



Sage XRT Treasury

Version 4.1

**Financial Transactions
Using Money Market Funds**



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Introduction

Prerequisite

In order to use the Money Market Funds, you must have the **Financial Transactions** module of **Sage XRT Treasury**, from version 4.1.

Description

Money Market Funds are financial transactions with daily interest calculation.

MMF characteristics

Nominal amount

The initial nominal amount may vary over time (increase/decrease), following the life cycle of the instrument.

When the nominal amount is valued at zero, then the MMF is deemed to be closed.

Duration

The duration is not defined when setting up a Money Market Fund. The end date of the MMF is temporary and becomes final when the instrument is closed (nominal amount valued at zero).

Schedule

Nominal variations are taken into account in the interest payment schedule.

Interest calculation mode

Interests are calculated per day. The payment of the accrued interests is based on a specified frequency. Most common payment frequencies include:

- **Monthly simple**
- **Monthly funded**
- **Bullet**

Hedging

Since Money Market Funds use variable rates, they can be linked to interest rate swaps.

MMF configuration

Setup

No specific setup is required to configure a Money Market Fund: it is based on **Bullet Loans/Borrowings**.

If negative rates are required, you need to create a **Flow Code** at setup level for the generation of negative interests in the **Cash** module.

Identification	Flow Code
Payments	<input type="text"/>
Amortizations	<input type="text"/>
Credit interest	<input type="text"/>
Early Redemption	<input type="text"/>
Prepayment Penalty	<input type="text"/>
Charges/Taxes	<input type="text"/>
Debit interest	<input type="text"/>

The following is recommended for reporting purposes:

- Create specific transaction codes for MMF, in order to separate them from other bullet transactions
- Use the portfolios and/or folders available at transaction level

MMF data entry

You can enter your Money Market Funds directly in the **Bullet** transactions group, available among the **Medium/Long-Term Financings/Investments**.

To enable the calculation mode based on this new instrument, select **Money Market Fund (MMF)** from the dedicated list in the **Interests** tab.

Click the **Payment** button to modify the initial nominal amount, either increasing or decreasing it.

Note: The total decreases cannot exceed the value of positive amounts.

Bullet Borrowing - Change

Transaction: MMF1 MONEY MARKET FUNND No. ST1MMF1000002
 Link No. Version 1
 Real (selected) / Simulated

Settle, Settle Int./Fees, Back-Office, User Fields
 Participants, Characteristics, Interests, Fees & Taxes

General

Amount: EUR 10 400 000,00 Rate: EUR/EUR 1,000000
 Countervalue: EUR 10 400 000,00
 TRX Date: 01/01/2018 Start Date: 01/01/2018 End Date: 01/01/2019

1st Payment: 01/01/2018 **Payment** No. of Payments: 3

Deferment: None (selected), Previous, Next, Next Current Month
Maturity Dates: Adjust Interests
Credit Line: Credit Limit: EUR 0,00 Available: EUR 0,00

Memo, Schedule..., Attachments, IRS

Bullet Borrowing

Active Filter: EMPRUN... OK Insert Add Delete Wizard Sort Cancel

Date	Currency	Amount	Flow	Pymt
01/01/2018	EUR	10 000 000,00	●	●
01/02/2018	EUR	400 000,00	●	●
01/03/2018	EUR	-300 000,00	●	●

The list contains 3 records.

Total Amount	EUR	10 100 000,00
Initial Amount	EUR	10 400 000,00
Gap	EUR	300 000,00

MMF configuration

Bullet Borrowing - Change

Active Filter: EMPRUN... Apply Modify Actions Keyword Apply Add Find in

OK Apply Cancel

Transaction: MMF1 MONEY MARKET FUNND No. ST1MMF1000002 Real
 Link No. Version 1 Simulated

Settle Settle Int./Fees Back-Office User Fields
 Participants Characteristics Interests Fees & Taxes

Maturity Dates
 Frequency: Month 1st Date: 31/01/2018 End of Month
 Deferred Entry Number: 13 Prepaid
 Calculation Basis: Exact/365 Accrued Interest Basis: Exact/365
 Bank Days: 0 Minimum Premium Days: 0

Calculation Mode
 Money Market Funds Capitalized Prepaid Discounted

Rate
 Fixed: 0,000000
 Variable: MMFVAR x 100,000000 Floor: -10,000000
 Predetermined: + 0,000000 Ceiling: 100,000000
 Fixing Rate and margin Use rate only Use margin only

Broken Period
 At the beginning Entry At the end Entry

Memo Schedule... Attachments IRS

MMF rendering

Every event in the life cycle of a Money Market Fund is reflected in the payment schedule report, including increases and decreases of the initial amount.

