

# Training Brochure 2012



# 1. Microfinance Delinquency Management - 3 Days

## Objectives

- To understand the term delinquency, its causes, costs and negative implications for the sustainability of an MFI.
- To understand the importance of monitoring of the loan portfolio and the measurement of delinquency.
- To develop incentives to control and measures in order to avoid delinquencies.
- To understand the importance of provisioning and write-off policies.

## Outcomes

At the end of the course participants will be able to:

- Understand delinquency, its causes and costs and importance of why it needs to be effectively controlled;
- Monitor a loan portfolio;
- Develop incentives and measures to control and avoid delinquencies;
- Have a basic understanding of provisioning and write-off.

## Topics

- Understand delinquencies
- Causes of delinquencies
- Cost of delinquencies
- Monitoring of loan portfolio
- Measurement of delinquencies
- Incentives to control and measures to avoid delinquencies
- Case Study
- Portfolio Management
- Warning Signs
- Risk Assessment



# 2. Microfinance Financial Management – 3 Days

## Objectives

- To understand the importance of financial information for management decision making.
- To review the purpose, components and interrelationships between financial statements relevant for microfinance institutions.
- To understand the importance of provisioning.
- To understand and analyse microfinance performance indicators and apply it to your institution.

## Outcomes

At the end of the course participants will be able to:

- Understand the importance of financial information and respective financial statements.
- Have a basic understanding of microfinance specific performance indicators.
- Be able to calculate and analyse performance indicators.
- Have a basic understanding of provisioning and write-off.

## Topics

- Fundamentals of Accounts
- Financial Management
- Financial information for management decisions
- Financial statements for microfinance institutions
- Introduction to financial analysis
- Performance measurement of loan portfolio
- Introduction to financial ratios
- Analysis of financial statements
- Management Accounts
- Ratio Analysis
- Leverage

### 3. Introduction to Management Information Systems - 1 Day

#### Objectives

- To understand the importance of management information for decision making.
- To obtain a common understanding about MIS, its key components and the importance of analysing and reporting at various levels.
- To gain knowledge about the requirements for developing and/or implementing a MIS.

#### Outcomes

At the end of the course participants will be able to:

- Understand the importance of information for decision making;
- Have an understanding about MIS, its components and respective reports;
- Develop an action plan for the development/ upgrading of MIS in their institution.

#### Topics

- Importance of information for decision making
- Understanding MIS and its basic components
- Reporting requirements
- Understanding performance indicators
- Steps for development of MIS

### 4. Lending Methodologies - 3 days

#### Objectives

- To provide participants with essential knowledge for making sound microfinance lending decisions

#### Outcomes

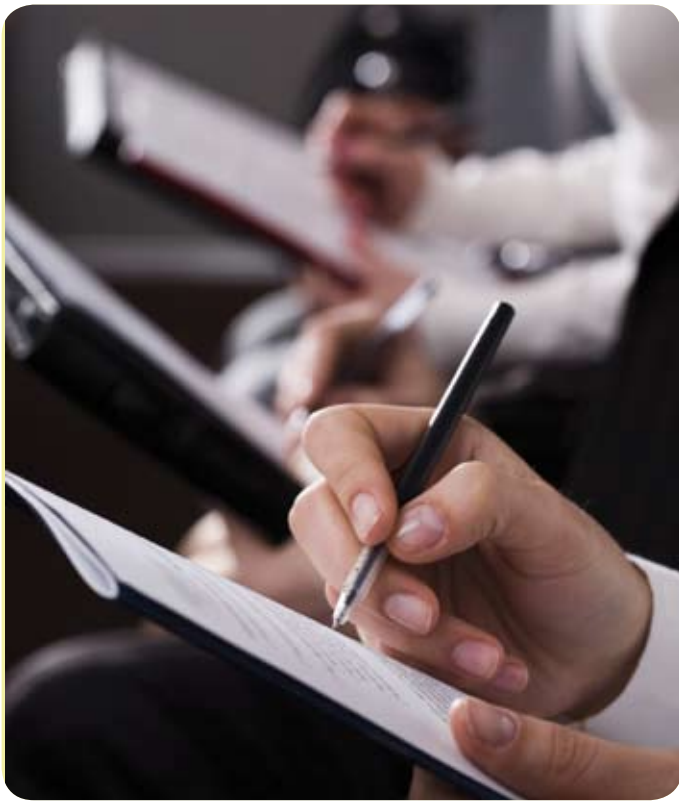
At the end of the course participants will be able to:

- Understand microfinance business needs;
- Describe and apply the basic lending methodology and procedures;
- Explain lending requirements within established guidelines;
- Apply the process of credit assessment using normal institutional standards;
- Define, interpret and analyse financial information of micro business;
- Understand interest settings of microfinance;

#### Topics

- Business needs in Financing,
- Managing and Operations;
- Understanding Lending;
- Types of Clients;
- Principles and methodology of good lending practice;
- Understanding types of loan products;
- The lending process and procedure;
- Types of securities and alternatives;
- Lending Interviews, Loan Applications and Assessments;
- Financial assessment of micro business;
- Interest Rate Setting and Calculation; Case Studies.





## 5. Microfinance Product Development – 2 days

### Objectives

- Provide participants with the tools and knowledge to design demand driven financial products, to cost them and to price them competitively.

### Outcomes

At the end of the course participants will be able to:

- Understand and apply a systematic product development process which consists of institutional analysis, market research, and product design.

