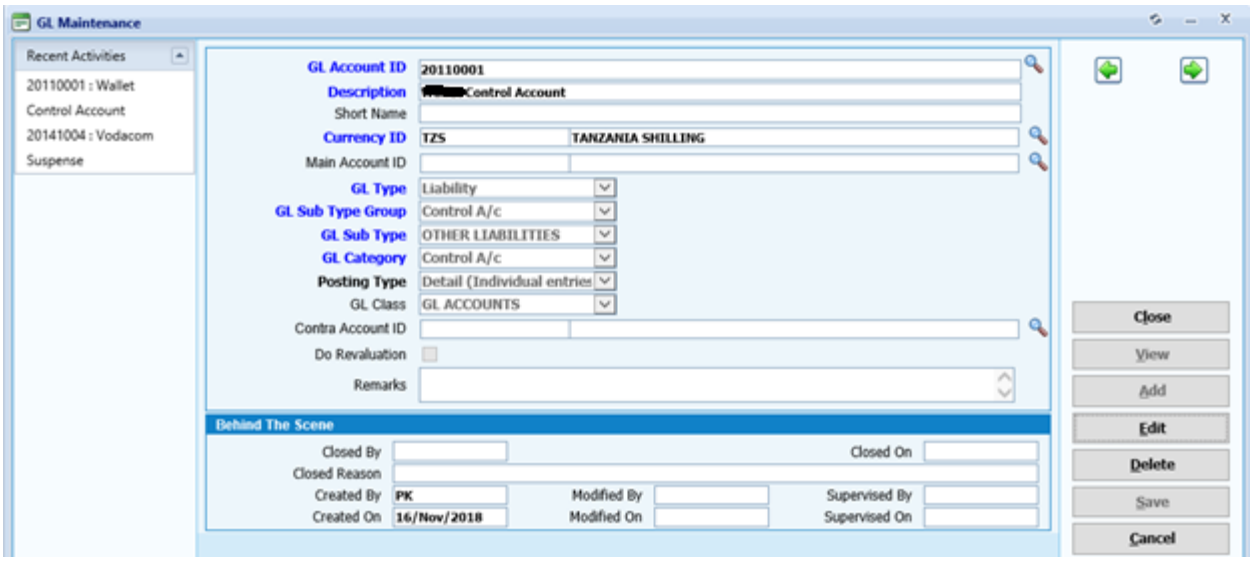
General ledger

The general ledger module is used to maintain the banks own chart of accounts. The accounts are created at head office level and assigned to the branches. This module is accessible from the menu shown below.

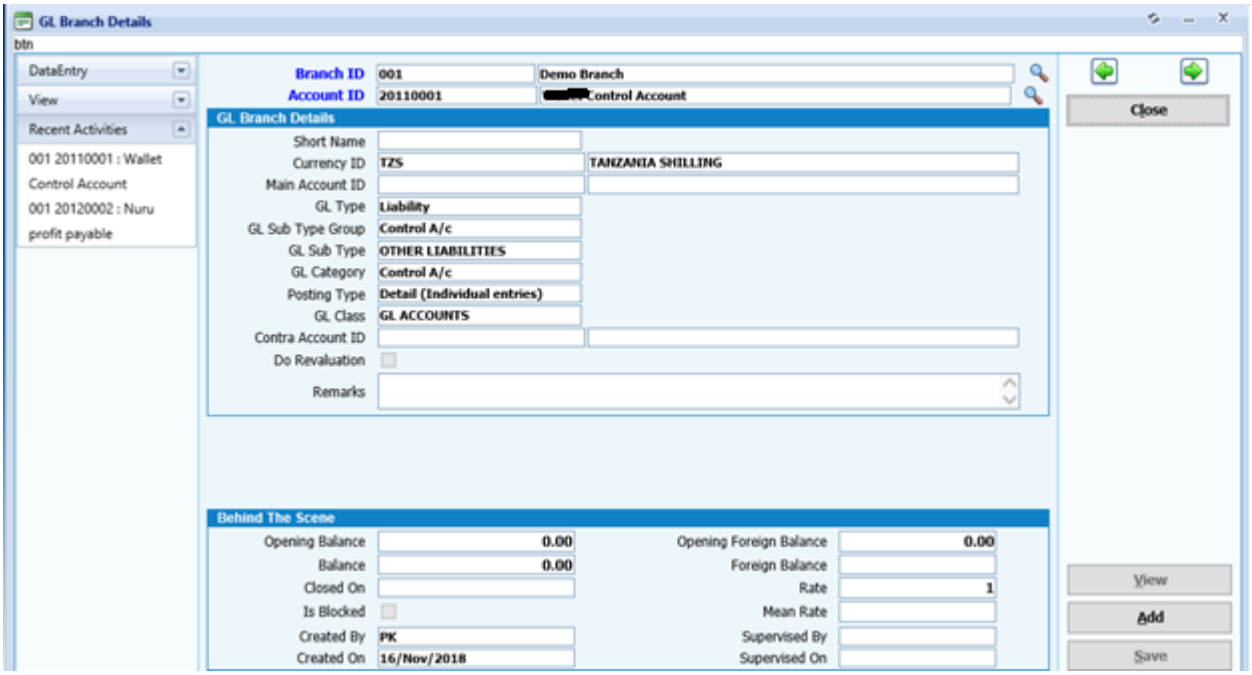


To add/modify new GL account, open the GL maintenance screen. You can select existing account to view or type in the new account ID and click view. If it does not exist the add button will be activated. Input the rest of the details.

NB: GL sub type and GL subtype for control accounts must be specified as control a/c.

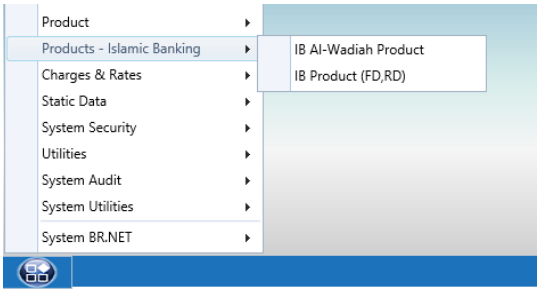


After the account has been created, it needs to be added to the respective branch. Open the GL branch details. Click add and select the GL then click save. After this the account will be available for use in the branch.



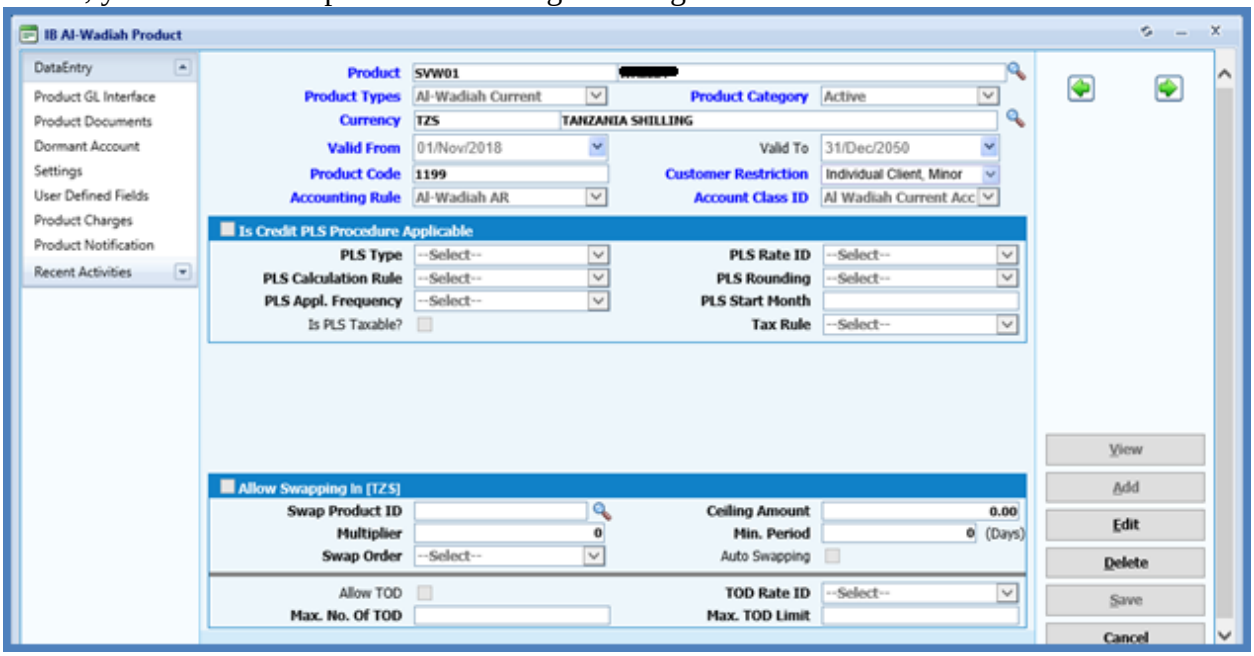
Products maintenance

Products related data is maintained in the products menus. New products can be added or existing ones deactivated as may be needed.

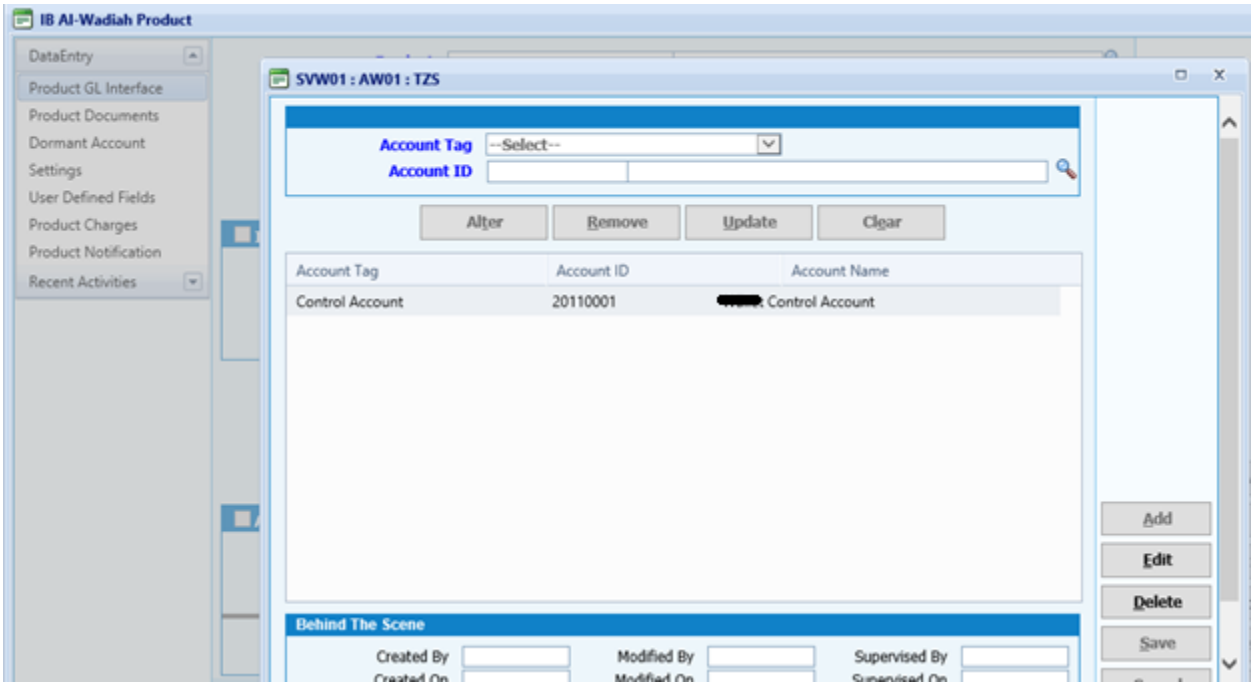


Alwadia savings

The al-wadia savings products relate to savings/current accounts. In the IB al-wadia maintenance screen, you can add new products or manage existing ones as shown below.

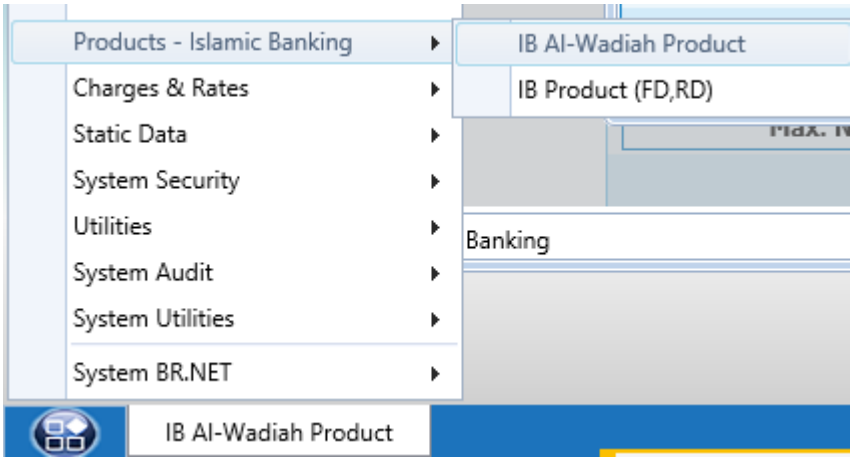


Once the product is created, you can specify the GL accounts for the product from Product GL interface under data entry tab

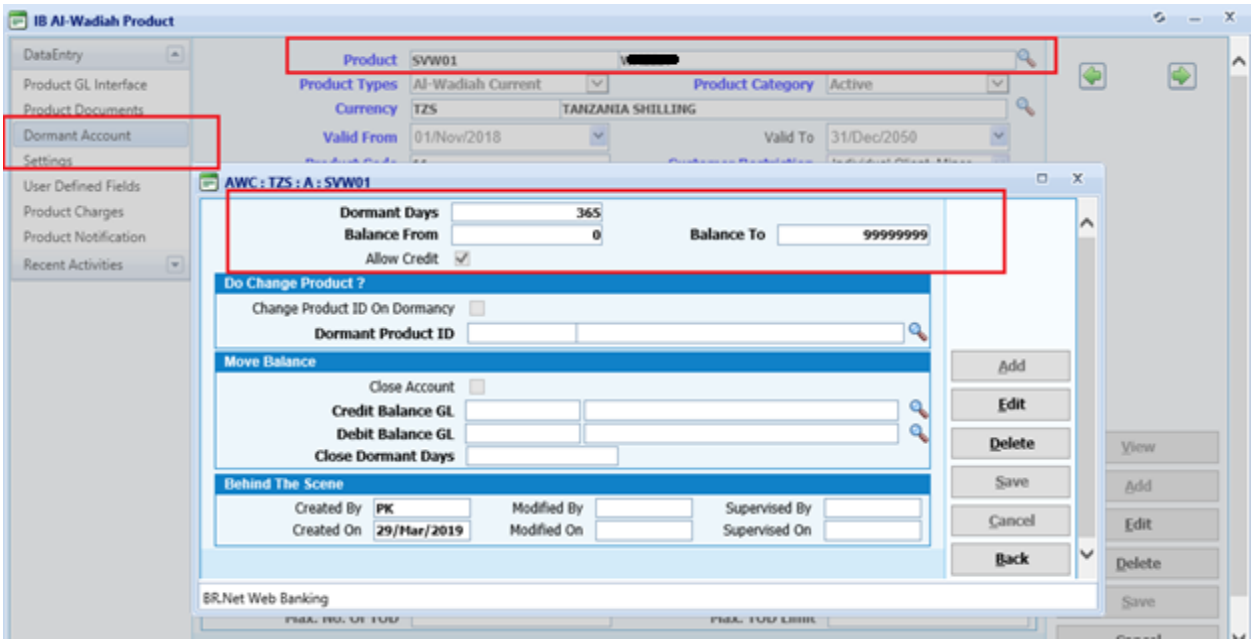


Dormancy settings

To set the dormancy for a product, from start menu, select ***"Products – Islamic banking > IB Al-Wadia Product"*** as shown below

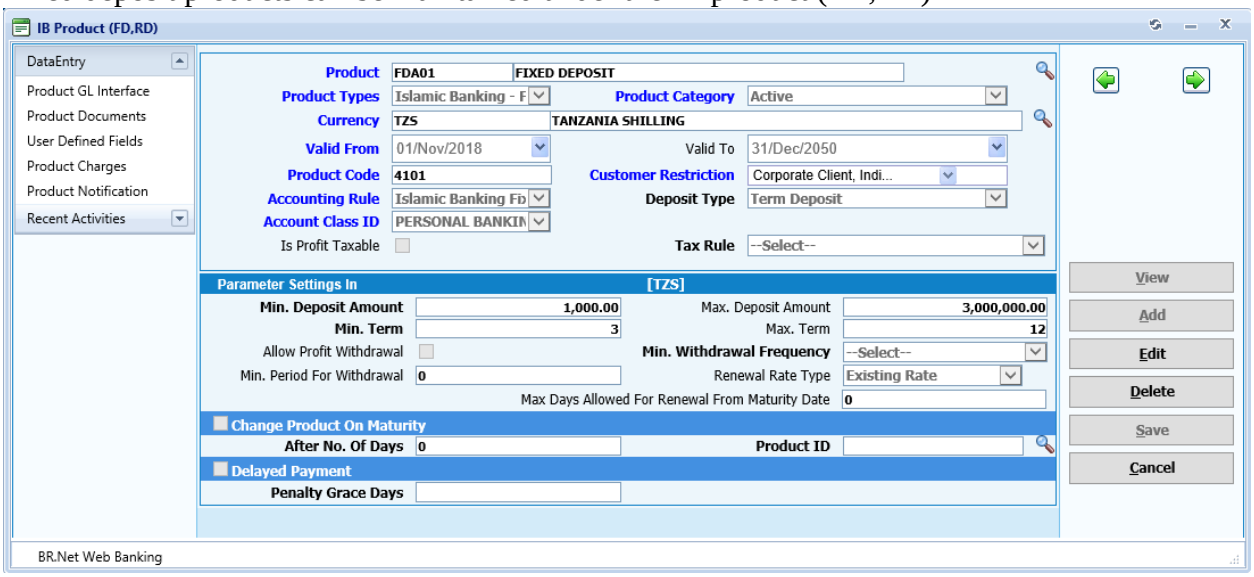


From the products screen displayed as below, select the product to set dormancy.
Then from the Data entry panel on the left, select "Dormant Account Settings" option
The dormancy settings screen will be displayed. Click on the edit button on the dormancy scree, then specify the details as shown below.
NB: The "Allow credit" option if not selected, both debit and credit transactions will be blocked for a dormant account in that product. If "Allow credit" is selected, then only debits will be blocked.

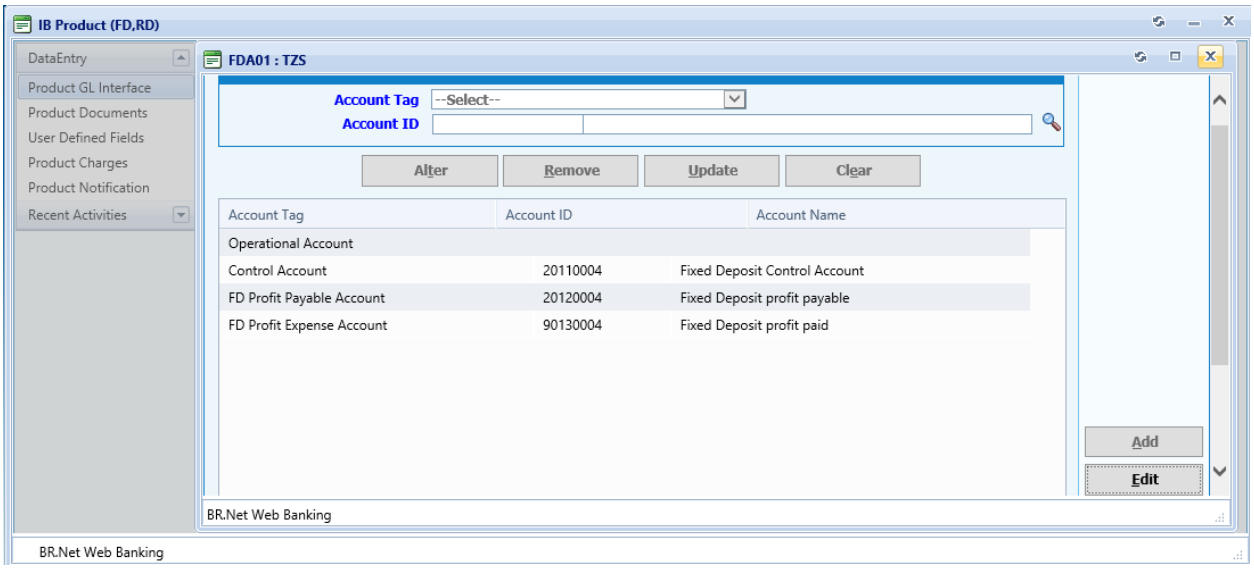


Fixed deposit

Fixed deposit products can be maintained under the IB product (FD,RD)

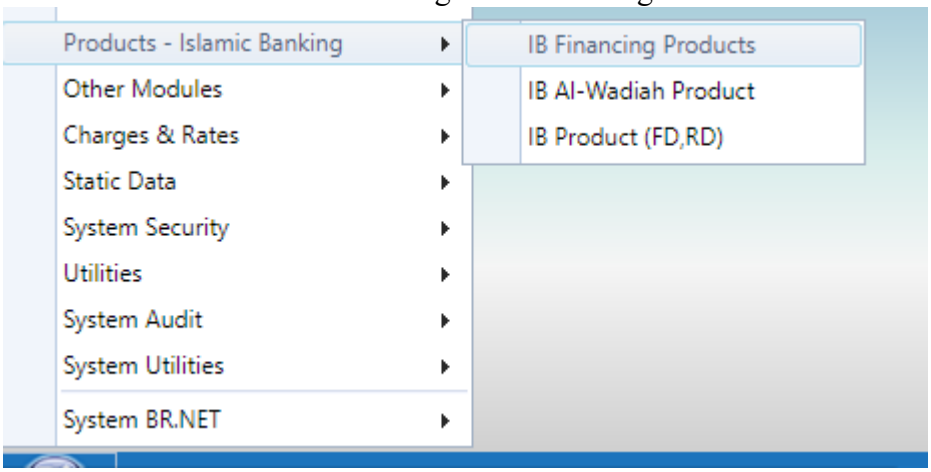


The GL interface for deposits needs to include in addition to the control GL, the profit GL payment accounts

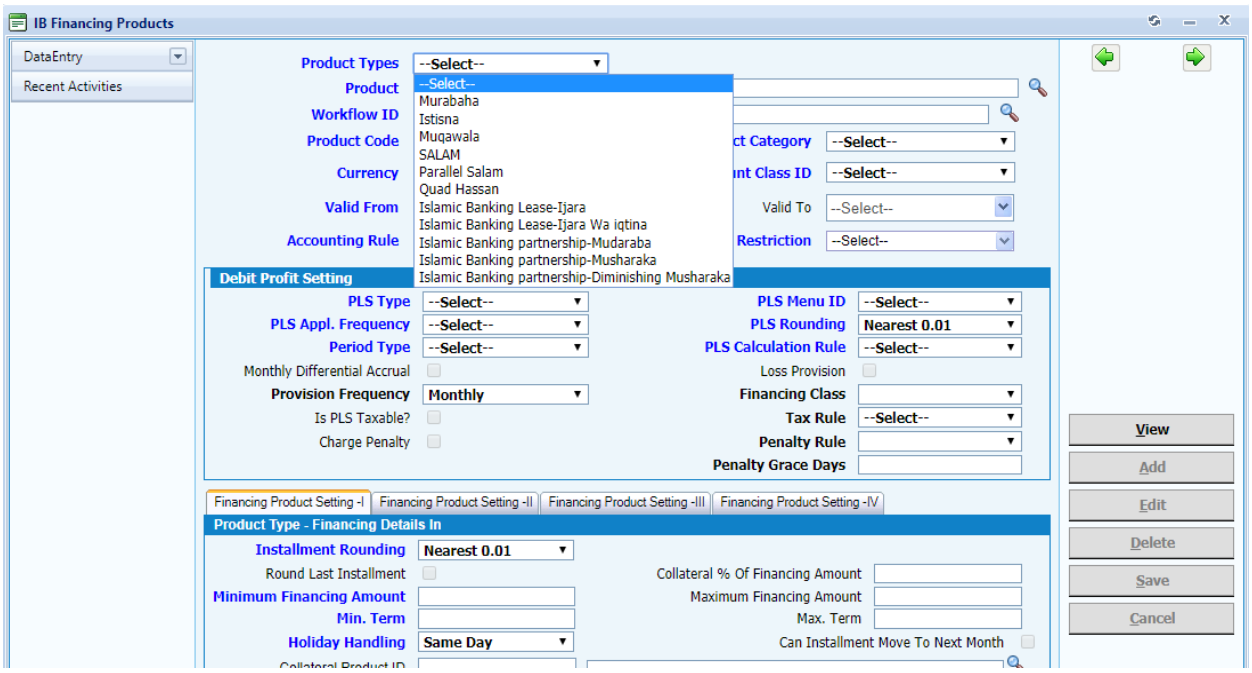


Financing products maintenance

The system supports various financing product types. Under each type, you can create multiple products as may be required. The financing products maintenance is accessed from the following menu "Products – Islamic Banking > IB Financing Products"



You can add new products or manage existing ones as shown below.

