

Profitbase AS

Profitbase Planner

Configuration and Operation Loan module

Profitbase

12.10.2020

Version 1.0

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29.5.2020	0.0	TN	Initial content
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1 Abstract, intended audience and pre-requisites

The Profitbase Planner Configuration and Operation series consist of several documents dealing with the configuration and operation of individual Planner modules and functions.

The intended audience of this document is implementation partners configuring the solution initially and solution administrators responsible for operating it thereafter.

This document assumes that a Profitbase Planner solution has been deployed and that access to this solution is given to the reader.

The Loan module is included as a standard Profitbase Planner module and is common to Budget and Forecast.

2 Common functionality

Changes made to input sheets are not saved automatically. To save changes, click the “Save” button. The “Save” button will remain disabled until a change has been made.

To undo all unsaved changes, click the “Refresh” button.

To undo the last of a series of unsaved changes, click the Ctrl and Z keys simultaneously.

To insert new rows to an input sheet, right-click in the sheet and select one of the available options:

- Insert row
- Insert row below
- Insert copy of row

To delete a row from an input sheet, right-click the row in question and select:

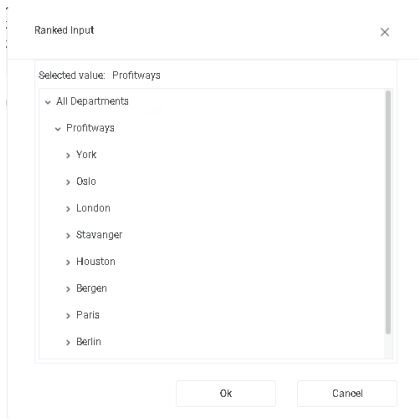
- Delete row

Please note, that although the row is no longer visible in the input sheet, the change must be committed using the “Save” button or undone using the “Refresh” button.

In input sheets, editable fields are distinguished from non-editable fields by fill color, editable fields have by default a white fill color.

In setting tables, a so-called ranked input concept is often used for the dimensional context. Ranked input allows for a high-level selection of dimensional nodes and gives the opportunity to alter the rank or specificity between rows.

A ranked input cell can be set through the ranked input selector by clicking the cell value (cell will display 3 dots if no value is set):



The ranked input selector will display the dimensional hierarchy and allows for the selection of a high-level dimensional node. The selection of a high-level node implies that the setting applies to all sub-ordinate nodes.

Select node and click “OK”.

Click “Cancel” to leave the selector without selecting.

In a table containing multiple rows, the rank or specificity of individual rows can be altered by moving the row up (decrease specificity) or down (increase specificity) by right-click the row in question and selecting:

- Move up
- Move down

The less specific the setting is, row should be high up in the table. The more specific the setting is, the further down in the table the row should reside.

