



MODULE USER GUIDE

Micro-finance

Lending to small businesses: assessed properly, priced honestly, and collected every day.

WHAT IS INSIDE

- 01 What this module is for
- 02 The path of a first loan
- 03 Assessing a business
- 04 Agreeing the terms
- 05 Approving and paying out
- 06 Collecting
- 07 Late charges
- 08 Restructuring a loan
- 09 Reminders and receipts for borrowers
- 10 The ledger
- 11 The portfolio
- 12 Who can do what

Who this is for Lenders, loan officers, credit committees and the collectors who go out to the borrowers.

Applies to Trackapt 2026.5

Questions Email info@trackapt.co.zw · WhatsApp only (+263) 788-033-775 · Web <https://trackapt.co.zw>

01 What this module is for

You lend money to small businesses - a vegetable stall, a salon, a welding shop - and they pay it back with interest, a little at a time. The module keeps the whole of that in one place: who the borrower is, whether it is safe to lend to them, on what terms, who goes to collect, and how the loan book as a whole is doing.

The three ideas to hold on to

HOW IT BEHAVES

Every loan is negotiated. There is no price list. The rate, how the interest is worked out, how often the borrower pays and any fee are agreed with that borrower and stored on that loan. A market trader who takes cash every day repays daily; a welder paid at month end repays monthly.

HOW IT BEHAVES

You lend on the owner and on the cash flow. A small business rarely has audited accounts or a title deed. What decides whether you are repaid is who the owner is - including whether they are rooted enough not to disappear - and whether the business makes enough spare cash each month to carry the repayments.

HOW IT BEHAVES

The collector's day starts with a list. Each morning every collector sees, on screen and as a notification, who to visit, how much to ask for and where to find them, with the most overdue first.

What it does not do

- It does not look anyone up at a credit bureau. The assessment asks; you check.
- It does not send text messages (SMS). Borrowers are reminded by a notification on a phone where they turned reminders on, and by email only at an address they confirmed.
- Its Ledger covers lending only, on a cash basis. It is what your accountant posts from, not your whole set of books.
- It never charges a late charge on a late charge, and never adds unpaid interest to the principal when a loan is restructured.

Where it is

Sidebar entry	For	Who sees it
Micro-finance > Collections	Who to collect from today, tomorrow and as far ahead as you choose	Everyone
Micro-finance > Portfolio	The health of the loan book	Loan officers (level 3) and above
Micro-finance > Borrowers	The businesses you lend to, their assessments and loans	Loan officers (level 3) and above
Micro-finance > Loans	Every loan, from application to its last payment	Everyone - a collector sees only the loans they collect

Sidebar entry	For	Who sees it
Micro-finance > Ledger	The lending book in double entry: trial balance and journal	Approvers (level 5) and above

02 The path of a first loan

1. **Add the borrower.** Borrowers > **Add a borrower**. The business name, the owner, a phone number, and **How a collector finds them** - landmarks, not a postal address. Press **Add borrower**.
2. **Optionally, let the owner assess themselves.** On the borrower's page press **Send a self-assessment link** and send it with the **WhatsApp** or **SMS** button.
3. **Assess the business on a visit.** Press **Assess the business** (or **Verify their answers**), answer from what you saw, and press **Save and grade**.
4. **Raise the application.** Press **New loan application**, agree the terms, and press **Raise the application**.
5. **Somebody else approves it.** An approver opens the loan and presses **Approve**.
6. **Pay it out.** When the money is handed over, an approver presses **Pay out**, confirms the dates and presses **Record payout**. That fixes the schedule and tells the collector.
7. **Collect.** The loan appears on the collector's board every day something is due.

03 Assessing a business

Credit assessment

Micro-finance > Borrowers > a borrower > Assess the business

The assessment is built on the five Cs of credit - the framework every lender uses - weighted the way micro-lenders weight it.

Pillar	Weight	What it asks about
Character	30%	Time trading and at this spot; premises; home; family nearby; plans to move; past borrowing; references; registration
Capacity	35%	Sales, costs, other income, household draw, existing repayments; record keeping; sales trend
Capital	10%	Stock and equipment against the amount asked; the owner's own contribution
Collateral	15%	Security and its value; a guarantor; savings group
Conditions	10%	Kind of trade; seasonality; what the loan is for; dependence on one or two buyers

Can they afford it?

The business's **free cash each month** - sales, less costs, plus other income, less what the household takes, less existing loan repayments - is divided by **the monthly repayment**. That ratio is the debt-service coverage ratio, or **DSCR**.

DSCR	Reads as
2 or more	Comfortable
1.25 to 2	Acceptable - 1.25 is the usual cushion
1 to 1.25	Thin - any bad month means a missed payment
Under 1	The business cannot repay from its own cash

Flight risk

The loss a micro-lender fears most is a borrower who disappears. The assessment reads out a flight risk - low, medium or high - from five questions about how rooted the owner and the business are, and lists the answers that raised the concern.