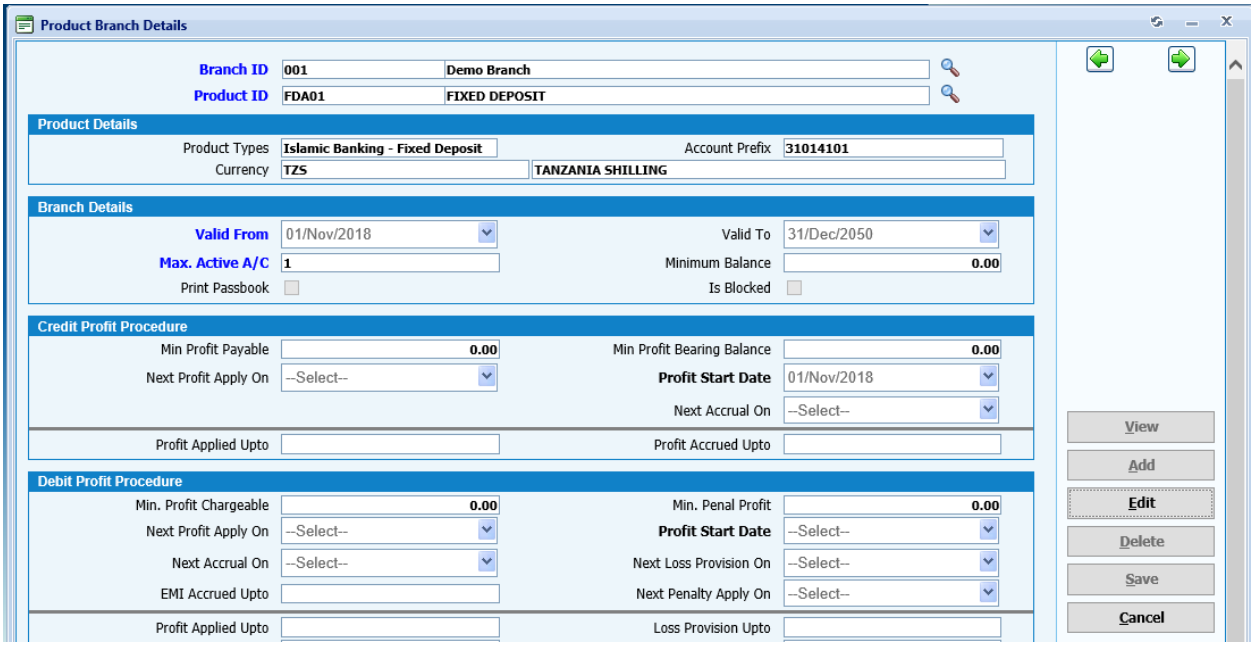


Select the product type from the list available
Type in the product ID, click view. Then click add button and type the name of the product..
Select the appropriate workflow ID. Eg “MURAB” for Murabaha & Ijara, IBWKFL for Istisna, Mugawala, “MDFRN” for Mudaraba, musharaka, Qard hassan
Type the product code. This can be used as part of the number used in creating the account number.
Specify details in the other remaining fields. All blue label fields are mandatory and the appropriate value should be specified

Once the product is created, you can specify the GL accounts for the product from Product GL interface under data entry tab

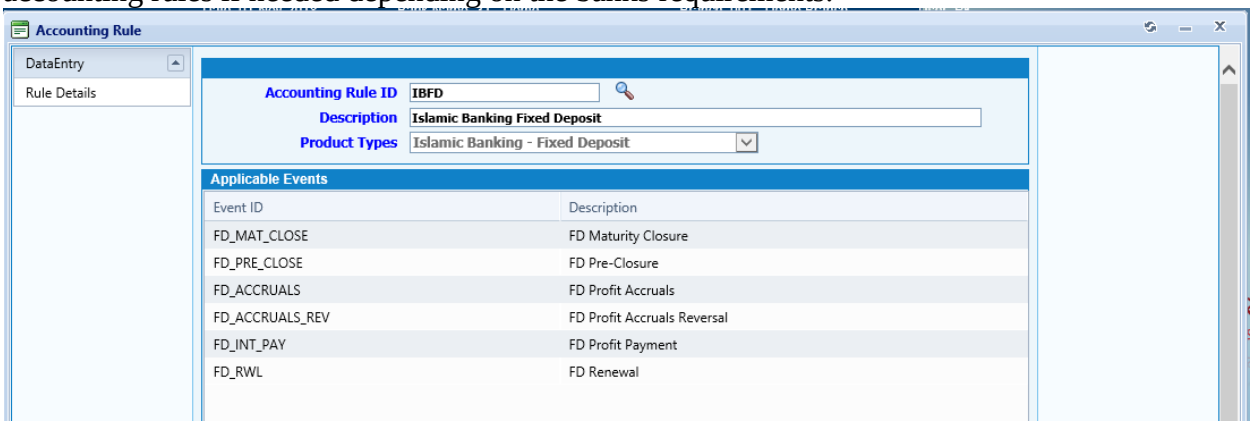
Product branch

Once the products have been created, they need to be assigned to a branch. Open the “product > product branch details” screen. Click add and select the product. Additional settings are available as shown below. Input them as appropriate and save.

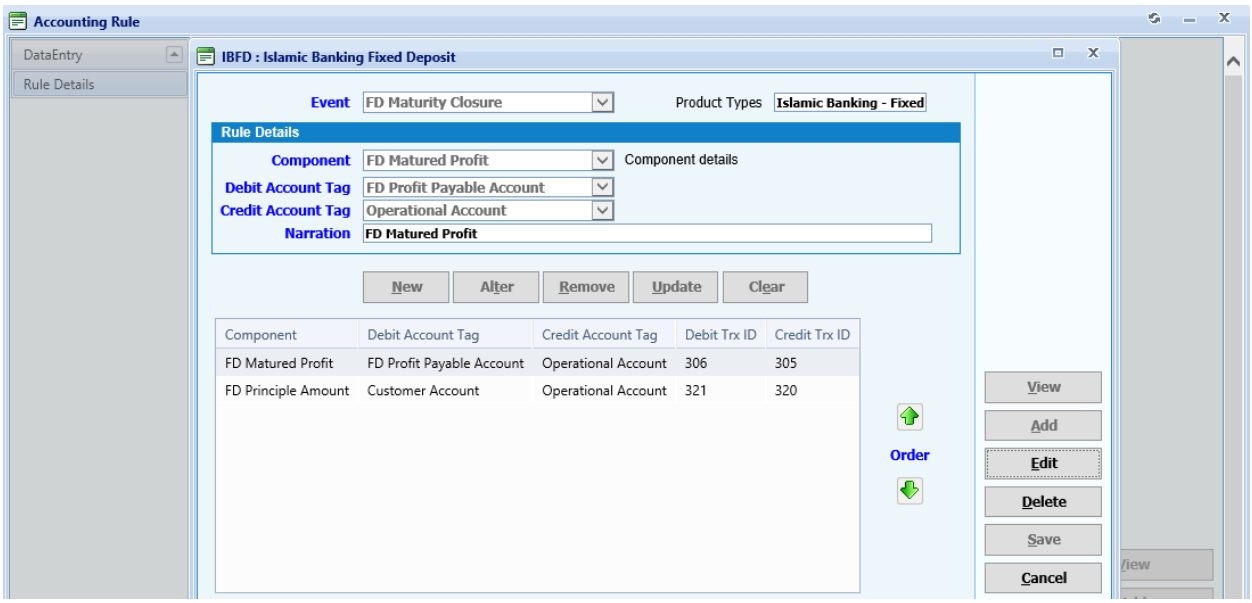


Accounting rules

This are available under “Products > Accounting rules”. The accounting rules determine the accounting entries that will be automatically posted by the system after a specific event has happened in the system. This accounting rules are configured initially and then attached to a product. The rules are created per type of product. Same product type can have multiple accounting rules if needed depending on the banks requirements.

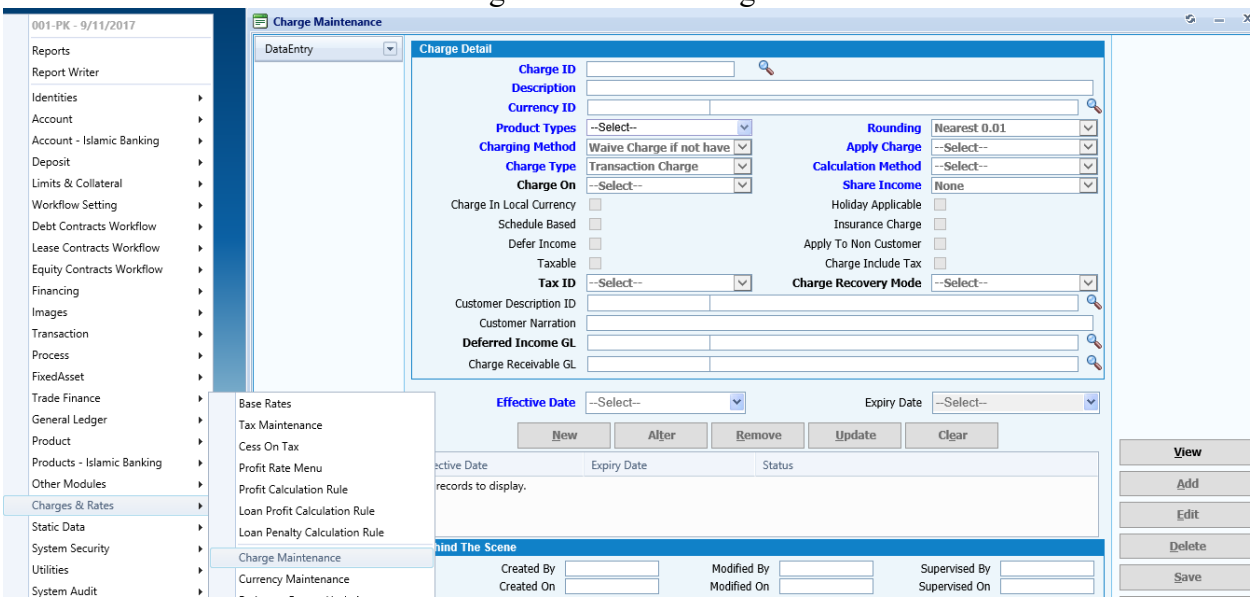


Once the accounting rule is created, select rule details under data entry. In this screen you will be able to specify the accounting entries for each of the events available. An example is shown below for fixed deposit, maturity closure.

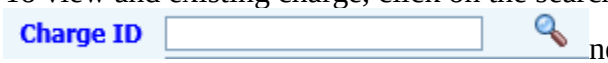


Charges

The charges module is used to configure charges that will be applied to various transactions in the system.
NB: This module is for charges that will be automatically posted by system in response to a certain event. For charges that are adhoc or cannot be predetermined, they can be posted manually in transactions module by crediting the relevant charge GL account.
This is accessed from the menu “Charges & Rates > Charge Maintenance”



To view and existing charge, click on the search icon

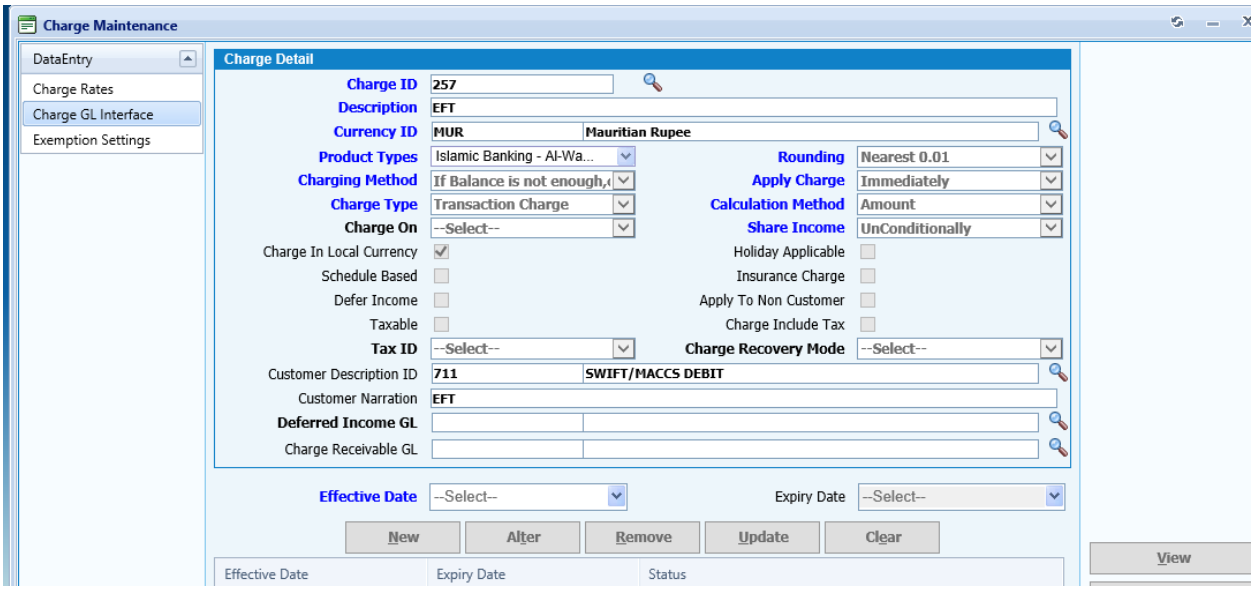


next to the charge ID input box. This will list the existing charges and you can select by double clicking the one you want to view.

Creating new charge

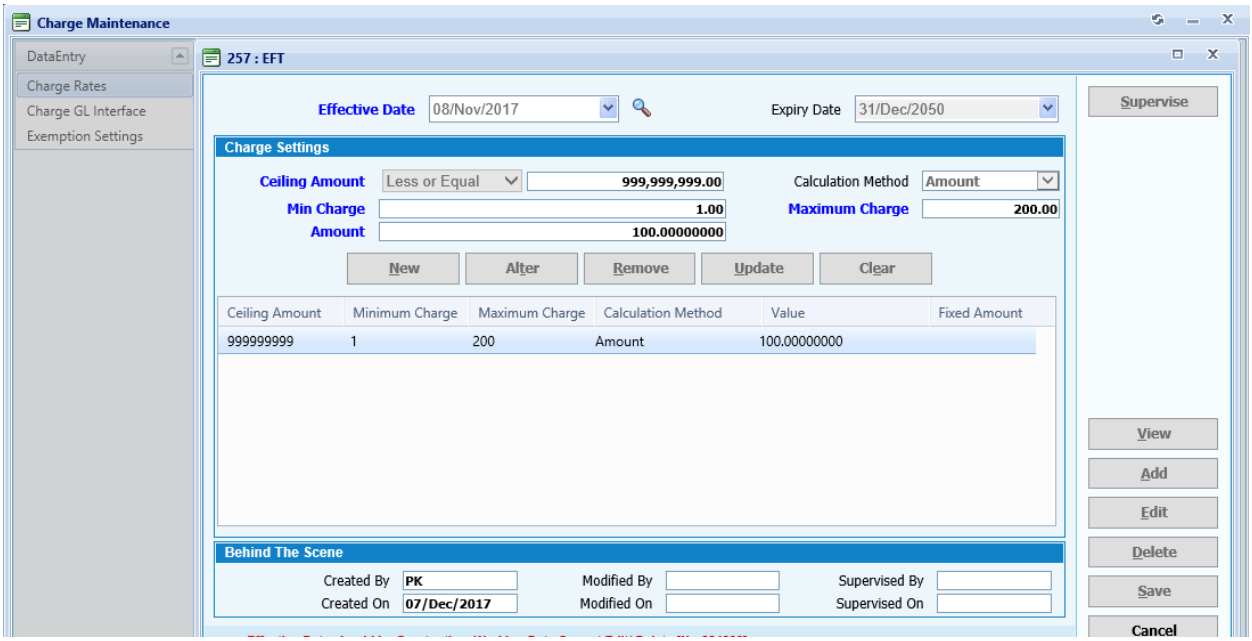
Type in a new charge ID code, and then click view. The add button will then be activated. Click on add, and then input the rest of the details. After entering the information click save.

Note: There are some charge codes that are reserved. The system will alert you if you enter such so that you can input a different one.



Charge rates

The charge rates is for specifying different rates for different amounts. Select the effective date by clicking on search, then click edit button. Then click new button, and input the details. You can add different slabs of the charge amounts as needed.

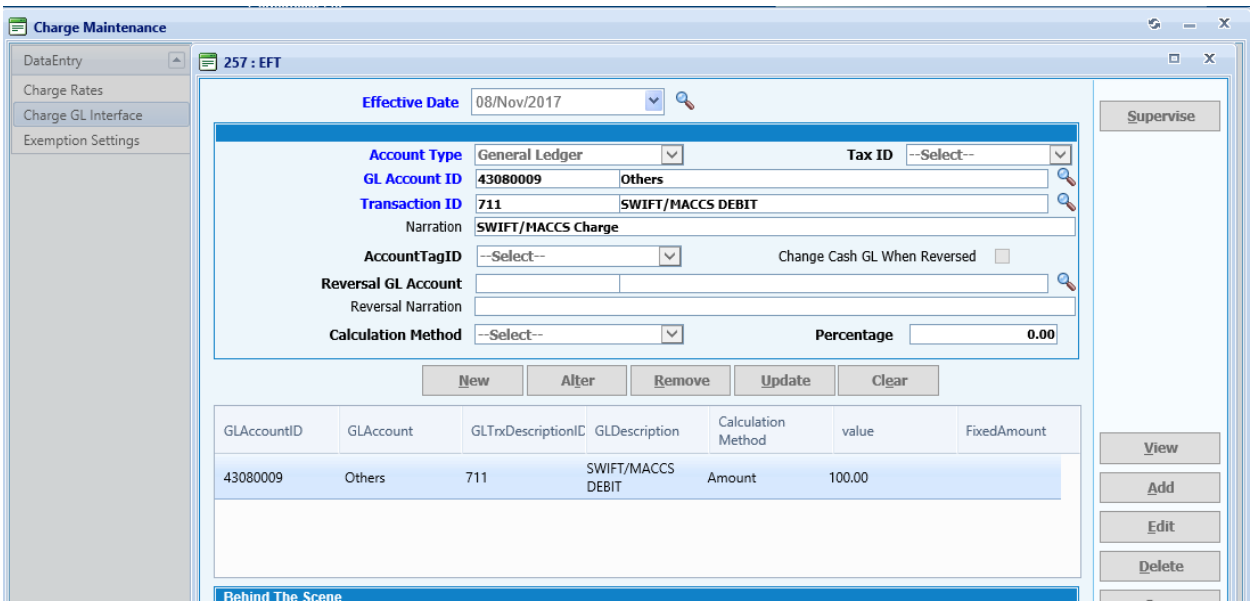


Note:

➢ You cannot modify details of rates with effective dates earlier than current working date. For such changes, create a new charge instead.

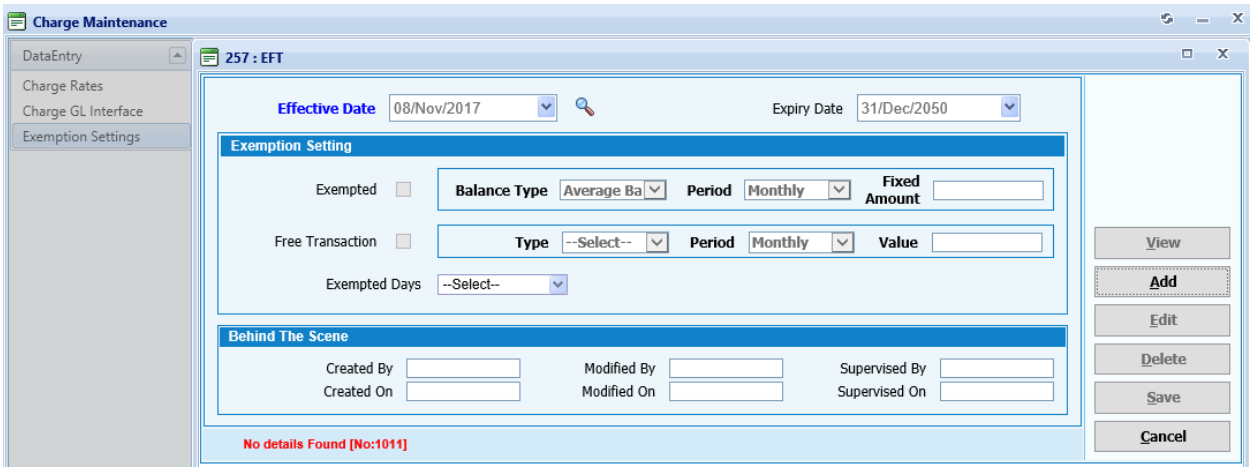
Charge GL interface

The GL interface is used to specify which GL account will be used to receive the charge. Click on the effective date search to select, then click add button and input the GL details. Note that the blue fields are mandatory.



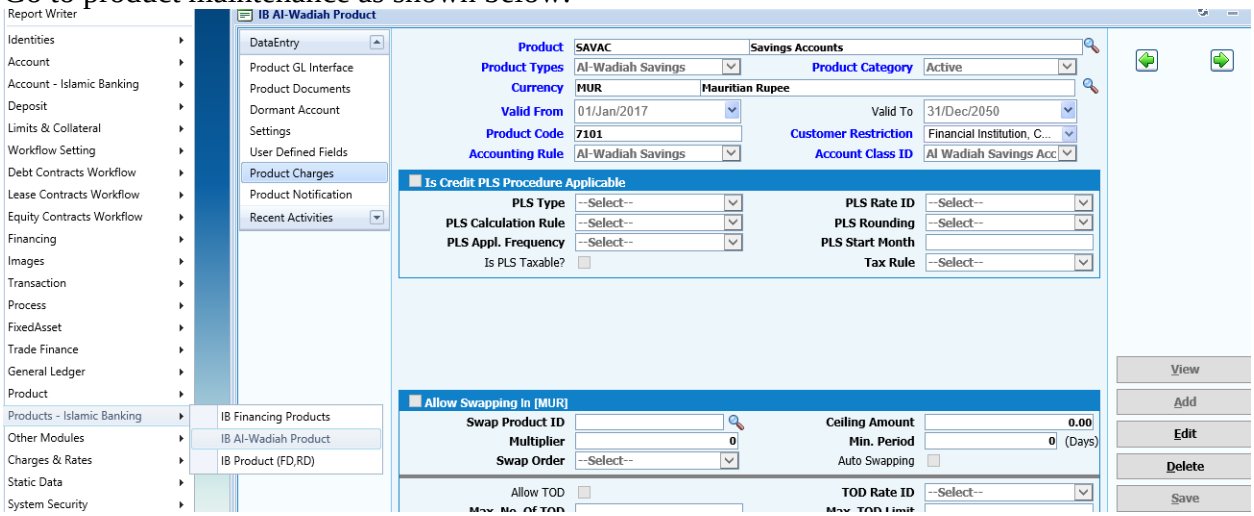
Exemption settings

This are used to specify some conditions that will result in a customer not being charged. The accounts that match the criteria will not be charged.

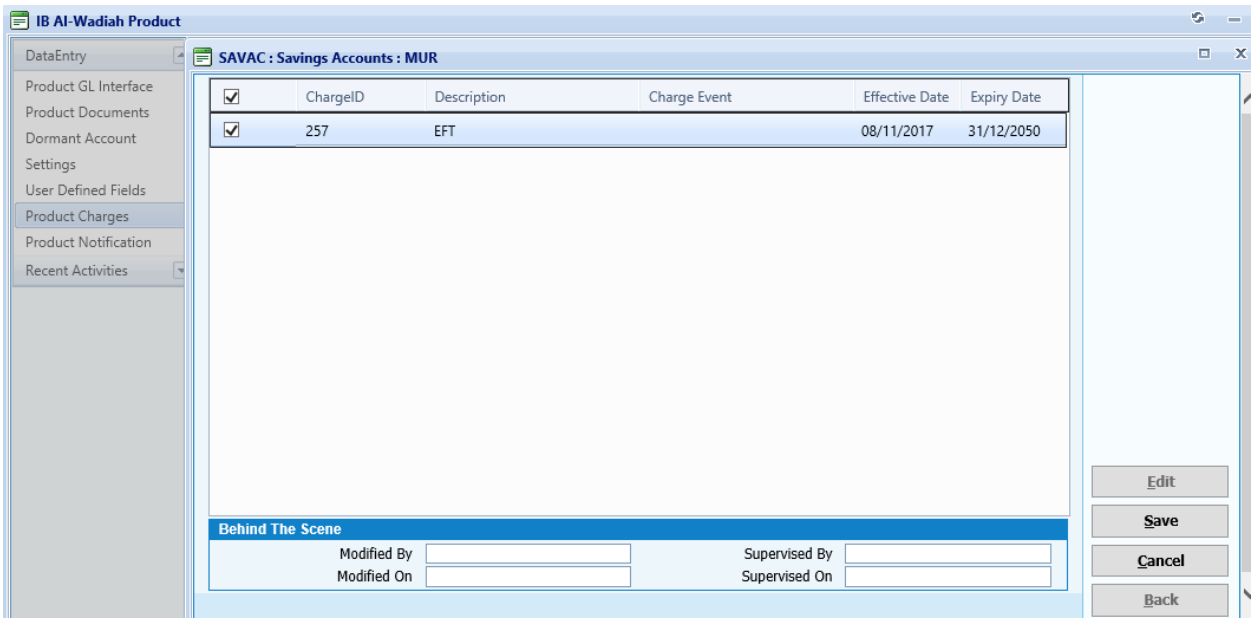


Product charge settings

For the charge created, this can be now added to a product. The product you will be able to add this charge to will be of the type selected in the charge maintenance screen > product types.
Go to product maintenance as shown below:



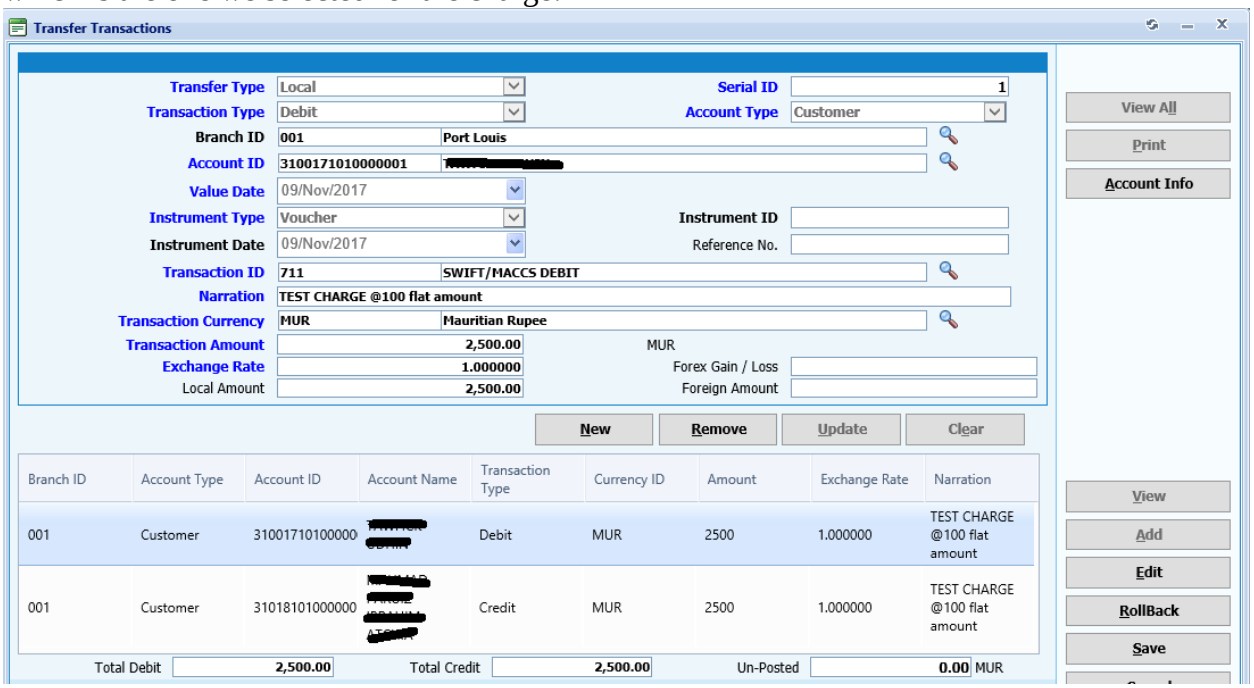
Select the product then once the details are displayed, click on the product charges option under the data entry tab.
On the new screen, all charges that are applicable to this product will be listed. Click edit, then tick the check box and save.