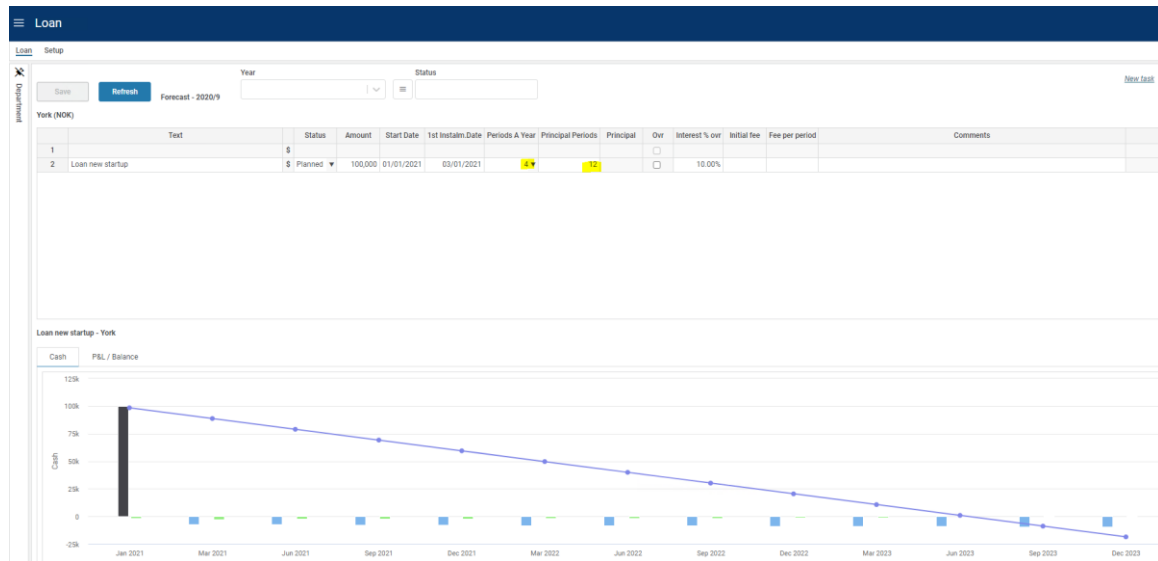
3 Principle of operation

Loan types handled including examples

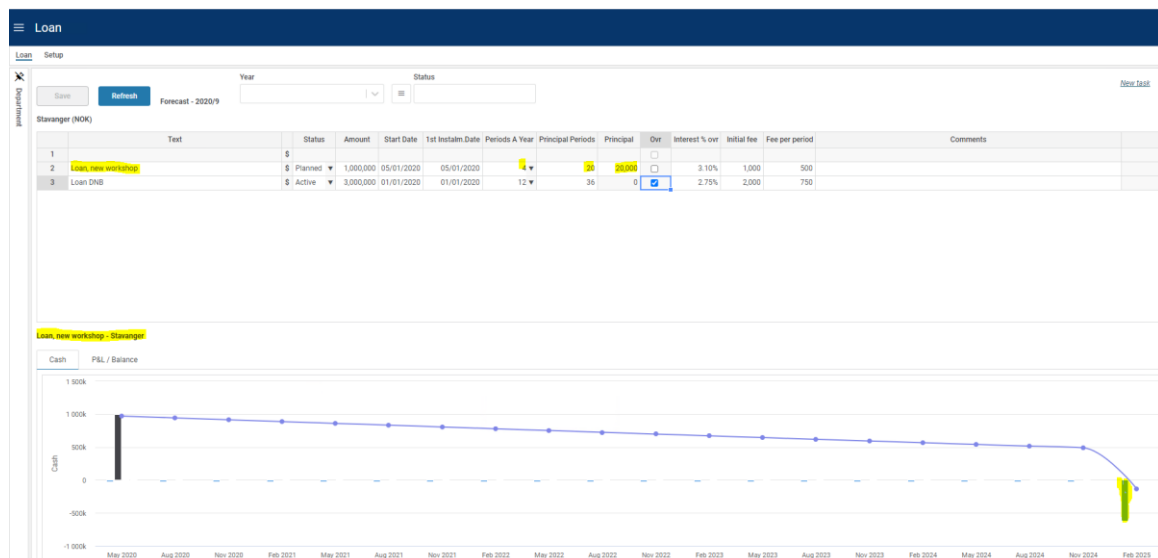
Handles loans; both taken and issued. Calculates interest (accrued and due), installments and fees on term (serial) and annuity loans, including balloon loans.

1.1.1 Term loans

For term loans, the default is to define the number of installment periods and let the system calculate the serial principal.

