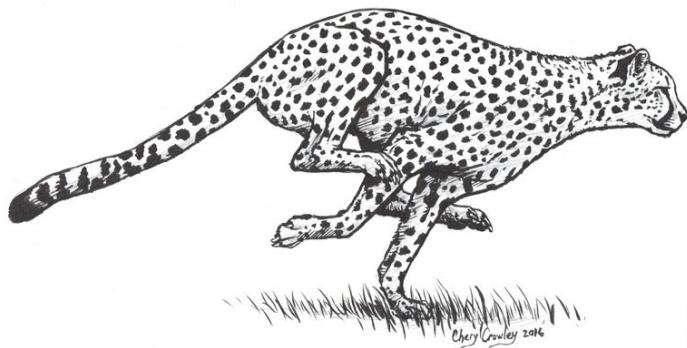
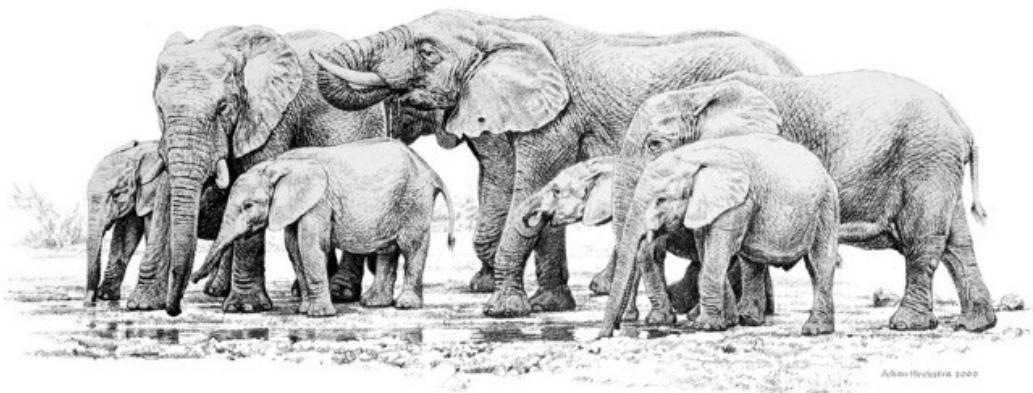


Your Microfinance Cooperative Guide



If you want to go fast,
go alone
If you want to go far,
go together



Funding your project
to meet the financial challenges of today and tomorrow

About this guide

Tools with a Mission (TWAM) has provided this Microfinance Cooperative Guide to help groups applying for tools to finance the shipping costs of their tools and cover the day to day running costs of their project. TWAM will not offer financial assistance or ongoing advice and support. If you need ongoing financial or developmental advice, we suggest you contact your local bank, a trusted businessman or government official or an NGO or charity working in your community. TWAM cannot take any responsibility for the success or failure of your project.

This guide does not offer advice on setting up a Skills Training Centre or community based project. The aim of this guide is to help you think through and plan the financing of your centre or project. It aims to answer the questions:

How do I pay for the day to day costs of running my project?

How do I pay the rent, the trainers and buy materials for training?

How can I afford to buy the trainees their own toolkit and sewing/knitting machine when they complete their course?

Without help, very few of your trainees will be able to buy their own tools and machines, but how can you afford to give them a machine?

How can I afford to repair my tools and machines when they breakdown or replace them if they cannot be repaired?

Without help, very few of your trainees will be able to buy their own tools and machines, but how can you afford to give them a machine?



This Microfinance Guide will help you think through the ways you can fund your project and support your trainees from the beginning of the training course right through to setting up and running their own business.

It will encourage you to think through the long terms aims and plans of your group, as this has to be done as you plan your finances.

