

Loan Management

Take Control of Your Loan Portfolio for More Effective Use of Funds



Any business today faces challenges that are complex and multi-faceted, and managing money is no exception. You must carefully track spending to ensure money is being handled responsibly.

At some point, some businesses will either issue or have a need for loans. The task of managing those loans can get complicated, particularly because many companies do not have the appropriate methods to support their efforts. The process is often highly manual, and if there are technology systems involved, they typically are outdated, lacking in appropriate functionality, and do not work together with your accounting/finance (ERP) software.

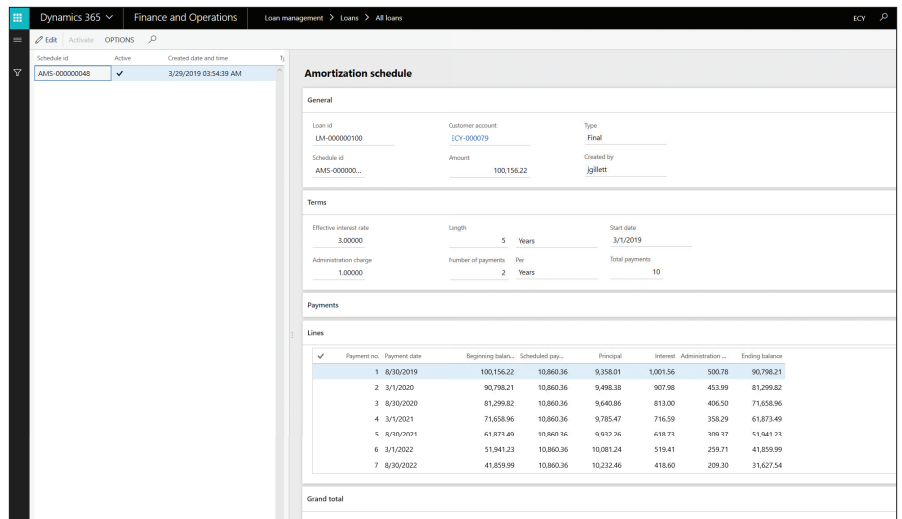
The results are slow, error-prone, and expensive, often compelling your staff to go “outside” those systems to bridge the gaps. That brings in a whole new

level of potential for risk in the areas of security, auditability, and the ability to meet regulatory requirements. In addition, there is no easy way to get the full picture of the state of the loan—and that can be disastrous.

CUSTOM-DEVELOPED OR STAND-ALONE SOLUTIONS DON'T CUT IT

Businesses that are ready for a better solution often take one of two paths—stand-alone applications or internally developed solutions:

1. Stand-alone applications might have specific loan management functionality, but they lack a strong foundation with the accounting functionality needed for smooth, seamless loan management, like accounts receivable. In addition, these systems do one thing only, which means you still have to deal with disparate applications that are not integrated—and that, again, results in the need for manual intervention. It is also often very challenging to customize stand-alone solutions, if it's possible at all. So, if you have unique processes—which it's very likely you do—you might have to find a work-around or change your processes to fit the software. Finally, licensing and support will impact cost of ownership.



Payment no.	Payment date	Beginning balance	Scheduled pay.	Principal	Interest	Administration	Ending balance
1	8/19/2019	100,156.22	10,860.36	9,358.01	1,001.56	500.78	90,796.21
2	3/1/2020	90,796.21	10,860.36	9,498.38	907.98	453.99	81,295.82
3	8/19/2020	81,295.82	10,860.36	9,640.86	813.00	406.50	71,656.96
4	3/1/2021	71,656.96	10,860.36	9,785.47	716.59	358.29	61,873.49
5	8/19/2021	61,873.49	10,860.36	9,932.36	616.71	309.77	51,941.14
6	3/1/2022	51,941.23	10,860.36	10,081.24	519.41	259.71	41,859.99
7	8/30/2022	41,859.99	10,860.36	10,232.46	418.60	209.30	31,627.54
Grand total							

2. Internally developed solutions, while having the potential to provide you with specific loan management functionality, come with a challenge: the cost and resources required to customize the product because it likely won't have exactly what you need. Do you want to get into the software development business? Do you have that capability? Likely not.

Dynamics 365 Finance and Operations | Loan management > Loans > All loans | EGY

LOANS | LM-00000100 | Amort. Sch. Principal Split

General

Loan id	TERMS	INTEREST	DATES		
LM-00000100	Loan type: Standard	Maturity: No	Initiation of Operations	Start date: 3/1/2019	Request date
Credit agreement	Loan status: Disbursement	Paydown: No	Project Completion	Maturity date: 3/1/2024	Funding Effective
Customer account: EGY-000079	Currency: USD	Period: Monthly	First disbursement: 3/1/2019	Ecology Signature Date	Funding Expiration
Funding distribution #	Length: 5 Years	Admin charge %: 1.00000			
Workflow status: Approved	PAYMENT	Effective interest rate: 3.00000			
Project title: Amort. Sch. Principal Split	Number of payments per: 2 Years	Daily rate: 0.008219178			
Notes					
Agreement #					

Responsible

Financial Manager	Project manager	Fund coordinator	AR loan accountant	Payable manager
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A PLATFORM SOLUTION THAT DELIVERS ACROSS THE BOARD

AKA's DynamicsAdvantage for Loan Management, built on Microsoft Dynamics 365 for Finance & Operations, addresses the critical components of loan management with the backing of a robust, ERP platform. DynamicsAdvantage for Loan Management provides you with the tools and functionality you need to manage the receivables aspect of your loan portfolio, including approving, disbursing, collecting on, and monitoring the availability of funds. Other benefits include:

- > Configurability that allows you to easily create a solution that fits the way you do business—and since it's fully ingrained into account structures, codes, tracking mechanisms, and other accounting functionality, you get a complete, fully integrated solution, tailored to your needs.
- > Full integration, so you get one version of the truth: See how much of your funds you have consumed and committed so you can feel confident in honoring requests
- > A fully functional system that includes AR functionality, eliminating the need for manual processes and multiple applications
- > Standardization of revenue management processes
- > Improved accuracy of data and enterprise, federal, and recipient reporting
- > Reduced risk: Organizational, data security, and audit
- > Improved staff efficiency and productivity, reduction of paper generation and storage
- > Low, subscription-based cost, based on the needs of the entity and number of users

ABOUT AKA ENTERPRISE SOLUTIONS

AKA specializes in making it easier to do business, simplifying processes and reducing risks. With agility, expertise, and original industry solutions, we embrace projects other technology firms avoid—regardless of their complexity. As a true strategic partner, we help organizations slay the dragons that are keeping them from innovating their way to greatness.