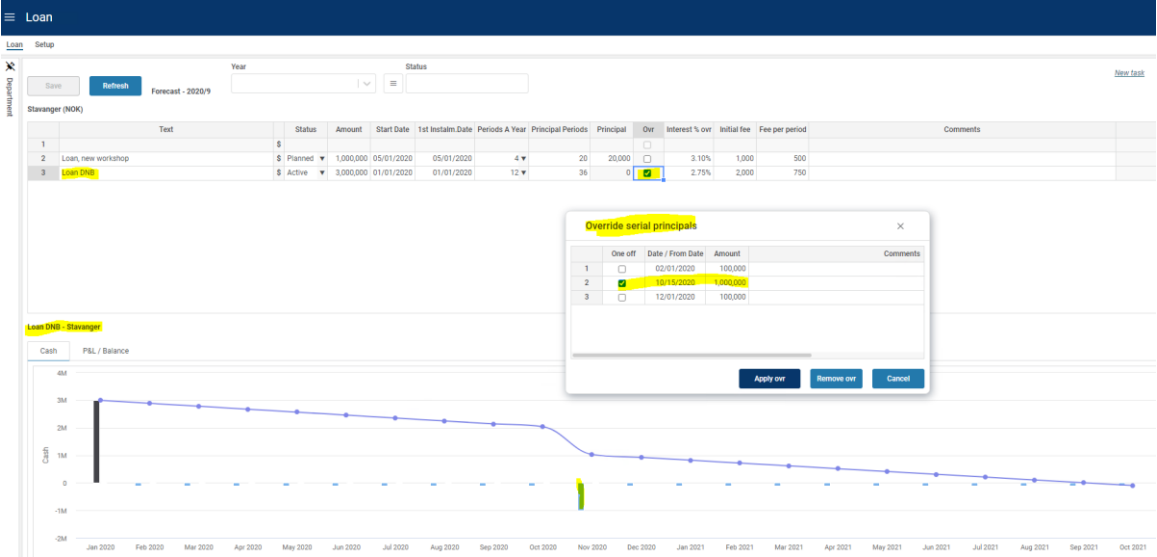


A so-called “balloon loan” is defined by setting *both* the number of installment periods and the principal amount. When the number of installment periods is reached, the total residual value will be due.

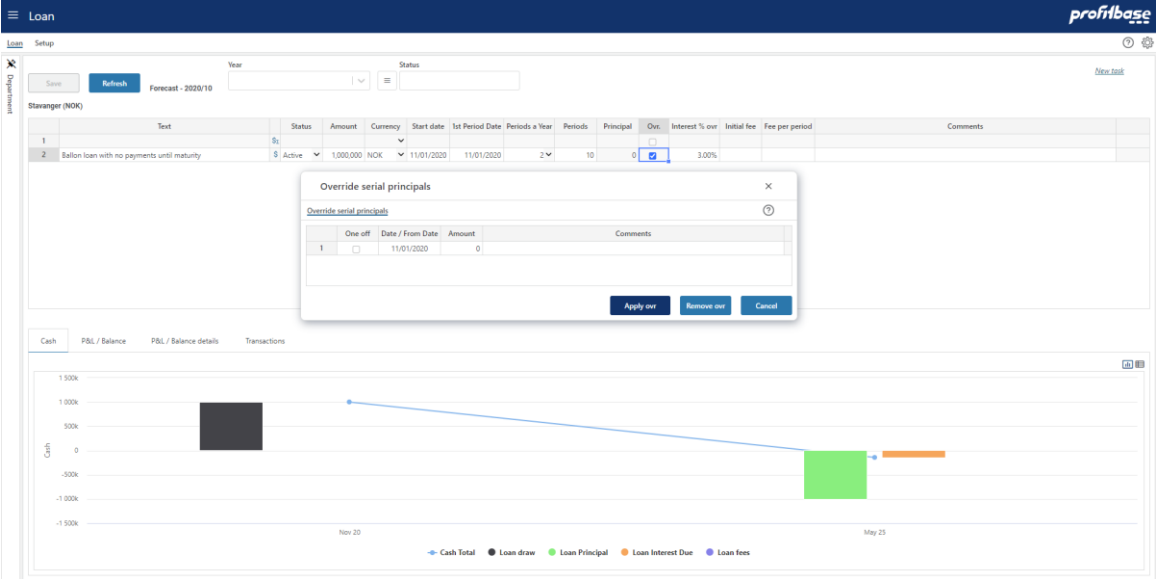


If you need a grace period or adjust the principal amount you can override the automatically generated serial principals, by right clicking the “Ovr” column depending on the input sheet setup. In the following dialogue, principals may be specified individually.

The adjustment will take effect on the following rollover (as 1st Period Date).



To define a Balloon loan with no payments until maturity, override the principal and set it to 0 (not empty) – first image below - and check the **All int due at maturity** – second image below.



Loan Setup

Department: Loan

Module: (LoanWorkbook) - Loan

Settings Input model

Legal Entity	Dataset	Text	From Date	Int 365 days	All int due at maturity	Comments
Profitways	All Datasets	*(All)	01/01/1990	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
All LegalEntities	All Datasets	Ballon loan with no payments until maturity	01/01/1990	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

1.1.2 Annuity loan

To input annuity loans, the “Annuity” check box column must be included in the input sheet (not included by default).

Please refer to [Column setup](#) for details on column setup.