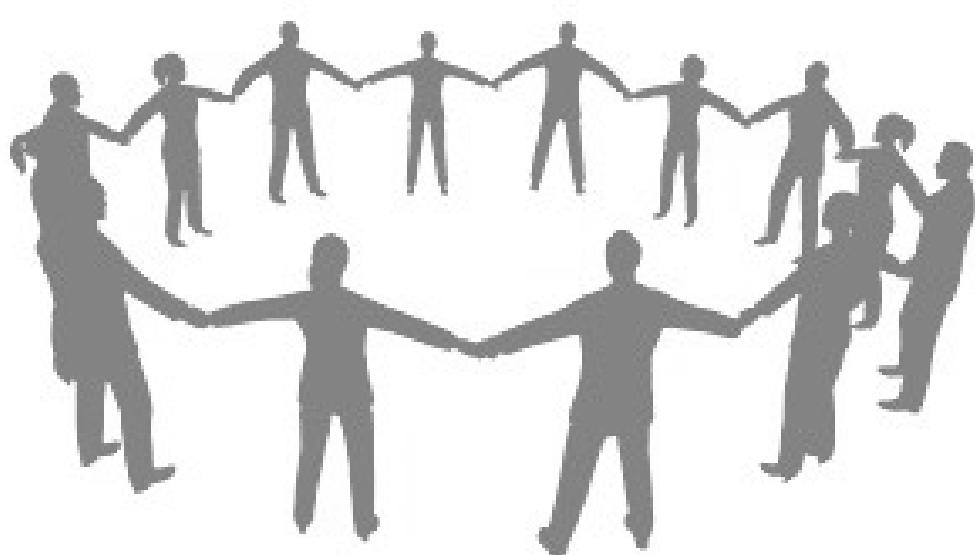
Please refer to our **Setting up your project guide** for advice on to start and run a successful project.

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Microfinance Cooperatives explained on just one page

"I saw the need of my community and knew I must help. I managed to raise the money to start my tailoring skills centre, but when my students graduated and I needed to provide them with their own sewing machines I could not. Because of this only one of them was able to buy their own machine and use their new skill. The other women asked if they could use my machines when I was not training. I agreed, but this meant my machines were working too hard and within a year they were all broken. Now I have no machines and I cannot train my community anymore. I am heartbroken."

Mary

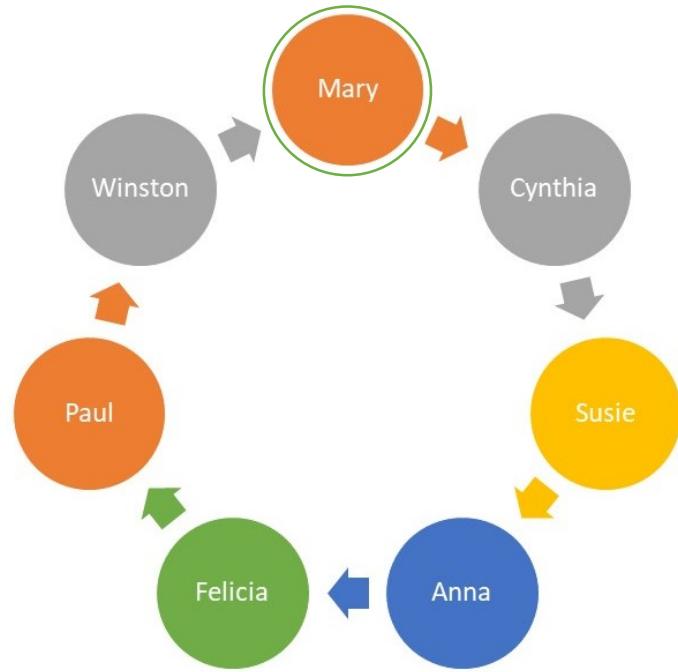
Where did Mary go wrong?

Mary did not think about asking the whole group to work together to raise the funds to provide more sewing machines. She thought she had to support her training skills centre and all the trainees herself, and then found out too late that she could not.

She had not thought ahead. If she had she would have realised that the trainees would need a sewing machine when they graduated and that she could not personally afford to buy these.



Mary's story could have been so different



"I knew I could fund everything myself, so I spoke to my trainees and suggested we start up a Microfinance Cooperative. They all agreed to pay tuition fees to pay the day to day running costs of the centre. I also asked if they would give half the money they made from selling clothes they had made while training to the Cooperative, and they also agreed to do this. This meant at the end of their course, there was enough money saved to buy machines for all the group. By working together, we were able to fund the skills centres and provide everyone with their own a sewing machine."

