



YOUTH ENTERPRISE DEVELOPMENT FUND

SACCO TRAINING MANUAL LEVEL II

TOPIC 1: THE MANAGEMENT COMMITTEE

- a) The Management Committee shall be the governing body of the society elected from the general membership and shall consist of 5-9 members. It shall include the Chairman, Vice chairman, Treasurer and Secretary all of whom shall be elected by the Committee from amongst the members of the Committee.
- b) Members of the committee shall hold office for a period of three years provided that, one-third of the committee members shall retire every year but will be eligible for re-election.
- c) Where the membership of the committee falls below five the committee may co-opt qualified member(s) into the committee until the next General Meeting

ELIGIBILITY FOR MEMBERSHIP TO THE MANAGEMENT COMMITTEE

No person shall be eligible for membership in the management committee of the society if he/she:-

- a) Is not a member of the society;
- b) Is under eighteen years of age;
- c) Is unable to read and write;
- d) Receives any remuneration, salary or other payments from the society save as in accordance with this Act;
- e) Is a committee member in two other societies;
- f) Lends money on own account;
- g) Is an undischarged bankrupt;
- h) Is of unsound mind;
- i) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- j) Has been convicted of any offence under this Act or rules.
- k) Has any uncleared debt owing to the society at the end of its financial year other than in respect of a loan granted under the provision of any regulations made under this Act;
- l) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act.

MANAGEMENT COMMITTEE MEETINGS

- (a) Meetings of the Management Committee shall be held at least once a month subject to a maximum of 15 meetings in a year. At least 5 of the total number of committee members shall form a quorum for the disposal of business.
- (b) If a member of the committee fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his/her duties, the position may be declared vacant and filled as provided for in these by-laws.

DUTIES AND POWERS OF THE MANAGEMENT COMMITTEE

The Management Committee of the society shall subject to any directions from the General Meeting generally direct the affairs of the society. Its procedures, powers and duties shall be as prescribed by the Act, Rules and these by-laws. In particular, it shall:

- a) Observe in all its transactions the Act, the Rules, these by-laws and prudent business practices.
- b) Act upon all applications for membership.

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- c) Make provision for sufficient funds for loans to members.
- d) Ensure that true and accurate records and accounts of the society's money, properties, capital reserves, liabilities, income and expenditure are kept and maintained;
- e) Prepare and develop long term management plans and budgets for presentation at the General Meeting;
- f) Propose to the General Meeting the amount and kind of surety bond, or other security, which shall be given by the member of the committee or employee having custody of or handling funds or property of the society;
- g) Determine and recommend to the General Meeting the interest rates on loans, the maximum maturities and terms of payment or amortization of loans from time to time and the maximum amounts that may be loaned with or without security to any member;
- h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting;
- i) Lay before the General Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- j) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on deposits;
- k) Fill through co-option, vacancies occurring in the management Committee between General Meetings;
- l) Recommend investments of the society;
- m) Authorize the conveyance of properties;
- n) Authorize borrowing and lending operations of the society in accordance to the Act and the Rules;
- o) Designate a depository or depositories for the funds of the society;
- p) Employ and fix the remuneration of the employees in accordance with the terms and conditions of service as approved by the Commissioner;
- q) Impose fines as provided for under these by-laws;
- r) Approve transfer of shares;
- s) Supervise the recovery and collection of loans from members and recommend to the General Meeting the write off of bad debts.
- t) Perform or authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the General Meeting;
- u) To provide adequate budget for education and training of members, the committee and staff; and
- v) Perform such other duties as the General meeting may from time to time direct.

THE CHAIRMAN

The Chairman shall:

- a) Preside at general meetings, Management Committee meetings and joint meetings with the Supervisory Committee.
- b) Perform such other duties as may be directed to perform by the Management Committee, not inconsistent with provisions of the Act, the Rules and these by-laws;

THE VICE-CHAIRMAN

The Vice-Chairman shall perform:-

- a) The duties of the Chairman during his/her absence.

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- b) Such other duties as may be directed by the Management Committee.