Once included, check the “Annuity column”:

Loan Setup

Forecast - 2020/10

Text	Status	Amount	Currency	Start date	1st Period Date	Periods a Year	Periods	Annuity	Principal	Ovr	Interest % ovr	Initial fee	Fee per period	Comments
1	Active	1,000,000	NOK	11/01/2020	02/01/2021	4	20	<input type="checkbox"/>			3.00%			
2	Active	1,000,000	NOK	11/01/2020	11/01/2020	2	10	<input checked="" type="checkbox"/>			3.00%			

Stavanger (NOK)

Annully - Stavanger

Set the start date, first instalment (1st Instalment Date) to exactly 1 period length from start date (*), instalments a year (Periods A Year) and the total number of instalments (Periods); system will calculate every changing mix of interest and instalment for each term until maturity.

(* If date for 1st installment is set prior to the “normal” start of 1st term, the interest calculation will switch to advance payment.

1.1.3 Intercompany loan

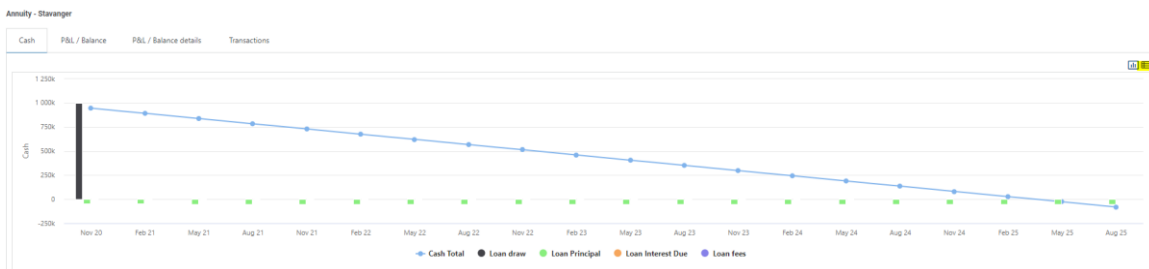
Loans can also be set up as intercompany loans with a counterpart legal entity defined as the loaner depending on the input sheet setup.

An intercompany loan must be marked as a “Loan out” from the lender and the loaner must be set as the counterparty.

Analyze the financial effect of portfolio and individual loans

Click the **\$** icon to view the transactions generated from the individual loan in question, note the tab control to switch between the reports:

1. Cash report



Click the tabular icon to display the data:

Transdate	Cash Total	Loan draw	Loan Principal	Loan Interest Due	Loan fees
1	943,969	1,000,000	-46,331	-7,500	0
2	891,939	0	-46,880	-7,151	0
3	837,908	0	-47,231	-6,799	0
4	783,877	0	-47,585	-6,445	0
5	729,847	0	-47,942	-6,088	0
6	675,816	0	-48,302	-5,729	0
7	621,786	0	-48,664	-5,368	0
8	567,755	0	-49,029	-5,001	0
9	513,724	0	-49,397	-4,634	0
10	459,694	0	-49,767	-4,263	0
11	405,663	0	-50,141	-3,890	0
12	351,632	0	-50,517	-3,514	0
13	297,602	0	-50,896	-3,135	0

2. P&L / Balance

Summary of P&L / Balance for Annuity - Stavanger:

Account	Sum	2020	2021	2022	2023	2024	2025	2026
1 Sum	80,613	5,000	26,954	21,215	15,302	9,209	2,932	0
2 8110 - Interest expenses bank	80,613	5,000	26,954	21,215	15,302	9,209	2,932	0

Account	OB	2020	2021	2022	2023	2024	2025	2026
1 Sum		-953,469	-763,831	-568,439	-367,119	-159,691	0	0
2 2290 - Long Term Liabilities	0	-953,469	-763,831	-568,439	-367,119	-159,691	0	0

3. P&L / Balance details (requires a specific loan to be selected)

Annuity - Stavanger

Cash P&L / Balance **P&L / Balance details** Transactions

Select a specific loan in order to display details.