Mary

Microfinance Cooperatives in detail

1. What is a Microfinance Cooperative (MFC)

A MFC is where a group of people agree to work together to set up and fund a project. It can be any project, set up for any reason, but for Tools with a Mission, this means a community based skills training centre, or a community setting up a self-help group.

For an MFC to operate successfully it needs to be well organised with:

1. Appointed officials
2. An agreed membership with regulations to follow
3. A clear and simple agreement between all the members as to how the cooperative will run
4. Clear goals for what the cooperative wants to achieve
5. Agreed rules on how much the members will save and what the money will be spent on

A cooperative will provide the funding for the day to day running costs of a group, save for bigger costs such as providing tool kits or machines to graduating students, and provide long term funding to provide replacement or additional tools for the skills training centre.

**A cooperative only works well, when combined with
long term planning**



2. Deciding if a Microfinance Cooperative is right for you?

MFCs only work well, if you are planning to run your project for several years and are able to plan long term. They work well, when you can bring together a group of people who share your vision to help your community and are willing to support you by taking on positions of responsibility. You cannot run a Microfinance Cooperative on your own.

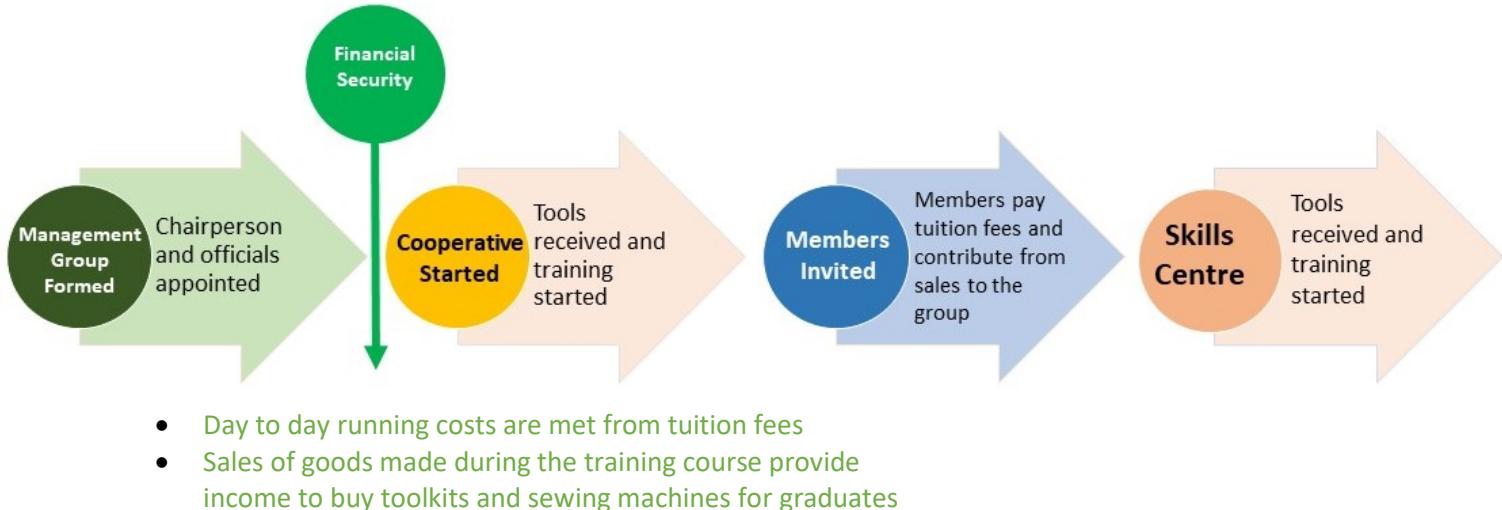
MFCs only work if there is trust within the group and the willingness and ability of everyone in the group to contribute financially. This will only happen if the group is seen to be well organised, has skilled officials and clear accountability. You will have to open a bank account or agree another secure way of keeping and accessing your savings. You must be able to avoid any opportunity for the cooperative's savings to be spent or taken without the agreement of the members or their appointed officials.

When to start a Microfinance Cooperative

1. You can choose to start a Microfinance at any time, it can even be after your project has been running for many years, but now has financial challenges you cannot meet.