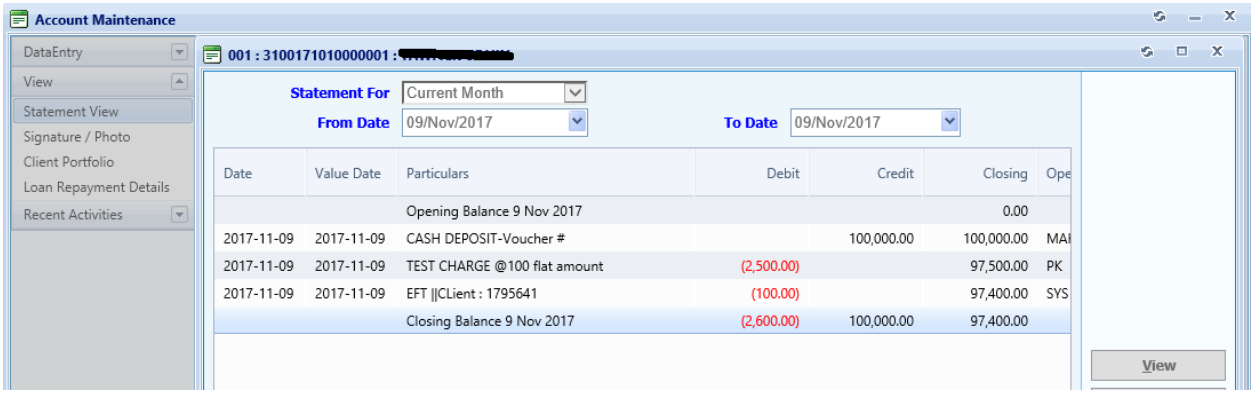
After this is done, any transaction done for this product with the transaction code specified will have the charge applied.

An example of a transfer transaction posted with the above charge applied is shown below:

1. Transaction screen. Note transaction code used for the account being debited is 711 which is the one we selected for the charge:

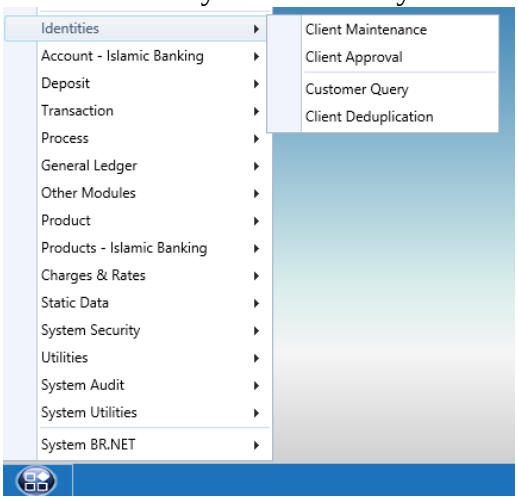


2. Customer account transaction screen. The charge for the above transaction debited from the customer account with the particulars indicating charge name



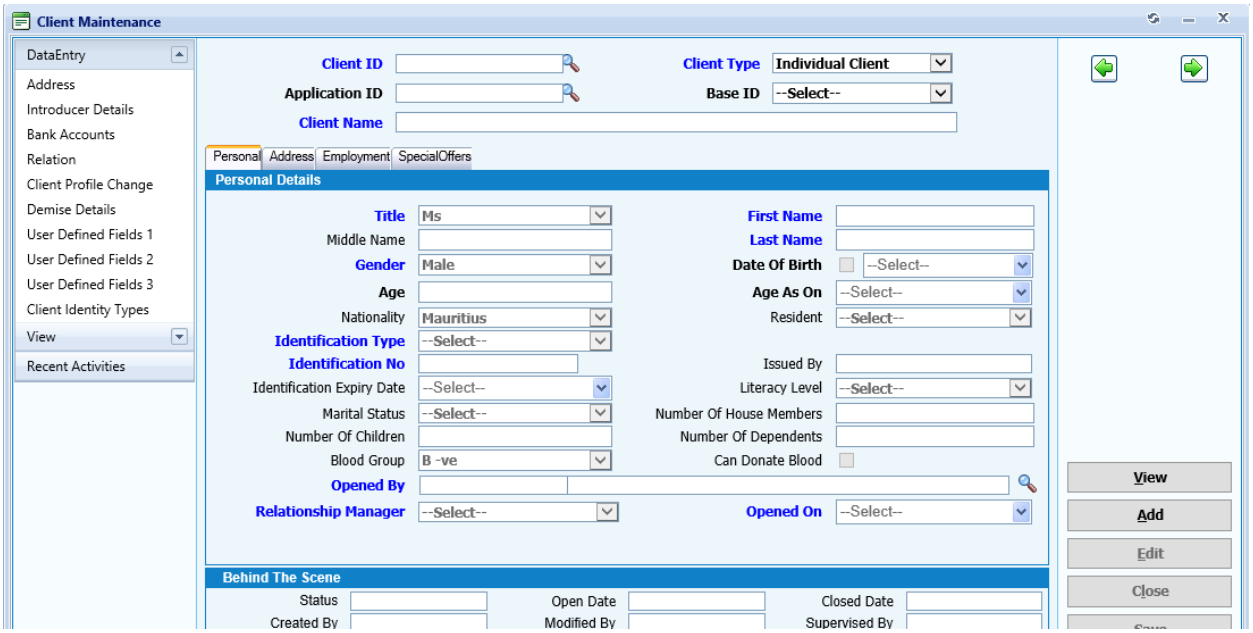
Client maintenance

The client maintenance is used to manage all types of persons or corporations that are going to be used in the system. This maybe customers, employees, relatives of customers, companies etc



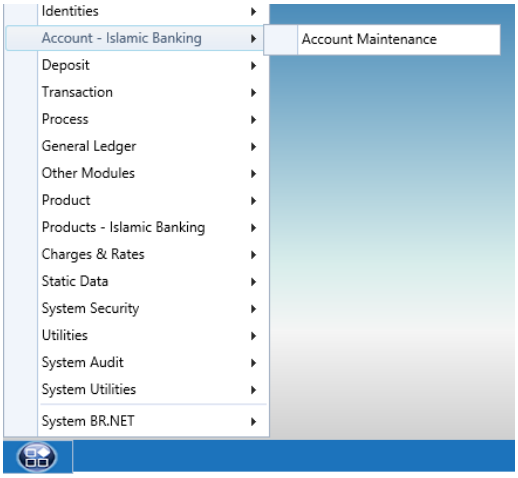
Open the client maintenance screen as shown below. To add a new identity, select the client type first. Then click ad. The client ID will be created automatically. Then input the personal details and save.

NB: All records created under this module will require approval from supervisor. This approval is done from “Identities > Client approval”

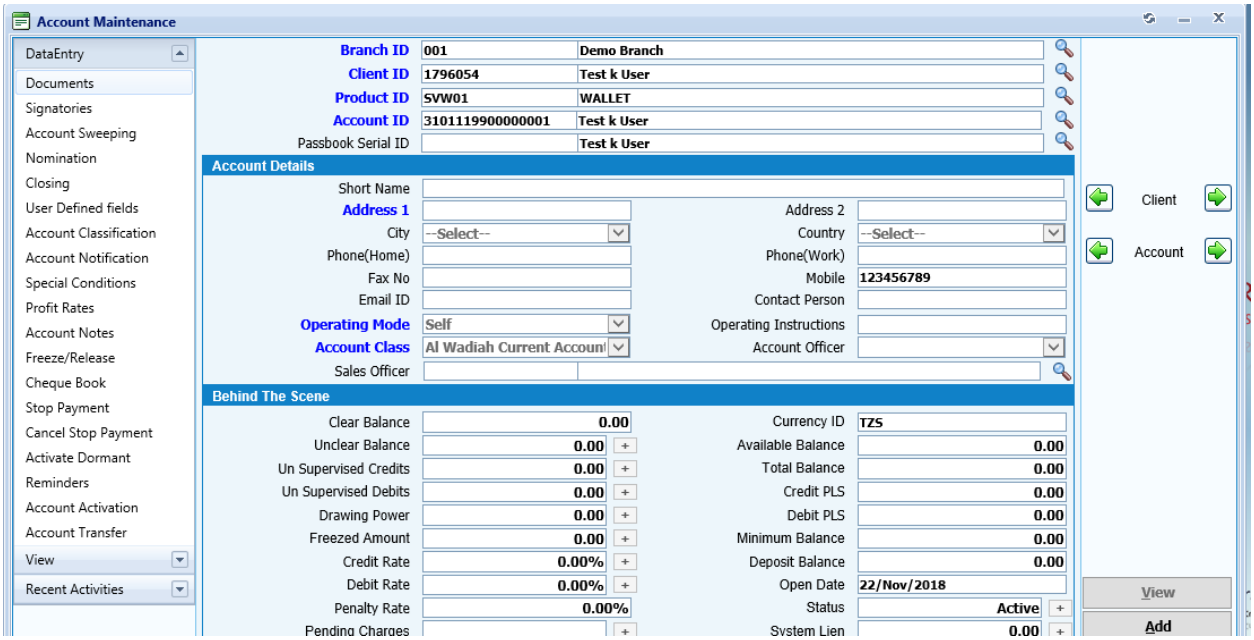


Account Maintenance

Customer accounts can be created and managed through the account maintenance module. This is accessed from “Account – Islamic banking > Account maintenance”

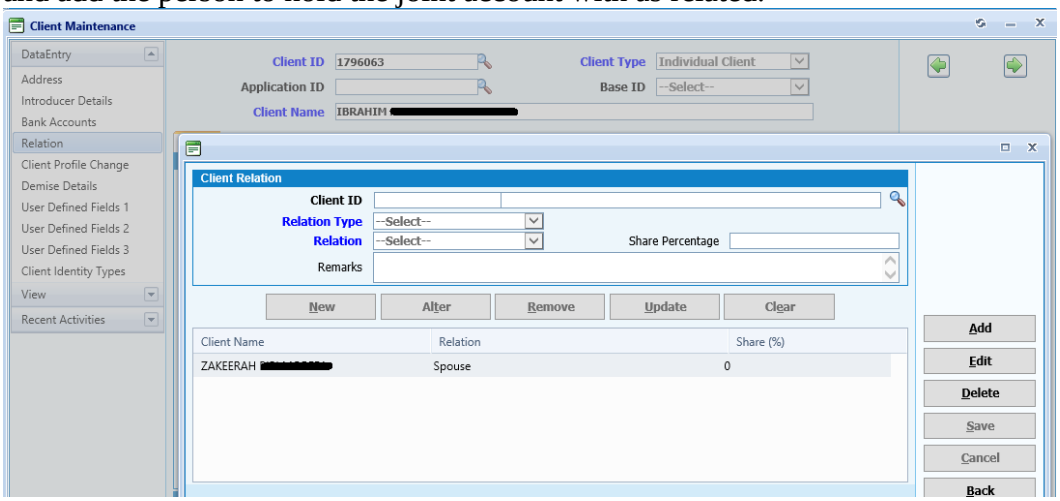


To view an account, click on the search for account id field. Select the account and the details will be displayed. To add a new account, click add button and specify the details as needed.



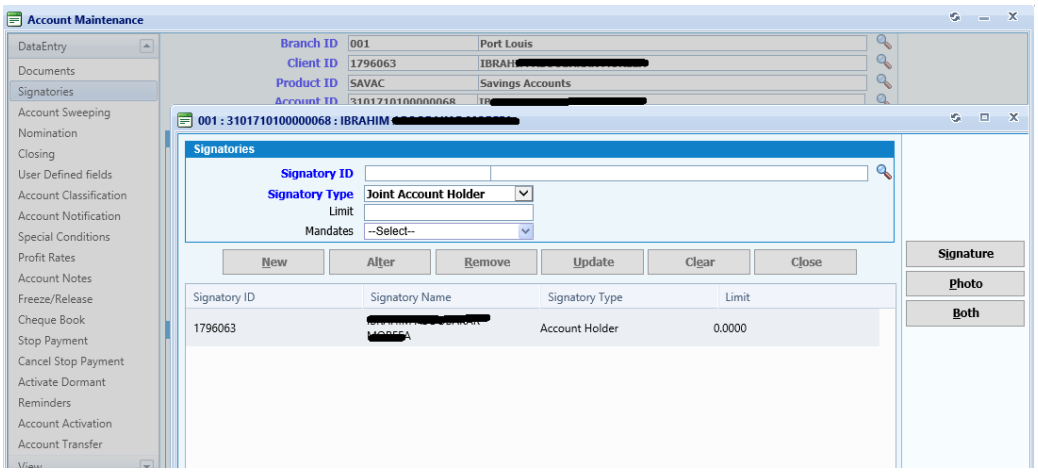
Creating a joint account

The holders of the joint account must be related. To add the type of relationship, open one of the primary client details in"Identities> client maintenance" . Then under data entry, select relation and add the person to hold the joint account with as related.



In account maintenance, create the account under the main client, e.g in the example above, create account for 1796063. The operating mode should be either to sign, both to sign or more depending on the number of the persons owning the account.

After creating the account, then under data entry tab, select signatory and add the relation added in client maintenance as signatory. Additionally, the joint account holder can also be nominated to be able to withdraw funds from the joint account



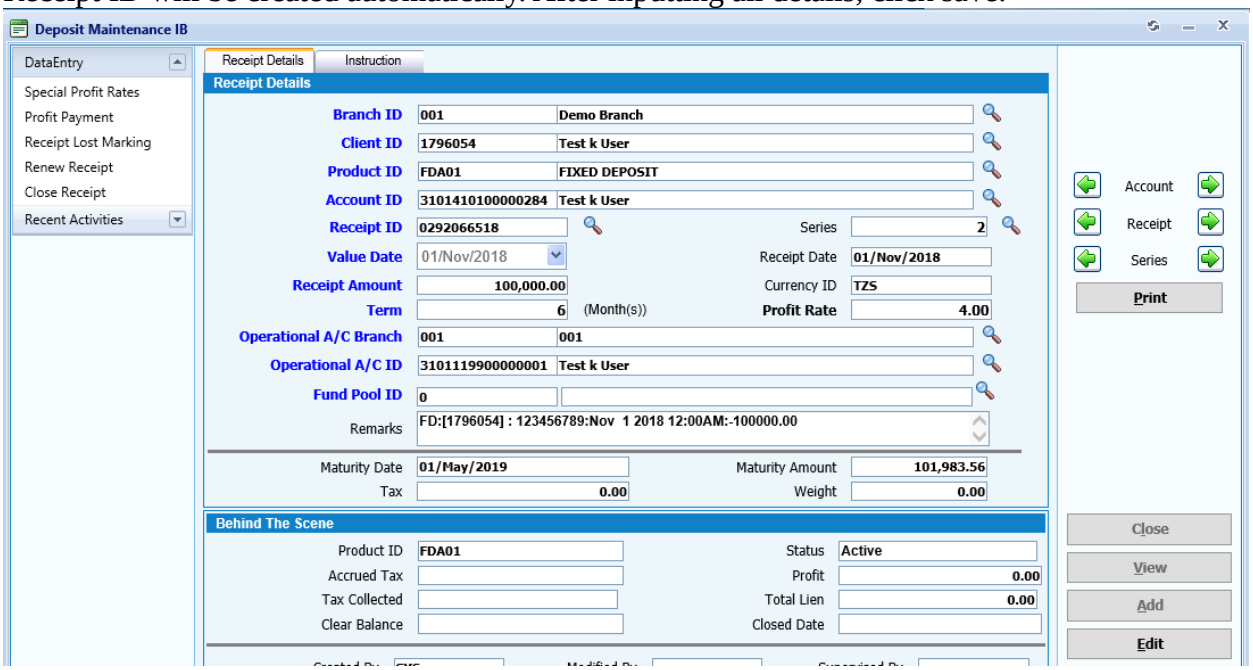
NB:

The joint account holders can also be created as one identity (Customer), and then account created normally. In the identification documents, the identity cards and photos should be scanned together.

Fixed deposits

Fixed deposit receipts are created from the fixed deposit maintenance screen. The fixed deposit account must first be created from the account maintenance module in the previous section. After the fixed deposit account is created, the amount to be used for the deposit must be transferred to the fixed deposit account (Refer to transfer transactions).

In this screen, click “add” to create a new deposit receipt. Specify the details of the deposit. Receipt ID will be created automatically. After inputting all details, click save.



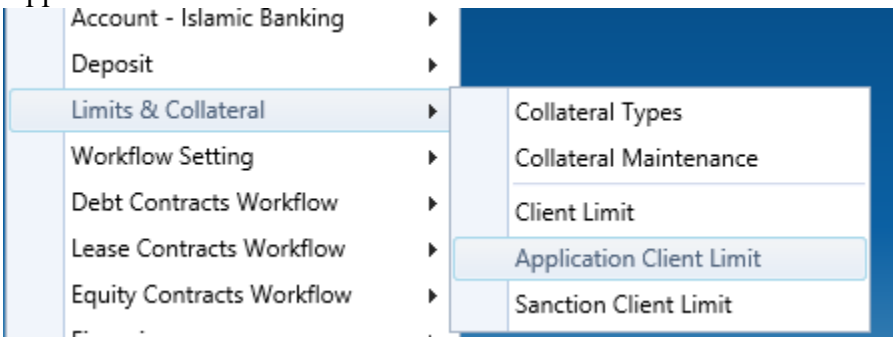
Additional operations like closing for existing deposits are accessible from data entry.

Client Limits

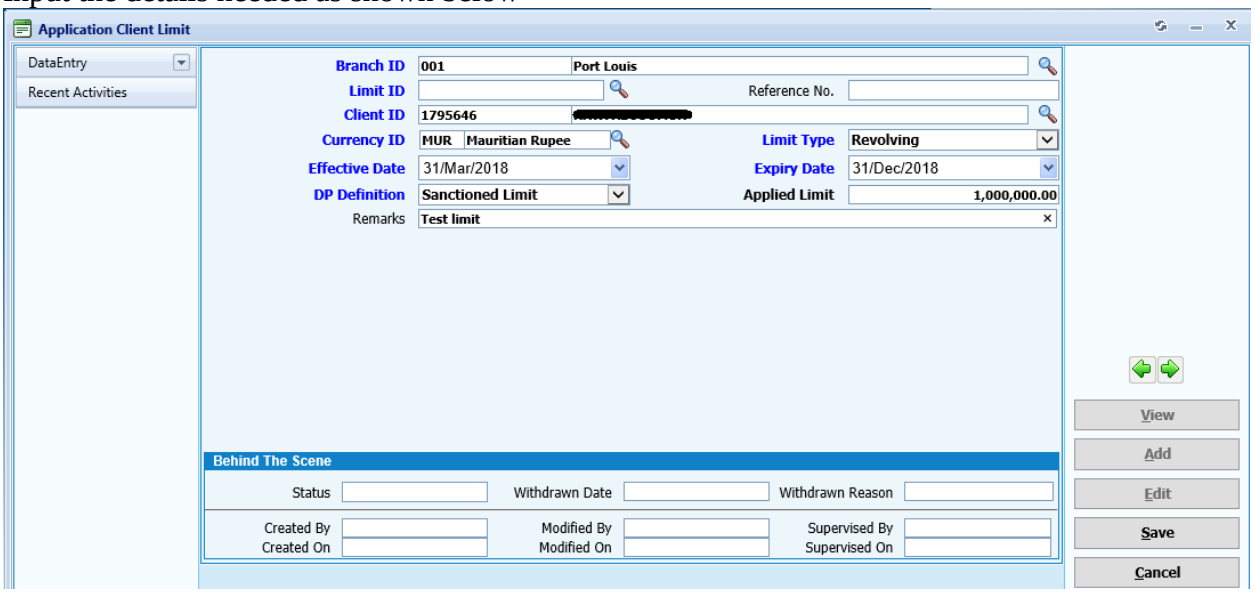
Client limits are used to define how much a customer can be financed within a specific period. When the limit is defined for a customer, every financing application will be verified that it does not bring the total financed amount to be more than the limit amount within the specified period.

Application

Application screen is accessed from the menu “limits & Collateral > application client limit”



Input the details needed as shown below

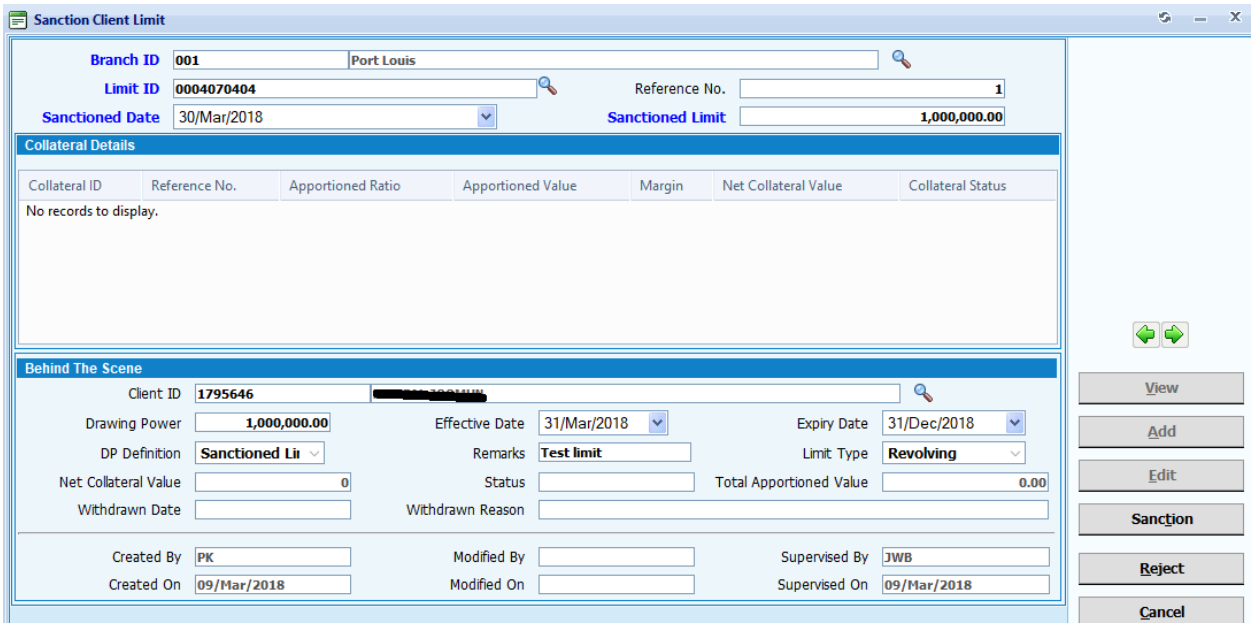


NB: Supervision may be needed. Supervise in “Utilities>Data entry supervision”

Sanctioning client limit

For the limit to be active, it needs to be sanctioned. This is available at “limits & Collateral > Sanction client limit”

Click on “Add”, then after verifying the details, Click “Sanction”. This will make the limit active



Note: Supervision for this may be needed.

Application of client limits

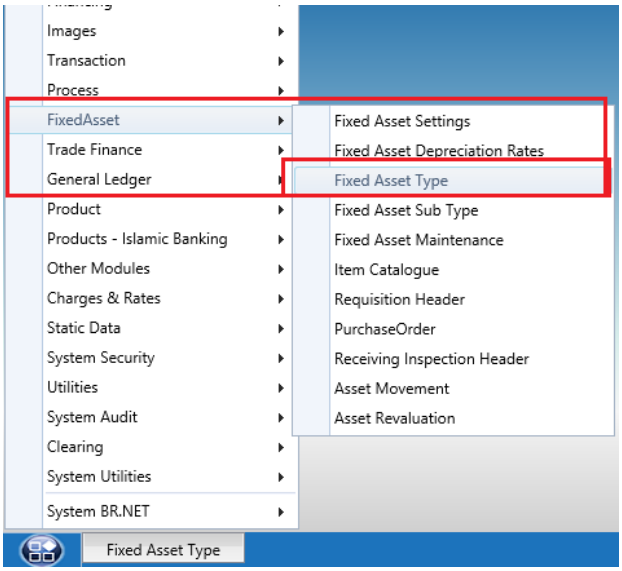
The limit will be applied at application for financing. If the limit has been exceeded or the new application will result in exceeding the limit, then the system will not permit saving the application.
In financing application screen, there is a field for limits. The limit being used (the currently active limits) can be specified. This will allow one to generate global report which will group the financing facilities against the limits for the client.
Note that the limit is validated based on the disbursed loans for the period of the limit.