HONORARY SECRETARY

The duties of the Honorary Secretary are to:

- a) Cause minutes of the General Meetings, Management Committee meetings, and joint meetings with the Supervisory Committee to be recorded.
- b) Ensure that notices of the meetings are prepared and sent out.
- c) Ensure that the society's correspondence is promptly and correctly attended to.
- d) Perform such other duties as may be directed by the management committee.

TREASURER

The duties of the Treasurer shall be to:

- a) Generally manage or cause to be managed the financial affairs of the society in a competent manner;
- b) Ensure that a proper record is kept of all monies received and paid out by the society, its assets, liabilities, capital reserve and its income and expenses;
- c) Ensure the safekeeping of the society money, securities and books of accounts;
- d) Ensure that all payments and expenditures are duly authorized;
- e) Ensure that within ten days after the closure of each month, a financial statement showing the condition of the society's finances at the end of the preceding month is prepared and submitted to the Management Committee for discussion; and
- f) Ensure compliance with all directions of the Management Committee, the Act, the Rules and these by-laws on all financial matters.
- g) Cause to be presented a statement of the ensuing month's cash flow.
- h) Ensure sufficient funds are available for loans to members.
- i) Perform such other duties as may be directed by the management committee.

SUB-COMMITTEES

- a) Sub-committees shall consist of persons drawn from the management committee.
- b) The Management Committee may delegate to the sub-committee some of its duties under these by-laws as it deems fit.
- c) These sub-committees shall convene as directed by the Management Committee.

EDUCATION COMMITTEE

The Education Committee shall consist of three members including the Vice-Chairman who shall serve as its Chairman. Its duties shall be to:

- a. Organize education programmes for members, committee members, staff and the general public.
- b. Ensure that both the Committee members and the staff are well trained and prepared for the tasks they are entrusted with at the society.
- c. Create co-operative awareness to the general public.

TENDER COMMITTEE

The tender committee shall consist of all the members of the Management Committee.

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CREDIT COMMITTEE

The credit committee shall consist of three members of the management Committee, none of whom shall be an Executive officer. Its duties shall be to:

- a) Hold regular meetings as the business of the society may require, but at least once a month
- b) Vet loan applicants and their guarantors and their ability to service their credit requirements.
- c) Assist members solve their financial problems.
- d) Maintain records of their deliberations on loans to members.
- e) Forward its loan recommendations to the management Committee for approval.

TOPIC 2: SUPERVISORY COMMITTEE

The supervisory committee is created by rule 27 of co-operative societies.

In general the supervisory committee is responsible for society's compliance and internal control of all activities in the society. It is the one responsible for the truth and accuracy of the society financial condition and by ensuring all procedures are adequate to safeguard the members and institutions rights & interests.

- (a) The society shall have a supervisory committee consisting of three members each elected at the General Meeting for a period of three years and one member of the supervisory committee shall retire annually. No person who has been in the management committee within two (2) years preceding the date of the anticipated election shall be eligible for membership of the supervisory committee.
- (b) The supervisory committee shall:
 - i. Hold quarterly save meetings for exceptional joint meetings between its members and those of management committee
 - ii. Have qualifications similar to those of management committee members.
 - iii. Be required to have at least some knowledge of accounts.
 - iv. Be removed by a resolution of the general meeting.

DUTIES OF THE SUPERVISORY COMMITTEE

The duties of the supervisory committee shall include:

- (a) Counterchecking, the effectiveness of the society's internal control systems through:-
 - i. Carrying out investigations as may be necessary for the well being of society and members in general and verifying the accuracy of the transactions of the society.
 - ii. Checking if cash and bank accounts are reconciled in good time.
 - iii. Establishing whether the management of the society use managerial tools i.e. budgets, trial balances, economic reports, long term plans and others and thereafter making necessary recommendations to the management committee.
- (b) Preparation of periodic reports of its findings and present them to the management committee during joint committee meetings and prepare reports for presentation to the General Meetings respectively.
- (c) Submission of its reports to the Commissioner.

The supervisory committee shall not perform the duties or exercise any of the powers of the management committee.

The supervisory committee shall be held liable for any loss incurred due to their negligence in performing their duties.

SPECIFIC DUTIES OF SUPERVISORY COMMITTEE

The following are the powers and duties of the Supervisory Committee: -

- a) To ensure that the Management of the society complies with the Act, Rules and the General Meeting resolutions.
- b) To make or cause to be made at least once every three months, an investigation into the affairs of the society, including an audit of its books.