	Transdate	P&L	Loan Interest	Loan fees		Transdate	Balance	Loan draw	Loan Principal	
1	10/31/2020	0	0	0		1	11/01/2020	-953,469	-1,000,000	46,531
2	11/30/2020	2,500	2,500	0		2	02/01/2021	-906,590	0	46,880
3	12/31/2020	5,000	2,500	0		3	05/01/2021	-859,359	0	47,231
4	01/31/2021	7,500	2,500	0		4	08/01/2021	-811,773	0	47,585
5	02/28/2021	9,884	2,384	0		5	11/01/2021	-763,831	0	47,942
6	03/31/2021	12,267	2,384	0		6	02/01/2022	-715,529	0	48,302
7	04/30/2021	14,651	2,384	0		7	05/01/2022	-666,865	0	48,664
8	05/31/2021	16,917	2,266	0		8	08/01/2022	-617,836	0	49,029
9	06/30/2021	19,184	2,266	0		9	11/01/2022	-568,439	0	49,397
10	07/31/2021	21,450	2,266	0		10	02/01/2023	-518,671	0	49,767
11	08/31/2021	23,599	2,148	0		11	05/01/2023	-468,531	0	50,141
12	09/30/2021	25,747	2,148	0		12	08/01/2023	-418,014	0	50,517

4. Transactions (requires a specific loan to be selected)

Annuity - Stavanger

Cash P&L / Balance P&L / Balance details **Transactions**

Select a specific loan in order to display details.

	Legal Entity	Department	Loan out	Transdate	Item	Account Description	Acc.Type	Curr.Foreign	Amt.Foreign	Exchange Rate	Curr.Func.	Amt.Func.	Cp LegalEntity
1	Profitways	Stavanger	<input type="checkbox"/>	2020-10-31	Interest	8110 - Interest expenses bank	pl	NOK	0		NOK	0	
2	Profitways	Stavanger	<input type="checkbox"/>	2020-10-31	Interest	LoanInterestAccrued	bal	NOK	0		NOK	0	
3	Profitways	Stavanger	<input type="checkbox"/>	2020-11-01	New	2290 - Long Term Liabilities	bal	NOK	-1,000,000		NOK	-1,000,000	
4	Profitways	Stavanger	<input type="checkbox"/>	2020-11-01	Principal	2380 - Bank overdraft facility	bal	NOK	46,530.63		NOK	46,530.63	
5	Profitways	Stavanger	<input type="checkbox"/>	2020-11-01	InterestDue	2380 - Bank overdraft facility	bal	NOK	-7,500		NOK	-7,500	
6	Profitways	Stavanger	<input type="checkbox"/>	2020-11-01	New	2380 - Bank overdraft facility	bal	NOK	1,000,000		NOK	1,000,000	
7	Profitways	Stavanger	<input type="checkbox"/>	2020-11-01	Principal	2380 - Bank overdraft facility	bal	NOK	-46,530.63		NOK	-46,530.63	
8	Profitways	Stavanger	<input type="checkbox"/>	2020-11-01	InterestDue	LoanInterestAccrued	bal	NOK	7,500		NOK	7,500	
9	Profitways	Stavanger	<input type="checkbox"/>	2020-11-30	Interest	8110 - Interest expenses bank	pl	NOK	2,500		NOK	2,500	
10	Profitways	Stavanger	<input type="checkbox"/>	2020-11-30	Interest	LoanInterestAccrued	bal	NOK	-2,500		NOK	-2,500	
11	Profitways	Stavanger	<input type="checkbox"/>	2020-12-31	Interest	8110 - Interest expenses bank	pl	NOK	2,500		NOK	2,500	

Flexible organizational input level

Loans can be input from anywhere in the organizational dimension. Each loan must, however, be attached to a department.

If a department is selected when input is done, this department is automatically assumed to be the department for the loan.

If at a higher level, the legal entity and department columns are automatically visible and relevant values must be selected from the dropdown lists attached to the columns:

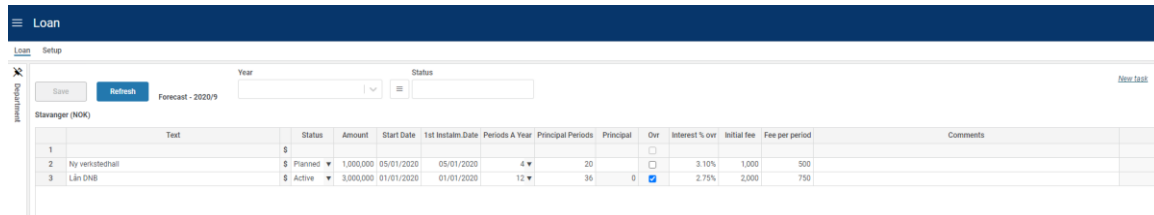
Flexible input sheet

1.1.4 Input columns

Depending on the variety of loans to support, annuity, serial, intercompany loans, etc., the input sheet may be configured differently.

