



ST. LUKE MULAGO CHURCH FAMILY HEALING SACCO

P.O BOX..... KAMPALA, MULAGO

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Re: SACCO OPERATIONAL GUIDELINES/BY-LAWS

Membership.

Membership requirements

- Applicant should be 18 years of age or older.
- Applicant should be of good character.
- Every applicant shall fill membership application form which when admitted will form part of the membership register.
- Applicant shall present a passport size photo (2)
- Applicant shall present a photocopy of a valid ID
- Applicant shall pay membership fee of **20,000/=** (payable once at the time of joining)
- Applicant shall pay Subscription fee of **20,000/=** (payable once every year)
- Applicant shall Subscribe at least one share in order to be admitted as a member (**a share is 50,000/=**)
- Applicant agrees to remit monthly savings of a minimum of **50,000/=**
- Agrees to support Gods ministry with 10% of the interest realized from the group's investment.

Type of Membership;

- All members are share holders
- All members have equal voting rights

Individual accounts:

- After admission/enrollment in to the SACCO, a member shall have his/her personal account opened and all transactions pertaining the individual shall be posted to that account on monthly basis.
- **Statements;** A member can apply for a statement of his/her account at any time. An E-statement costs only 1000/= and a printout costs only 2,000/=
There are two mandatory individual accounts statement print out in a financial year;
1. At 6 months and 2. At 12months. This is for the purpose of transparency and accountability.

Deposit Procedures:

- ✓ Every member is in charge of depositing his/her savings in the bank at any Equity Bank Branches on;

Account Name; St. Luke Church Mulago Family Healing SACCO.

Account Number: 1001201123506

FAMILY HEALING SAVINGS FOR WEALTHY FAMILIES. PROV. 10:22

- ✓ Give the cashier the Name of the person who OWNS THE MONEY YOU ARE DEPOSITING. NB. The name you give at the time of depositing the money at the bank will be shown in the Sacco Bank statement and the money shall be deposited on the account of the person reflected on the bank statement.

NB; Family Healing Savings SACCO Management SHALL NOT BE RESPONSIBLE FOR ANY MISTAKES MADE DUE TO THAT CAUSE.

- ✓ After Depositing, write the details of the deposit on the Deposit slip you get from the Bank; indicating your Name, amount for savings and amount for shares.
- ✓ Deliver the deposit slip to the SACCO administrator or Treasurer and ensure that you receive the Receipt that you must keep jealously.

NB. Any money whose details are not clear and or delaying to submit the deposit slip to the treasurer after 30th of the month shall be pushed to the SUSPENSE ACCOUNT. This means your personal account will not be Credited/updated.

Savings:

- Every member is obliged to save a minimum of 50,000/= per month.
- All savings shall not be eligible for withdraw during the first 12months after joining the SACCO. This is to encourage members to develop a culture of saving as part of their earnings for future investment.
- After the first 12 months of saving, a member is eligible to withdraw up to a half of their available savings.
- After saving for 3months, a member is eligible to apply for a loan facility in accordance to the Loan Management policy if funds permit.
- A member can authorize transfer of his/her savings in to shares at any moment.
- **Dividends on Savings;** Your savings shall attract 40% of the total dividends payable to members.

Shares:

- ❖ In a lay man's language, a share is money that a member deposits/pays to the company/SACCO giving Him/her ownership of the Company/SACCO. The amount per share is determined by authorized/eligible members of the SACCO.
- ❖ At the moment, each share costs 50,000/=.
- ❖ Shares unlike savings, cannot be withdrawn by the owner at any moment unless the SACCO is dissolved/closed.
- ❖ Shares are the backbone of the SACCO. Meaning full/long term Investment for the SACCO depends on the shares because shares cannot be taken away by the owner.
- ❖ A member can sale his/her shares to another member.
- ❖ When shares are invested and interest realized, the dividends are shared by the shareholders in accordance to the number or value of shares one owns.
- ❖ At the moment, shares attract 60% of dividends payable to members.
- ❖ At the moment our share capital is projected at 100,000,000/=. At accost of 50,000/= per share.
- ❖ No member shall hold more than one third $\frac{1}{3}$ of the total share capital.
- ❖ Shares cannot be transferred to savings.