The grade

Grade	Score	Means
A	80 and over	Low risk - approve
B	65 to 79	Moderate risk - approve
C	50 to 64	Approve with conditions

Grade	Score	Means
D	35 to 49	Refer to the credit committee
E	Under 35	Decline

TAKE CARE

Always E: free cash that does not cover the repayment, no free cash at all, a previous loan never repaid, or a plan to move away within the year. **Never better than D:** a high flight risk, or three or more answers the owner got materially wrong when you verified them.

The self-assessment

- **Send a self-assessment link** makes a link for that one business. It is shown once - send it straight away.
- It works once, for 14 days. A new link cancels an unanswered one.
- The owner sees their business name and the questions. They are not shown a grade.
- Their answers wait on the borrower's page under **Verify their answers**.

WORTH KNOWING

A self-assessment is a declaration, never enough to approve a loan. Verifying it means visiting: the form starts from the owner's answers, shows what they said beside each question, and marks every one you change.

04 Agreeing the terms

New loan application

Micro-finance > Borrowers > a borrower > New loan application

Field	What it means
Amount lent	The principal: owed back before interest and fees.
Interest	Flat - on the whole amount for the whole term. Reducing balance - only on what is still owed each period.
Rate and Per	The agreed rate, per month, year or the whole loan (flat only).
Repaid	Daily, weekly, fortnightly, monthly, or every so many days.
No collection on	Days nobody collects. A due date on one moves to the next collection day; a daily loan skips it.
Upfront fee	Taken from the payout, or added to the repayments.
Late charges	What paying late costs, if anything: a fixed charge per late instalment, or a percentage per 30 days late - with grace days and a cap. See Late charges.
Collector	Who goes to collect.
How the terms were agreed	The record of the negotiation, read by the approver.

The price is worked out as you type. A flat rate a month is charged for the days the money is out: 1,000 at 5% a month over 120 days is $1,000 \times 0.05 \times 120 \times 12 / 365 = 197.26$. Odd cents go on the last instalment, so the instalments always add up to the total.

HOW IT BEHAVES

True yearly cost is the effective annual rate once the fee, the timing and the interest method are counted. Tell the borrower this figure: 5% a month flat over four months is roughly 140% a year.

With a verified assessment attached, **Covers repayments** shows the free cash against these repayments. It turns amber under 1.25 and red under 1.

05 Approving and paying out

- **Approve** is for an approver (level 5), never a member who raised the application, renegotiated its terms or chose its collector. It needs a verified assessment from the last six months. If anyone changes the application after you open it, approval is refused: reload and review it.
- A D or E grade, or terms that fail the affordability test, need a reason under **Why approve it anyway**. It is kept on the loan.
- **Renegotiate** changes an application's terms. Approval fixes them. An approver who renegotiates can no longer approve that loan.
- **Pay out** records the day the money left and lets you move the first repayment, so the borrower is not charged for days without it. The payout cannot be dated before the approval day; the first repayment must fall due within 62 days (longer for a long custom cadence); and if the new dates change the total repayable and it then fails the affordability test, the loan must be approved again unless its approval carried a reason.

06 Collecting

Collections

Micro-finance > Collections

- **To collect today** - overdue plus today: what to bring back tonight.
- **Overdue** first, longest late at the top, with days late and since when.
- Then **Today**, **Tomorrow** and each day up to your **Look ahead**.
- Every line: the amount, the phone number, where to find them, and **Record payment**.

Look ahead and the morning message

Look ahead is your own setting, from today only to a month ahead. Turn **Morning message** on to get the same list as a notification each morning. Nothing is sent on a day with nothing to collect, and you are told straight away when a loan is handed to you.

Recording a payment

- It pays the oldest instalment first: fee, then interest, then principal.
- Late charges are paid after everything that is due, never before it; only then does money run on into instalments not yet due.
- The borrower is sent a receipt straight away, if they turned reminders on or confirmed their email; if it could not go at once, the morning run sends it, once.
- The day received can be any day from the day the loan was paid out up to today.
- More than everything owed is refused. Give back the change.
- A mistake is **reversed** by an approver, with a reason, and stays on the loan marked reversed.

07 Late charges

A late charge is agreed with the rest of the terms on the application, and the approver signs it off with them.

Kind	Charged
A fixed charge per late instalment	Once per instalment, on the first day after the grace days.
A percentage per 30 days late	A percentage of the principal and interest still late on an instalment, after the grace days and again every 30 days while it stays late. Never on the fee, never on an earlier charge.

HOW IT BEHAVES

Every late charge has a cap. All the charges on a loan together can never come to more than that share of the amount lent.

