

KaKa Fintech Application Implementation Guide (Final Draft for MVP)

This document outlines the detailed, atomic-level functionality of KaKa's **Financial Services**, **Referral & Promo Code System**, **Payment Gateway Integration**, and **Loan and Savings Calculator**. It ensures a smooth, intuitive user experience, empowering users to manage their finances effectively.

1. Financial Servicesx

1.1. Savings

Individual Savings

1. **Account Registration:**
 - User inputs personal details and uploads an valid national or student ID for verification.
 - System or Admin validates ID using authorized KYC services with 24 hours.
 - Account activation requires a UGX 10,000 deposit via lotec (handled behind the scenes).
2. **Savings Deposit:**
 - Users deposit funds via mobile money, or bank.
 - Confirmation received immediately, and the balance is updated in real-time on the user dashboard.
3. **Interest Calculation and Accrual:**
 - System automatically calculates daily interest based on balance and accrual algorithms.
 - Monthly savings statements summarize deposits, withdrawals, and interest earned.
4. **Savings Withdrawal:**
 - Users request withdrawals via mobile money or bank transfer.
 - Available balance is shown, and the system processes the request using lotec, with funds transferred to the user's chosen method.
 - Real-time updates on the user dashboard show changes to the balance after each transaction.
5. **Savings Analytics Dashboard:**
 - Displays deposit history, interest growth, and withdrawal patterns.
 - Suggestions like "Increase your balance to earn higher interest" drive engagement and improvement.
6. **Saving Goals with a predefined duration**

Group Savings

1. **Group Formation:**

- Registered Users invite members (at least two) to form a group.
- Group registration requires pooled deposits via lotec (handled automatically).
- 2. Pooled Fund Management:**
 - Tracks individual contributions and updates the group balance in real-time.
 - Group dashboards highlight individual contributions, fund status, and collective savings growth.
- 3. Interest and Benefit Distribution:**
 - Groups receive higher interest rates for pooled funds.
 - Transparent group reports display earnings, interest share, and member contributions.
- 4. Group Withdrawal**
- 5. Closed and open**

Rotating Savings and Credit Association (ROSCA)

- 1. Cycle Setup:**
 - Group members select the cycle duration, contribution amount, and distribution order.
 - System ensures all participants have sufficient funds to begin the cycle.
- 2. Contribution Tracking:**
 - Automated reminders ensure all members contribute on time.
 - The system triggers alerts for overdue contributions, notifying both the member and admins.
- 3. Fund Distribution:**
 - Members receive their portion of the pooled funds each cycle, ensuring fairness with automated, transparent records.
- 4. Cycle Closure:**
 - Upon completion, the system generates a final report outlining contributions, distributions, and interest earned.

1.2. Loan Services

Loan Options:

- **Individual Loans:**
 - Individuals are eligible after 3 months of consistent savings.
 - Loan limits depend on the borrower's savings balance, up to the total amount saved.
- **Group Loans:**
 - Groups enjoy higher loan limits based on collective savings and repayment history.
 - Groups can apply for larger loans with more favorable interest rates.
 - Groups with a history of successful loan repayments receive privileges, such as faster approval and larger loan caps.

Functions:

- 1. Loan Eligibility Check:**
 - Automated eligibility calculations based on savings balance and history.
 - System checks individual and group savings for consistency.
- 2. Loan Application Process:**
 - Users fill out a loan request form, specifying the amount and loan purpose.
 - Group applications require all members to verify and approve the loan request.
 - Loan eligibility is calculated instantly based on the system's rules for individual/group savings.
- 3. Approval Workflow:**
 - Pre-approval is handled by the system, and manual verification is required within 48 hours for final approval.
 - Status updates on loan approval/rejection are pushed to the user's dashboard.
- 4. Loan Disbursement:**
 - Loans are disbursed through IteC, directly to the user's selected payment method (mobile money or bank transfer).
 - The user receives a notification of the loan amount, interest rate, and repayment schedule.
- 5. Repayment Management:**
 - Users can view repayment schedules and track installment due dates via their dashboard.
 - Payment reminders are automatically triggered before each due date.
- 6. Interest Sharing:**
 - Once a loan is repaid, the system calculates how the interest is shared between the borrower, guarantor and KaKa.
 - The user receives a breakdown of interest share and its impact on the next loan cycle.