Funeral support contributions:

- Every member contributes 1,000/= monthly as funeral support to our members in case of loss of a biological Father, Mother, Child or in case of loss of a spouse.

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LOAN- KEY FACTS DOCUMENT

LOAN GUIDING PRINCIPLES

- a. Only fully registered members qualify to access the Loan and shall still fill the Loans agreement.
- b. A member should be participating (attends) the SACCO's official meetings.
- c. The interest rate charged is two percent (2%) calculated on a reducing basis. (Declining balance basis)
- d. The amount of the loan accessible is twice the members' savings.
- e. A member shall have two (2) guarantors.
- f. In the event that a member deposits/saves much money far different from his/her usual savings and then applies for alone within the next 2months, only 50% of such deposit/saving will be considered as part of the usual savings when taking a loan.
- g. In the event such a member in (f) above applies for the loan after three months, all his/her deposit/savings shall be considered to access the loan if funds permit.
- h. Fees chargeable: An applicant shall pay Loan processing fee/Administrative fee of 2% of the principal Loan.
- i. For any loan above 2,000,000/= and the member's savings does not cover, Valid security commensurate to the risk shall be required.

RISKS:

- i) Late payment: if you delay repaying past the scheduled date as per the repayment schedule given to you in the loan acknowledgement sheet, you will be charged 2.5% of the due installment calculated on compound interest.
- ii) If you fail to pay the loan, you can lose your security.
- iii) If you fail to repay the loan, you risk losing your reputation in your community and in front of your family.
- iv) Failure to repay can harm your chances of accessing loans in the future
- v) In case of default, you will have to meet the cost of loan recovery.

FURTHER POINTS TO NOTE:

1. **The right to cool off:** You have up to 10 working days from when you sign for the Loan's agreement to "cool off", i.e to cancel the loan by terminating the Loan's agreement. To "COOL OFF", you have to provide a written notice to the society and return all the borrowed money. The borrower shall be charged 5% of the value of the loan. The right to "cool off" applies only to loans of UGX **2,500,000/=** or above with a duration of at least one year.
2. Early redemption: If you pay back the money you borrowed before the agreed date, but after the "cooling off period (where applicable), you shall be charged an **early redemption** fee of ten percent (**10%**) of the interest foregone at the time of redemption/payoff.

FURTHER POINTS TO NOTE:

3. **The right to cool off:** You have up to 10 working days from when you sign for the Loan's agreement to "cool off", i.e to cancel the loan by terminating the Loan's agreement. To "COOL OFF", you have to provide a written notice to the society and return all the borrowed money. The borrower shall be

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4. Early redemption: If you pay back the money you borrowed before the agreed date, but after the “cooling off period (where applicable), you shall be charged an **early redemption** fee of ten percent (**10%**) of the interest foregone at the time of redemption/payoff.

1. TERMS AND CONDITIONS

- i) In the event of the borrower failing to pay back on schedule hereinafter agreed, the borrower shall be liable to pay a penalty fee of **2.5.%** per month (calculated on a compound basis on the Principal and interest due) from the date of default to the date of full payment. The borrower shall also be liable to paying all loan recovery fees and expenses incurred by the lender in course of recovering the overdue loan amounts from him/her/it.
- ii) The borrower shall utilize the facility for the purpose as stated in the borrower’s duly signed loan application form and shall not divert the facility proceeds without the lender written consent.
- iii) It is hereby agreed that where the borrower diverts the loan to any purpose(s) other than the one(s) acknowledged and agreed the lender may at any time there after demand payment of the whole outstanding balance of the loan then due notwithstanding the repayment schedule hereto agreed.
- iv) As security for the loan the borrower hereby surrenders to the Lender collateral/security as per the signed schedule attached hereto and which it is agreed shall form part and parcel of this agreement.
- v) In the event of the borrower’s failure to pay back the principal or any part thereof at the agreed time the Lender shall be free to sell by private treaty the security hereby pledged without recourse to courts of law. Provided that such security shall be sold to the highest bidder and after the Lender has realized the loan plus the accumulated interest and cost of and incidental to the sale, it shall handover the balance, if any, to the borrower.
- vi) The Lender shall be entitled (but shall not be obliged) at any time and without notice to the Borrower to combine, consolidate or merge all or any of the Borrower’s accounts and liabilities with and to the Lender and may transfer or set off any sums in credit in such accounts in or towards satisfaction of any of the Borrower’s liabilities.
- vii) In the event, the facility herein is paid off before the maturity date but after the cooling off period provided for herein below, the Lender shall charge an early redemption fee of Ten percent (**10%**) of the interest foregone at the time of redemption/Payoff.