2. The best time to start a Microfinance Cooperative is before you set up your training skills centre or project. If you do this, you can avoid many of the financial challenges that will later arise.



3. Agreeing your aims?

The first step to setting up a Microfinance Cooperative is deciding the aims of your group. Your group may have been running for some time without a microfinance scheme, so you may already be clear on your aims, but it is still wise to look at them and write them down clearly and precisely. Try and avoid using words or terms that can be interpreted in different ways. You need to decide the following:

What are your aims?

What are you trying to achieve? If you are training young or vulnerable people in a skill you need to decide:

- a) What skills are you going to teach? For example, tailoring and carpentry.
- b) How long will the courses be?
- c) How will you measure when a person is skilled and confident enough to complete their course? Will there be an exam? Will they have to make a range of things to show they are skilled enough? Will there be an officially recognised certificate to be gained?
- d) Will the trainees only be part of the cooperative while they are training, or will they be allowed to stay on and benefit from the support while continuing to contribute to the group?
- e) What will you use the money you are saving for? Will it be to buy materials as well as tools and machines? Will you offer loans to members of the group to help them set up their own businesses, or will the money just be to support the running of the group.

You need to think through carefully, what your aims are and what the contribution and benefits for each member of the group are.

One of your biggest decisions is whether people join the Microfinance Cooperative only for a short time while they are training or for long term support for years to come. Both options have benefits and you need to decide which is best for you.

The benefits of people joining only while they are training is simplicity. A member joins, contributes through tuition fees and selling things they have made, and at the end of their course receives a tool kit or machine and leaves.

The benefit of people staying long term, is that once they have received their machine, they still have the support of the group while they meet the challenges of starting up a business, have the opportunity to work with others to start a group, can continue to contribute to the group financially and even offer to train others, and if your group allows, apply for loans to improve their business.

These are big decisions to make and may only be made once you have completed the next step.

4. Appointing officials

It is important to keep your community informed, seek their views and advice and wherever possible appoint trusted members from your community, such as your officials. It is vital to gain support from your community, church or any other organisation that will be affected by the MFC and may benefit from it. Work hard right at the beginning of your project to gain trust and respect from those around you.

It is important to organise at least two meetings where everyone interested in the MFC can come to ask questions and offer support. You will need to prepare carefully for these meetings to make sure you can clearly explain your aims and plans.

There is an African saying:

***"If you want to go fast go alone,
If you want to go far, go together."***

These are wise words, and nobody can or should attempt to set up and run a Microfinance Cooperative on their own. You will need to appoint:

- a) **Chairperson:** they will be responsible for running regular management meetings and take overall responsibility for ensuring the group keeps to its stated aims.
- b) **Vice-Chairperson:** will support the chairperson and step in when they are not available. They should hopefully share the responsibilities with the Chairperson.
- c) **Secretary/Administrator:** will take minutes at meeting, which will be circulated to members, keep accurate records and look after them securely, and oversee the day to day running of the cooperative.
- d) **Treasurer:** who will have responsibility for receiving and receipting tuition fees and all the income and expenses of the group
- e) **Vice Treasurer:** to assist the treasurer and be a second person to look after and supervise all payments and receipts.

You may want to appoint other people to support you, but the above appointments are very important as you get started.

You will also need to decide how often the management group will meet. You may need to meet every few weeks as you start up the group and then every few months once started. It is good practice to agree the regularity of the meetings and agree at the current meeting the date of the next meeting.

5. Getting started – the first steps

The second step must be to get advice and support from people with experience of running a Microfinance Cooperative and with knowledge of finance and management. There are many places you may be able to find this support.

If you are starting a project with the support of Tools with a Mission's tools, then contact your local TWAM partner (the organisation where you collected or will collect your tools) or Volunteer Development Coordinator to see what help they can provide. You can find their contact details on www.applytotwam.uk on your country's page.