Murabaha /Ijara financing fixed assets setup

In Bankers realm Islamic, a Murabaha asset must be created for Murabaha financing to be processed. The following is the process for creating a murabaha asset

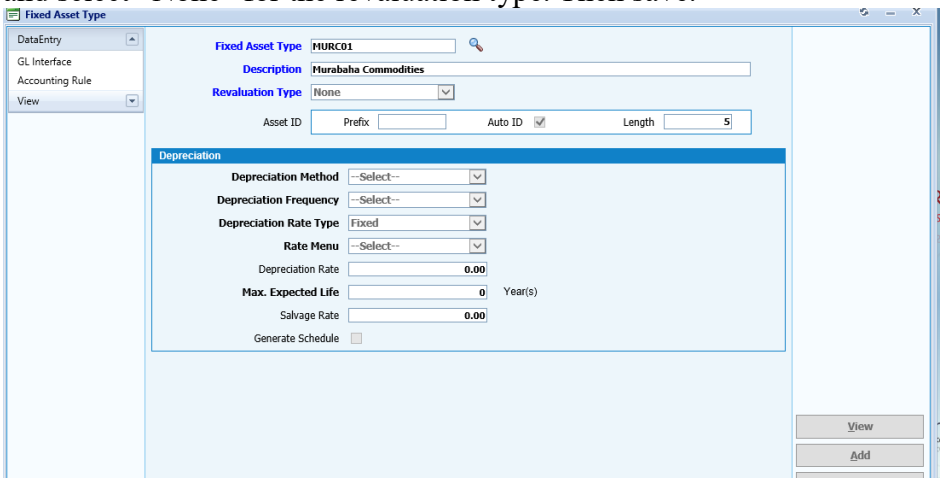
1. Create an asset type

The asset type is used as a broad categorization of the assets. This is accessible from the following menu *"Fixed Asset > Fixed Asset Type"*



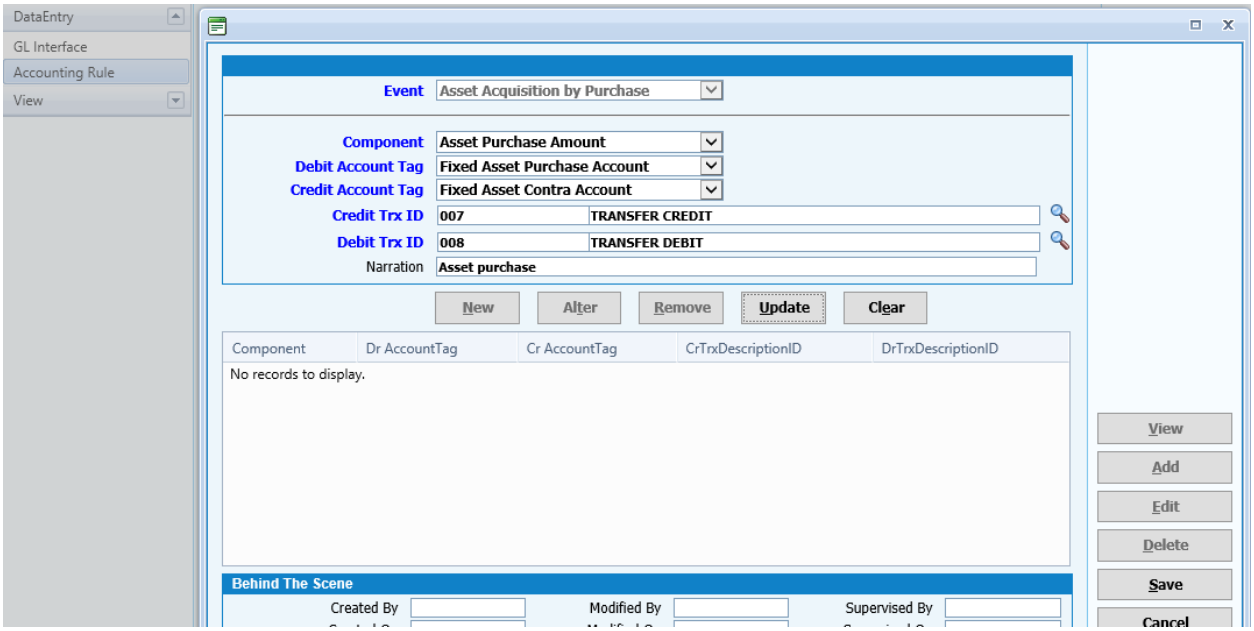
a. Create asset type

In the asset type screen, type in the Fixed asset type code and click view (This is a code is used to refer to the asset. It should be test and numbers only. No spaces). If the asset code does not exist, then the add button will be activated. Click on it to add the new asset type details.
For Murabaha assets, revaluation and depreciation are not applicable. Therefore input description and select "None" for the revaluation type. Then save.



b. Set up accounting rule for asset type

The asset type will require an accounting rule. An accounting rule in BR Islamic refers to the definition for accounting entries posted when a particular even occurs. For the murabaha asset, purchase will be needed. Click on the "Accounting rule" option under "Data entry" panel. This will bring up the screen below.
Select the even ID "Asset Acquisition by purchase", then click view. For the first time entry, the add button will be activated since the details have not been created yet. Click "Add" button to enable data entry. Click "New" to enable the details entry then select the additional details as shown below. (The specific GL accounts will be set up based on these settings). After this, click "Update" to add details to the grid. Then click on save permanently save data.



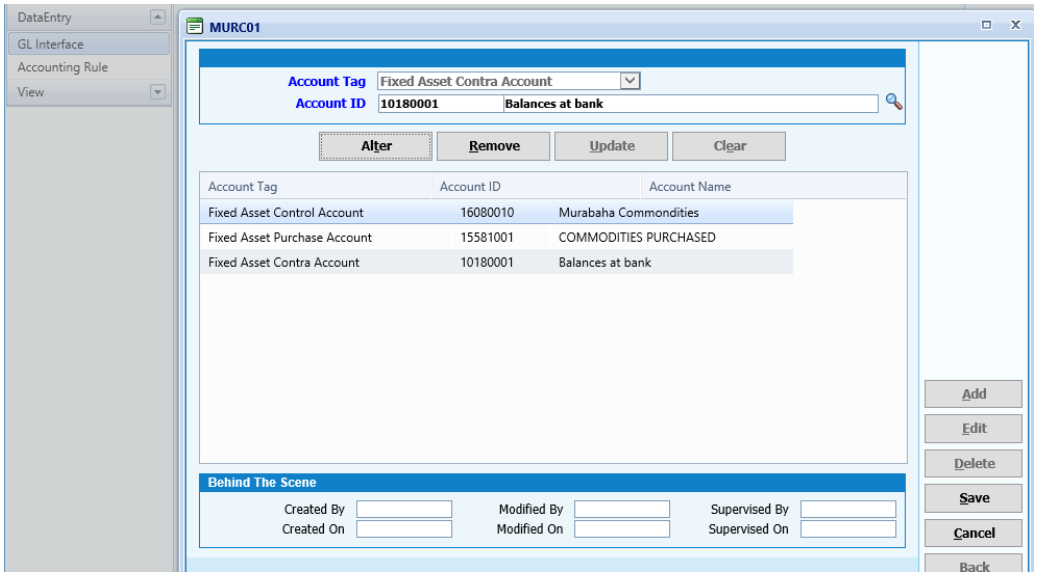
c. Set up GL accounts for asset type

The GL accounts for the asset are managed in the GL Interface screen. Click on the "GL interface" option under "Data entry" tab to open the screen. The following details below will be displayed. For each of the listed entries, the appropriate GL accounts should be selected. Click on edit button, then select an entry on the grid, Click "Alter" button and select the account ID applicable. Then click update. Repeat this for all entries in the grid. When finished, click save button.

Fixed Asset control account: This is the GL account which will have the total value of assets under this category

Fixed asset purchase account: GL Account from which purchase of the assets is made

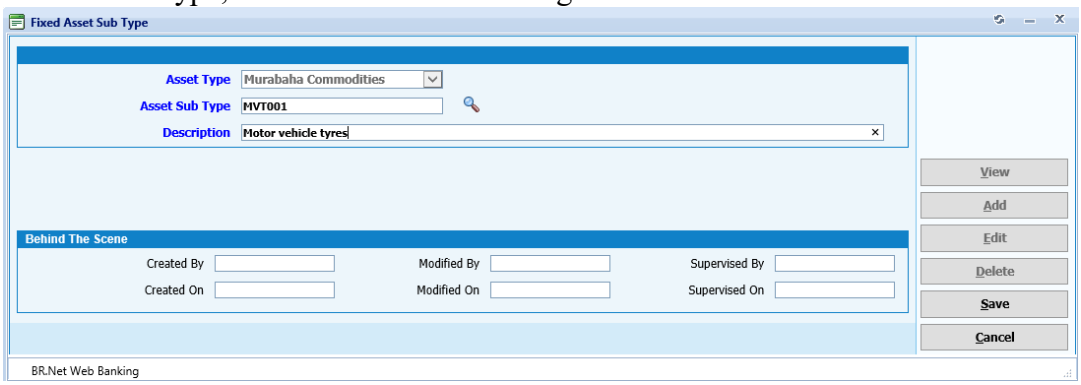
Fixed asset contra account: The contra account to use in the purchase transaction



2. Create an asset sub type

The Asset sub type will have the names of the individual type of assets for the main asset types created previously. For the Murabaha commodities created above, we can create a sub type as shown below. You can create as many sub types as the assets that will be used by the bank in Murabaha financing under this asset type.

To create a new one, select the asset type, and then type in the new asset sub type code. Click "View" button. If the subtype is new, the add button will be activated. Click the "add" button and then specify the description. Click the "save" button. To add more, repeat the process by typing in Asset sub type, then click "add" button again.

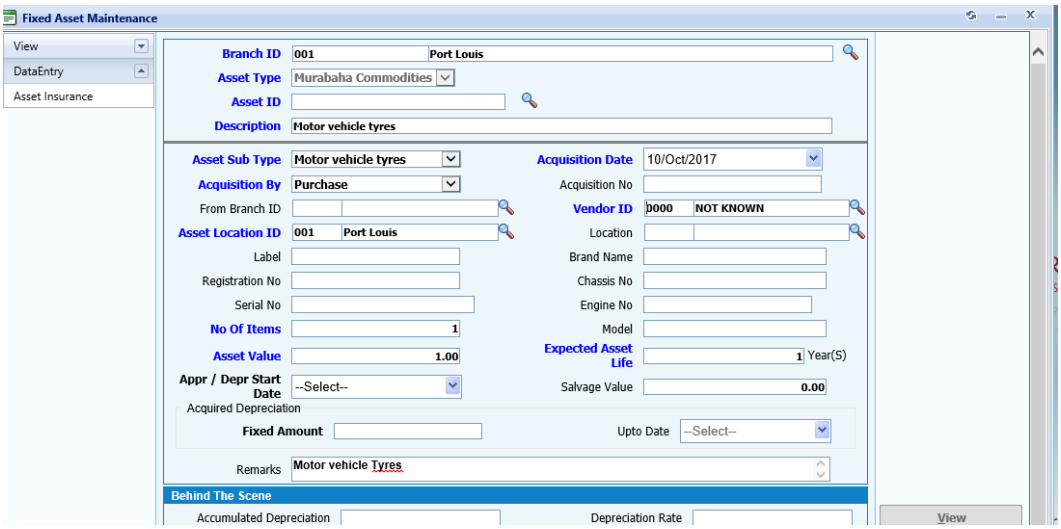


3. Create asset

Once the Asset type and sub type have been created, the actual asset needs to be added to the fixed asset maintenance screen. This screen is used to manage all assets the bank will operate with. This screen is accessible from menu *"Fixed Asset > Fixed Asset Type"*

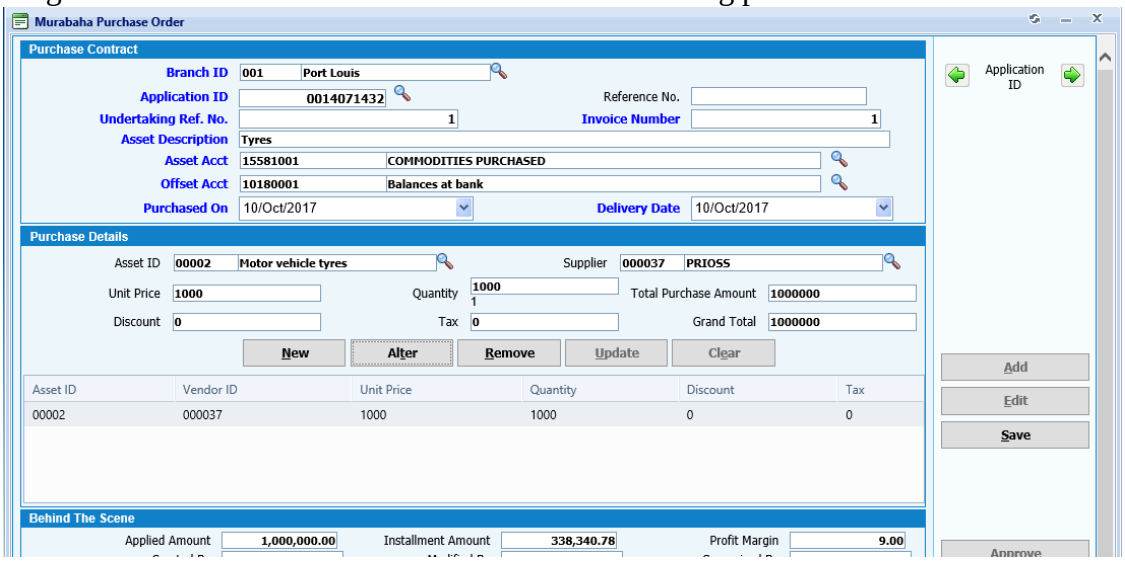
To add the details of the asset, select first the asset type, then click on add button. Then input the description (Asset ID will be generated by system), then select the asset sub type. The Acquisition by for Murabaha assets will be purchase. (Transfer is used only when asset is being moved from 1 bank branch to another). Select the vendor (this may be a default vendor. In murabaha financing, option to select different vendor is available), asset location. In the fields "number of items", "asset value" and "expected asset life", put default values of 1. (For Murabaha the asset being used will be purchased and sold through Murabaha financing multiple times and as such, values in those fields will not be enforced by system in fixed asset operations)

Click on save to save the asset



4. Use asset in murabaha financing

Once the asset has been created, then it can be re- used in Murabaha financing. In Murabaha financing, this will be at the purchase stage. Note that this assets for Murabaha can be used multiple times for different murabaha financing ventures. The following example shows the usage of the above created asset in a Murabaha financing purchase contract

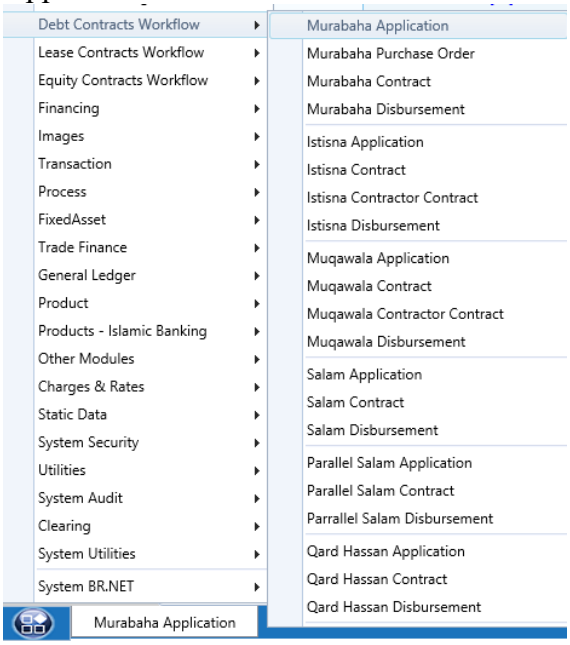


Murabahah

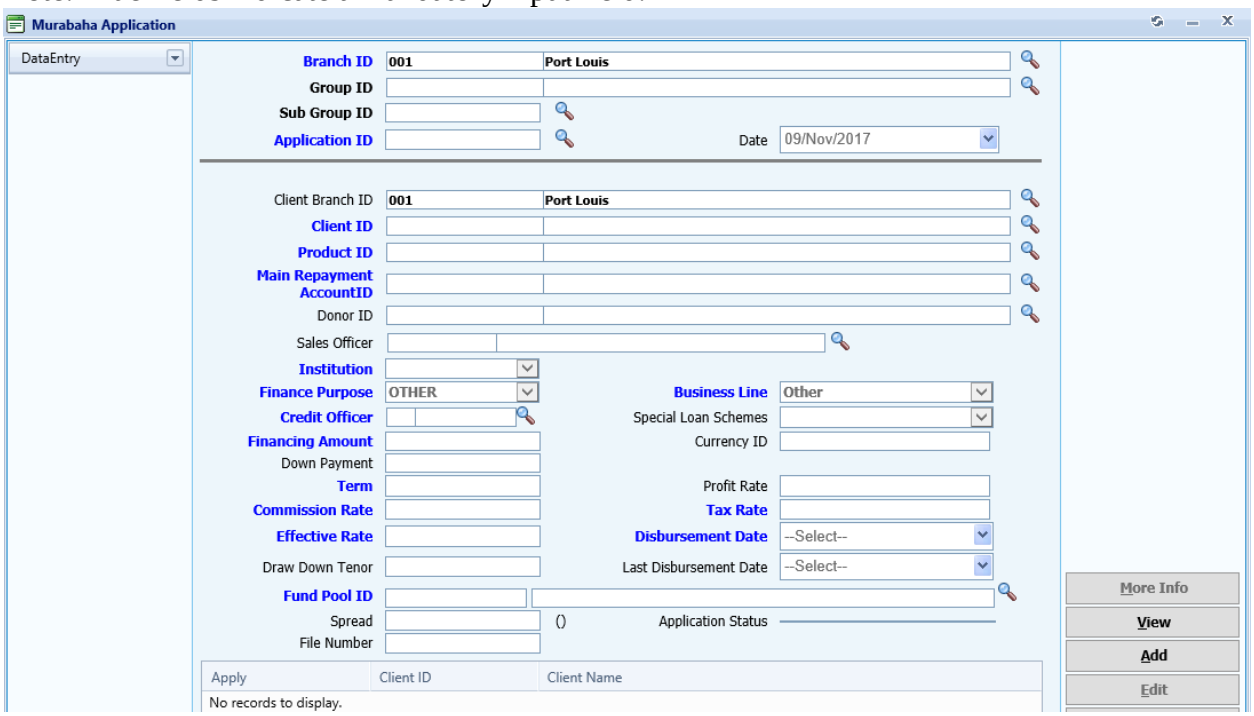
Murabaha financing is used to sell assets to the customer. The bank purchases the asset and then sells to the customer who then pays the cost plus an agreed profit margin. Commondity murabaha is also applicable where after the bank sells the asset to the customer, the customer can sell the asset to an agent and the customer receives cash.
The processing of Murabahah is as shown below:

Application

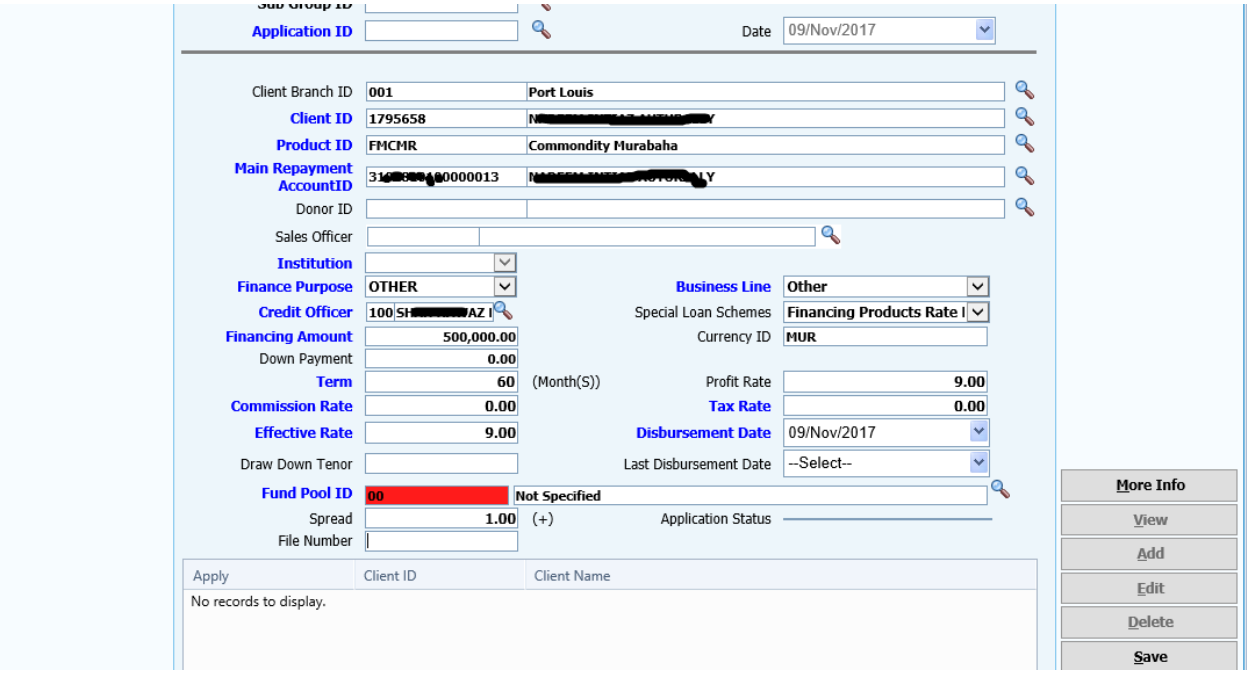
Application screen is accessed from the menu “Debt contracts > Murabaha application”

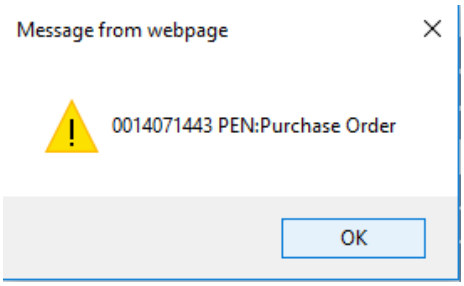


In the application screen shown below, to add a new application, click add button. Then from the client id field, select the customer, the product, repayment account and the rest of the fields. Note: Blue fields indicate a mandatory input field.



Once allinput is completed, click save button. In case of any problem with the data input, an error message will be displayed indicating the error.





Note:
For the fields where a selection is to be made from list of available values, e.g Institution, if the data item required is not available, it can be added in menu "System utilities > User Code Details". From the user codes screen, select the appropriate category and input the data needed. This should be done by a user with the appropriate access rights. Additionally, you will need to close the system and login again for the new codes added to be available.

Purchase details

In the purchase screen accessible from the Murabahah purchase order menu, select the application ID, then click add and input the details of the asset .
Note:

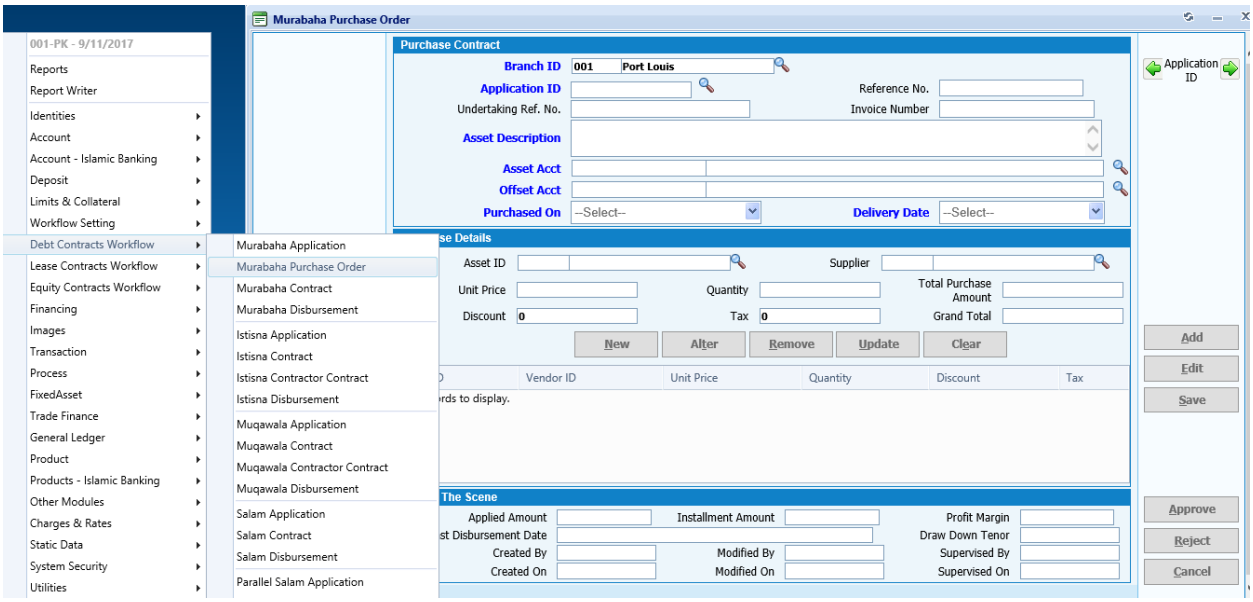
- The Asset account ID is a GL account for the Murabaha assets and will be debited with the cost of the asset e.g Murabaha assets/commondities purchased

- Offset account ID is a GL account that will be contra for the purchase and will be credited with the cost of the asset e.g Murabaha Payables

On the end section of purchase details, click “new button” and input the additional asset details, then click update when done. Click on save after inputting all the information.
Note:

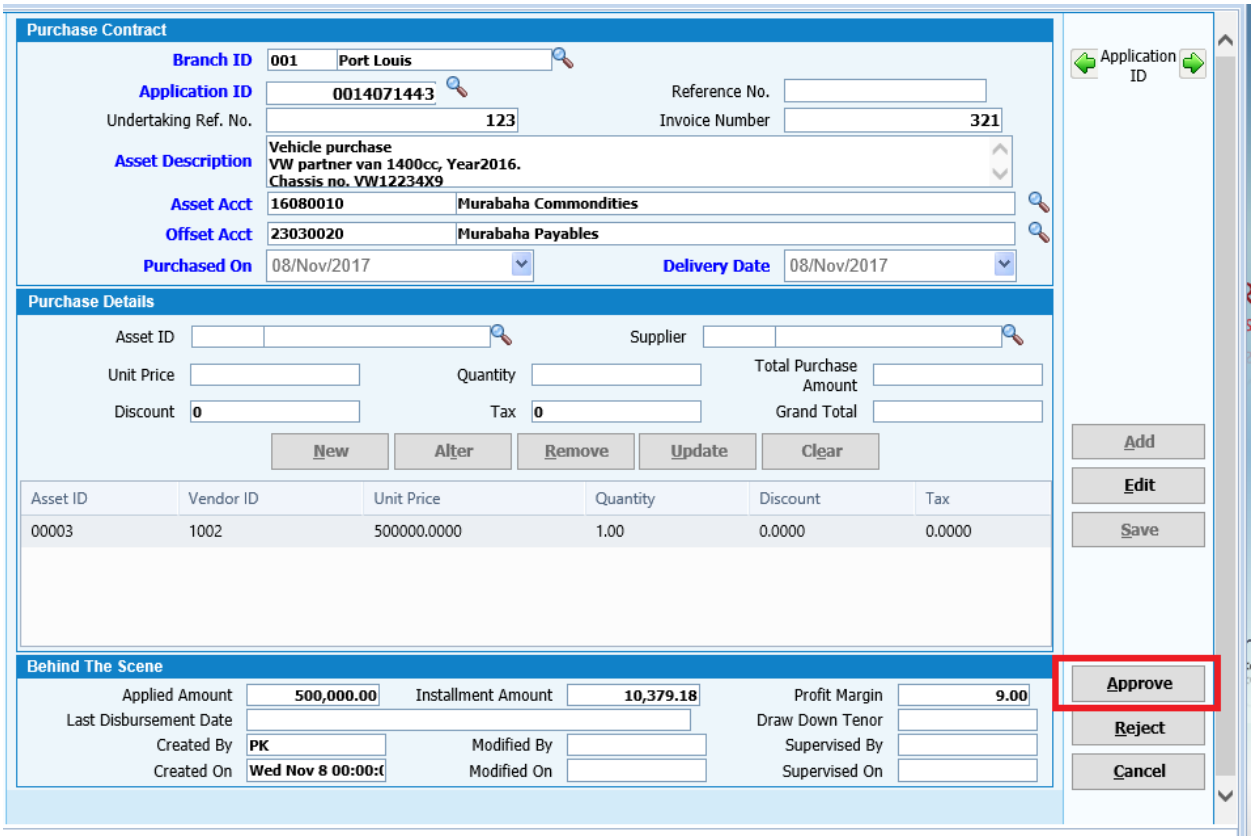
- If the asset does not exist, it needs to be created from menu “Fixed Assets > Fixed Assets Maintenance”. You do not need to log off the system after this has been added

- If the supplier is new, you can add from menu “Static data > Maintain vendors”. You do not need to log off the system after this has been added



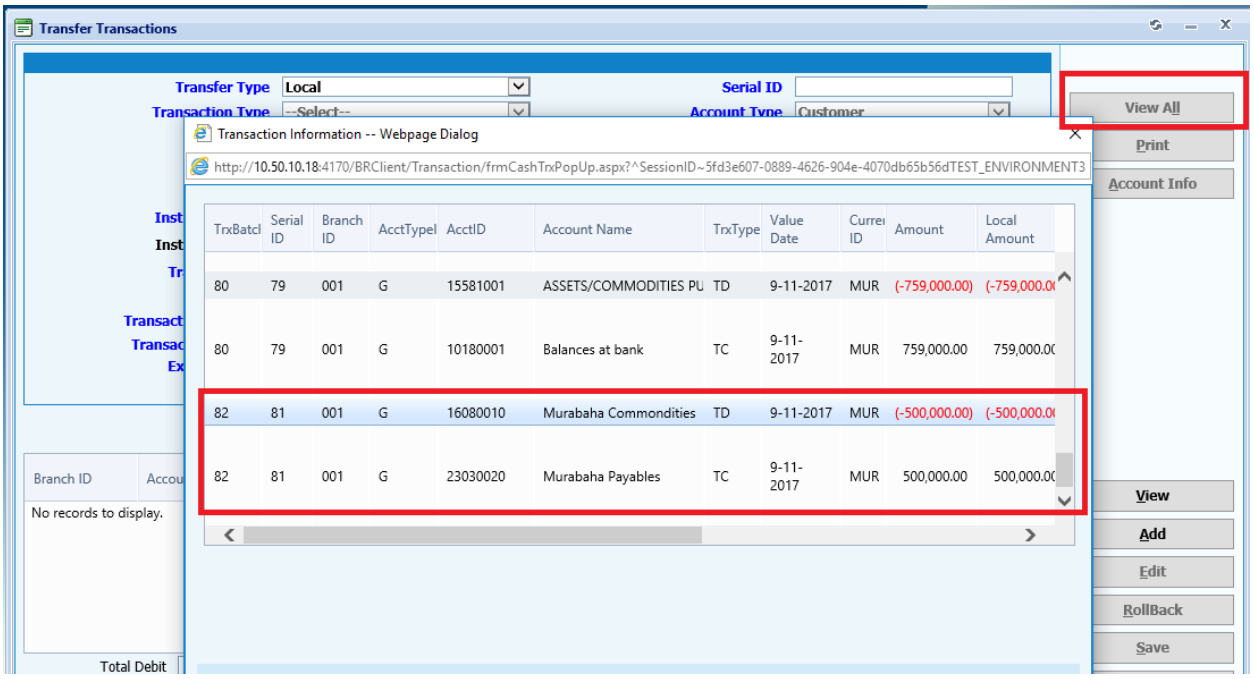
Approve purchase

After the purchase as been created, the approval need s to be done by a different user. This approval is done by accessing same screen, selecting the application ID, and then after verifying details are correct, click the Approve button.
Note: The reject button will cancel the application process, and a new application if needed will have to be restarted. Before approving, if some details are not accurate, the approver can notify the originator to amend the purchase details. This will be done by clicking edit button, making the changes and then saving.