2. DISCLOSURE

- i. To enable the Lender to comply with regulatory requirements, the Savings and Credit Co-operative, by its acceptance of the facility, irrevocably consents to the disclosure by the Savings and Credit Co-operative, its officers and agents in any manner however of any information relating to the Borrower’s facial , physical and /or biometric identity, address, its account relationship with the Savings and Credit Co-operative including without limitation, details of the Borrower’s facility, the securities taken, the Borrower’s credit balances, history and deposits with the Savings and Credit Co-operative to:

- (a) the Savings and Credit Co-operative's Head office, any of its representatives and branch offices in any jurisdiction, related corporations (**as defined under the Companies ACTNO. 1OF 2012**)
- (b) Any credit reference bureau established under the Financial Institutions Act, any regulatory or supervisory authority including fiscal authority in any jurisdiction,
- (c) Any potential assignee of the Savings and Credit Co-operative or other participant in any of its rights and/or obligations in relation to the Borrower's facility and
- (d) any guarantors, third party pledge or security providers and the Savings and Credit Co-operative's agents and
- (e) In compliance with the Evidence [Savings and Credit Co-operative's Books] Act, the Leadership Code and any other relevant laws.

ii. Further to the consent above, with respect to the Credit Reference Bureau established under the Financial Institutions Act, the borrower hereby specifically and irrevocably consents that;

- a) The Savings and Credit Co-operative may issue any reports whether positive or negative regarding its economic, financial and commercial obligations and confidential information contained therein to the Bureau,
 - b) The Savings and Credit Co-operative may collect the Borrower's personal information including finger prints, photographs, name and contact details and any other identifying information which the borrower undertakes to avail whenever required and the Savings and Credit Co-operative may forward the same to the Bureau.
 - c) The Savings and Credit Co-operative may issue a card with all or any of information in (b) above to be used to link the credit profiles and financial information kept by the Bureau to the borrower and to verify the identity of the borrower by the bank, the Bureau or any other financial or authorized institution.
- iii. The borrower shall at all times have a right to lodge a complaint regarding, or challenge any information disclosed to the Bureau in (2) above, which right is hereby advised by the Savings and Credit Co-operative.
- iv. Upon disbursement, if this loan/credit facility is for Shs. **2,500,000.** (Shillings.) and above and for a period of at least...**12**...(Twelve) months, you are advised that you have a cooling off right to revoke/terminate your agreement within ten (10) working days from the date of signing the loan/credit facility agreement by writing notice. This notice shall only be effective if the entire funds disbursed are returned together with an administrative fee of% of the facility amount within five (5) calendar days from the date of receipt of the borrower's notice to exercise his/her right herein by the Savings and Credit Co-operative.

3. EVENTS OF DEFAULT

Where any duty or obligation is imposed on the borrower in Clause 2 above, the breach of any such duty or obligation or any other omission/commission which in the absolute discretion of the Savings and Credit Co-operative may be interpreted as failure or likelihood of failure to pay any due money whether principle, interest or any portion thereof shall constitute an event of default entitling the Savings and Credit Co-operative to recall the entire facility then outstanding.

In addition, in terms of normal banking practice, the Facility or Part of it may be recalled by the Savings and Credit Co-operative by written notice to that effect, payable either upon demand or within a period stated in the notice in which event the recalled facility and any liability to the Savings and Credit Co-operative becomes payable either forthwith in or on the date stated in the demand, as the case may be.