There are other key people you need to find and talk to. They are:

- a) Your **local bank**. You will need a bank account for your cooperative, so speak to your bank and see what advice and support they offer.
- b) Try to find a **Microfinance or Credit Cooperative** working near you. Ask if you can go and visit them to see how they work and what advice they can give you.
- c) Try to find out if there is a **charity or NGO** working in your area who would be able to support you. There are NGOs who specialise in supporting micro-finance schemes and may offer resources and even start-up grants or loans. Asking around and an internet search may find these.
- d) You may need basic book-keeping training and a local **accounting firm** may be willing to do this free of charge if you explain what you are doing and the benefit to your community. A **church treasurer** may also be able to help you.
- e) Do not be afraid to ask for help, and even a **local businessman/woman** may be willing to advice, train and support your group if you ask.

Starting a Microfinance Cooperative cannot be done without advice, training and support from experienced and qualified people. You must ask for their help.

6. How to set up a Microfinance Scheme

Features of a successful group are:

- a) Members have a common bond.
- b) Members have clear objectives.
- c) Members have agreed upon rules to follow.
- d) Members are honest and work hard to achieve their objectives.
- e) Members hold regular meetings and participate in discussions and decision-making.
- f) Members demonstrate leadership.
- g) Members keep accurate records of their activities and meetings.

Once you have appointed your officials you need to think about:

- a) Adopting a Microfinance Cooperative Constitution (appendix A).
- b) Individual Group Members Agreement (appendix B)
- c) Loan Contract (appendix C)

7. How will you raise your money?

You will need to decide how your group will raise the money to support your Microfinance Cooperative. You need to decide this either before you invite members to join or during the initial discussions with potential members of your group. You need to agree:

- a) **Tuition fees:** you need to decide how much you need to raise to pay for the day to day running costs of your skills centre. These costs may be rent, paying a trainer and purchasing the materials needed.
- b) **Selling produce and products:** during the training course your trainees may make clothes, furniture or be able to start carrying our repairs. You need to decide if the trainee keeps all the money they make or if they should pay some of it to the group. Whatever you decide, you also need to agree how you will supervise this and ensure honesty.

- c) **Where will you sell them?** One of the great strengths of a cooperative is that you work together. You should use this strength to find opportunities to earn money for the cooperative, such as looking for school uniform contracts, larger furniture contracts, motor repair opportunities. Work together to rent a market stall and sell everybody's products in the same place. In time, the cooperative may even be able to afford to rent a small shop.
- d) **What does the market need?** Think through what things will sell where you live. There is no point training people in a skill that is not needed in your community.
- e) **Be creative!** There may be lots of other opportunities in your community to raise support for your project. Talk about it together and see what else you can do. Remember everything you earn will support your community and contribute to the success of your cooperative.

8. Deciding how much each member must save?

You will need to decide what each member must contribute to the group. You need to think about:

- a) Will you charge tuition fees and how much will they be?
- b) Will this be per month or per term?
- c) Will you only accept money or will you accept goods in kind that you can then use or sell, for example, vegetables?

Saving requires discipline since it means withholding something for future use instead of consuming it right away. All group members must have discipline and agree on a common set of rules to follow. If the rules are not enforced, then all members suffer. Groups solve this problem by using peer pressure or punishing those members who do not follow the agreed rules. This may include a fine for late payment or for missing a meeting, and even expulsion from the group.

Sometimes having a common interest and being disciplined are not enough. "Team spirit" is also needed. Good group leaders can develop this spirit, but it can also be strengthened by other means: by giving a special name to the group which all members can identify with or coming up with a group song. The group can also develop a simple list of principles all members agree are important and worth preserving.

9. Deciding where you keep your savings?

You need to decide the safest place to keep your savings. This should be a **local bank** if you have access to a bank and are able to open a bank account.

If you cannot do this, then think of other safe places to keep your savings.

- a) Ask your local **church treasurer** to keep it for you in the church's secure place
- b) Ask a trusted **local business** to keep it in their secure place

10. Agreeing who has access to the money?

You need to agree you can access your savings, whether they are kept in a bank account or somewhere else. This should be agreed in the group and limited to a few trusted people. It will need to be your treasurer and deputy treasurer and possibly one or two other people.

You need to agree the authority needed to withdraw money and spend it on behalf of the group.
You need to decide:

- a) Who can give permission to spend money?
- b) How will you record the permission? Do you need a **paying out authorisation form** which has to be signed as a record the group has agreed to pay out money?
- c) How will you record when people pay money in to the cooperative? Will you issue receipts? Will you keep a copy of the receipts to put with the bank paying in slip as proof the money has been paid in?
- d) You should agree that every paying in and paying out requires **two authorised signatories**. This is very important to ensure honesty and accountability to the whole group. One of the main threats to your cooperative and its success, is the members losing trust in the management group, so you need to do everything you can to earn and keep that trust.