Note:

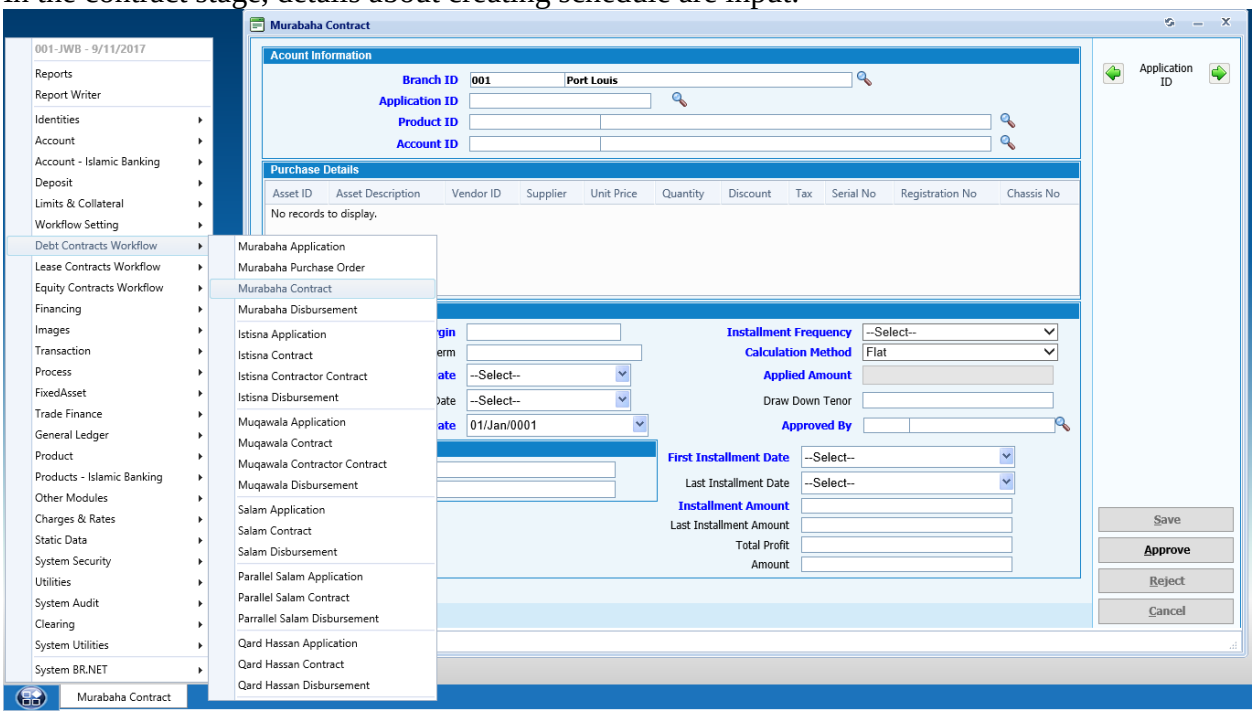
The transactions for purchase of the asset are posted automatically after approval. They can be viewed from the menu “Transactions > Transfer transactions” , then clieck the view all button as shown below:



Note: In the above screen, all transfer transactions for that day are listed. You can locate the ones for purchase bu the amount and account. TrxType TD=Debit, TC=Credit. Also in menu general ledger> GL Branch details, you can select the GL account and view transactions that have been posted.

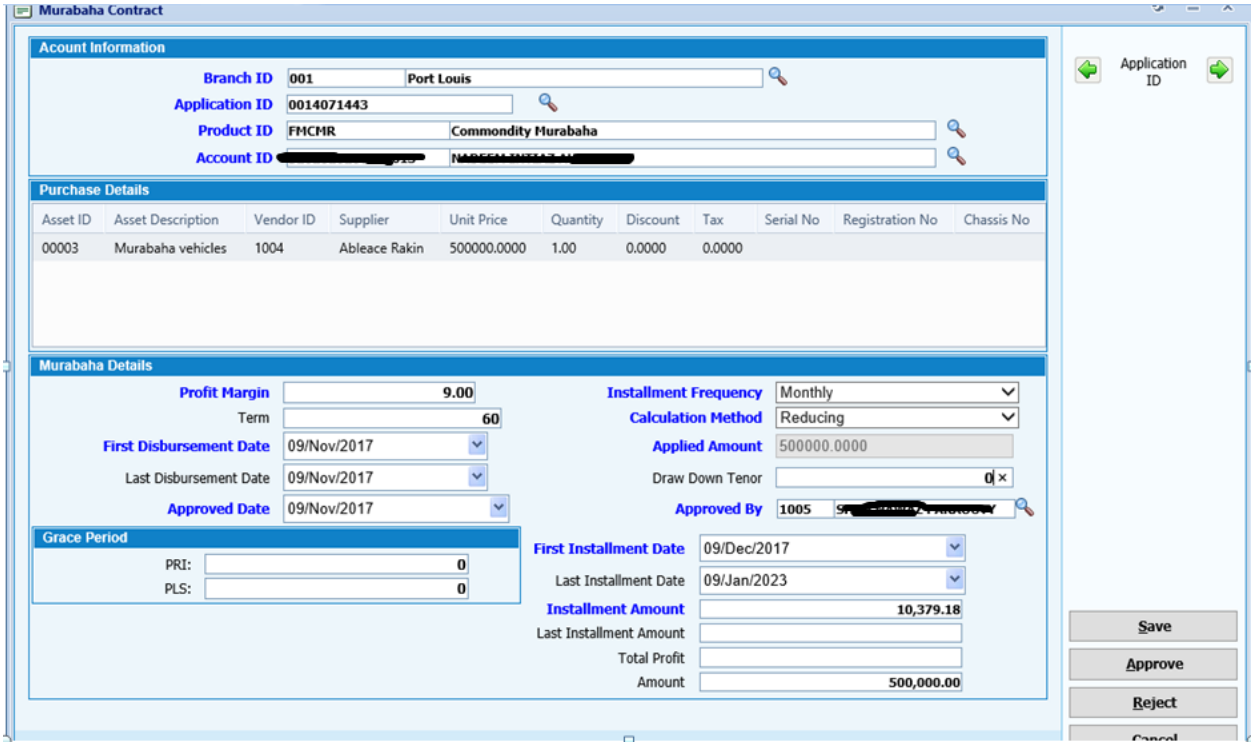
Murabaha contract

In the contract stage, details about creating schedule are input.



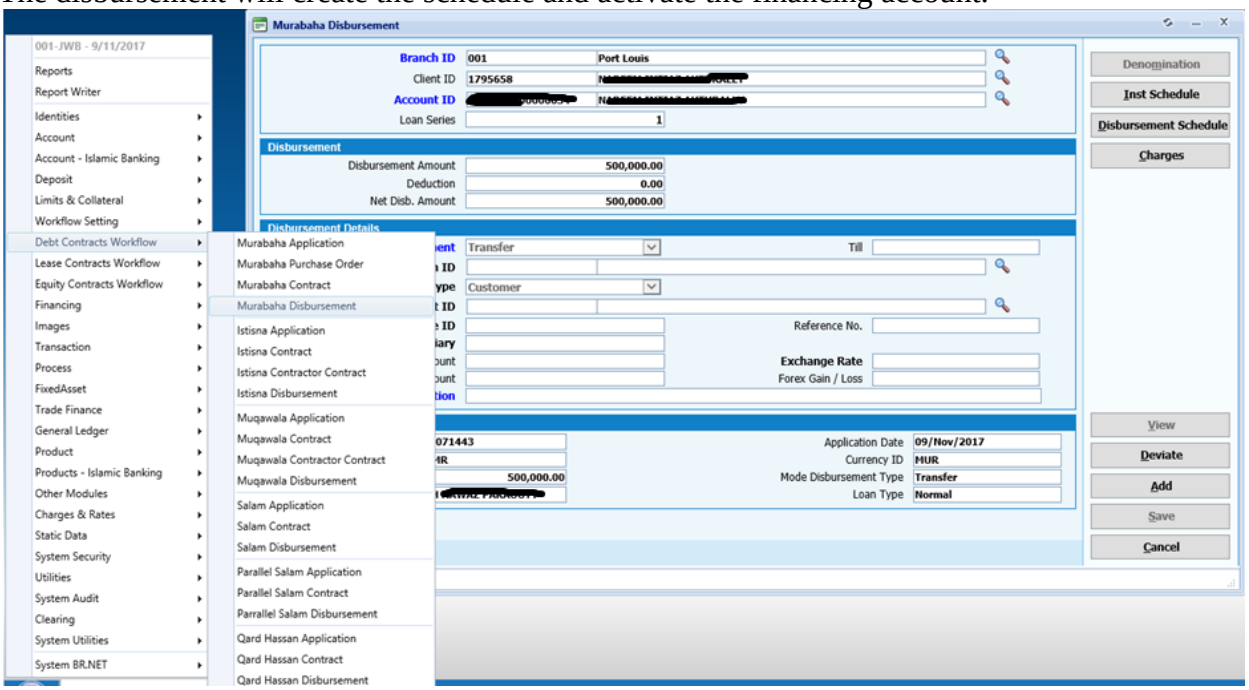
Save and Approve

Select the application ID and then input the details as needed, then save. After saving, then approval will be needed to go to next stage. Approval will be done by accessing same screen, loading the application and then clicking approve.



Disbursement

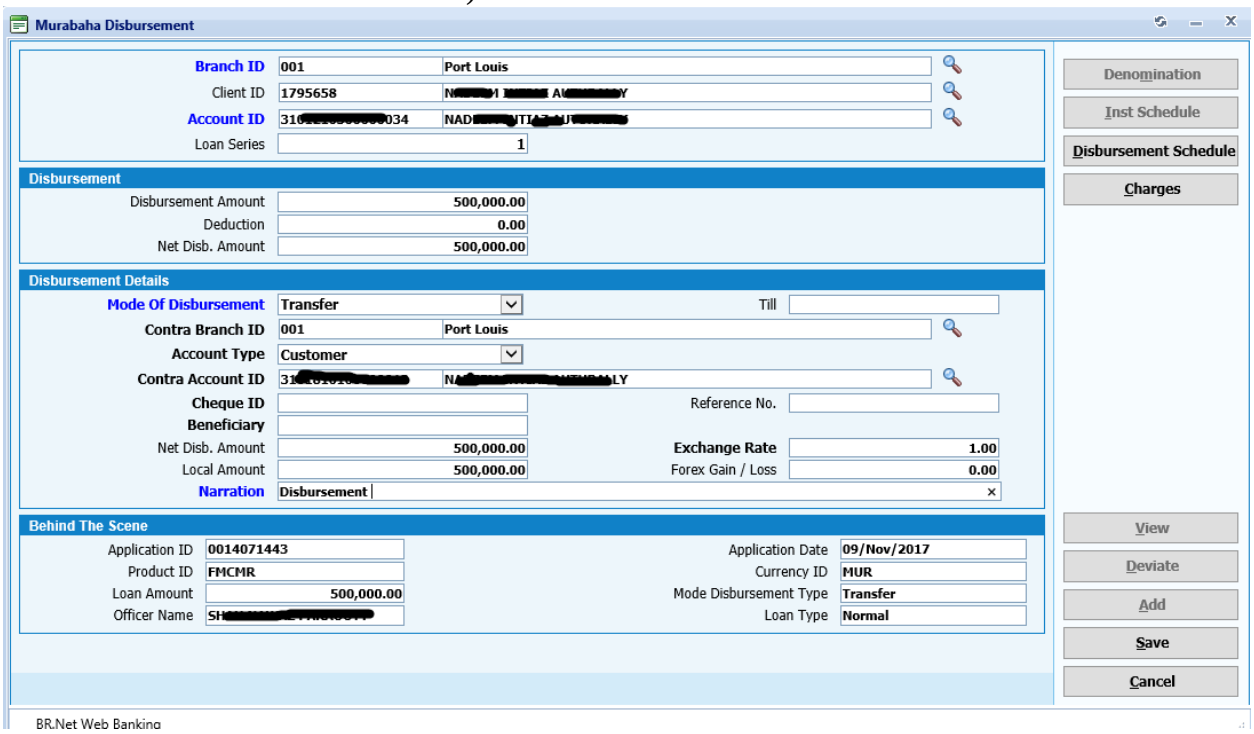
The disbursement will create the schedule and activate the financing account.



Select the account ID (generated from previous contract stage). You can view the schedule by clicking “inst. schedule” button.

Click on add, then select the transfer disbursement mode. In the account type, there is an option of selecting customer or GL account. If it in commodity Murabaha where customer sells asset to

agent and receives cash, select Customer and then their current/savings account from the contra account ID. If it is normal murabaha, then select GL account and contra account select the fixed asset account GL account that was specified in purchase stage (in our example here it would be 16080010 – Murabaha commodities).

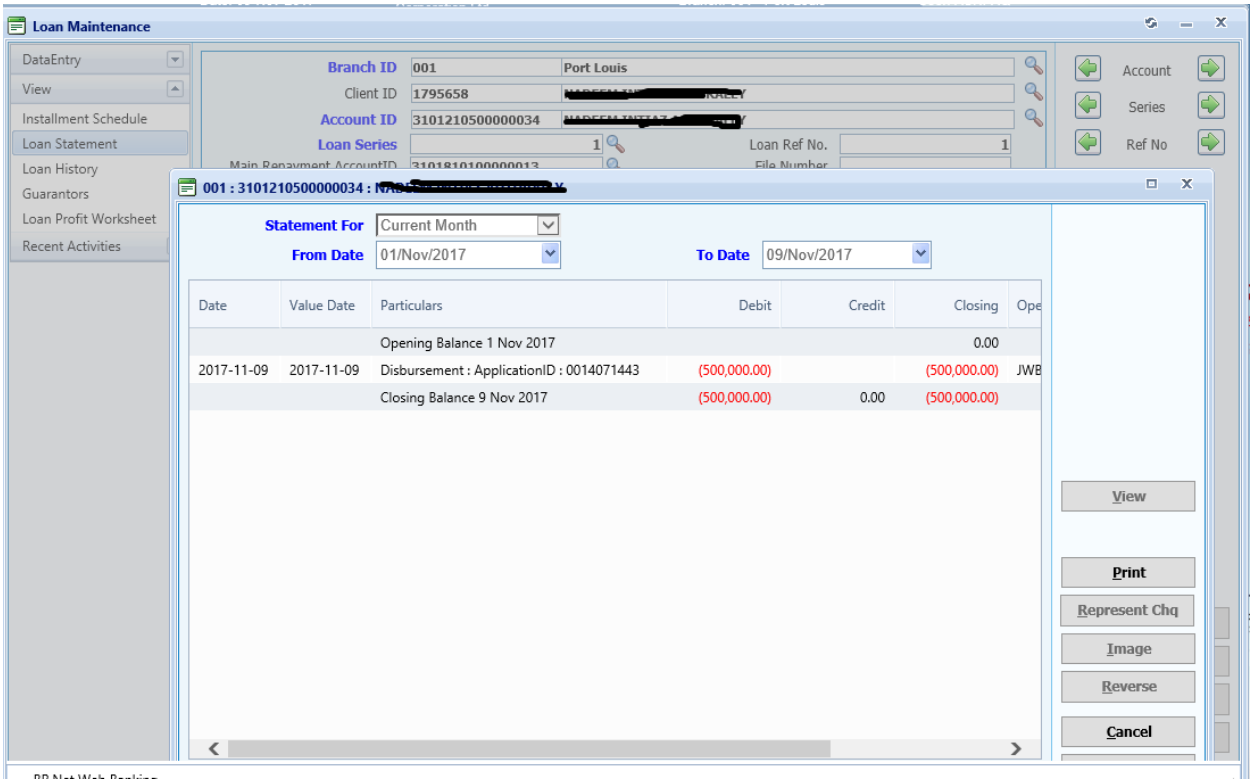


View Accounts and transactions:

To view the transactions that have happened on the customer account, you can access from the following:

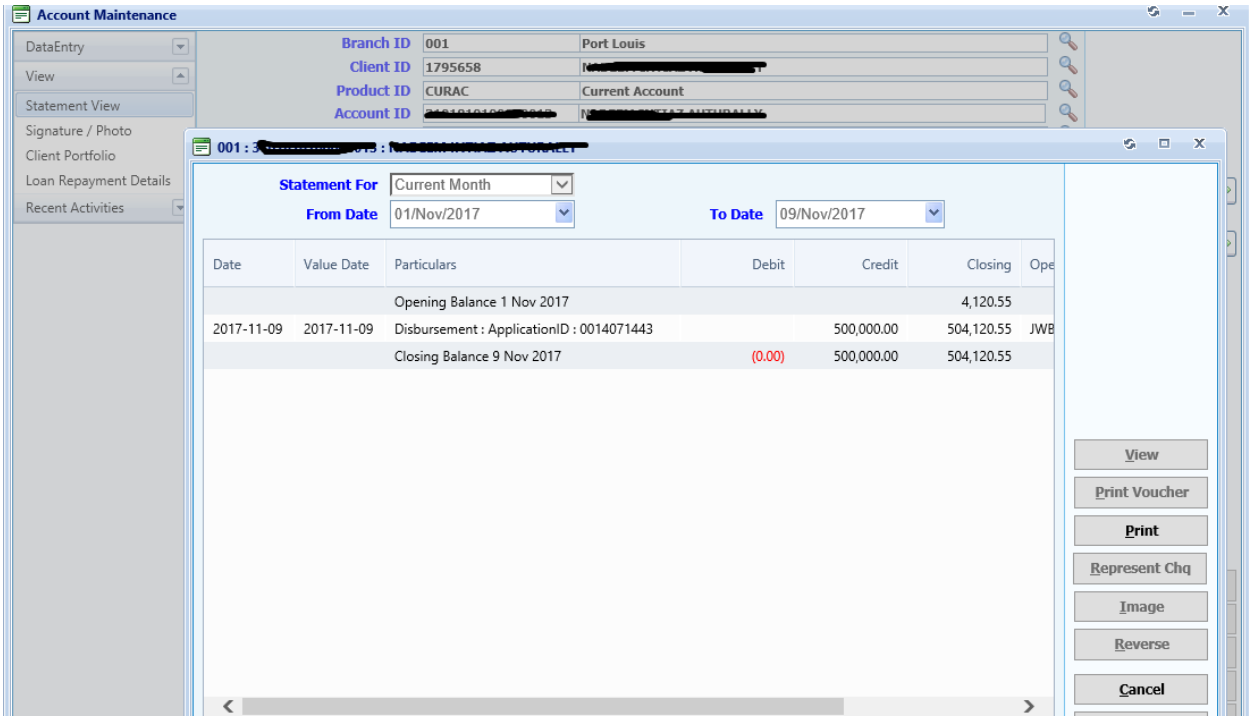
Financing:

Go to menu “Financing>Loan maintenance”. Select the account ID, and click view. Once account details have loaded, click to expand the view panel on the top left corner of the screen and select “loan statement”



Current/Savings account

Go to menu “Islamic accounts>Account maintenance”. Select the account ID, and click view. Once account details have loaded, click to expand the view panel on the top left corner of the screen and select “Statement view”



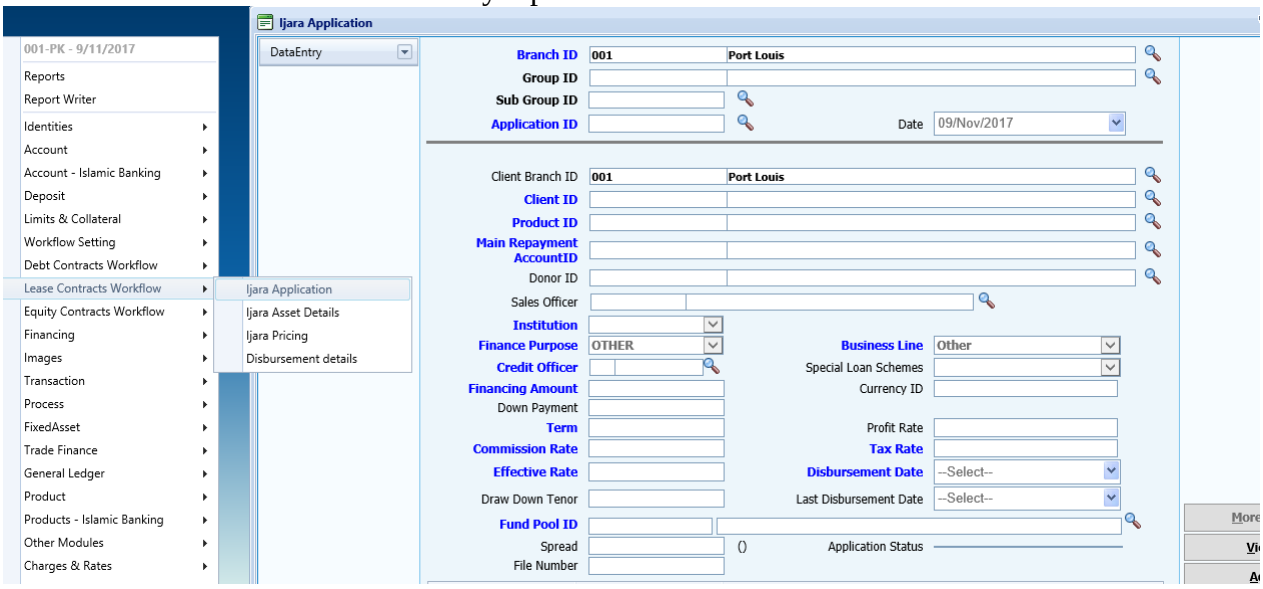
Ijara

Ijara financing is used for leasing of an asset to the customer. The bank purchases the asset and then leases to the customer who then pays rental amount. A profit margin is applied for the payments, while an advance payment from the customer may also be required by the bank.
The processing of Ijarah is as shown below:

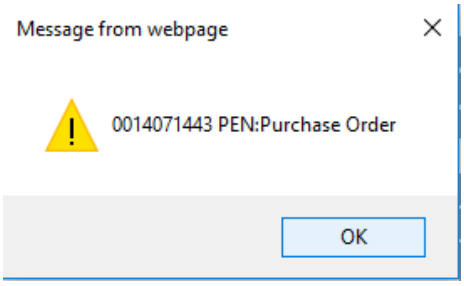
Application

Application screen is accessed from the menu “Lease contracts > Ijara application”

In the application screen shown below, to add a new application, click add button. Then from the client id field, select the customer, the product, repayment account and the rest of the fields.
Note: Blue fields indicate a mandatory input field.



Once all input is completed, click save button. In case of any problem with the data input, an error message will be displayed indicating the error.



Note:
For the fields where a selection is to be made from list of available values, e.g Institution, if the data item required is not available, it can be added in menu “System utilities > User Code Details”. From the user codes screen, select the appropriate category and input the data needed.

This should be done by a user with the appropriate access rights. Additionally, you will need to close the system and login again for the new codes added to be available.

