Tracking Compliance to Facility Covenant (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

This document contains the detailed procedures on how to set up facility covenant and perform periodic checks for compliance.

WHY IS THIS IMPORTANT?

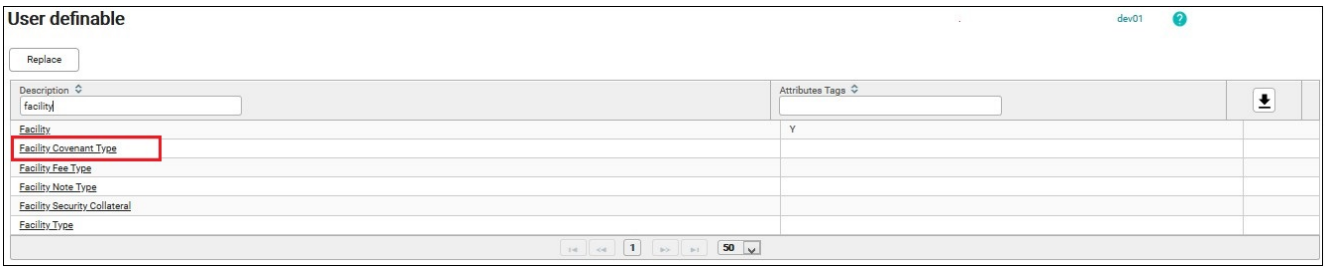
These steps provide a systematic way to reduce the effort and errors when tracking compliance to facility covenant.

PROCEDURE

Maintaining Covenants

1. To set up facility covenant, click on Set Up > Global > User Definable.

2. Look for Facility Covenant Type in the list of user definable. Click on it.



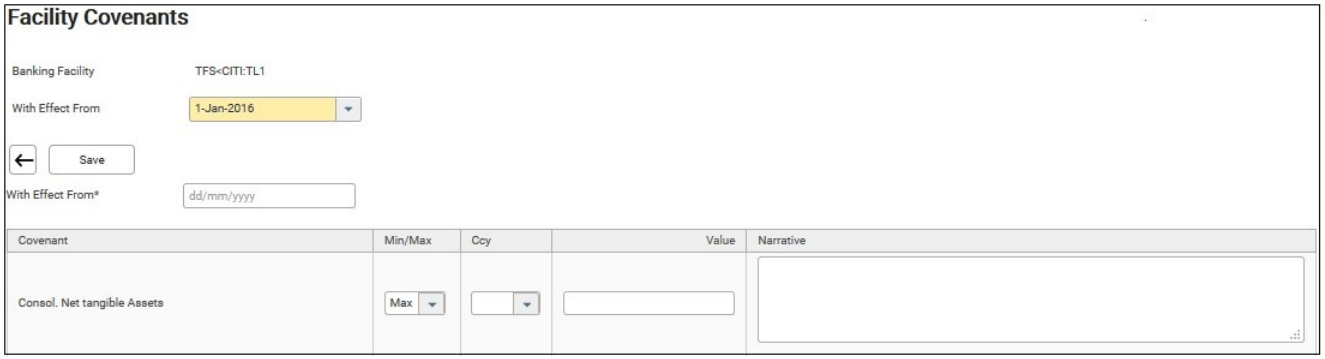
3. Click New to add new facility covenant.

4. Key in the facility covenant you wish to create in the New Item field. In this example, we will create Consolidated Net Tangible Assets.