- Charges are made each morning, before the collectors' messages. **Run late charges now** on Portfolio makes them straight away.
- They show under **Late charges** on the loan and in the overdue amount on the board. They do not change the loan's days late.
- **Waive** (approver) lets go of all or part of a charge, with a reason. The charge stays on the loan with who waived it and why.
- A payment recorded late, whose day received was inside the grace days, only **proposes** voiding a charge already made for that instalment. An approver who did not record the payment confirms it (the charge stays on the loan marked **Voided**, with why and who confirmed it) or rejects it with a reason (the charge stays owed). Reversing that payment, or an earlier one the grace relied on, brings a voided charge back, and it is never voided again on that proposal.
- Payments recorded while a proposal waits go to everything else first; they reach a charge under proposal only when they are more than everything else owed. If one did, the approver is told the charge was paid since and cannot void it: reject the proposal, or reverse the later payment and record it again.

TAKE CARE

Many regulators limit late charges on small loans. Agree only what your licence allows, and write the same words into the loan agreement.

08 Restructuring a loan

When a borrower falls behind for a reason that will pass, the unpaid part of the schedule can be replaced by a new one on newly agreed terms. The loan keeps its number and history, and is marked Restructured.

1. **Propose.** A loan officer opens the loan, presses **Restructure**, sets the new terms and the reason, checks the new schedule shown, and presses **Propose**.
2. **Decide.** An approver - never the officer who proposed it - presses **Approve** or **Reject**. The proposer may withdraw it.
3. **It takes effect.** The unpaid instalments are marked replaced and the new ones follow them.
 - The principal still owed is lent again on the new terms.
 - Interest and fees already owed are carried over as they are, spread across the new instalments - never added to the principal.
 - Late charges are not touched: they stay owed, or can be waived.
 - If a payment is recorded in between, the approval is refused: propose it again on the new balance.

WORTH KNOWING

A restructured loan's days late start again, so Portfolio reports restructured loans on their own line. A growing restructured share means losses are being rescheduled.

09 Reminders and receipts for borrowers

Message	When
Reminder	Before the next instalment falls due - on the day, or up to a week before (a lending setting).
Overdue notice	The first day a payment is late, then once a week while it stays late.
Receipt	The moment a payment is recorded, with what is left.

A borrower is only reached in a way they set up themselves:

- **On their phone. Reminders link** on the borrower's page makes a link to send them. They open it and press **Turn on reminders on this phone**. A new link retires the old one and turns reminders off on every phone turned on through it - make one if a link reached the wrong person, then send it to the borrower. **Turn off on all phones** stops reminders on every phone without changing the link, for a lost phone.
- **By email. Send verification email** sends a link to the address on file. Nothing is emailed until they open it; changing the address un-confirms it.
- A borrower can stop every message from their own page, and an officer can pause messages to them on the borrower's page. Nothing done from the link lifts an officer's pause; a new link resets the borrower's own choice.
- The link stops opening while borrower messages are switched off in Settings, or while the borrower is marked inactive. It opens again when they are switched back on.

10 The ledger

Ledger

Micro-finance > Ledger

When	Debit	Credit
A loan is paid out	Loans receivable	Cash; Fee income (a fee taken from the payout)
A payment is recorded	Cash	Loans receivable; Interest, Fee and Penalty income
Payment on a written-off loan	Cash	Recoveries; income as above
A loan is written off	Loan losses	Loans receivable
A payment is reversed	The payment's lines, the other way round	

- Cash basis: the amount lent is on the balance sheet; interest, fees and late charges are income when paid.
- Entries are made automatically and never edited. A mistake is put right by reversing the payment.
- **Trial balance** is as at the To date; **Journal** lists every line between From and To. Both export to Excel and PDF.

11 The portfolio

Portfolio

Micro-finance > Portfolio

Figure	Means
Gross loan portfolio	Principal still out on active loans.
PAR30	The whole outstanding principal of loans more than 30 days late, as a share of the book. Under 5% is sound, over 10% trouble.
PAR1, PAR90	The same, for any day late and over 90 days.
Collected today	What came in, against what fell due.
Ageing	Current, 1-30, 31-60 (substandard), 61-90 (doubtful), over 90 (loss).
Late charges owed	Not yet paid or waived; outside the gross portfolio.
Restructured	Restructured loans' principal, as a share of the book.

Write off (level 6) books what is left as a loss, after you confirm. The borrower still owes it; later recoveries can still be recorded. **Lending settings** set the currency, the time zone, the morning-message hour, the usual rate, borrower messages on or off, how many days before a due date the reminder goes, and the name borrowers see.

12 Who can do what

Who	Can
Any member	Their own round, the loans assigned to them, and recording payments on those
Loan officer (level 3)	Borrowers, assessments, applications, every loan, the portfolio, reassigning collectors; proposing a restructure; running late charges; borrower reminder links and verification
Approver (level 5)	Approve, decline and pay out; reverse a payment; approve or reject a restructure; waive a late charge; the ledger
Level 6 / account holder	Write off; lending settings

A shared station cannot be a collector: cash has to be answerable to one person.