Ijara Asset details

In the purchase screen accessible from the Ijarah purchase details menu, select the application ID, then click add and input the details of the asset .
Note:

- The Asset account ID is a GL account for the Ijara assets and will be debited with the cost of the asset e.g Ijara assets/commondities purchased

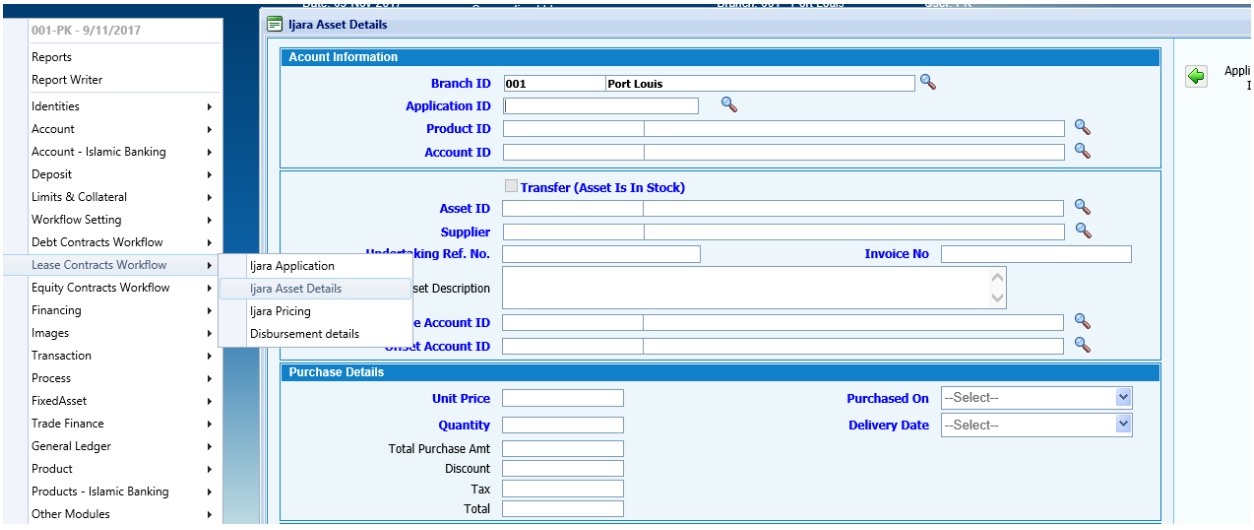
- Offset account ID is a GL account that will be contra for the purchase and will be credited with the cost of the asset e.g Ijara Payables

  These 2 accounts can be configured in the product GL parameters, if the accounting rule is configured to have purchase entries. Refer to products setup and accounting rules settings on how to add this automatically.

On the end section of purchase details, click “new button” and input the additional asset details, then click update when done. Click on save after inputting all the information.
Note:

- If the asset does not exist, it needs to be created from menu “Fixed Assets > Fixed Assets Maintenance”. You do not need to log off the system after this has been added

- If the supplier is new, you can add from menu “Static data > Maintain vendors”. You do not need to log off the system after this has been added



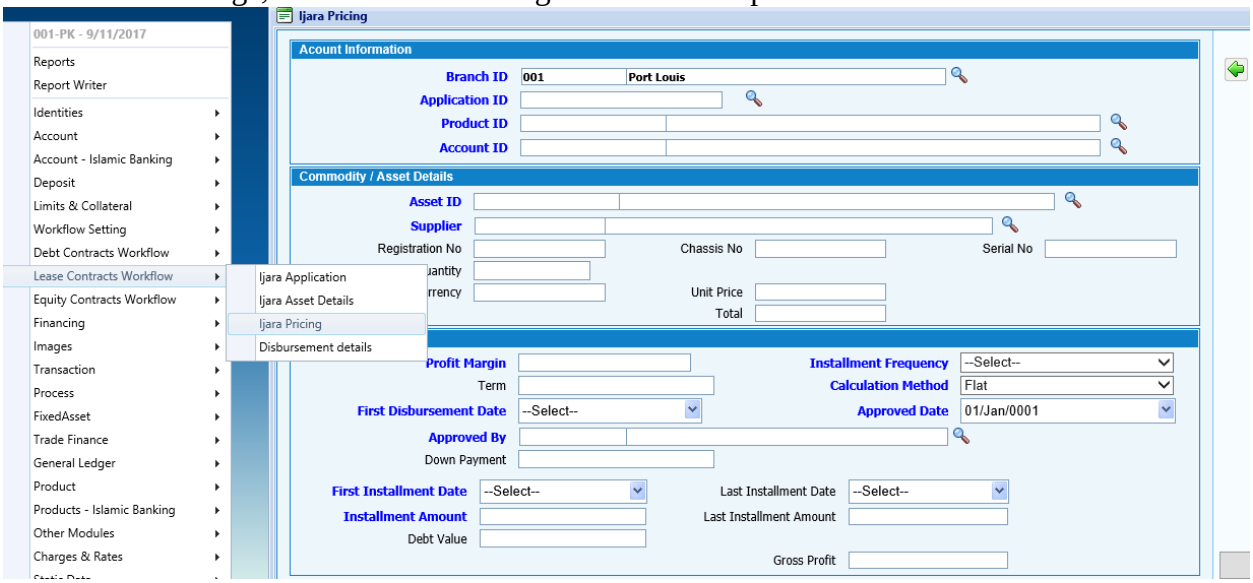
Approve purchase

After the purchase as been created, the approval need s to be done by a different user. This approval is done by accessing same screen, selecting the application ID, and then after verifying details are correct, click the Approve button.
Note: The reject button will cancel the application process, and a new application if needed will have to be restarted. Before approving, if some details are not accurate, the approver can notify the originator to amend the purchase details. This will be done by clicking edit button, making the changes and then saving.

Note:
The transactions for purchase of the asset are posted automatically after approval. They can be viewed from the menu “Transactions > Transfer transactions”, then click the view all.
All transfer transactions for that day will be listed. You can locate the ones for purchase GL the amount and account. TrxType TD=Debit, TC=Credit. Also in menu general ledger> GL Branch details, you can select the GL account and view transactions that have been posted.

Ijara Pricing

In the contract stage, details about creating schedule are input.



Save and Approve

Select the application ID and then input the details as needed, then save. After saving, then approval will be needed to go to next stage. Approval will be done by accessing same screen, loading the application and then clicking approve.

Disbursement

The disbursement will create the schedule and activate the financing account.

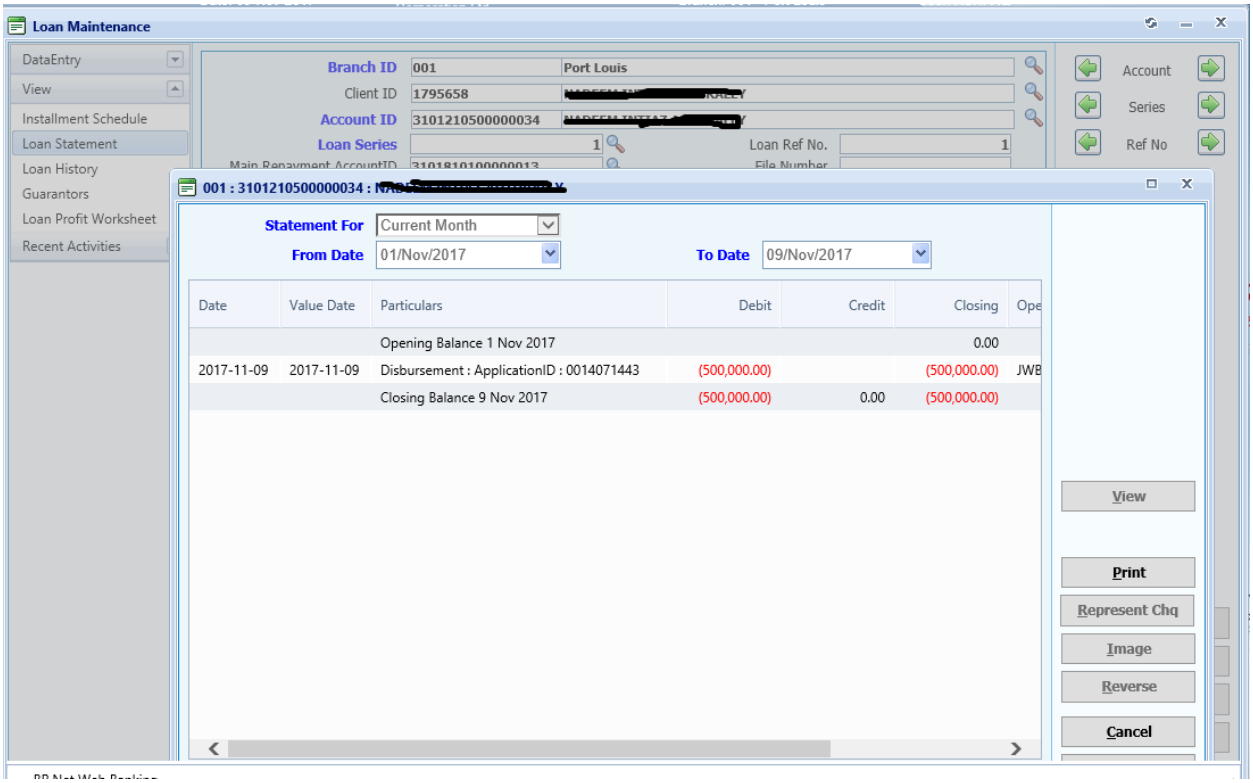
Select the account ID (generated from previous contract stage). You can view the schedule by clicking “inst. schedule” button.
Click on add, then select the transfer disbursement mode. In the account type, there is an option of selecting customer or GL account. Select the appropriate account to be credited, fill in the transaction description and save.

View Accounts and transactions:

To view the transactions that have happened on the customer account, you can access from the following:

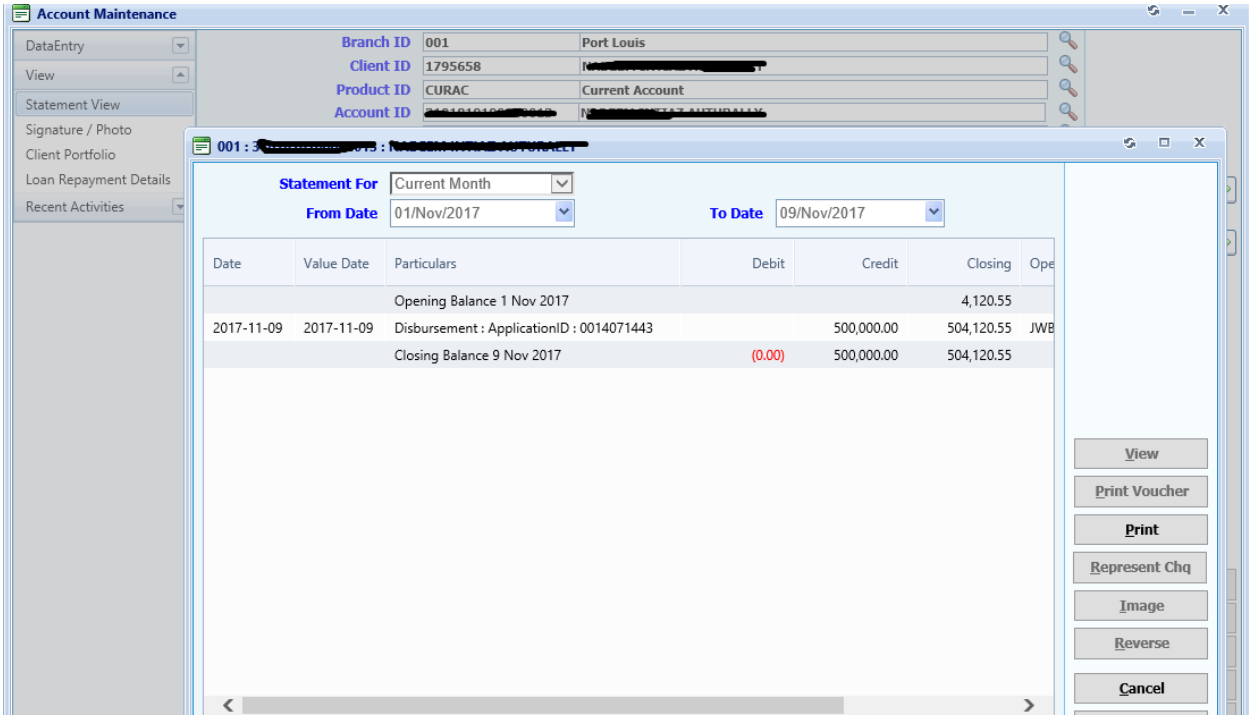
Financing:

Go to menu “Financing>Loan maintenance”. Select the account ID, and click view. Once account details have loaded, click to expand the view panel on the top left corner of the screen and select “loan statement”



Current/Savings account

Go to menu “Islamic accounts>Account maintenance”. Select the account ID, and click view. Once account details have loaded, click to expand the view panel on the top left corner of the screen and select “Statement view”



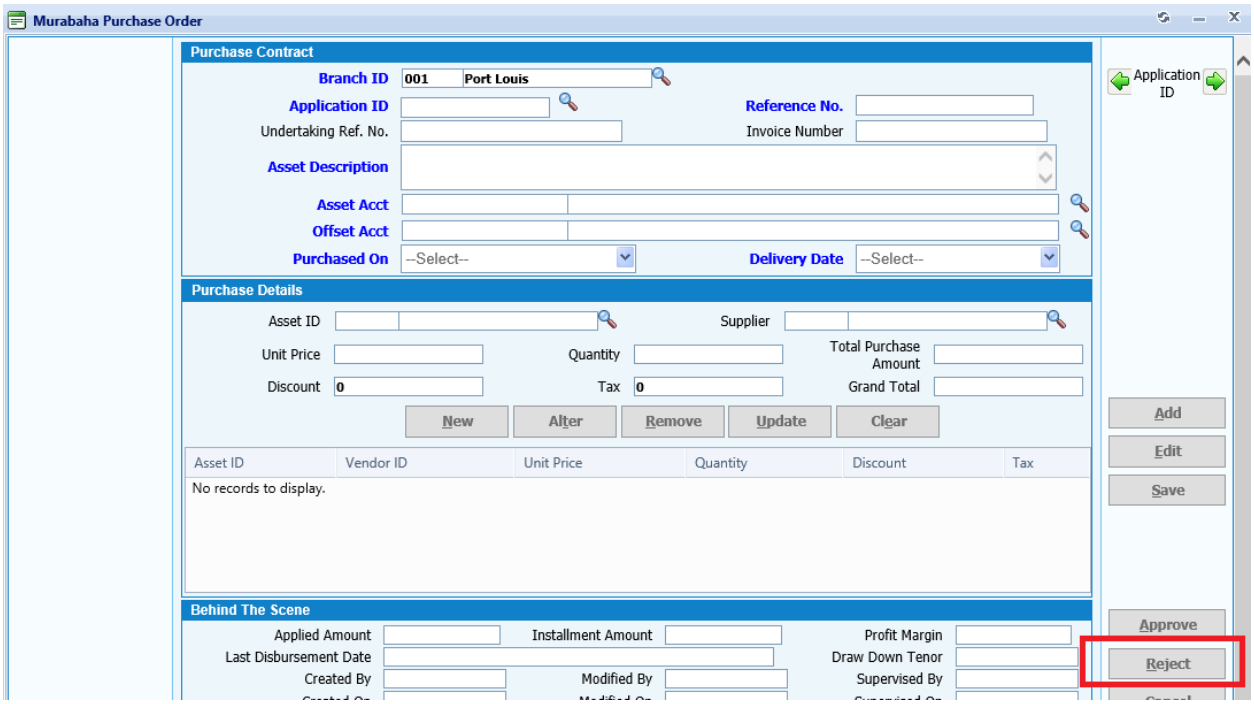
Financing deviation/rejection before disbursement

Financing deviation in BRislamic.Net allows the user to either reject the financing application, or take it to a previous stage in processing. This can be used when some mistakes in the financing have been discovered before the financing has been disbursed.

Purchase order

When the financing application is at purchase order,it can be approved or rejected. At purchase order, the rejection can be done by the supervisor. Once the rejection is done, the processing can no longer proceed and a new application for the customer will need to be done.

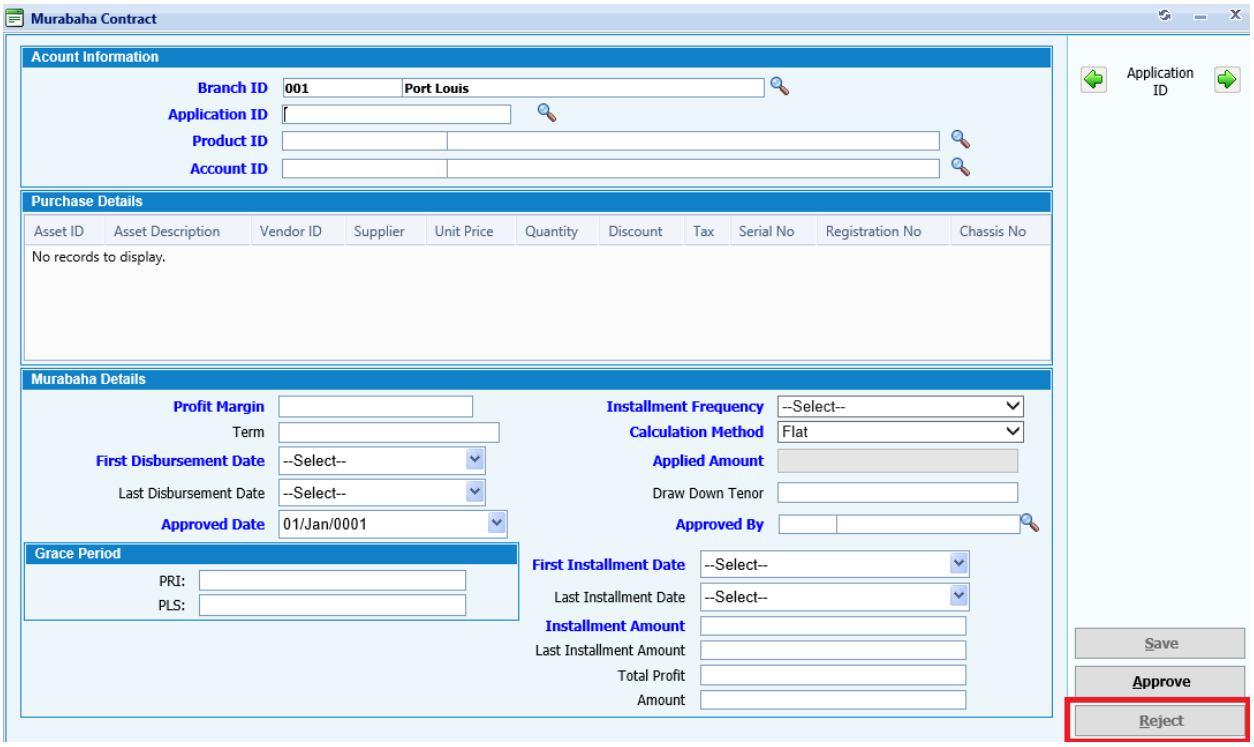
To reject an application, open the purchase order screen eg (***"Debt contracts workflow>Murabaha purchase order")*** as shown below, then select the application id. The details will be shown. CLieck on the "Reject" button.



Contract stage

When the financing application is at contract stage, it can be approved or rejected. At contract, the rejection can be done by the supervisor. Once the rejection is done, the processing can no longer proceed and a new application for the customer will need to be done.

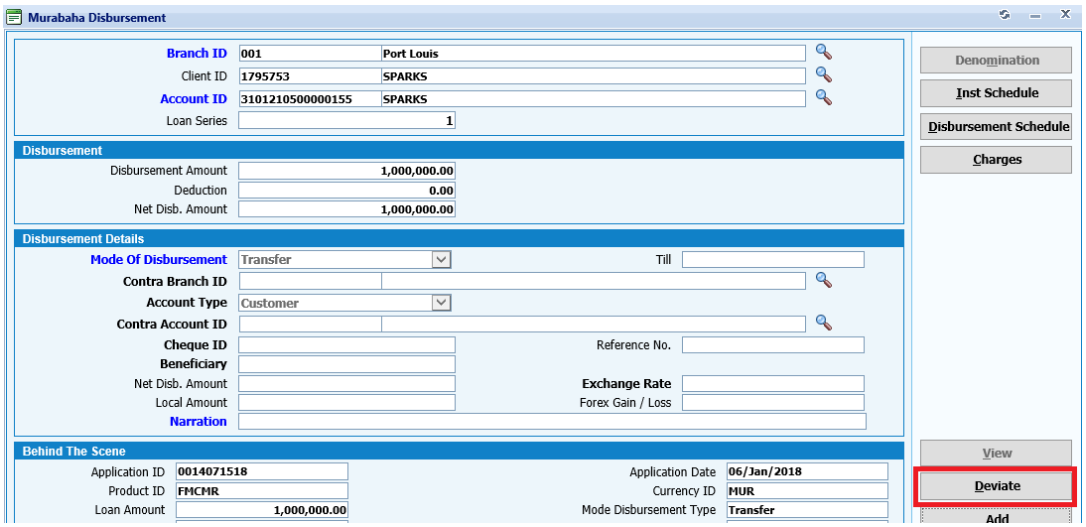
To reject an application, open the purchase order screen eg (***"Debt contracts workflow>Murabaha contract")*** as shown below, then select the application id. The details will be shown. CLieck on the "Reject" button.



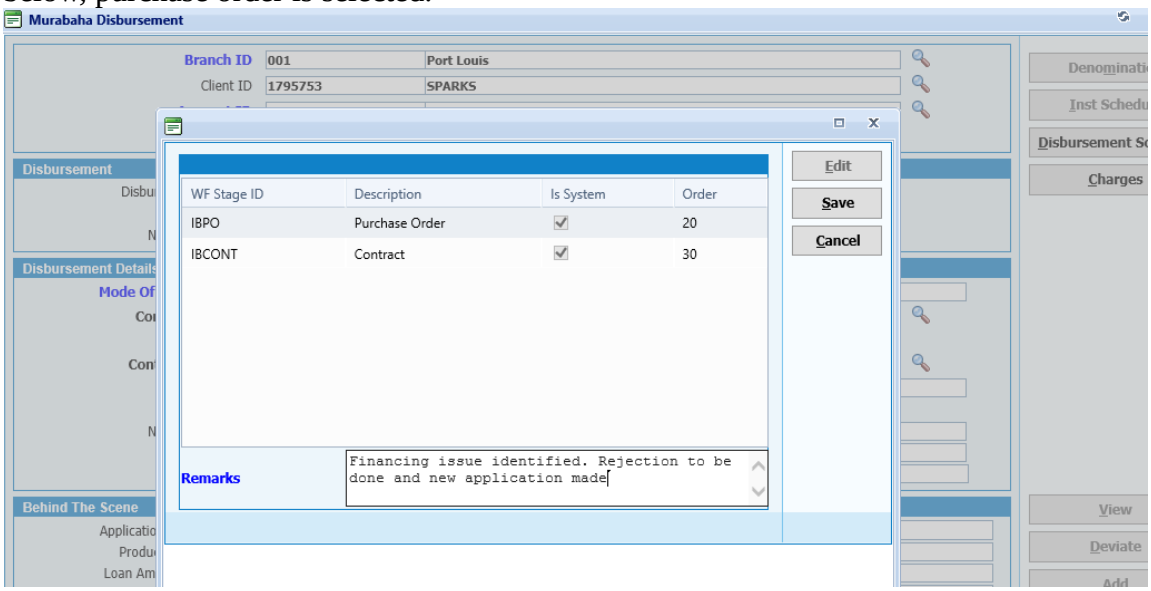
NOTE:
For Murabaha financing, when purchase is approved, the purchase transactions are posted. This is usually the following accounts:
DR: ASSETS/COMMODITIES PURCHASED
CR: Other payables
The above accounts may change depending on the requirements the bank uses. This transaction should be reversed once the rejection is done. This is done manually at "***Transactions>Transfer transaction***"

Disbursement stage

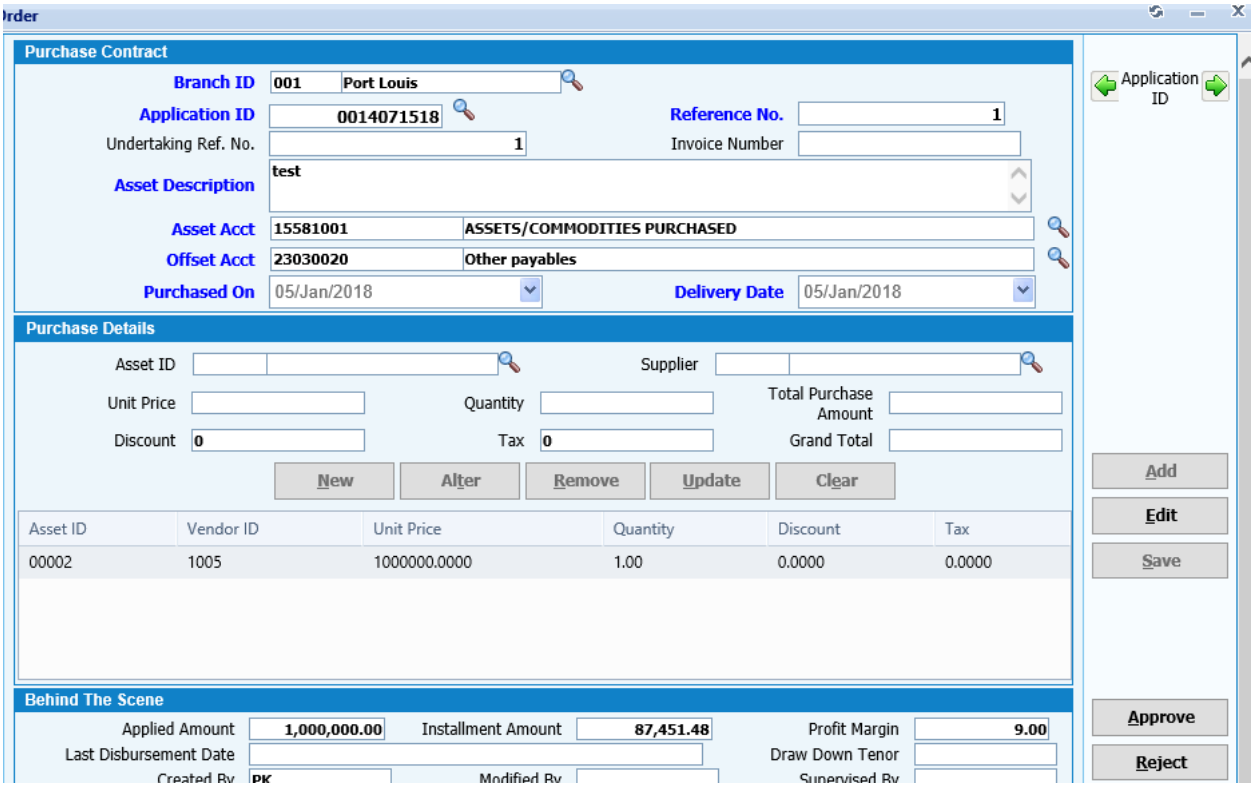
When the application has passed all the approval stages and is awaiting disbursement, it can be reversed back by deviation process. This will take the financing back to either Purchase stage or contract stage if the financing type does not have purchase stage eg Mudaraba financing.
Open the disbursement screen as shown below and select the account. Then click on the "Deviate" button



The deviation screen below will be displayed. Click edit, Select the stage you want to return the application to and specify the remarks as to why the deviation is being made. Then click save. After this is done, the financing will be taken to the selected stage listed on the grid. In our case below, purchase order is selected.



After this is done, you can go back to the purchase stage like in the case above and reject the application.