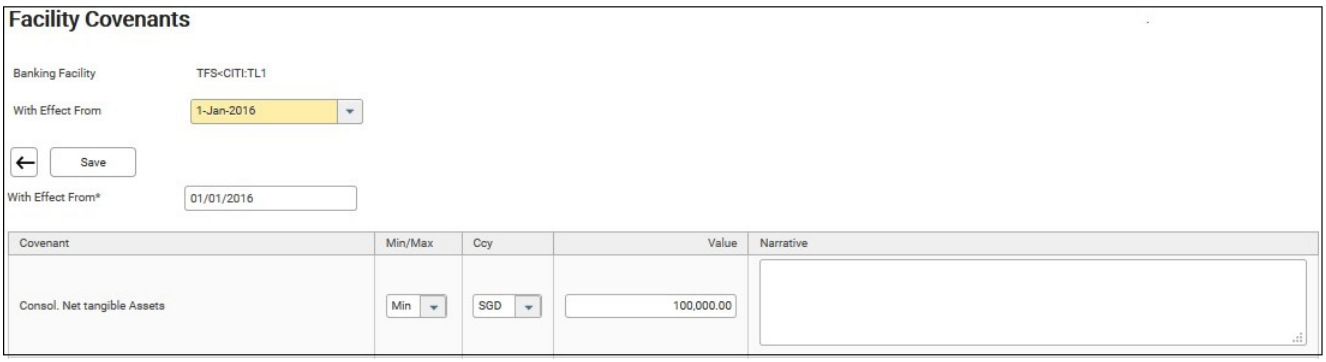
5. Click Save.

6. After the facility covenant is created, navigate to Set Up > Risk > Facility > Amend Facility. Click on Covenants button to maintain the covenant rules/ limit.

7. The following screen will be displayed.



8. Key in the facility covenant rules in the screen provided. In this example, we will create consolidated net tangible asset must be more than or equal to S$100 million. First, key in the With Effect From field to indicate the effective date. Select Min/Max as Min, SGD as the currency and 100 million under Value field for the respective covenant rule.



9. Click Save.

10. Tick the checkbox of the saved facility and click Approve.

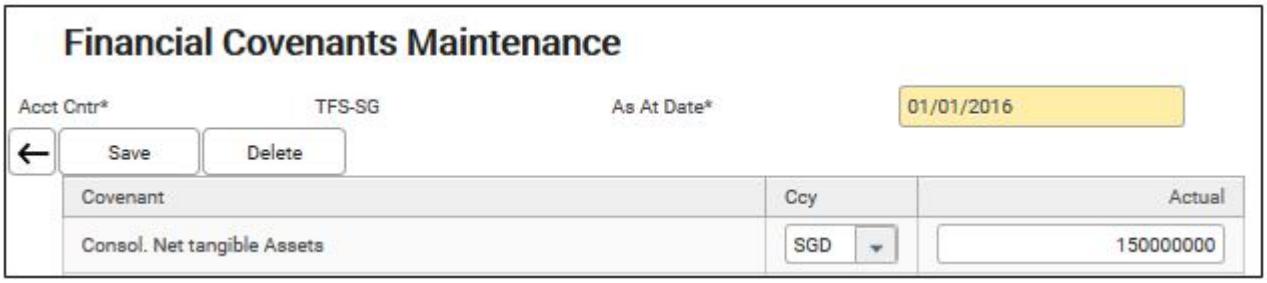
Tracking Actual Covenants

11. Next, to enter the actual financial covenants by company, click on Set Up > Static > Accounting Centre. Click on the Entity Shortname that you wish to maintain the actual financial covenants by clicking on Financial Covenants button.

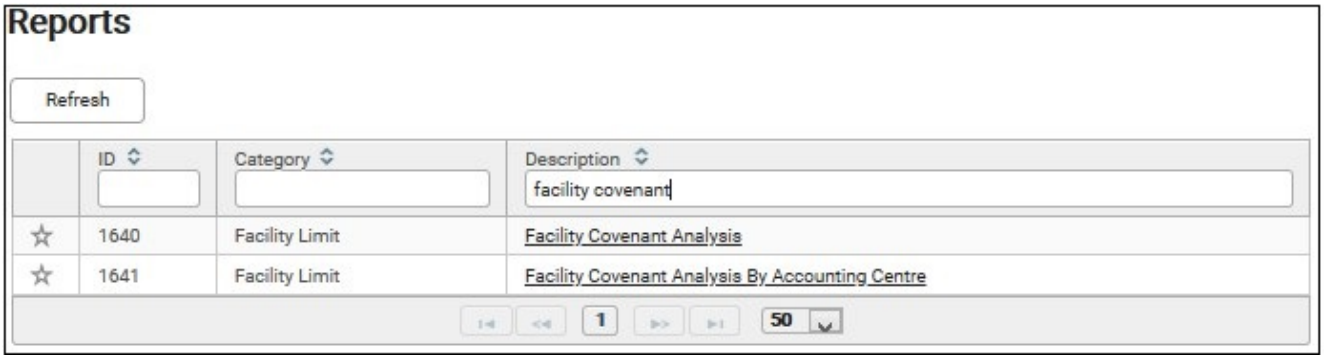
12. The below screen will be displayed.

