

**CO-OPERATIVE DEVELOPMENT
INFORMATION CENTRE (CODIC)**

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NAIROBI.

**QUOTATION FOR SUPPLY OF SOFTWARE
FOR
GITHURAI KIMWI BODABODA SACCO.**

PREPARED BY: CODIC LTD

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EXECUTIVE SUMMARY

The information contained in this document is a response to your invitation to quote for an Integrated Sacco Management Software. It introduces the Co-operative Management Information System (CMIS) and QUEUE FREE SYSTEM (QFS) Mobile Banking , the solution to the co-operative Movement information processing.

Co-operative Development Information Centre (CODIC) Ltd is a Co-operative Society that was incorporated in Kenya in 1989 under the Co-operative Societies Act.

The primary objective of CODIC Ltd is therefore promoting computerization in the Co-operative Movement through development and implementation of sustainable computer programs.

Codic is wholly owned by the Co-operative movement through representative membership of Primary, Secondary and Country-wide Co-operative Societies.

CODIC Ltd, being an apex organization is wholly owned by co-operative organizations and the membership currently stands at three hundred and forty one (547). The membership is open to all registered Co-operative organizations meaning that all Primary Co-operative Societies, District Co-operative Unions and country wide Co-operative organizations are eligible and potential members. A Co-operative organization becomes a member on payment of an entrance fee of Kshs. 1000 and a minimum of ten shares (10) of Kshs. 1,000.00

Codic Ltd is proud to be associated with your Society and more importantly in this computerization project that you are about to under-take. We hope that the findings in this proposal will be of great assistance in deciding and guidance to your computerization process. We assure you of our continued support in the endeavor to achieve the project objective for the benefit of the Society and members at large.

John Karanja

SYSTEM SUPPORT

For Chief Executive Officer

CODIC Ltd.

CO-OPERATIVE MANAGEMENT INFORMATION SYSTEM(CMIS)

FUNCTIONS

CMIS is a comprehensive and integrated system that is menu-driven to facilitate ease of use to guide and assist its users in their operations. The system features a complete and hierarchical password protection, to keep at bay unauthorized access and thus ensures that confidentiality and integrity of information is maintained and not compromised. It supports current Database Management Systems such as Microsoft SQL, Oracle etc.

The system is parameter-driven to facilitate constituency and adherence to the accounting procedures and policies. These parameters are defined during the system set-up in accordance with and conformity to the procedures and practices of your organization. The system has no **END OF DAY** procedure. The system is **REAL TIME**.

The system can be used to open limitless number of accounts. The growth of the database has no significant impact on the processing speed and can grow as much as the disk space would allow. It is fully integrated with a General Ledger and over twenty modules that include Members Register, Document and File Movement Module. Members Personal Accounts System, Front Office Operations, Personnel System, Assets Management System. Personal Ledger and Investments System as briefly described below;

Back Office Module

This module deals with member personal accounts i.e. individual and groups. It is integrated to the FOSA and the General Ledger. It includes the following: - Shares, Loan (Groups and Individual) – Application, Appraisal and Updates, Guarantors, Defaulters, Standing Orders, Dividend/Interest calculations, Batch option, Member's withdrawal and refunds, MPA reconciliation, Data transfer through printouts. Audit trial, Members statements (full and mini statements), loan approval and reject notice, MPA reports and Utilities.

The General Ledger

The General Ledger is integrated with all other modules of CMIS so that it is updated automatically by the other systems. Its facilities include Activity/Cost centre registration, Accounts Definition, Budgeting, Journal Posting, Direct Posting, Bank reconciliation, Funds flow statement and cheque Writing. The General Ledger Reports include posting cheque list Summary of References, Statements of accounts, posting check lists, Trial Balance, Surplus and Loss and Balance Sheet.

Membership and customer Details

The system can be able to capture all types of customers/members with relevant fields, Joint account holders, next of kin details, Group registers, photo and signature, employers, banks /insurance reports, file tracking & movement.

Members Deposit and Withdrawable Accounts

The system maintains all members' deposit; savings, Withdrawable and non-withdrawable accounts etc.

Personal Account Management

The system maintains all members personal accounts

Loan Processing

The system can support loan processing, institute internal controls of each loan type including loan registration, appraisals, posting, disbursement, recoveries and manage loan aging portfolio, categories of Loss, Performing, Watch Substandard, standing orders, Divided/Interest calculations, MPA Reconciliation with employers, check-off system, Data transfer through private out or magnetic media.