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- c) To present their Annual report to the Management Committee before final presentation to the members at the Annual General meeting for adoption and give a quarterly report and make recommendations at each regularly scheduled Management Committee meeting detailing the Activities undertaken by the Committee since the last meeting.
- d) To perform the various internal audits, to evaluate internal operation and controls (policies and procedures) at least once every three months, and make procedural recommendations regarding the internal controls. These recommendations will be submitted in writing to the Management Committee on a quarterly basis.
- e) At the General Meeting, give its opinion on the financial statements presented by the Management Committee.
- f) To receive and investigate any complaint or appeal by members concerning the operations of the society.
- g) To ensure trial balances and financial statements, which the treasurer and the Manager are required to prepare by the end of the month, are ready and presented to the Committee members as required.
- h) The supervisory Committee shall from time to time and not less frequently than once every year cause the statements of accounts of all members to be compared with the records of the treasurer and confirmed to the members. The committee shall maintain a record of all such verifications.
- i) The secretary of the Supervisory Committee shall prepare, and have custody of the records of all Actions taken, including evidence of any audits performed by the Committee.

OTHER DUTIES INCLUDE:

1. Ensuring Accountability & Transparency.

- Comparing the expenditure versus the approved budget & make necessary recommendations to the CMC.
- Ensuring all expenses are approved by the CMC i.e. checking payment vouchers, cheques etc.
- Ensuring that the loans register is well maintained and loans are issued in basis of first come first served.
- In case of investment e.g. purchase of land, CMC members should all agree and cost to be determined by all.
- Ensure that services and goods procured by society are as per Disposal & procurement of public assets act – honesty, price, quality and experience.
- The allocation and allotment of plots should be fair as agreed by members e.g. balloting.
- Ensure CMC loans are disbursed without favourism.

2. Ensuring Efficiency & Effectiveness.

- All budget allocations should be spent for intended purposes.
- Turnaround time for loan disbursement is strictly observed.
- In case of cash flow shortfall external finance sourcing should be prudent.

3. Ensuring Compliance

- All operations of the society should be as per
- By-laws

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- AGM resolutions
- Other laws procurement
- Budget approval
- AGM held on time (before 30th April)
- Auditors' appointment.

TOPIC 3: SOCIETY EQUITY.

THEME: Cause the money to grow

The board financial role.

Financing decisions

How do we finance our society?

Debt or equity?

Equity Finance:

These are the funds raised from the members:

- Share capital
- Members deposits
- Entrance fee
- Donations
- Statutory reserves
- Appropriation account
- Other reserves

Debt Finance:

These are borrowed funds:

- Loans
- Overdrafts

Factors to consider for debt finance:

- Cost of finance- it comprise of

- Interest rate
- Application fee
- Appraisal fee
- Loan account maintenance fee
- Standing order fee

- Repayment pattern (period).

- Weekly
- Monthly

- Returns from the investment- this is the difference between the income generated by the borrowed funds and the cost of that debt.

- Control of the financier – how friendly or flexible is the financier.

Liquidity decisions

- Do we have enough to meet operations? e.g. salary
- Do we have enough to meet obligations? e.g. emergency loans
- Consider investment in working capital.

Question: What is the quality of these assets?

Current assets

- Debtors & prepayments
- Insurance Rebates
- Staff development loan
- Cash balances
- Short term loan

Investment (resource allocation) decision

- Where do we invest? -dev loans, emergency, school fees
- When do we invest?
- How much do we invest?
- How do we protect? I.e. Diversify, provisions

Compare the returns of all available investments and the risk associated with particular option. Most SACCOs invest in stock exchange/shares rather than developing new loan products. Loan to members has more return than the shares.

Dividend decisions

- How much do we give as cash dividend?
- How much do we keep as provision of bad debts?
- How much do we capitalize?
- How much do we keep as reserve?

Risk management

- What can go wrong? - loan defaults, retrenchment, bad weather, low business levels, political violence, competition, etc
- How do we manage this?- proper appraisal and disbursement, adequate policies and operational manuals, loan guarantee, trained members on business management.