11. Agreeing how the group spend their money?

It is very important you set out clear rules on what the money saved can be spent on. This will depend on your aims. For example, if your aim is to fund the running of a skills training centre you may decide the money can be spent on:

- a) Paying trainers
- b) Paying rent
- c) Paying for materials such as wood and cloth
- d) Paying to maintain your tools and machines
- e) Paying to replace machines and tools that cannot be repaired
- f) Paying for tool kits and sewing/knitting machines for trainees when they graduate

Agreeing this will help you set a budget for your group and this in turn will help you decide how much in group member must contribute.

12. Deciding whether or not to offer cooperative members loans?

You may decide this is not going to be part of your cooperative and it is certainly taking the idea of setting up a skills training centre to a different level. But as you grow and develop a long term plan it may be something you want to consider. Think about Paul's story

Paul is an orphan and being looked after by his grandparents. He is also a school dropout. His church invited him to join their skills training centre to learn carpentry. Paul really wanted to join, but could not find the tuition fees and his grandparents could not afford to help him. The skills centre has started a Microfinance Cooperative, so they agreed to lend Paul the money he needed to pay his tuition fees, if he agreed he would pay it back in instalments with interest once he started working. This meant Paul could complete his course. He worked very hard and by the end of the course he had made enough things to sell to pay half the cost of a carpentry toolkit. The group again agreed to loan Paul the money he needed to get his toolkit. Paul started work and repaid the loan with interest.

Without this support, Paul would not have been able to train, but with a loan from the cooperative his life would never have improved. Offering loans to someone can change their lives, but there is a

risk and you will decide who you are confident will repay the loan and who are not. This will be a very hard but very important decision to make.

Think about Alice's story:

Alice is a widow looking after four children. She joined a tailoring group because she could not afford to send her children to school. She loved tailoring and soon became confident to make things. She dreamed of her own sewing machine and business, but she could only just afford the tuition fees and knew she would never have any money for a sewing machine. Thankfully her training group had formed a cooperative and they agreed to loan Alice the money she needed to get a sewing machine. Alice agreed how much she would pay back every week and the small interest rate and after nine months she had paid off the loan and could afford to send all her children to school.

Alice needed a loan at the end of her training and because the group had formed a cooperative, they were able to give her a loan. Without this help, all their hard work training Alice and all her hard work learning would have been for nothing.

Microfinance Cooperatives can transform the future of your trainees!

If you consider offering loans to your trainees as part of the ministry of your Skills Training centre and Cooperative, then you need to consider:

- a) You need to decide who agrees to loans being made. Is it your officials and management group, a separate committee of group members or the whole group?
- b) You need to agree how you verify that the person applying for a loan really needs in order to improve their lives and make the most of their training.
- c) You need to agree how you make sure the money you loan is spent on the need it was given for.
- d) You need to decide who agrees the terms of the loan, how often repayments must be made, over how long and at what interest rate (if any).
- e) You need to agree what action the group will take if a loan is not repaid
- f) You need to adopt a loan contract.
- g) Members of the group need to be clear on their aims and the reasons why they are requesting a loan. For example: "I want to improve my children's education" is too vague, whereas "I want to buy school books and uniforms for my children for the next school year" is clear.
- h) Successful saving groups tend to be small rather than large. The average size of successful MFCs is between 8-15 members. In smaller groups, there is more face-to-face contact, making trust-building among members easier, and decision-making and collective learning more efficient. Small size also means small mistakes. So start small and let the group grow as it gains more experience and when it is ready to do so.