NOTE:
Like in the case of rejection during contract same case applies for deviation before disbursement. For Murabaha financing, when purchase is approved, the purchase transactions are posted. This is usually the following accounts:
DR: ASSETS/COMMODITIES PURCHASED
CR: Other payables
The above accounts may change depending on the requirements the bank uses. This transaction should be reversed once the rejection is done. This is done manually at "***Transactions>Transfer transaction***"

Multiple disbursements

Introduction

Multiple disbursements facility is available in BR Islamic. This allows the user to disburse a financing facility partially. For example a customer may apply for Murabaha financing for 500,000. Then the disbursements may be required to be done 3 times 1st for 200,000, 2nd 200,000 and 3rd 100,000 on different dates. This can be achieved by creating a disbursement schedule at the disbursement screen with the appropriate dates and amounts for each disbursement.

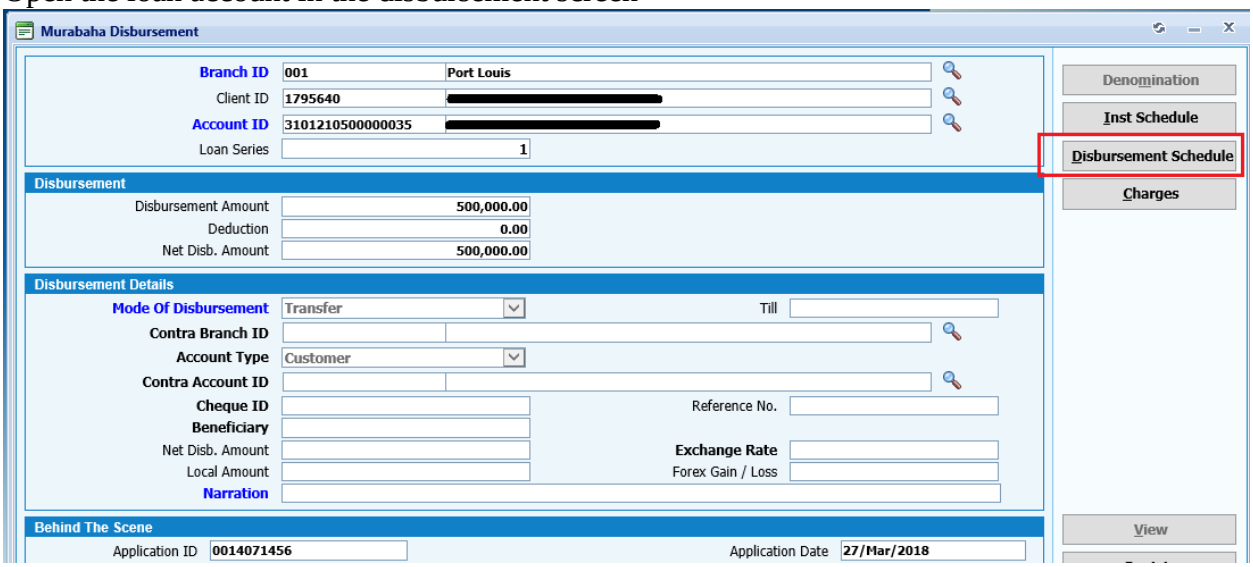
Pre-requisites

When financing contract is done, by default the disbursement expected is for the full amount at the disbursement date specified in the contract screen. To change this, one needs to go to the

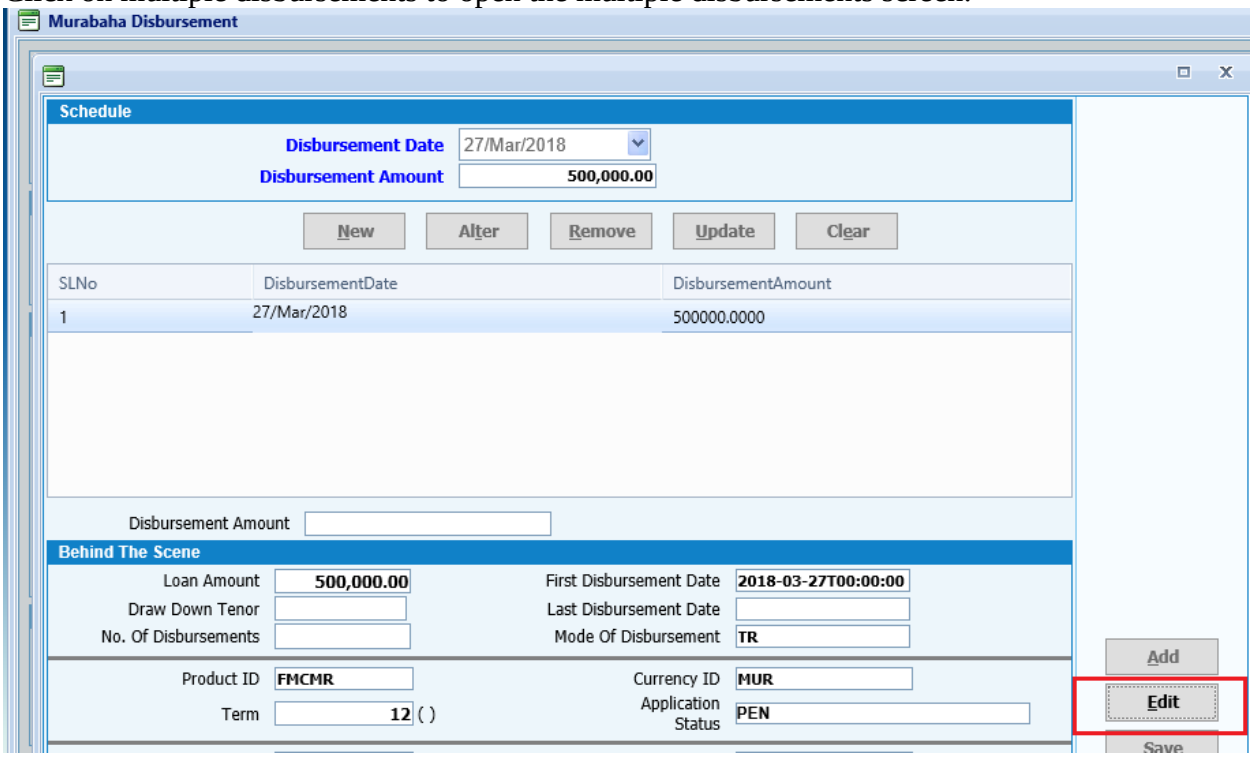
disbursement screen and modify the disbursement amount and dates. This **must be done on or before** the disbursement date specified at contract (System will not permit amendment if the disbursement date for the full amount is already in the past).

Creating disbursement schedule

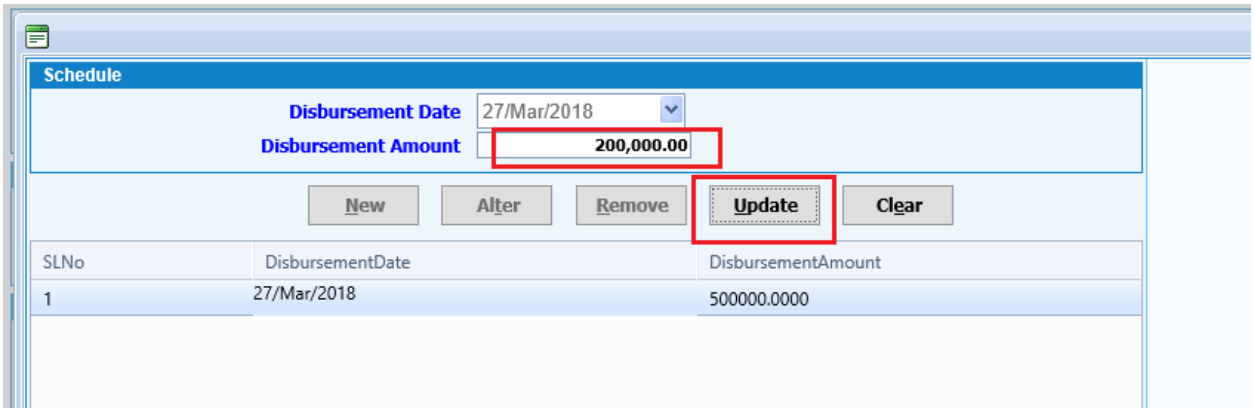
Open the loan account in the disbursement screen



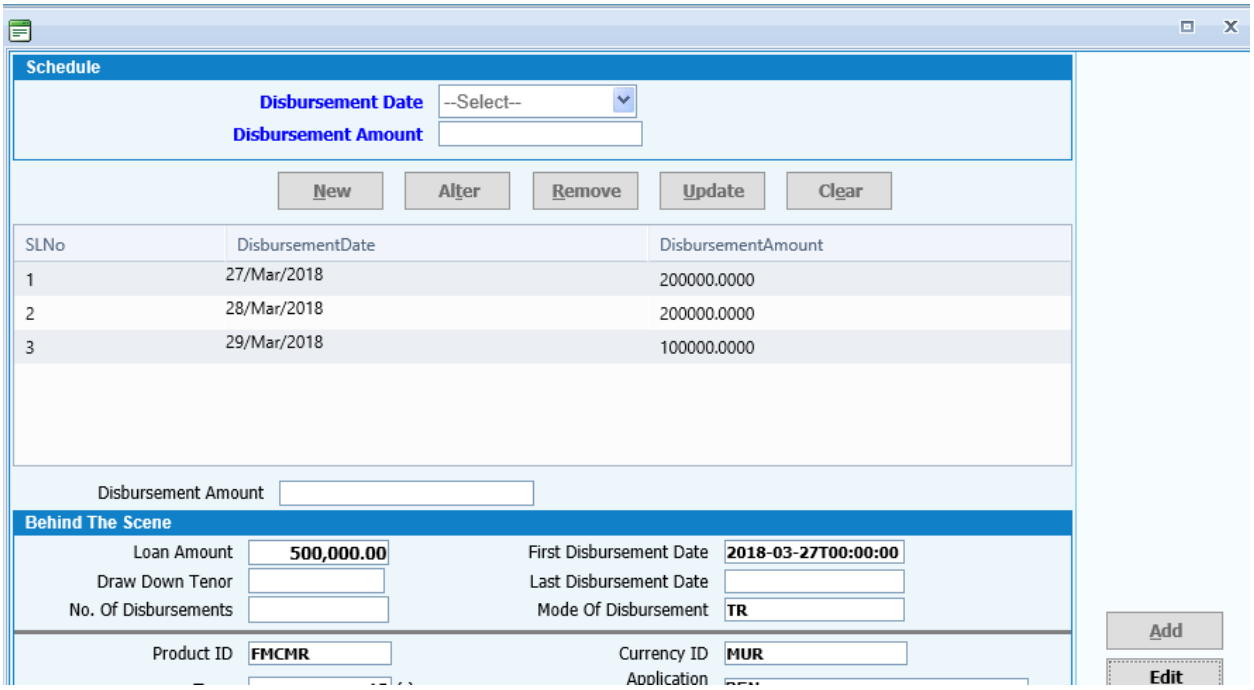
Click on multiple disbursements to open the multiple disbursements screen.



Click edit button then, click alter to amend the disbursement schedule record



After changing the amount, click update. Then click new to add a new disbursement entry. Click update when done. After completing the changes, click save and close the screen. Close the disbursement screen.



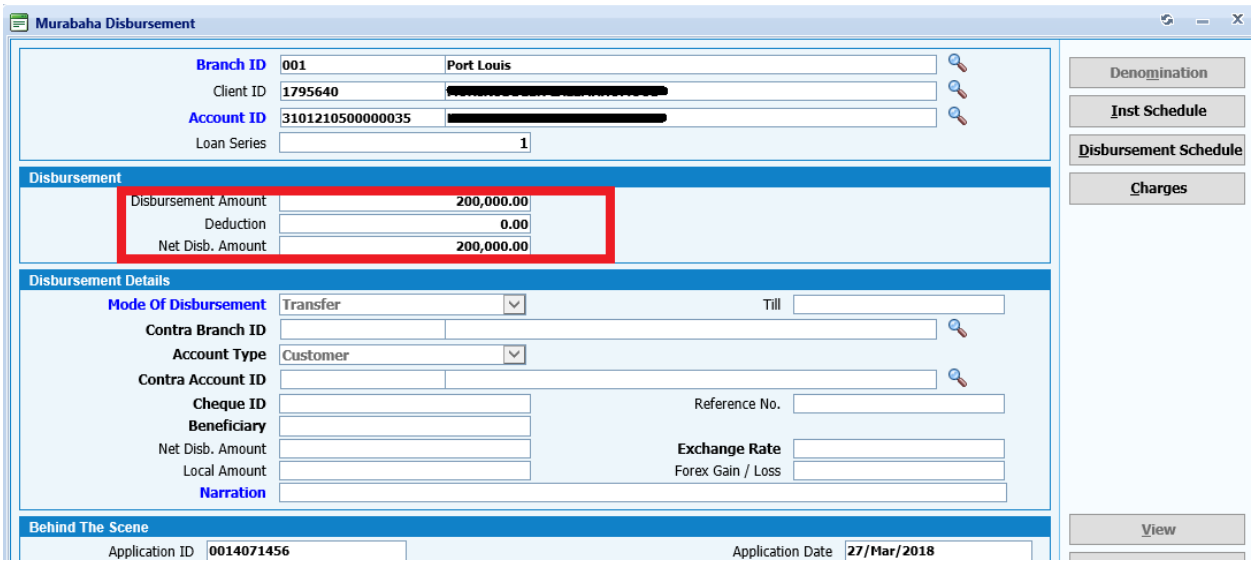
NB:

- Each disbursement must be on a different later date from the previous.

- The total disbursements amount must be equal to the total disbursement amount as specified in the contract

Disbursing

Open the disbursement screen and open the account to disburse. Note that the disbursement amount will be the one scheduled for that day.



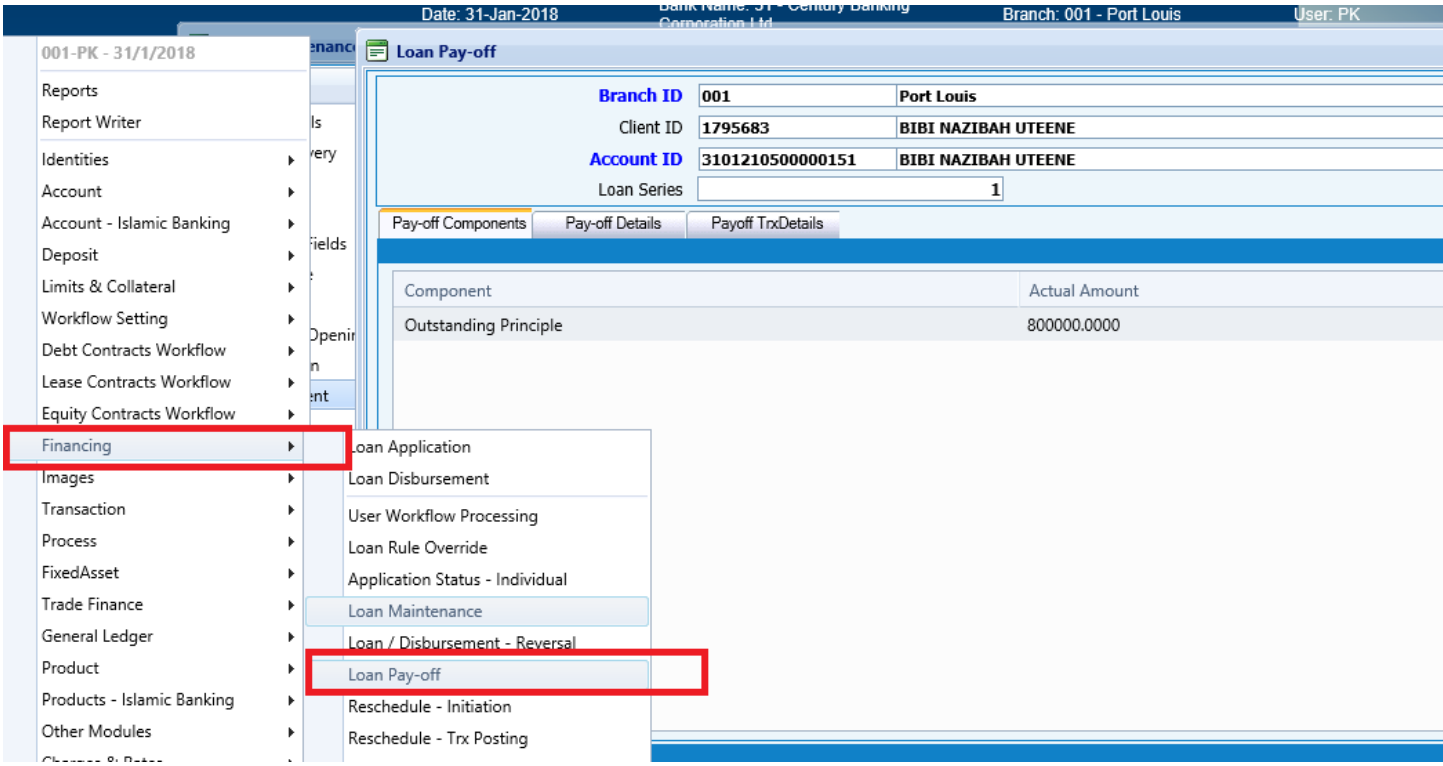
Financing payoff

The sample below indicates how profit for Murabaha will be posted during payoff.

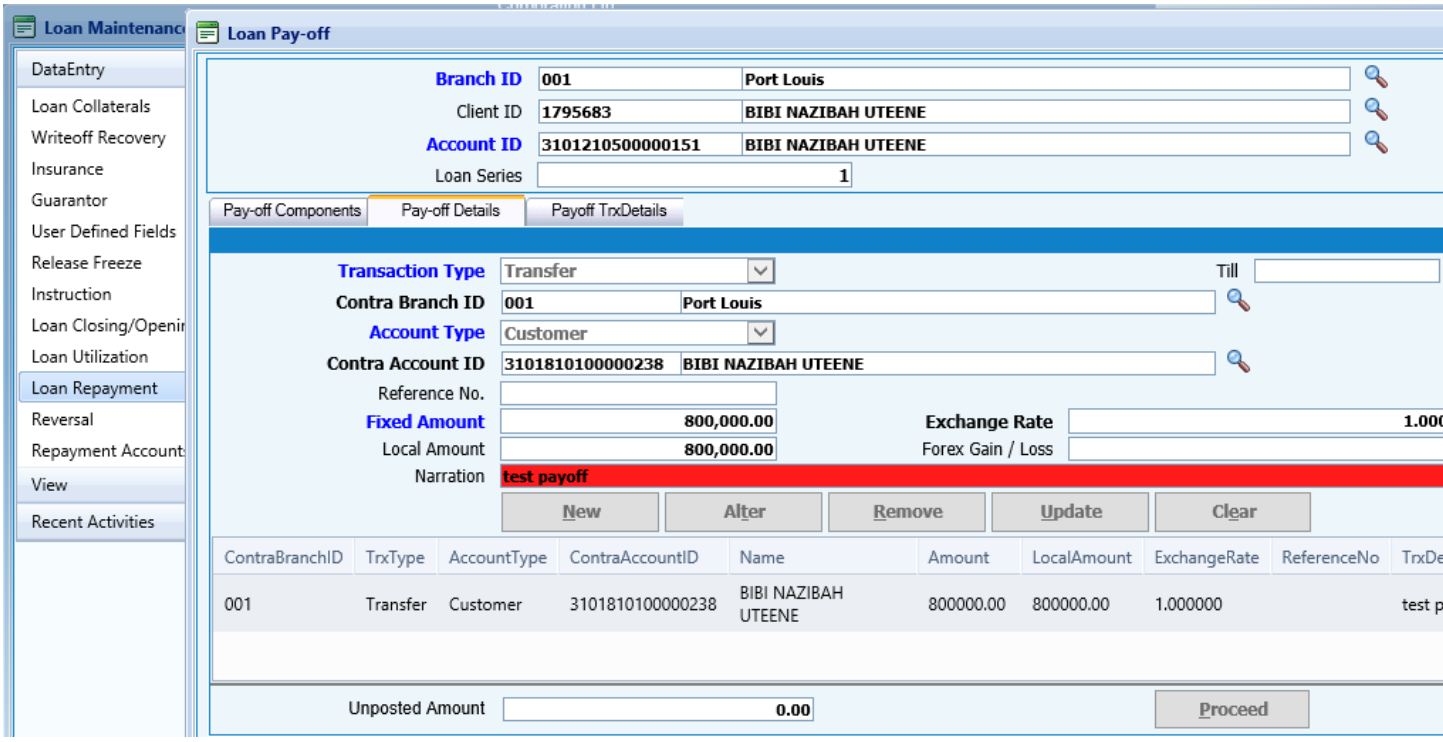
Disbursement Date	24/Dec/2017	
Todays working date	31/Jan/2018	
Maturity date	24/Jul/2018	
Total Days of financing	212	
Daily profit accrual amount	207.55	Total profit DIVIDED BY Total duration of financing in days
Days from disbursement to current working date	39.00	
Accrued not due	8,094.34	This is the number of days from disbursement to current working day LESS paid profit
Future profit	35,905.66	This is total profit LESS Accrued not due LESS paid profit

Installment schedule					
Installmentno	installmentDueDate	InstallmentAmount	PrincipalDue	ExpectedProfit	Paid profit
1	24/Jul/2018	844,000.00	800,000.00	44,000.00	-

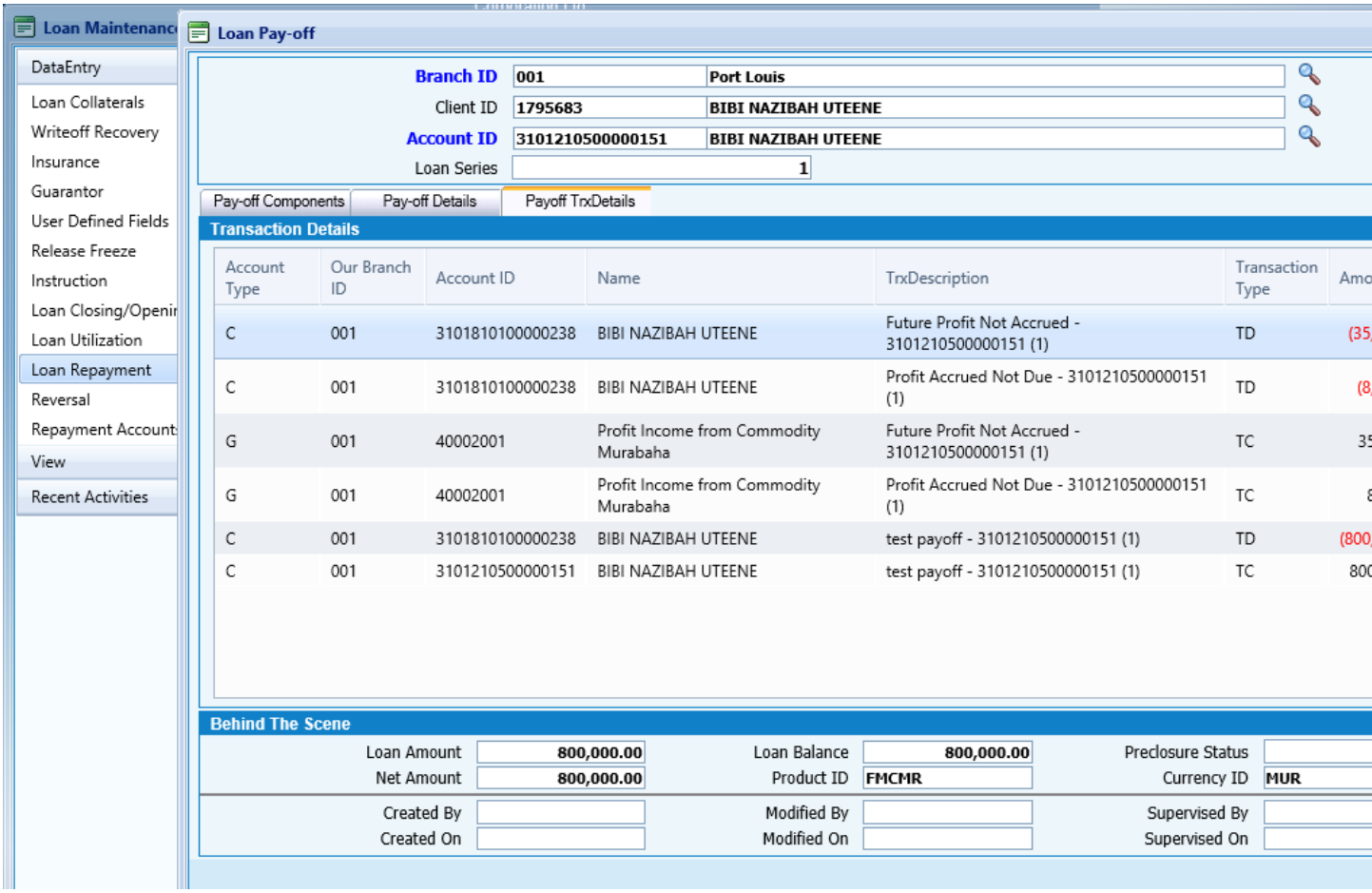
The payoff module is available from menu ***Financing*** > ***Loan payoff***



On the payoff screen, select the financing account to pay off as shown above.
Next select the "Pay-off details" tab. Click new button and specify the source of funds for payoff. The amount specified for payoff should be the principle outstanding. Then click update button.



When done as shown above, click the proceed button to go to payoff transaction details shown below



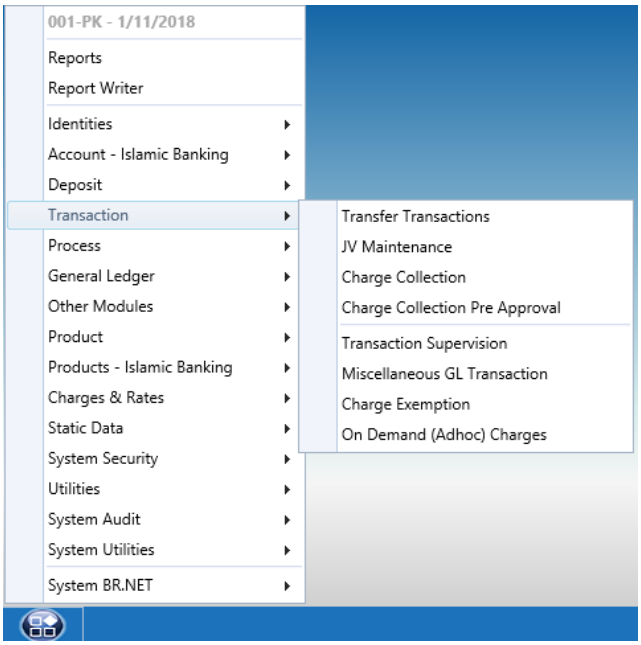
This will give a summary of the transactions. Click save to complete the payoff process.