Options

- Create provisions for bad debts
- Diversify investments
- In numbers of counters
- in behavior of the counters/industry

TOPIC 4: MEMBERSHIP RIGHTS

The members are entitled to: -

- a) Receive, periodically and regularly, or upon request and at least 4 times a year, a statement of accounts containing the individual records of his **debit** and **Credit** transactions. This statements should show:
 - Savings/deposit balance as per the date
 - Loan balance
 - Share capital balance
 - Any amount recovered for defaulted loan you had guaranteed.
- b) **Attend** and **participate** at the General meeting of members. Each member shall have **one vote** irrespective of the member's total Shareholding as long as he is a member in good standing.
 - Approve or reject accounts
 - Approve/ reject or amend the budget
 - Propose and second resolutions
- c) **Elect** or be **elected** as a Committee Member or officer of the Society.
- d) Use the society **services** according to the policies set by the Management Committee and approved by the General meeting.
 - Savings products
 - Loan products
 - Other services eg m-pesa, benevolent funds etc
- e) Submit **projects** or **initiatives** to the Management Committee for consideration that focus on the expansion or improvement of society.
- f) Other rights as prescribed by the applicable

TOPIC 5: MEMBERSHIP OBLIGATIONS:

- a) To **repay all outstanding loans** according to the **terms** and **conditions** stated in the **loan agreement**.
- b) To **promptly** make all required contributions.
- c) To observe and **abide** by all terms and conditions of the Co – operative Societies Act, Rules, these By-laws, policies and contracts of the society.
- d) To put forth **qualified** candidates for office
- e) To support issues put forth that improves the **sustainability** of the society and **promotes** the good will of all members.
- f) To attend and **actively participate** in meetings of the society

MEMBER'S LIABILITY

- a) The liability of a member shall be limited to the **nominal value** of the **Shares** held by him in the society.
- b) In the event of the liquidation, where available funds are insufficient to pay the full nominal value of the Shares/deposits held by the member, the funds shall be distributed *pari passu* and *pro rata* among the share holders according to the Shares /deposit held by each member.

CESSATION OF MEMBERSHIP.

Membership of the society shall cease with effect from the date of a member: -

- a) Dying
- b) Ceasing to hold the qualification for membership as specified in these By-laws, the Rules or the Act
- c) Being expelled from the society
- d) Voluntarily withdrawing from the society in accordance with these By-laws
- e) Becoming of unsound mind
- f) Being declared bankrupt by a competent court.

VOLUNTARILY WITHDRAWAL

A member may withdraw from the society by giving a minimum of sixty ----- days notice in writing of his intention to withdraw from the society

The Management Committee must **approve** such withdrawal and take all the necessary Action to refund the member's deposits or any other interest due to him or transfer his shares as he may direct.

EXPULSION

The Management Committee may suspend, subject to expulsion by the General meeting a member who: -

- a) Is convicted in a Court of Law for criminal offence for any reason or

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- b) **Willfully fails or refuses** to comply with the applicable law, By-laws, policies and procedures of the society.
- c) **Acts** in any way detrimental or prejudicial to the Society's interest or other just cause.

EXPULSION PROCEDURE.

- a) Upon formal and written announcement (by a member or management) that a member has committed a violation punishable by expulsion, the Management Committee shall provide written notice to the member stating the reason(s) for the proposed suspension and subsequent expulsion by the General meeting and grant a member 30 days to prepare his defense.
- b) After this period, taking into consideration the member's defense, the Management Committee shall initiate an administrative inquiry and take a decision on its findings within 15 days. The said member shall have 10 days to file an appeal against the proposed expulsion with Supervisory Committee, which will take this appeal to a General meeting.

PAYMENTS RESULTING FROM CESSATION OF MEMBERSHIP

A member who withdraws or is expelled by General meeting shall be repaid the following amounts after deduction on any debts owed by him to the society as a borrower, endorser, and guarantor or otherwise: -

- i. The nominal or book value of his deposits whichever is less provided that the member gives the management committee a notice of sixty (60) days.
- ii. Any bonus, dividend or interest if any, due to him at the date which membership ceases.
- iii. Any deposits or other sums held by the society on his behalf.