13. Click on Maintain button.

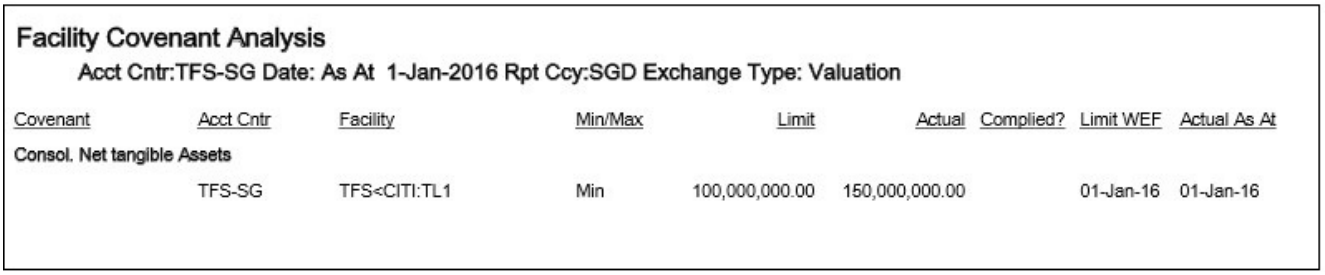
14. Key in the As At Date, Currency and the Actual Amount then click Save.



15. To check if the financial covenants complied with the facility covenant rule set up, user may print the following reports under Reporting. Note that report will indicate “N” if the rule is not complied.



Report 1640 – This report is grouped by facility covenant.

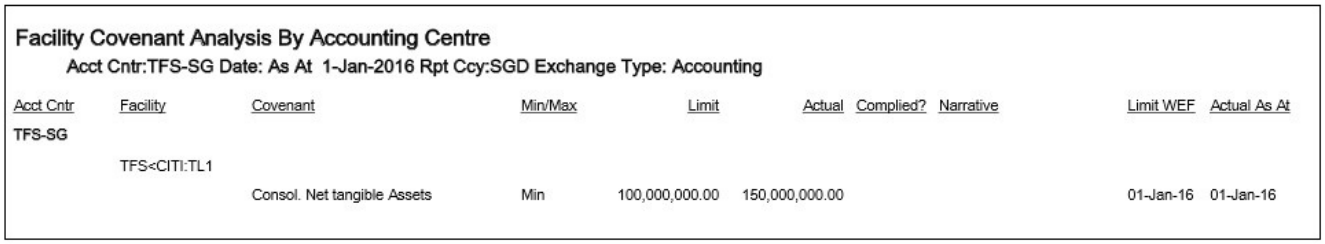


Facility Covenant Analysis

Acct Cntr:TFS-SG Date: As At 1-Jan-2016 Rpt Ccy:SGD Exchange Type: Valuation

Covenant	Acct Cntr	Facility	Min/Max	Limit	Actual	Complied?	Limit WEF	Actual As At
Consol. Net tangible Assets								
	TFS-SG	TFS<CITI:TL1	Min	100,000,000.00	150,000,000.00		01-Jan-16	01-Jan-16

Report 1641. This report is grouped by Accounting Centre.



Facility Covenant Analysis By Accounting Centre

Acct Cntr:TFS-SG Date: As At 1-Jan-2016 Rpt Ccy:SGD Exchange Type: Accounting

Acct Cntr	Facility	Covenant	Min/Max	Limit	Actual	Complied?	Narrative	Limit WEF	Actual As At
TFS-SG									
	TFS<CITI:TL1								
		Consol. Net tangible Assets	Min	100,000,000.00	150,000,000.00			01-Jan-16	01-Jan-16

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

CHANGE HISTORY

Date	By	Changes
18-Jan-2016	TS	Created.
24-Aug-2018	Silpa	Updated step 1, 6, 11.
25-Nov-2019	Lyra	Updated Screenshots.