By default, the input sheet is set up to support external serial loans with the option of overriding the serial principals.

The loan account is by default a lookup and the interest rate is by default an input field (“Interest % ovr”), and fields for inputting establishment and periodic fees are visible:



Test	Status	Amount	Start Date	1st Installment Date	Periods A Year	Principal Periods	Principal	Ovr	Interest % ovr	Initial fee	Fee per period	Comments
1												
2	Planned	1,000,000	05/01/2020	05/01/2020	4	20			3.10%	1,000	500	
3	Active	3,000,000	01/01/2020	01/01/2020	12	36	0	<input checked="" type="checkbox"/>	2.75%	2,000	750	

This can be changed by excluding and/or including input columns as appropriate. For details on defining input columns, please refer to [Column setup](#) for details.

Please note that the input sheet works in conjunction with various setting (lookup) tables associated with the loan module. For example, the interest rate may be a lookup value as opposed to an input field. For this to work, the appropriate setting for Interest % must be set up.

Please refer to [Settings](#) for details on loan settings.

1.1.5 Dimensionality

The basic dimensionality of the Loan module is department and the individual investment.

Extra dimensionality may be added as needed, please refer to [Dimension setup](#) for details.

1.1.6 Loan status

A Loan status table can be defined with behaviors such as include in plan which determines whether loans of a certain status is to be included in the plan or not.

Please refer to [Loan status](#) for details.

4 Module configuration

The Loan module is configured in the “Setup” page of the “Loan” workbook. In the “Setup” page, select the “Input model” tab:

Loan

Loan **Setup**

Save Refresh

Module: Loan (LoanWorkbook) - Loan Published

Settings: **Input model**

Column setup

Column Name	Description	Description EN	Description NO	VisibleWorksheet	Comments
1 AccountID	Loan acc.	Loan acc.	Lånskto.	<input type="checkbox"/>	
2 CpAccountID	Counterpart acc.	Counterpart acc.	Motpart kto.	<input type="checkbox"/>	Applies to internal loans only
3 CpDepartmentID	Counterpart department	Counterpart department	Motpart avd.	<input type="checkbox"/>	Applies to internal loans only
4 CpLegalEntityID	Counterpart legal entity	Counterpart legal entity	Motpart selskap	<input type="checkbox"/>	Applies to internal loans only
5 CurrencyFeeID	Currency (fee)	Currency (fee)	Valuta (gebyr)	<input type="checkbox"/>	
6 CurrencyForeignID	Currency	Currency	Valuta	<input type="checkbox"/>	
7 ExternalRefID	Ext. ref.	Ext. ref.	Ekst. ref.	<input type="checkbox"/>	
8 FirstPeriodOvr	Fee per period	Fee per period	Gebyr pr periode	<input checked="" type="checkbox"/>	
9 FeeInitial	Initial fee	Initial fee	Initial gebyr	<input checked="" type="checkbox"/>	
10 InterestPctOvr	Interest % ovr	Interest % ovr	Rente Ovr	<input checked="" type="checkbox"/>	
11 IsAnnuity	Annuity	Annuity	Annuslet	<input type="checkbox"/>	Default is false (serial)
12 IsLoanOut	Loan out	Loan out	Utån	<input type="checkbox"/>	Default is false
13 LoanStatusID	Status	Status	Status	<input checked="" type="checkbox"/>	

Dimension setup

DimensionColumn	Description	Description EN	Description NO	VisibleInput	Mandatory	Comment
1 Dim1	Dim1Name	Dim1Name	Dim1Naam	<input type="checkbox"/>	<input type="checkbox"/>	
2 Dim2	Dim2Name	Dim2Name	Dim2Naam	<input type="checkbox"/>	<input type="checkbox"/>	
3 Dim3	Dim3Name	Dim3Name	Dim3Naam	<input type="checkbox"/>	<input type="checkbox"/>	
4 Dim4	Dim4Name	Dim4Name	Dim4Naam	<input type="checkbox"/>	<input type="checkbox"/>	

Status

LoanStatusID	Description	Description EN	Description NO	Initial value	Include in plan	Comments
1 0	Planned	Planned	Planlagt	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
2 1	Active	Active	Aktiv	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
3 99	Rejected	Rejected	Avvist	<input type="checkbox"/>	<input type="checkbox"/>	

The module can be published by checking the “Published” checkbox and clicking the “Save” button. Conversely, the module can be taken offline by unchecking the “Published” checkbox.