TRANSFER OF SHARES

- a) With the **approval** of the Management Committee, a member may at any time transfer his Shares to another member or next of kin but not to a non-member. Such transfer must be in **writing** and shall be at **nominal value**
- 12.** All transfers of Shares, either from a member to another member or from a deceased member to his nominee must be registered with the Secretary and no transfer shall be valid unless so registered. The society shall charge a fee of Kshs. ----- to cover such transactions.

NOMINEE:

Every member shall nominate in **writing** one or more persons to whom upon his death, his shares, deposits or any other interest shall be transferred, and the member in the presence of two attesting witnesses shall sign such nomination. The particulars of the nominee(s) shall be recorded and kept in a sealed envelope and safely kept in the custody of the Manager and whose reference / particulars shall be entered in the Register of members.

A member may at any time change his nominee(s) provided that, such changes or alterations are done in writing and signed by the member in the presence of two attesting witnesses.

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PAYMENT TO NOMINEE

- a) If not admitted to membership, the nominee(s) shall be paid the value of the deceased member's deposits or assets less any sum due to the society as a primary or contingent liability. This should be done upon receiving official notification of the death of the member, but not later than ---- days from the date of such notification.
- b) Refusal to admit a nominee shall be in writing and adequate reasons provided:
Eg common bond might be restrictive

TOPIC 6: ANNUAL GENERAL MEETING

QUORUM:

- a) Except when convened by the Commissioner, the presence of at **least** ----- of the active members shall constitute a quorum for the conduct of business at a General meeting.
- b) When quorum is not attained within one hour from the time appointed for commencement of the meeting, the Chairman shall adjourn the meeting and shall fix a date within one month of the adjourned meeting, which shall be duly advertised. If at such subsequent meeting a quorum is again not present the Chairman shall declare the meeting open, and proceed with the business of the meeting with those present, half an hour after the advertised starting time of the meeting.

RESOLUTIONS:

- a) Every member present at the General meeting shall have only one vote on any resolution put to vote. Ordinary resolution shall be decided by simple majority vote. However, special resolution shall be passed by minimum of two thirds(2/3) of the members present and voting at a General meeting.
- b) The Chairman of the General meeting shall declare whether a resolution put to vote has been carried or lost and shall cause an entry to that effect to be made in the Minute book of the society and such entry when signed by him shall be conclusive evidence of the resolution put to vote.
- c) In the event of votes on any resolution being equal, it shall be deferred to the next General meeting at which it will be put to vote again to members present at such meeting.
- d) The Chairman of a meeting shall not have a casting vote but just a deliberative vote.

DUTIES OF GENERAL MEETINGS

The General Meeting shall have the powers and duties prescribed in the Act Rules and these by-laws. It shall:

- a) Consider and confirm the minutes of the previous General Meeting.
- b) Consider reports of committees, the Commissioner or his/her representative and the audited accounts on the society's activities during the past financial year.
- c) Consider and resolve on the manner in which any available surplus shall be distributed or invested, subject to the Act and rules.
- d) Elect or remove members of the Management Committee and the Supervisory Committee, subject to the Act, Rules and these by-laws.
- e) Fix the indemnity for the elected committee members and management staff.
- f) Consider recommendations from the Management Committee, appeal against suspensions of members and refusals of membership by the Management Committee.
- g) Fix the maximum liability which the society may incur in loans and deposits from both members and non-members.
- h) Approve the estimates of income and expenditure for the financial year following the General Meeting.

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- i) Fix the honoraria, if any, for officers or employees of the society.
- j) Decide the management structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
- k) Appoint bankers, auditors and advocates of the society for the ensuing year.
- l) Affiliate the society to National Co-operative Organization for SACCO societies and the Apex society, subject to approval of the General Meeting;
- m) Transact any other business of the society for which notice has been given to members in the manner prescribed in these by-laws.

All members have a right to attend the General Meeting and participate in its deliberations, however they may be required to identify themselves.

TOPIC 7: BUDGET

Section 24 A- . For each financial year the committee of a cooperative society shall cause to be prepared estimates of the society's income. Expenditure including recurrent and capital estimate for approval by the general meeting at least three months before the end of the proceeding financial year

A budget - A detailed financial plan that shows how available cash and that to be received will be disbursed (used).

