



# Solar Functional Summary

Solar is a web native instalment finance administration and accounting system

## Introduction

Solar is an extremely powerful and flexible web native asset finance administration and accounting system that is designed for all sectors of the Instalment Finance Industry. Solar is a completely new system which is capable of limitless expansion and integration with other business systems and processes.

Solar is designed with a highly tuned Microsoft SQL Server™ relational database at its core. Using the user defined fields functionality of Solar you can also expand the core database to include any data that is relevant to your business. For example, vehicle agreements might have details of colour, trim, accessories and so on, whilst agricultural customers will need to store details on acreages, livestock and crops. All data changes are recorded and a full audit trail by user is available on any field in the database enabling full control of the portfolio.

Solar's flexibility enables users to start small, but there is no practical limit on the number of agreements that it can manage or the variability of those agreements. Indeed, Solar has been successfully tested with a portfolio of 900,000 agreements.

Solar provides Global Functionality, in terms of Culture and Language – by a simple User setting.

## Companies

Any number of Companies may be set up with parameters for:

- name and address
- year end
- tax payments (where applicable)
- VAT registration number
- Unlimited bank accounts
- most recently locked accounting period
- currency

## Products

Any number of financial products may be defined with parameters to indicate:

- whether asset based or a loan
- whether tax based
- whether VAT, Sales Tax, Property Tax etc. is applicable and if so the rate to use
- whether variable rate interest is charged and the calculation method and parameters to use
- whether there are subsidies, residuals, commissions, document and option fees
- whether maintenance and insurance is applicable
- whether subsidy and commission is applicable
- Head lease and Back to Back
- the default rental frequency
- multiple dealer payments, with specified delay dates
- default values for the funding rate, margin and, in the case of tax based products, the reinvestment rate
- default values for document and option fees
- whether for tax based products the margin is gross or net of tax
- the accounting method to use
- whether an advance rentals account is used or whether invoices go directly against gross receivables

- whether the profit and loss account uses an income less depreciation approach or gross earnings are credited directly to P&L
- the termination method and calculation parameters

## System Administration

As you would expect from an all-embracing system, Solar offers a wide range of configurable options to ensure that a high level of business efficiency and flexibility can be constantly maintained. These options include, but are not limited to, the following:

- User defined data fields at Agreement, Equipment, Company, Contact and Product level.
- Interest Rates to be defined on a daily basis for an unlimited number of Rates.
- User Maintenance and Security levels.
- Language selection by User, including redefining screen labels and adding security.
- Ad hoc Reporting definition enabling non-IT users to create their own specific reports simply and efficiently, with output in various formats.
- General reporting using Microsoft Reporting Services™.
- Reporting security, based on a range of criteria.
- Letter and document definition, including document storage and tracking.
- Status code and workflow definition.
- Data Validation requirements e.g. mandatory data, minimum, maximum, ranges and dependencies.
- Cash allocation priorities.
- General (Nominal) Ledger mapping.
- Fees and charges.
- Arrears and Letter sequences.
- Many others.

## Contacts

Any number of Contacts may be set up. For example, the billing contact may be different from the administration contact. Apart from Customers there may also be third parties including but not limited to, guarantors, insurers, dealers, subsidisers or brokers. Solar provides true exposure by contact, as each contact may have a number of different roles.

Each Contact may have any number of addresses. This is mainly useful where a private customer has lived at his current address for less than three years and address history is required for a longer period. Each address allows for a period of residence to be defined.

## Agreements

Solar can control any number of agreements. Each Agreement is attached to a Company, a Customer and a Product. Depending on the Product parameters the user will only be required to enter details relevant to that financial instrument and the Agreement will automatically inherit the characteristics of the Product, thus reducing the amount of data required to be entered for the Agreement and each line of Equipment.

An Agreement defines a status, start date, term and collection method. As such it represents the “umbrella” for Equipment level accounting and billing detail.

## Equipment

Each Agreement may have any number of lines of Equipment. Equipment lines may be added or terminated at will and Solar will automatically recalculate receivables, deferred income and other accounting balances together with their run-off over future months. Where appropriate “catch-up” postings are made to the current accounting period. This is possible because Solar accounts for all equipment lines individually.

As with all Solar processes, a batch is created and this may be cancelled or reversed at any time. Batch and monthly projection reports enable a detailed examination of the calculations involved in each financial amendment.

The cash flow associated with an item of Equipment may be simple or complex. The inclusion of subsidies, residuals, commissions and fees is governed by the Product selected when an Agreement is created.