Profit Descriptions

Future profit not accrued: This is the profit that is in the future. The profit is sum of profit amount from the next due installment till maturity date of the financing.
Profit accrued not due: This is the profit amount that has not yet been paid, but is in the current installment

Transactions

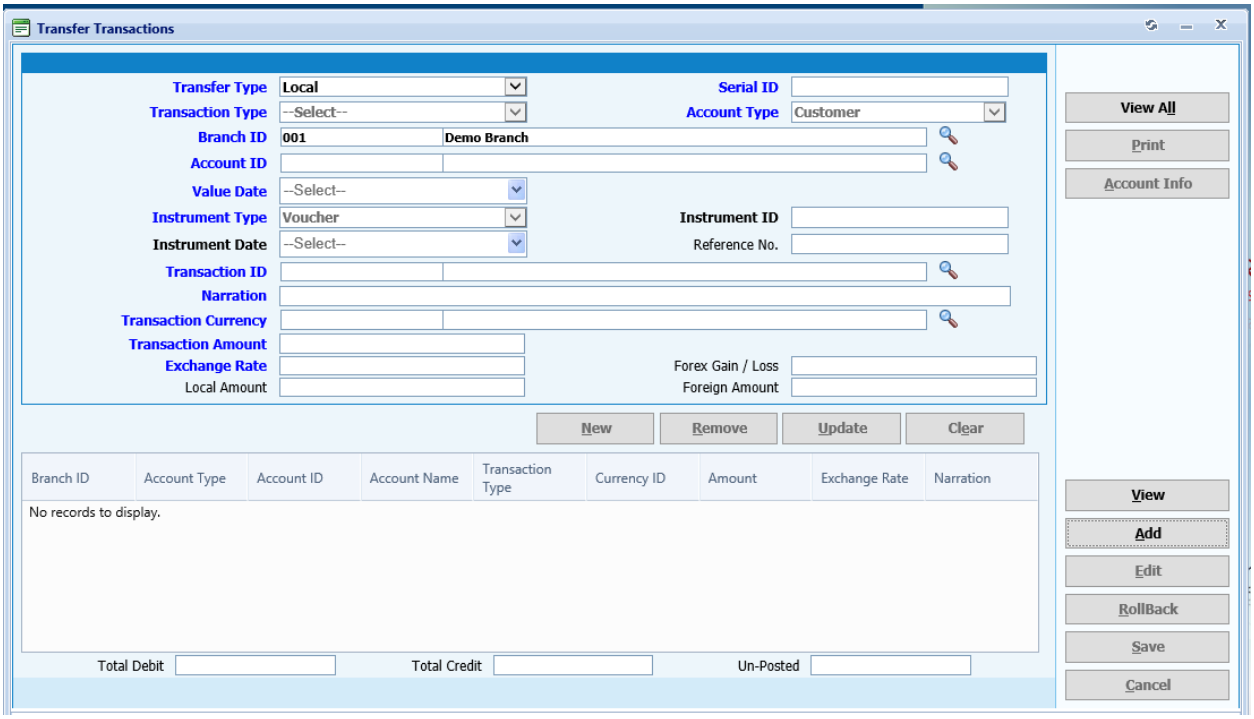
The transactions menu contains modules for posting transactions into the system.



Transfers

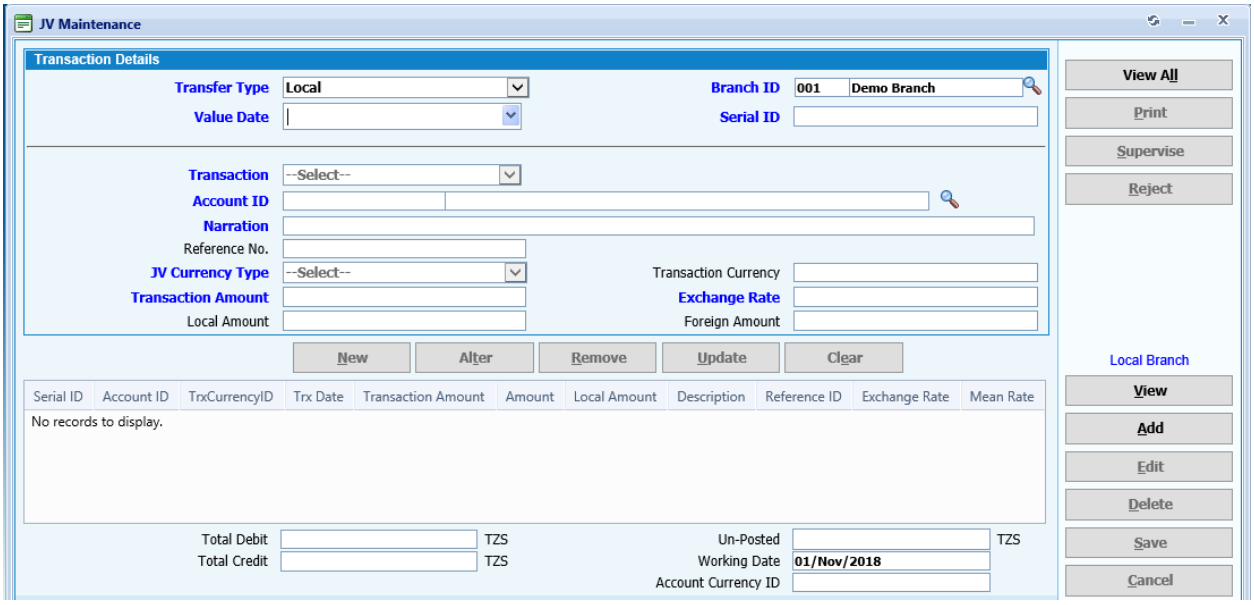
The transfer transactions are used to move funds from an account to another. The accounts can be either GL or customer account.

To add a new transaction, click add button. This will activate the input fields. By default the first transaction is the debit transaction. Select the account type, then the account ID to be debited. Specify the transaction ID, the narration and amount. Then click update button. The details will be added to the grid at the bottom half of the screen. Click “New” button to add the credit transaction. Select transaction type (credit), then input the rest of the details and click update. If the transaction is balanced, the save button will be activated. Click save to save the transaction.



JV Posting

JV posting is used to post GL transactions for past dates. Click Add button to add a new transaction. Specify the details and click update after inputting the first transaction. Then click new button to enter the contra transaction and click update. Once the transactions are balanced, click save button to save.

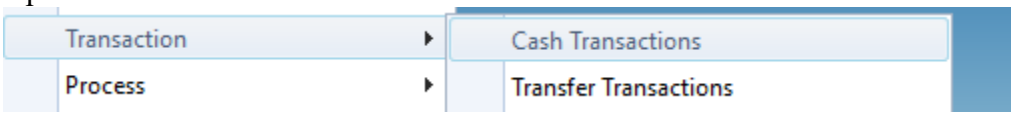


Transaction Reversal

During the day to day operations, sometimes a transaction may be posted by mistake by a user. When this happens, the transaction can be reversed or deleted.
If the transaction was done for a day that has already passed, then the transaction can be **reversed**.
If the transaction has been done in the present day and day has not been closed, then the transaction can be **deleted**
For transactions that are loan payments, then the reversal is made at Financing maintenance screen, on the section "Data entry > repayment reversal". This is done when payment was done on previous closed days. If day is not closed, the transaction should be deleted from transaction screen it was created in.
The details below give details on how to reverse or delete transactions per module

Cash transaction

Open the cash transaction screen from "***Main menu > Transactions > Cash transaction***"



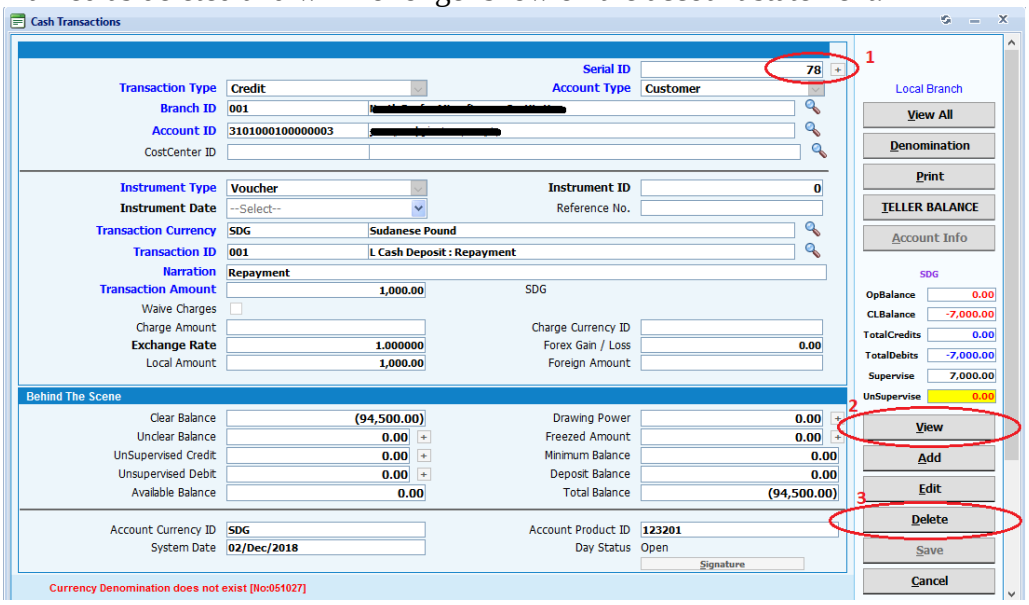
Reverse Transaction

To reverse a transaction, you post a transaction which is opposite type of the error transaction to be corrected. For example, if a general ledger account was credited with 1000 by mistake, then to reverse, you Debit the same account with 1000. In the cash transaction screen, click add, then enter into the screen the reversal transaction details and save.

Note: If the transaction was loan payment done in the current day, then the transaction must be deleted (deleting is explained in the next section). If the payment was done on a precious day that is already closed

Delete Transaction

In the cash transaction screen, type in the serial ID of the transaction to be deleted. Then click view button. The transaction will then be displayed as shown below. Then click on the Delete button. A confirmation will be asked. Upon clicking Ok to continue, the transaction will be marked as deleted and will no longer show on the account statement.



Transfer transaction

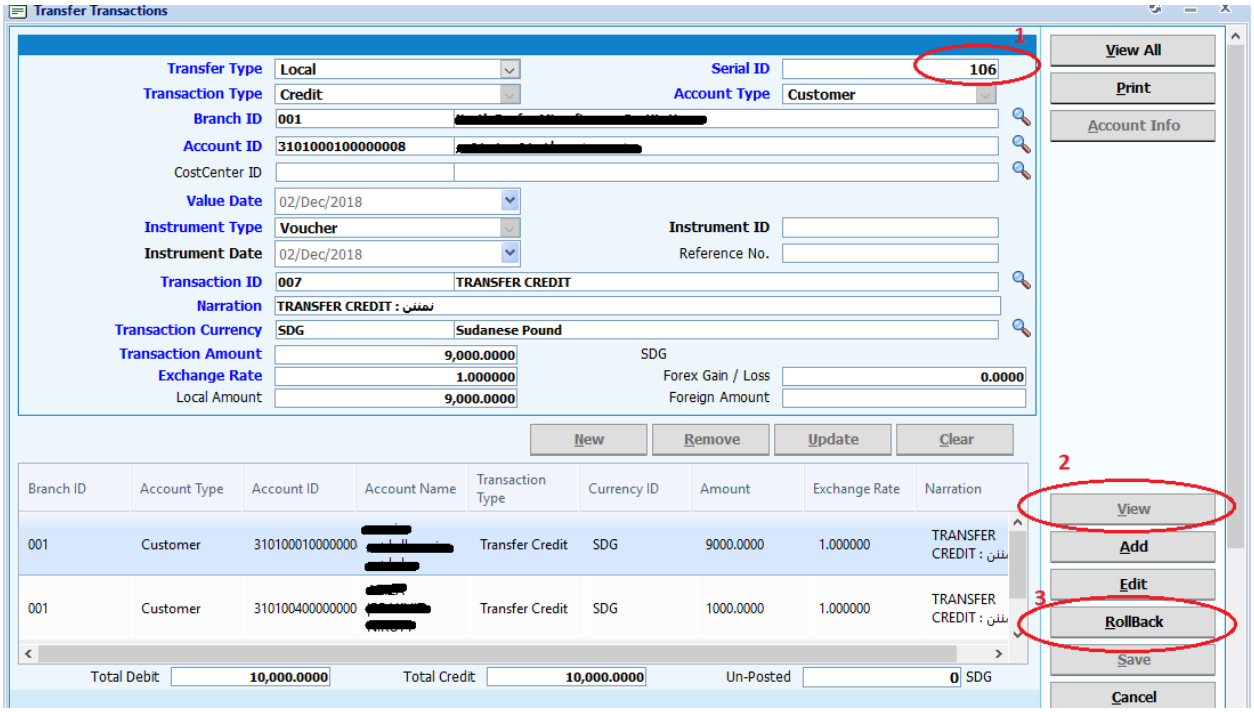
Open the cash transaction screen from ***"Main menu > Transactions > Transfer transaction"***

Reverse Transaction

To reverse transfer transaction, you post a transactions which is opposite type of the error transaction to be corrected. For example, if a general ledger account was credited with 1000 by mistake, then to reverse, you Debit the same account with 1000 and then Credit the contra account (the other account in the transfer transaction) with same amount. In the transfer transaction screen, click add, then enter into the screen the reversal transaction details for the account to be debited, then click update button. Then click new button to enter the contra details of the transfer transaction, then click update. After that then click save to save the transaction.

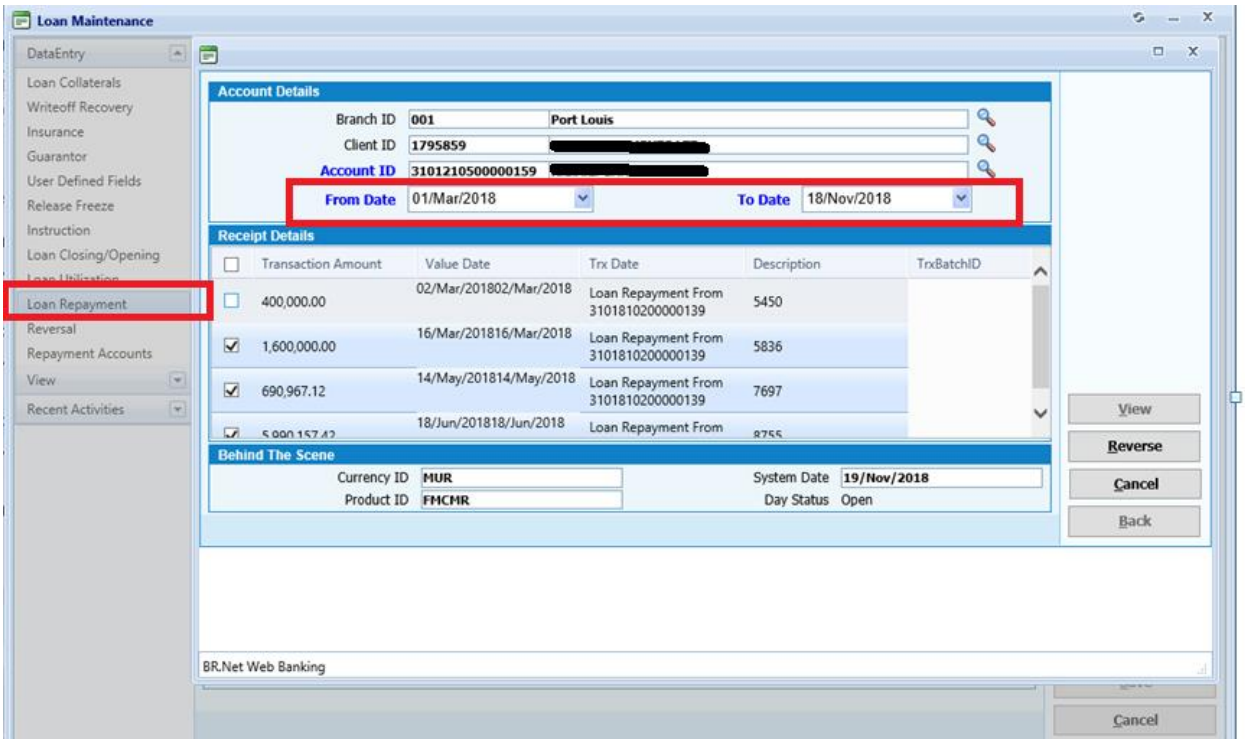
Delete Transaction

In the transfer transaction screen, type in the serial ID of the transaction to be deleted. Then click view button. The transaction will then be displayed as shown below. Then click on the Rollback button. A confirmation will be asked. Upon clicking Ok to continue, the transaction will be marked as deleted and will no longer show on the account statement.



Reversal of financing repayment

This is done to reverse payment of loan that may have been done by mistake. This should only be used if the day transaction was posted has already passed. If the payment was done today and day is not closed, the transaction should be deleted using the procedure explained in the previous sections.
Open the financing account. In data entry tab, select Loan repayment reversal as shown below.
In the reversal screen displayed, specify the exact dates for the transactions to be reversed.
NOTE that reversal must start from the most current payment made up to the date needed that is all repayments made after the date you want to reverse must also be reversed. E.g. if there are 5 repayments one each month from Jan2018 to May 2018. Then you want to reverse March2018, you must reverse May2018, Apr2018 and March2018.
In the reversal screen below, select the transaction to reverse and all transactions made after it. Then click reverse button.

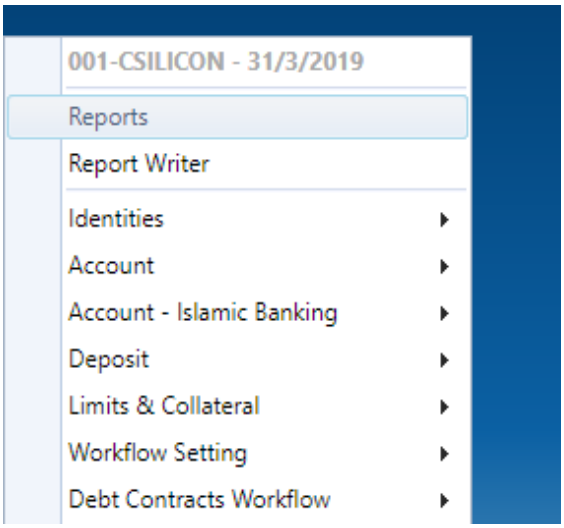


Reports

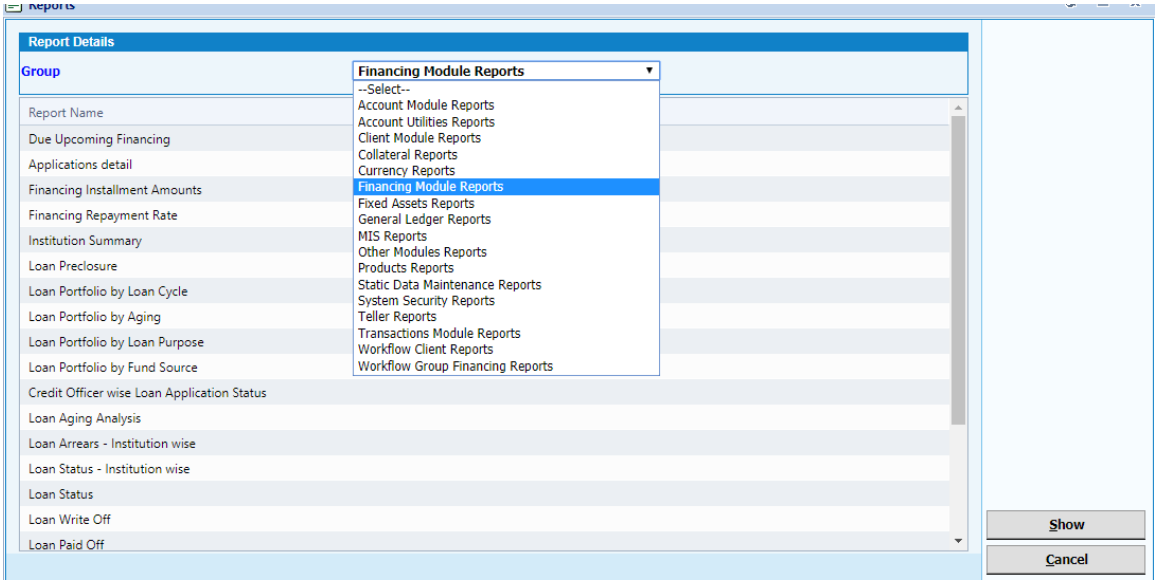
The reports module is used to generate all reports within the system. By default, the reports are generated in “pdf” format. However, different formats are also available and user can specify the required

Report browser

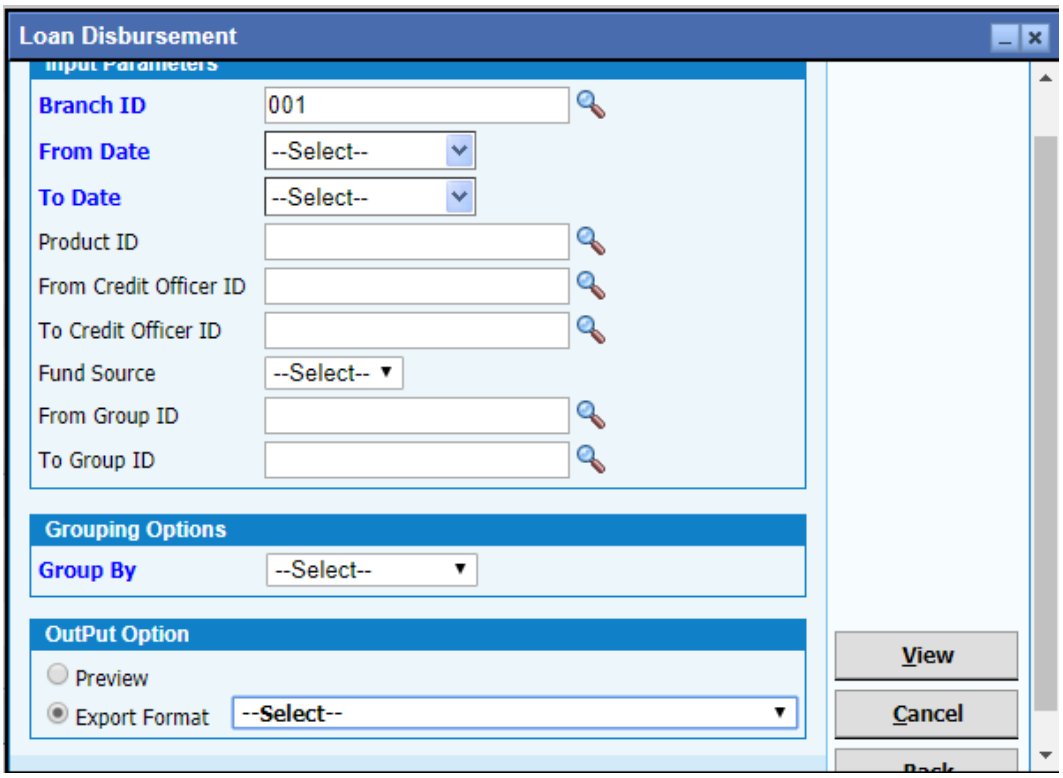
The report browser is accessed from the menu “Report browser”



The report browser is as shown below. The reports are grouped by type. From the list of available, you select the group, and then on the list shown, select the report and click “Show” button



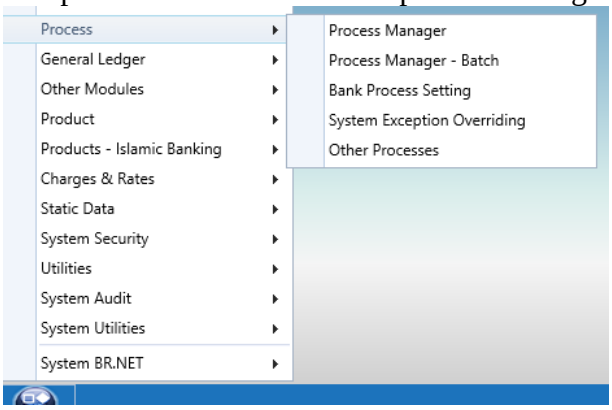
A report parameter screen will be shown as below:



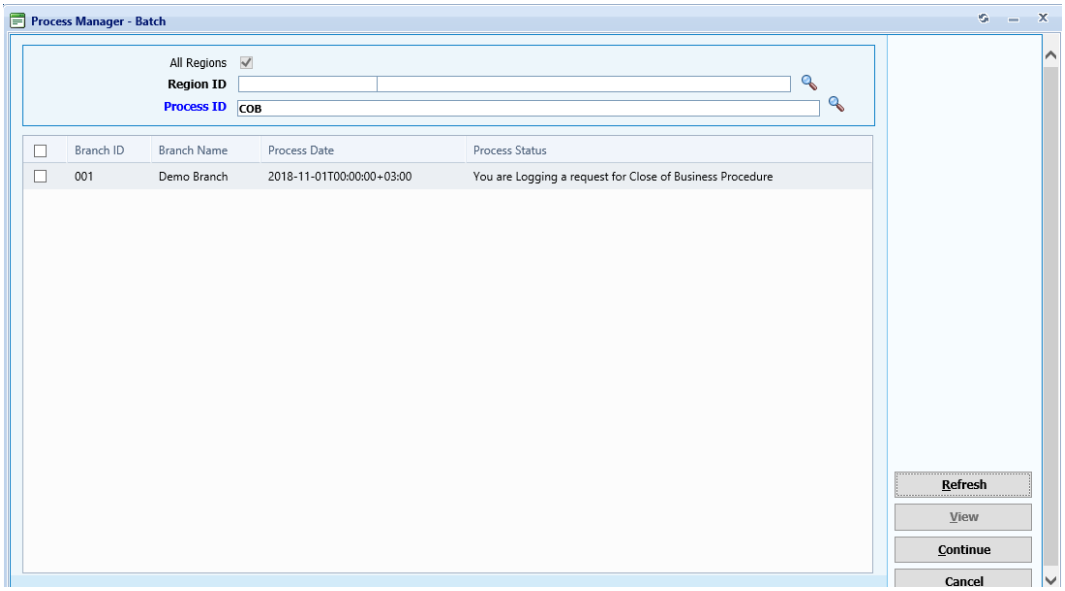
Specify the parameters to be used (blue label fields are mandatory). In the output option section, if you select preview, the report will be created as a pdf document. If you choose export format, you will have option to select Excel, Tsv, Word, Richtext etc.

Processes (SOD, COB, EOD)

The processes menu is used to perform change of day operations. This is a daily activity.



Select the Process manager – batch option. The screen below will be displayed. Select the operation to be done, tick the box for the process and click continue. Note that incase there is any reason that may prevent the process from starting, an appropriate message will be shown in the process status column.



Available processes are done in the following order:

1. COB: Close of business. This marks that posting of user initiated transactions and operations are blocked in preparation for end of day.
2. EOD: End of day. This closed the current working date
3. SOD: Start of day. This opens next available date for processing.