Types of budget

1. Cash budget
2. Operational budget
3. Capital budget
 - Medium term
 - long term
4. Supplementary budget

Importance of budget

- Act as a tool for planning
- Ensure that cash is available
- Indicate when, where and how much cash is needed
- Ensure a healthy liquidity
- Reveals surplus cash for investment
- Guide management on financing capital expenditure
- Create harmony in society activities
- Improve corporate governance
- Earns member involvement/ good will

BUDGET PREPARATION PROCESS

- Create plans:
 - Que. : What to achieve?
Why do we want?
- Put money value to plans
 - Que. : How much will it cost?
How much will it generate?
- Communicate plans
 - Ensure coordination
 - Ensure smooth implementation

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- Determine actual performance (monitor and evaluate)
Economic reporting

How to make budget effective

- Based on practical estimate
 - Price
 - Trend
- Make it consultative
- Prepare economic report
- Reduce the time horizon
- Prepare a master budget
- Have a budget committee.

INCOME

ITEM	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	TOTAL
Interest from loans					
Interes from banks					
Interest from investments					
Subscriptions					
Fines					
Total income					

Expenses

ITEMS	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	TOTALS
Rent					
Training and education					
Allowances					
Salaries					
Audit fees					
Stationery					
Travelling					
Telephone					
Rebates to members					
Total expense					

TOPIC 8: Personal Financial Management.

THEME: You are in charge of your financial destiny
"Choose financial freedom"

Road map: -savings, investments, credit, risk.

1. CREATE SAVING

- Earn as much as you can
- Save as much as you can
- Give as much as you can
(John Wesley)

How to save

1. Reduce your expenditure (Make a budget)
Avoid wasteful expenditure
2. Set goals (never let in feelings of despair)
Goals Acts as motivators
Accomplishing financial goals is intoxicating.

Set goals in the ranges of:

Short term;

- within one year

Medium term;

- between one to three yrs

Long term;

- above five years

3. Pay yourself first (make savings automatic)
Don't save left-over
4. Avoid high interest and take advantage of discounts
 - High interest loans
 - Hire purchase
 - Shylocks

Why save?

1. for emergency

- Hospital bills
- Low season in business

2. for investment

- Stock exchange
- Buying shamba/plot

3. Education (own/child) – be proactive

- When will you need it?
- How much will it cost?
- How many children?
- When do you start saving?

4. For old age –

never too young to think of retirement

5. For a vocation and other luxury

Develop savings habit early

Training children good financial habits.

Theme: Proverbs 22:6-“Train the child in the way (s) he should go and when he grows ...”
Inculcating good financial habits in your children will yield them lifelong benefits.

- Teach benefits of savings
- Open a savings account
- Help them set goals
- Make a wish list
- Display a picture of wishes
- Save money while with them

NB: The difference in financial circumstances between people from the same backgrounds can be shocking “The main reason for the differences in destinies is that same people never take the first steps towards financial freedom (**Saving**)

An individual who does not save may have financial difficulties in future and the one who spends more than he earns risk an appointment with auctioneers.

2. INVEST

“Steady plodding brings prosperity, hasty speculation brings poverty” proverbs 21:5

Factors to consider before investing

1. Personality (temperament)
2. Returns (pay back)
3. Goals
4. Age – Invest early; don’t wait until you retire
5. Source of finance
6. Risk involved (high, medium, low)

90 per cent of all new businesses fail in five years

INVESTMENT OPTIONS

- Real estate's
- Treasury Bills
- Stock markets
- Corporate bonds
- Business ventures
-

3. AVOID TEMPTING CREDIT

- Unplanned for loans
- Use credit wisely

4. CALCULATE RISK

- Retain
- Transfer

5. LIVE WITHIN YOUR MEANS

- Avoid wasteful expenditure
- Rationalize your risk

APPEDIX 1

THE CO-OPERATIVE SOCIETIES ACT

NOMINATION FORM

TO: The Chairman,

..... Co-operative Society Ltd.

P.O. Box.....

.....

I I/D No., of Post office Box

..... member of

..... Co-operative Society Ltd; being member No.....

hereby nominate the following nominee(s) to inherit my shares or interest in the said Society in the following manner: -

Name of Nominee(s) Relationship % of Share/Interest

- 1.
- 2.
- 3.
- 4.