Within each Equipment line, an unlimited number of Equipment Details can be defined. This is useful when only one Equipment Line is required, but it refers to a number of pieces of Equipment.

Where only one Equipment Line has been entered, it is possible to “Split” in the case of a partial termination.

It is also possible to dislocate an Equipment Line from its Agreement. This is useful at the end of a Lease, where the Equipment is then remarketed.

## Nominal Ledger

Solar maintains its own double entry bookkeeping system with each entry attached to a Company, a Product, an Agreement, an item of Equipment and a Nominal ledger account. All postings are made in batches with each time-stamped batch tagged to a user. Individual batches may be reported prior to being approved and either approved or cancelled. Approved batches may be reversed later, for example, as a result of a termination reversal.

A trial balance may be generated for any reporting period down to a single day and this may be analysed by Company, Product, Agreement or Equipment line.

## Cash

Cash may be allocated down to equipment line. Unallocated cash is posted to the agreement awaiting further allocation. A detailed analysis of each cash posting, for example, a cheque received, may be made at any time. Again, since the postings are in batches any allocation movement may be traced to both a user and the time when the transaction occurred.

As well as manual cash posting, Solar also provides the ability to upload data such as cash received, cash reversals and direct debit failures from supplied bank files.

## Invoicing and Direct Debit

Solar provides automated functions for Invoicing and Direct Debit (including AUDDIS), and manual functions for ad hoc invoicing and direct debit failures. Reprinting of Invoices is a standard function.

## Terminations

Using Solar’s inbuilt calculation engine, Jupiter, a highly accurate termination fee may be calculated to maintain the cash flow rate of return. This calculation is backed up with a cash flow report. Where applicable a tax report is also available.

Discounted future rentals and rule of 78 termination calculations are also available.

## Reporting

Solar provides two levels of reporting. The first level is for users trained to use Microsoft’s Reporting Services™, which provides extensive features and allows reporting across the entire Solar database. Using this function, reports can be produced from the very simple to the highly complex.

The second level is aimed at the non-IT users and those users that do not have access to Microsoft’s Reporting Services™. This function provides simple ‘drag-and-drop’ features and allows users to select the required data field from the alphabetical list provided, and then specify sort order, filter conditions and the required output mode. Reports created can be saved for subsequent processing and/or modification.

## Documents

Solar provides functions to create document templates for subsequent processing either manually or automatically. All documents produced are automatically stored for audit and reproduction purposes.

# Security

As the most modern development and run-time environment available today, Microsoft™ has built many features into .NET to ensure optimal security ‘out-of-the-box’. Many of these features have been included within Solar, including:

- Use of SSL (Secure Socket Layer via https) when accessing Solar.
- Use of Firewall.
- Optional VPN for remote access.
- Validation of a User’s IP address.
- URL encoding where parameters are visible to the end user.
- Forms authentication
- User is locked out after three login attempts.
- One way hash algorithm on user passwords.
- Passwords and other sensitive data are encoded using 128 bit RC4 encryption.
- Role-based user groups within Solar restrict access to parts of the system, as required.
- Use of Stored Procedures for all inserts and data intensive tasks avoids “SQL injection” and ensures efficiency and scalability.
- We will adopt additional security measures that Microsoft introduces to their strategic .NET product.

# Technology

Solar is based on Microsoft’s state of the art .NET environment. This ensures that Solar will keep pace with technology changes for decades to come so that your system will never become obsolete. Furthermore, Solar’s highly modularised approach enables integration with existing legacy systems with the possibility of a gradual take-on of data and functionality thus removing the need for an immediate systems overhaul. Solar enables companies to move gradually to a web based system thus reducing risk and facilitating manageable project deliverables.

Solar is a fully scaleable native web based system that is very simple and efficient to implement with instant deployment. As a totally web native system, Solar not only has access to other web systems, but also allows remote users access to relevant parts of the system within a secure environment.

Solar is developed entirely using the C# programming language and is totally object-oriented.

Solar uses Microsoft’s SQL Server 2005™ database for high performance and scalability. Reporting Services and other SQL and provided tools may be used to create reports, invoices and other output.

Solar makes extensive use of stored procedures and XML. In particular all calculations are passed using XML to Jupiter the powerful Copernicus evaluation and accounting engine with cash flows, tax details, accounting entries and rates of return saved back to Solar’s SQL 2005 database.

The quotation functionality of Solar is also available in a hand held application that will run on the majority of mobile phones. This will allow quotations to be performed readily in the field and uploaded to the main system for authorisation.

## More Information

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