### Topics

- The rationale for product development
- The systematic product development process.
- Market research and Market research methods.
- Analysis of research findings.
- Designing a product prototype.
- Allocation based costing.
- Activity based costing (ABC)
- Pricing of products.
- Pilot testing.
- Products roll out
- Marketing.
- Case Study

## 6. Microfinance Corporate Governance – 2 Days

### Objectives

- To ensure that Directors/Board Members and Executive Management of Microfinance Institutions have a clear understanding of their joint and individual responsibilities and adequate knowledge of relevant legislation, regulations and financial reports to be able to provide effective governance of their organisation.

### Outcomes

At the end of the course participants will be able to:

- the various legal structures that an MFI may adopt and have an appreciation of the legislation controlling each structure;
- the legislation that applies to MFIs;
- legislation that essentially impacts upon corporate governance;
- the roles and responsibilities of Directors and Board members and how these correspond and complement those of Executive Management;
- the importance of ensuring that the composition of a Board must provide optimum balance of knowledge and experience;
- the process and techniques of effective Board practice;
- the role of the Board in Business Planning, setting objectives and key performance indicators.

### Topics

- Effective Board practice
- Special Characteristics of MFI Governance
- Legislation
- Taxation,
- Business Planning
- Key performance indicators,
- Legal Structure
- Financial institution
- Case Study

## 7. Microfinance Risk Management – 2 days

### Objectives

- To ensure that Directors, CEOs and Managers are aware of the many aspects of risk that they must consider and to provide options as to how they can be addressed and controlled.

### Outcomes

At the end of the course, participants will have a sound appreciation of the range of financial and operational risks that a business must address;

- Be able to identify and measure risks;
- Be able to develop risk strategies in terms of avoidance, mitigation or acceptance;
- Appreciate the need for a structured approach to audit, control and risk management.
- Determine clear lines of authority in risk management

### Topics

- The importance of pro-active risk management
- The dimensions and measurement of risk
- Determining overall strategy
- Some tools and techniques to support decision making and risk management
- The resources approach to risk assessment
- Audit, control and risk management
- Financial Risk
- Organisational Risk
- Credit Management



## 8. Start-Up for Microfinance – 1 day

### Objectives

- Provide participants with essential knowledge and start their own MFI.

### Outcomes

At the end of the course participants will be able to:

- Understand the start-up challenges framework of a MFI
- Learn about tips/tools for setting-up a MFI
- Prepare a draft structure for an MFI

### Topics

- Why and How Microfinance
- Start-Up Challenges Framework
- Target Group
- Environment Challenges
- Savings Services and Linkage
- Lending Methodology & Loan process
- Adaptation of Methodology
- Legal Forms
- Organisational Structure/Governance
- Human Resource Management
- Efficiency & Viability Aspects

## 9. Informal Credit Schemes – 2 Days

### Objectives

- Provide participants the understanding about the why and how small credit schemes are formed.

### Outcomes

At the end of the course participants will be able to:

- Have an understanding of what to think of first when starting a small informal scheme.
- Have a basic understanding of why informal schemes are set-up.
- Have an understanding about the importance of record-keeping.
- Have an understanding of what savings is, what roles it plays and its significance.
- Have an understanding about what credit is, including product features and whole credit cycle.

### Topics

- Purpose of Informal Credit Scheme
- Definition of Microfinance
- Getting Started
- Group Formation
- Rules & Regulations
- Savings & Types of Savings
- Collection and Safe keeping
- Credit and Loan
- Selection/Screening
- Getting ready to Lend
- Repayment/Collection



## 10. Microfinance Management Skills -2 days

### Objectives

- To be able to explain the process of planning and setting goals.
- To be able to identify the strategies for effective time management and delegation.
- To be able to demonstrate an understanding of resolving conflicts.
- To be able to describe clearly problem solving techniques and rational decision making.
- To be able to identify the appropriate skills in motivating staff.

### Outcomes

At the end of the course participants will be able to:

- Understand the best management practices
- Have an awareness of management techniques in managing people and other resources
- Develop management skills in operating and managing an organization

### Topics

- The Management Process
- Conflict resolution and management
- Time management
- Delegation
- Problem solving
- Decision making
- Motivation
- Setting goals, objectives and targets
- Planning

## 11. Internal Control and Fraud Prevention – 3 Days

### Objectives

- The internal control system has a key role in the management of risks in microfinance institutions. A sound system of internal control contributes to safeguarding the shareholders investment and assets.

### Outcomes

- Gain a better understanding of the importance of internal controls
- Reflect sound business practice in internal control mechanism
- Facilitate the effectiveness and efficiency of operations
- Help ensure reliability of internal and external reporting
- Assist in ensuring compliance with laws and regulations
- Maintenance of proper accounting records
- Management of financial risks
- Risk assessment
- Early warning signs
- Staff checks

### Topics

- Financial risks
- Fraud Defined
- Improving financial controls
- Fraud Detection
- Financial controls
- Accounting Records
- Checks and Balances
- Internal audits
- Compliance testing
- Materiality testing
- Case study

## 12. Managing foreign exchange risks and Interest Rate

### Objectives

- The purpose of this course is to provide a detailed overview of currency risks in microfinance, and the tools used to hedge the risk.

### Outcomes

Develop good understanding of:

- Forward Contracts
- Forward Rate
- Currency and interest rate swap
- Structured Derivatives
- Cost/Benefit of Hedging foreign exchange risks

### Topics

- Foreign Exchange Risks
- Derivatives
- Forward pricing
- Currency swap
- Practical examples of loans
- Forwards vs futures
- Investor requirements
- Interest rate risks
- Adjusting in balance sheets
- Currency Forward
- Impact on Financial Accounts

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