Witnessed by:-

1. I/D No.....M/No. Address

..... Signature

2. I/D No..... M/No. Address

..... Signature

Given under my hand thisday of..... 20.....

Signature.....

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APPEDIX 2

YOUTH SACCCO SOCIETY LTD
P.O BOX 4131- 0010- NAIROBI
TEL:
NAIROBI

Loan Application and Agreement Form in respect of Normal, Emergency, School fees and Special loans

Loan No. _____

Full Names _____

Present address _____

Station _____ Permanent

Address _____

Member No. _____ Position in employment _____

Pay roll No. _____ Terms of employment _____

Nationality _____ Age _____ ID _____

Position in society (specify position held) _____

Amount applied for KSH _____

(in words) _____

Type of loan applied for _____

Repayment period _____ Months with effect from the month of _____

Purpose/s of the loan _____

DECLARATION

I hereby declare that the foregoing particulars are true to the best of my knowledge and belief and I agree to abide by the by-laws of the society, the loan policy and any variation by the management committee in respect of the amount approved and repayment period. I hereby authorize the necessary deductions to be made from my salary as repayment for this loan.

Signature _____

Having not guaranteed any loan in the society, I offer deposits in the security for the loan approved.

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Signature _____

Date _____

(B) GUARANTEE

(To be completed by at least three guarantors where loan security is guaranteed)

AMOUNT OF LOAN GUARANTEED (Kshs) _____ in words (-----
-----)

In consideration of the society granting the loan or any lesser amount that may be approved, we the undersigned hereby accept jointly and severally, liability for its repayment in the event of the borrowers default. We understand that the amount in default may be recovered by an offset against our shares in the society or by attachment of our property or salary, and that we shall not be eligible for loans unless the amount in default has been cleared in full.

P/NO.	M/NO.	NAME	SHARES	LOAN OUT/STANDIN	EXITING GUARANTEE	SIGN
					KSH	.

WITNESS SIGNATURE _____ NAME _____

M/NO. _____

(C) LOAN APPRAISAL: FOR OFFICIAL USE ONLY

The above Guarantors are member of the society, and they DO/DO NOT cover the loan amount.

DECLARED BY _____ DATE _____ SIGNATURE _____

(D) ELIGIBILITY CALCULATIONS.

- I. Deposits Ksh _____ x 2
Ksh _____.
- II. Total loan outstanding
Ksh _____.
- III. Amount currently
requested Ksh _____.
- IV. New total loans will be
Ksh _____.
- V. A: Members present gross monthly salary Ksh _____ (B) 1/2 =
Ksh _____.

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- VI. Total monthly deductions (Loan repayment +Contributions)
Ksh _____ (must not exceed 1/2 of gross salary).
- VII. Amount available to service the loan Ksh _____ (v) b:
minus (vi).
- VIII. Loan serviceable Ksh _____ over a period of _____
months.

(E) CHAIRMAN'S COMMENTS.

This loan application may be granted/rejected for the amount of Ksh _____ repayable in
_____ month

The following application may be rejected or amount reduced for the following
reasons _____

SIGNATURE _____
DATE _____

(F) MANGEMENT COMMITTEE

Loan approved, Ksh _____ recoverable in _____
monthly installments
at an interest rate of _____ % per month, on reducing balance.

THIS LOAN HAS BEEN APPORVED/ DEFERRED/ REJECTED ON/ FOR THE FOLLOWING CONDITIONS /REASONS:

- A) _____
- B) _____
- C) _____
- _____ Management committee minutes No. _____
- Date _____
- Chairman's signature _____

(G) GUARANTORS RECORD ENTRY.

I do hereby certify that details on this loan's guarantors have been dully posted to guarantors' record sheets
by _____
Date (registry) _____ Signature _____ Cheque
No. _____

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(H) LOAN RECOVERY

I certify that the loan has been effected for recovery with effect

from _____

SIGNATURE _____ DESIGNATION _____

DATE _____

(I) CONFIRMATION

I confirm that the action on recovery has been taken.

SIGNATURE _____ DESIGNATION _____ DATE _____