Column setup

The module contains several input columns that may or may not be used depending on what kind of loan functionality is relevant by selecting and/or deselecting input columns.

The following columns are always present and thus not available for selection:

TextID:	Describes the loan (mandatory)
Amount:	Loan amount (mandatory)
Start date:	Start date for loan (mandatory)
1st Period Date:	Date of first period/rollover. This date must be within the firsts period (mandatory)
PeriodsAYear:	Number of periods/rollovers a year (mandatory)
PrincipalPeriods:	Number of periods/rollovers in total for the loan lifecycle (mandatory)
Ovr:	Indication (non-editable) of whether the serial principals are overridden by the user. An override function is available by right-clicking the Ovr column.

The columns available for selection are selected in the “Column setup” table:

Column	Description
Column Name	The internal column id. Preset.
Description	The column’s default heading.
Description EN	The column’s English heading
Description NO	The column’s Norwegian heading
Visible worksheet	Indicates whether the column is visible in the input sheet (checked) or not (unchecked)

AccountID:	The loan balance account. This may be input directly in the input sheet. The default is, however, that the loan account is established based on the setting Loan: Accounts . The column is by default not visible.
CpAccountID:	Counterpart - Account balance. Used for intercompany loans. Specifies the loan balance account of the loaner. The column is by default not visible.

CpDepartmentID:	Counterpart – DepartmentID. Used for intercompany loans. Specifies the department of the loaner. The column is by default not visible.
CpLegalEntityID:	Counterpart – LegalEntityID. Used for intercompany loans. Specifies the legal entity of the loaner. The column is by default not visible.
CurrencyFeeID:	CurrencyID for fees. By default, the home currency is assumed, but if fees are in foreign currencies, this column may be used to specify that foreign currency. The column is by default not visible.
CurrencyForeignID:	CurrencyID. By default, the loan amount is assumed to be in the home currency. If the loan amount is in a foreign currency, this column is used to specify that foreign currency. The column is by default not visible.
ExternalrefID:	Free column to use when appropriate, could be used for attaching an assetid or similar, the column is by default not visible.
FeeAPeriodOvr:	Used for specifying a term fees per principal period, the column is by default visible. Note that the setting table Loan: Fee A Period may be used to lookup fees instead of inputting the fee.
Feelnitial:	Used for specifying any establishment fee, the column is by default visible.
InterestPctOvr:	Used for specifying the loan interest rate, the column is by default visible. Note that the setting table Loan: Interest % may be used to lookup interest rates instead of inputting the rate.
IsAnnuity:	Used to indicate whether the loan is an annuity loan, the column is by default not visible and any loans are thus assumed to be term loans by default.
IsLoanOut:	Used to indicate whether the loan is taken (unchecked) or issued (checked). If this is an intercompany loan, the loaner information must be specified in the Cp (counterpart) columns.
LoanStatusID:	Loan status dropdown, the column is by default visible. For details on defining loan statuses, please refer to Loan status .
PrincipalSerial:	The principal serial amount. Relevant to term loans.

Dimension setup

The department and individual loan dimensions are always present. In addition, there is a pre-set number of extra dimensions to select and name., Dim1, Dim2, Dim3 and Dim4:

Column	Description
DimensionColumn	The dimension column id. This column is preset with the available dimensions Dim1, Dim2, Dim3 and Dim4.
Description	The column's default translation
Description EN	The column's English translation
Description NO	The column's Norwegian translation
Visible Input	Indicates that the column is visible and editable in the input worksheet or not (checked unchecked)
Mandatory	Indicates that this dimension is mandatory, when adding a new loan, i.e. it is required to select a valid dimension member from the associated dropdown list.

Loan status

Loan statuses can be used to filter out certain loans. A filter is tied to the status in the "Loan" tab.

For statuses to be selectable by the contributor, the “LoanStatusID” column must be visible, see [Column setup](#) for details.