Payment Schedule

Active Filter: EMPRUN... Apply Modify Actions Keyword Apply Add Find in All Columns Options

OK Cancel Recalculate Maturity Insert... Add... Delete... Recalculate... Unlock Print Export to Excel

Theoretical Date	Maturity Date	AWP	Principal	Amortization	Interest	Fees	Maturity Amount	CCY	FX Rate	Calculation Rate	Interest Rate	Interest	Number of Days	Payment Date	Fixation Date	Flow	Payment	Actuals in Cash	Variance
31/01/2018	31/01/2018	10 000 000,00	10 400 000,00	0,00	3 361,64	0,00	3 361,64 EUR	1,000000	0,000000	0,000000	-1,720000	✓	30	31/01/2018	31/01/2018	●	●	0,00	0,00
28/02/2018	28/02/2018	10 385 714,29	10 400 000,00	0,00	-3 031,67	0,00	-3 031,67 EUR	1,000000	0,000000	0,000000	0,310000	✓	28	28/02/2018	28/02/2018	●	●	0,00	0,00
01/03/2018	01/03/2018	0,00	10 400 000,00	300 000,00	0,00	0,00	300 000,00 EUR	1,000000	0,000000	0,000000	0,000000	✓	0	01/03/2018	01/03/2018	●	●	0,00	0,00
31/03/2018	31/03/2018	10 109 677,42	10 100 000,00	0,00	1 286,71	0,00	1 286,71 EUR	1,000000	0,000000	0,000000	0,000000	✓	31	31/03/2018	31/03/2018	●	●	0,00	0,00
30/04/2018	30/04/2018	10 100 000,00	10 100 000,00	0,00	8 421,74	0,00	8 421,74 EUR	1,000000	0,000000	0,000000	1,029000	✓	30	30/04/2018	30/04/2018	●	●	0,00	0,00
31/05/2018	31/05/2018	10 100 000,00	10 100 000,00	0,00	8 964,10	0,00	8 964,10 EUR	1,000000	0,000000	0,000000	1,060000	✓	31	31/05/2018	31/05/2018	●	●	0,00	0,00
30/06/2018	30/06/2018	10 100 000,00	10 100 000,00	0,00	8 928,12	0,00	8 928,12 EUR	1,000000	0,000000	0,000000	1,090000	✓	30	30/06/2018	30/06/2018	●	●	0,00	0,00
31/07/2018	31/07/2018	10 100 000,00	10 100 000,00	0,00	9 487,36	0,00	9 487,36 EUR	1,000000	0,000000	0,000000	1,121000	✓	31	31/07/2018	31/07/2018	●	●	0,00	0,00
31/08/2018	31/08/2018	10 100 000,00	10 100 000,00	0,00	9 753,28	0,00	9 753,28 EUR	1,000000	0,000000	0,000000	1,152000	✓	31	31/08/2018	31/08/2018	●	●	0,00	0,00
30/09/2018	30/09/2018	10 100 000,00	10 100 000,00	0,00	9 691,85	0,00	9 691,85 EUR	1,000000	0,000000	0,000000	1,182000	✓	30	30/09/2018	30/09/2018	●	●	0,00	0,00
31/10/2018	31/10/2018	10 100 000,00	10 100 000,00	0,00	10 276,54	0,00	10 276,54 EUR	1,000000	0,000000	0,000000	1,213000	✓	31	31/10/2018	31/10/2018	●	●	0,00	0,00
30/11/2018	30/11/2018	10 100 000,00	10 100 000,00	0,00	10 198,23	0,00	10 198,23 EUR	1,000000	0,000000	0,000000	1,243000	✓	30	30/11/2018	30/11/2018	●	●	0,00	0,00
31/12/2018	31/12/2018	10 100 000,00	10 100 000,00	0,00	10 799,81	0,00	10 799,81 EUR	1,000000	0,000000	0,000000	1,274000	✓	31	31/12/2018	31/12/2018	●	●	0,00	0,00
01/01/2019	01/01/2019	10 100 000,00	10 100 000,00	10 100 000,00	352,53	0,00	10 100 352,53 EUR	1,000000	0,000000	0,000000	1,274000	✓	1	01/01/2019	01/01/2019	●	●	0,00	0,00
Total					10 400 000,00	88 490,24	0,00	10 488 490,24 EUR										0,00	0,00

This new instrument is included in the various reports available for **Medium/Long-Term Financing/Investment** transactions.