Example of a Loan Contract:

Loan Contract	
Group Name:	Women's Cooperative
Borrower:	Mary Ngambi
Address:	House 4, Plot 6, Kalushi
Purpose of loan:	Buy a sewing machine
Loan amount:	600 kwacha
Flat interest rate:	2%
Monthly interest amount:	1 kwacha
Additional fees:	0
Period of loan:	12 months
Number of payments:	12
Total interest:	12 kwacha
Late payment fee:	5 kwacha
Total due:	612 kwacha
Date Issued:	01/02/18
Signature of borrower:	Signature of treasurer: <i>Percival Thembo</i>
Mary Ngambi	

The Cash Book and Loan Ledger

The Cash Book is usually kept by the Treasurer. The Loan Ledger is an important part of the Cash Book and is usually keep at the back of the book. The Loan Ledger confirms the loan position of each member of the Group. One ledger page is created for each member. Each loan is listed on a separate line. No new loan is given until the previous loan is paid back. The signature is that of both the Treasurer and the member confirming all loan transactions. For example, in the ledger below Mary has borrowed 600 kwacha

Name:		Mary Ngambi								
Loans Given						Loan Repayment				
Date	Loan Amount	Purpose of Loan	Pay Back date	Interest Amount	Signature of Treasurer and Member	Date	Loan Repayment	Interest Paid	Signature of Treasurer and Member	Amount still due
12/04/18	600	Buy a sewing machine	01/01/19	12	Wisdom Chulu Mary Ngambi	08/05/18	60	1	Wisdom Chulu Mary Ngambi	551
						08/06/18	60	1	Wisdom Chulu Mary Ngambi	490
						08/07/18	60	1	Wisdom Chulu Mary Ngambi	429
						08/08/18	60	1	Wisdom Chulu Mary Ngambi	368

Appendix

- A. Microfinance Cooperative Constitution
- B. Individual Group Members Agreement
- C. Loan Contract
- D. Cash Book/ Loan Ledger
- E. Accounts Book
- F. Individual Member Paying-in Book

Appendix A

Microfinance Cooperative Constitution

This is a sample constitution. It is very long and you may not need to use every clause and point. Read carefully through the whole constitution and decide what parts you need and what parts can remove. Be careful not to remove anything you may later need, the constitution is designed to protect the officials and the members and should not be taken lightly.

1. Name of Group: Insert

(hereinafter referred to as "The Group") is hereby established as a non-political, non-sectarian, voluntary self-help group of members for the furtherance of the objectives hereinafter appearing.

2. Objectives:

The objectives for which the Group is established are:

1. To uplift the educational and economic status of the members and their local communities.
2. To develop and uphold the best of the cultural, social and economic heritage of the members and their local communities.
3. To be a forum where members give each other financial, social, emotional, mental and spiritual support whenever necessary.
4. To acquire properties and chattels and do such other things as may be approved by members.
5. To raise or borrow money for all or any of the foregoing objectives in such manner and upon such security as may from time to time be determined by the Group.
6. To do all such other things as are incidental or conducive to the attainment of all or any of the foregoing objectives.

3. Membership:

- 1) A member must:
 - a) Be aged 18 years and above
 - b) Be willing to abide by all the rules and regulations of the Group.
- 2) Every member of the Group shall, on becoming a member, pay the Group **add figure here** by way of tuition fees. This will be payable **every week/month/term**.
- 3) Every member shall contribute **add percentage** from the sale of goods made during their training if group materials were used, or by using group tools and equipment.
- 4) Every member, on being accepted for membership, shall notify the Group of his/her next of kin and the next of kin shall be entitled to the rights, privileges, obligations, emoluments and dividends of the deceased member.

4. Resignation from membership:

- a) Any member desiring to resign from the Group shall give a one-month notice of the intended resignation to the Secretary and the resignation shall take effect from the date of expiry of the notice and provided that the member has cleared any outstanding loans and other commitments made by him/her to the Group.
- b) Any member who falls into arrears with his/her tuition fees for more than six months or two terms shall automatically cease to be a member and his/her name struck off the register of Group members.

5. Removal from membership:

1. The Officials Committee shall have power to collectively vote to suspend a member from his/her membership on the grounds that the member's conduct has adversely affected the reputation and dignity of the Group or that the member has contravened any of the provisions of the Constitution of the Group. A two thirds majority will be required.