Guaranteeship

The system can manage the loan securities provided by members ; this include Guarantors register, amount guaranteed, send prompt alert message to guarantors, acceptable collaterals, Defaulters, members statement (full and mini statement) loan approval & reject notice , MPA reports.

Loan Products

The system can capture all loan types and additional fields of innovative products and maintain all features and parameter of each loan type and it can capture as many products the society may wish to have including, repayment period, interest/penalties charged either straight line or reducing balance method or whichever you choose apart from what is mentioned.

Investment and Asset Management

The system can maintain the investment portfolio including investment register, Shares in other companies over the counter share trading, divided computation and capitalization and can also maintain asset register, manage depreciation, valuation of assets, purchase, disposal, adjustment and assets.

Integrated Accounting functions

The system can support the accounting functions, bank reconciliation and other required reports in line with the IFRS and all the Sacco regulations (SASRA) capital adequacy ratios and is able to generate all the reports that are needed by (SASRA), Trial Balance, Budgeting, Journal Posting, Direct Posting, balance sheet e.t.c.

Human Resource Management

The system deals with processing and maintenance of records relating to personnel and payroll. The payroll and Human resource is integrated to the Back Office, FOSA and the General Ledger. It contains Personnel Registration, Next of Kin registration, Earnings and Deductions Transactions, Payroll Accounts Definitions, Banks and Insurance Registration, Personnel and Payroll Reports i.e Pay slips, Net Pay summaries, Insurance lists etc. Other include Staff Education., Job Experience, Disciplinary Action, Appraisal notes, Staff Next of Kin, Leave days, Claims , by products (PAYE, NSSF,NHIF reports) etc.

Cash Management

The system can be able to handle cash in, cash out within the society. This includes Petty cash. Cash deposits, Cash withdrawals, Cheque deposits, Cheque clearance, inter accounts transfers, Treasury management, authority levels.

ATM Bridge

The system can support the customer interface with ATM, including members can be linked to ATM system, can delink the ATM card, card can be block/blacklisted, ATM charges, ATM linkage authority level etc.

Data Representation

The system can maintain the 5Cs (Context, Consistency, Correctness, Communication & Company) and support data export to external files like excel, e.t.c and able to generate unlimited reports.

System Parameters

The system can support all system setup including and not limited to; online data backup, inbuilt backup, data security, data Encryption, User administration, system controls, clear error messages, data validation, multi-user data access, non-roaming profile, centralized database, can work in multiple platforms of database, Archiving and retrieval of old data, real time audit trails per user, date, machine, time., complex alphanumeric passwords just to mention a few.

Inventory Management

The system can maintain the creditors profile including invoicing, payments and data bank of prequalified suppliers annually.

MOBILE BANKING (QUEUE FREE SYSTEM (QFS))

The system is web based with members' portal and integrated with modern mobile technologies.

MAIN FEATURES OF QFS

The system has the following features:-

- Cash withdrawal Cash deposits Standing orders
- Inter Account Transfer Orders
- Internal Electronic Funds Transfer (EFT)
- Loan Interface (Application, Status, Guarantors, Guarantees etc)
- Loan repayments to loan accounts
- Share contribution from M-Pesa to shares account
- Airtime purchase from
- Utility bill payments or Playbill Electronic Funds Transfer (EFT)

- Savings and loan balance enquiry
- Mini statement inquiry Loan Status Inquiry Inter account transfer orders
- ATM card stop request

Using Queue Free System, an ultimate M-banking solution, the society will be able to offer the following additional SMS messaging facilities to the members:-

- Salary payment alert notification
- Debit and credit transaction alert
- ATM card renewal notification
- ATM card transaction notification
- Standing orders notifications
- Guarantors notification
- Dividend alert notification
- Group based notifications
- Broadcast notifications for bulk messaging
- Members report notification.

It is also important to note that the system always takes into consideration the existing society's policies when performing these tasks.

The system is designed to enhance service delivery for the benefit to the members and public as a whole.