Column	Description
LoanStatusID	The loan status id. Input field.
Description	The column’s default heading
Description EN	The column’s English heading
Description NO	The column’s Norwegian heading
Initial value	Indicates that this loan status is the default status given to a loan when added to the input sheet (checked). Only one status should have the “Initial value” checked.
Include in plan	Indicates that loans holding this status is included in the plan, i.e. that they are included in official reports such as Finance Report and Budget/Forecast summary.

5 Settings

The loan settings are defined in the “Setup” page of the “Loan” workbook. Select the “Settings” tab:

Loan: Interest

This table is used to define how interest should be calculated for each loan.

Column	Description
Legal entity	The source legal entity. Ranked input. Mandatory.
Dataset	The source dataset. Ranked input. Mandatory.

Text	The source loan or "All". Select from list. Mandatory.
From date	The date from which the setting applies. Mandatory.
Int 365 days	Checked = actual days per month, Unchecked = 30 days per month
All int due at maturity	Checked = all interest paid at due end, Unchecked = at term end
Comments	Optional comment.

Loan: Interest %

The interest percent table allows defining interest for each loan identified by Legal Entity, Dataset and Text. Using the From Date, allows for changing interest over time.

Note, however, that the default is that the interest rate is input directly per loan in the "InterestPctOvr" column, please refer to [Column setup](#) for details.

This setting table may be used when a direct input is not practical and when changes in interest rates over time are planned.

Column	Description
Legal entity	The source legal entity. Ranked input. Mandatory.
Dataset	The source dataset. Ranked input. Mandatory.
Text	The source loan or "All". Select from list. Mandatory.
From date	The date from which the setting applies. Mandatory.
Value	The interest rate (baseline scenario). Mandatory.
High	The interest rate (high value). Optional.
Low	The interest rate (low value). Optional.
Comments	Optional comment.

Loan: Fee A Period

Setting table to define lookup value for periodic fees. Note that the default is that the periodic fee is input directly per loan in the "FeeAPeriodOvr" column, please refer to [Column setup](#) for details.

This setting table may be used when a direct input is not practical and when changes in periodic fees over time are planned.

Column	Description
Legal entity	The source legal entity. Ranked input. Mandatory.
Dataset	The source dataset. Ranked input. Mandatory.
Text	The source loan or "All". Select from list. Mandatory.
From date	The date from which the setting applies. Mandatory.
Value	The fee amount (baseline scenario). Mandatory.
High	The fee amount (high value). Optional.
Low	The fee amount (low value). Optional.
Comments	Optional comment.

Loan: Accounts

Basic setting table for defining lookup for the accounts associated with a loan.

Note that the loan account itself can also be input directly through the column "AccountID" although this is not the default, please refer to [Column setup](#) for details. The loan account is by default a lookup instead of a direct input column.

Column	Description
Legal entity	The source legal entity. Ranked input. Mandatory.
Dataset	The source dataset. Ranked input. Mandatory.
Text	The source loan or "All". Select from list. Mandatory.
From date	The date from which the setting applies. Mandatory.
Loan	Loan balance account. Type in a valid balance account.
Interest	Loan interest account. Type in a valid profit & loss account.
Fee	Loan fee account. Type in a valid profit & loss account.
Agio dis	Loan account for agio / disagio. Type in a valid profit & loss account.
Comments	Optional comment.

Loan: InterCompany Accounts

Relevant for intercompany loans.

When defining counterparty the loan is posted both on the original party and the counterparty. The Intercompany Accounts table are used to set the accounts to be used for the counterparty transaction.

Note that the loan intercompany account itself may be input directly through the column "CpAccountID", please refer to [Column setup](#) for details.

Column	Description
Legal entity	The source counterpart legal entity. Ranked input. Mandatory.
Dataset	The source dataset. Ranked input. Mandatory.
Text	The source loan or "All". Select from list. Mandatory.
From date	The date from which the setting applies. Mandatory.
Cp Loan	Loan balance account for counterpart. Type in a valid balance account. Mandatory.
Cp Interest	Loan interest account for counterpart. Type in a valid profit & loss account. Mandatory.
Cp Fee	Loan fee account for counterpart. Type in a valid profit & loss account. Mandatory.
Cp Agio disagio	Loan account for agio / disagio for counterpart. Type in a valid profit & loss account. Mandatory.
Comments	Optional comment.