2. Referral & Promo Code System

- 1. Promo Code Generation:**
 - Every user receives a unique promo code upon registration.
 - Promo code is stored in the user's profile and visible on the dashboard for easy sharing.
- 2. Referral Tracking:**
 - Each new user who registers and activates their account using a promo code is tracked automatically.
 - The referrer is notified of each new sign-up and activation linked to their promo code.
 - Referral data is displayed on the dashboard, showing the number of successful referrals.
- 3. Earnings Distribution:**

- A fixed percentage (e.g., 50%) of the activation fee from new members is credited to the referrer's wallet.
- Earnings are visible in real-time on the dashboard, with a full history of referral activity.
- 4. **Referral Link Sharing:**
 - The promo code is converted into a shareable referral link for easy sharing via email, SMS, WhatsApp, and social media.
- 5. **Referral Analytics Dashboard:**
 - Displays the number of referrals, activation bonuses earned, and any withdrawal activity related to referrals.
- 6. **Fraud Prevention:**
 - Duplicate referrals and suspicious patterns trigger a review process.
 - Admins have the ability to flag fraudulent activity for further investigation.

3. Payment Gateway Integration (Iotec)

3.1. Fund Transfers

1. **Deposit Funds:**
 - Users can deposit funds via mobile money, bank transfer, or wallet.
 - Iotec processes transactions in the background, with the user not directly interacting with the payment gateway.
 - Once processed, users receive confirmation on their dashboard with updated balance.
2. **Withdraw Funds:**
 - Users can withdraw funds from savings or loan balance directly via mobile money or bank transfer.
 - Iotec handles the processing and sends funds to the user's preferred method.
 - Confirmation and updated balance appear on the user's dashboard.
3. **Loan Disbursement:**
 - Upon loan approval, Iotec processes disbursement to the user's preferred method (mobile money or bank transfer).
 - The loan amount, interest rate, and repayment schedule are clearly displayed on the user's dashboard.
4. **Group Fund Management:**
 - Group contributions and ROSCA distributions are processed by Iotec, ensuring transparent tracking and accurate reporting.
 - All group transactions, including deposits, withdrawals, and distributions, are reflected in real-time on the group's dashboard.

3.2. Security Measures

1. **Two-Factor Authentication (2FA):**

- Required for all financial transactions, including deposits, withdrawals, and account changes.
- 2. **Transaction Encryption:**
 - All payment transactions are encrypted with end-to-end security to protect user data.
- 3. **Fraud Detection:**
 - The system continuously monitors transaction patterns for anomalies (e.g., multiple withdrawals, suspicious transfers).
- 4. **Audit Logs:**
 - All transactions are logged with timestamps and unique identifiers for complete accountability.

4. Loan and Savings Calculator

4.1. Loan Calculator:

1. **Loan Amount Estimation:**
 - Users input desired loan amount, and the system calculates eligibility based on their savings and group privileges.
2. **Repayment Schedule Estimation:**
 - Users input the loan amount and the system calculates repayment terms, including interest, total repayment amount, and duration.
3. **Interest Calculation:**
 - The system calculates how much interest the user will incur based on the loan amount and interest rate.

4.2. Savings Calculator:

1. **Savings Growth Estimation:**
 - Users input initial savings amount and monthly deposit.
 - The system estimates how much interest will be earned over a set period.
2. **Interest Rate Display:**
 - The calculator displays different interest rates based on deposit tier and savings amount.
3. **Goal Setting:**
 - Users set a savings goal, and the system calculates how much needs to be deposited monthly to reach the goal by the specified date.

5. Enhanced User-Friendliness

1. **Onboarding Process:**
 - Step-by-step registration with guided tooltips and live support assistance.
2. **User Dashboards:**

- Clear, intuitive dashboards display savings, loans, referral earnings, and group activity.
- 3. **Notifications:**
 - Alerts notify users about upcoming payments, new loan eligibility, referral bonuses, and other important activities.
- 4. **Help Center Integration:**
 - Access to FAQs, chat support, and educational materials is always available.