Queue Free System Main Functionalities (Mobile Banking)

Some of the functionalities of the system are as follows:-

i. Deposit

Members are able to deposit to their savings accounts by transferring funds from individual mobile M-PESA account to the society accounts. Once the transfer is complete, the system credits savings account with mobile deposit amount and sends SMS message to the member with the update on the account balance after the deposit.

ii. Withdrawal

Members are able to withdraw from the savings account by transferring funds from their accounts to the individual mobile M-PESA account. Once the transfer is complete, the system debits the savings account with mobile withdrawn amount including the withdrawal charges and sends SMS message to the member with the update on the account balance after the withdrawal.

iii. Fund Transfer

The system enables both internal and external Electronic Funds Transfer (EFT).

Members can repay their loans by transferring funds from individual mobile M-PESA account to the relevant loan accounts. Once the transfer is complete, the system credits savings account

with mobile loan repayment amount and sends SMS message to the member with the update on the loan account balance after the repayment.

iv. **Air Time Purchase**

The Sacco members are able to purchase airtime for their mobile phones from their respective savings accounts. The system debits the respective savings account with the amount of the airtime purchased and sends SMS message to the member with the update on the account balance after the airtime purchase.

v. **Standing Orders**

Members can also place standing orders from their respective savings accounts to

- a Own mobile MPESA accounts
- b Family, relatives mobile accounts

Once the standing order is affected, the system debits the savings account with amount of the standing order and fee charged and sends a message to member.

vi. **Notification**

The system has the ability to send notification to Sacco Members about the products and services offered such as ATM card renewals, Salary payments, Loan repayments, Loan Guarantors, standing orders etc. The notifications can be sent to individual members or as a bulk to a group of the members.

BENEFITS OF QUEUE FREE SYSTEM (QFS)

i. To Member

The society's member, being the end users, have realized a lot of benefits such as;

- a) Convenience; there is no travelling to the society offices
- b) No time and location limitation, banking can be conducted 24/7 a day, anywhere as long as there is network coverage
- c) There is reduction of cases of insecurity because of reduced handling of cash
- d) Increased banking because members are always in control over their money

ii. To Society

The society also benefits as follows;

- a) There is growth in the society's capital base due to increased members saving and deposits
- b) Growth in the society membership due to better service delivery
- c) Realization of branchless banking or operation. There will be no need for the society to open many branches resulting into reduction in operation costs
- d) Realization of better services to member resulting into customer satisfaction

- e) High turnover and revenue generation from the transaction charges form the M-PESA transaction etc.

IMPLEMENTATION PERIOD

Implementation of the system will take threemonths and will include the following:-

- 1) Installation of the system.
- 2) Training of staff
- 3) Implementation of the system.

Below are some of our sites:-

1. GTMS Sacco- Githurai
2. Enea Sacco-Karatina
3. Lily Sacco- Githurai
4. Jirani Mwema Sacco- Mwiki
5. Anaweza Sacco- Githurai
6. Baraka Christian Sacco- Ruiru
7. Sowers Sacco- Mwihoko
8. Wilworks Sacco- Voi
9. Mug-Muguga Sacco- Kikuyu
10. Daystar Sacco- Arthi river

COST

The cost of this system will be as follows;

SNO	DESCRIPTION	COST (KSH) EXCLUSIVE OF VAT
1.	BACK OFFICE	150,000
2.	QFS MOBILE BANKING SYSTEM	200,000
TOTAL		350,000

TERMS OF PAYMENT

Terms of payment will be as follows;

- 80% on order, training and implementation
- 20% after three months from the date of the first installment

NB:

- (1) Annual maintenance contract will be charged at 10% of the total cost.

- (2) Free training for staff before start of implementation.
- (3) Free User Licenses
- (4) Free system support for one year.
- (5) The above price is negotiable.

CONCLUSION

Codic, already being the leading institution in the development of application Software for co-operatives in Kenya, hopes that this proposal will be favorable to you and go a long way in making your computerization project a reality.

CODIC is located on Loita Street, Finance House 5th Floor. For further details please contact us on Box 7159-00200, Nairobi Tel: **0727576400/0707659050**.

Once again Codic Ltd. is honored to be associated with your Society and especially in this noble project that you are about to undertake. We assure you of our continued support in endeavor to achieve the objective of the project for the benefit of the Society and members at large.

With co-operative regards

JOHN KARANJA – SYSTEM SUPPORT
FOR: CHIEF EXECUTIVE OFFICER
CODIC LTD.