2. The grievances against a suspended member shall be reported and discussed at the next General Meeting of the Group following the suspension and the Meeting shall resolve by a two-thirds majority of the members present whether to expel the suspended member or lift the suspension.
3. A person expelled from membership of the Group may re-apply for membership provided that such a person shall only be re-admitted as a member with the authority of a special resolution adopted by the Annual General Meeting.
4. Any person who is expelled from membership is entitled to a refund of all monies contributed by him/her to the Group less any expenses incurred by the Group in dealing with the person's contribution, provided that the officials shall have power to determine how and when such refunds will be made.

6. Officials Committee:

1. For the proper management of the affairs of the Group, an Officials Committee of the Group is hereby established.
2. The Officials Committee shall consist of five members elected at the Annual General Meeting of the Group every year, all of whom shall be members of the Group. Such Committee members shall take office immediately after the Annual General Meeting of the Group, and shall hold office as such until the conclusion of the next Annual General Meeting, and shall then retire.
3. On retirement, such Committee members shall be eligible for re-election for a further term if agreed.
4. The Officials Committee shall have power to co-opt up to four (4) members, from among members of the Group, for such period or for such special purpose as it may deem fit.
5. In the event of death, resignation, removal, suspension or disqualification of any member of the Officials Committee during his/her term of office, the vacancy so created may be filled by the Group at the next General Meeting.
6. The Officials Committee shall be responsible for the proper management of the Group and for that purpose may give to the Chairman or any other member of the Officials Committee directions as to the manner in which they shall perform their duties.
7. The Officials Committee may from time to time appoint committees or sub-committees consisting of members of the Group; and may, except as otherwise expressly provided by this Constitution, delegate to any such committee or sub-committee all or any of the powers of the Officials Committee.
8. Except as otherwise expressly provided by this Constitution, the Officials Committee may exercise all the powers of the Group; and no regulations made under this Constitution shall invalidate any prior act of the Officials Committee which would have been valid if the regulations had not been made.
9. The duties of the Officials Committee include, but not limited to:
 - a. Approving new members.
 - b. Uniting and co-ordinating the Group's activities.
 - c. Receiving and discussing recommendations of businesses and other activities from members of the Group.
 - d. Bridging the gap, if any, between divergent views in the Group.

7. Officers of the Officials Committee:

1. The Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer of the Group shall constitute the Officials Committee and shall be elected from among members at the Annual General Meeting every year and shall take and hold office.
2. Any officer of the Group (whether elected or appointed) who is absent at three consecutive meetings of the Officials Committee without any apology or reasonable cause may be

removed from their office with the consent of not less than two-thirds of its members present at the meeting. The Officials Committee shall have the power to suspend the officer and shall notify the subsequent General Meeting of the suspension for consideration, unless the same be sooner lifted. A two-thirds majority of the General Meeting shall be required to ratify such suspension.

8. Group Officials:

1. The Chairman shall provide leadership to the Group and shall, unless prevented by illness or sufficient cause, preside over all meetings of the Officials Committee and at all General Meetings.
2. The Vice-Chairman shall perform such duties as may be specifically assigned to him/her by the Chairman and, in the absence of the Chairman, shall perform the duties of the Chairman.
3. The Secretary shall deal with all the correspondence of the Group under the general supervision of the Officials Committee. In cases of urgent matters where the Officials Committee cannot be consulted, he/she shall consult the Chairman or if the Chairman is not available the Vice-Chairman. The decision reached shall be subject to ratification or otherwise at the next Officials Committee meeting. He/she shall issue notices convening all meetings of the Officials Committee and all General Meetings of the Group and shall be responsible for keeping minutes of all such meetings and for preservation of all records and proceedings of the Group and of the Officials Committee.
4. The Assistant Secretary shall perform such duties as may be specifically assigned to him/he by the Secretary or the Officials Committee and, in the absence of the Secretary, shall perform the duties of the Secretary.
5. The Treasurer shall receive and also disburse, under the directions of the Officials Committee, all moneys belonging to the Group and shall issue receipts for all monies received by him/her and preserve vouchers for all moneys paid out by him/her. The Treasurer shall be responsible to the Officials Committee and to the members that proper books of accounts of all monies received and paid out by the Group are written up, preserved and available for inspection and audit.
6. The Assistant Treasurer shall perform such duties as may be specifically assigned to him/her by the Treasurer or the Officials Committee and, in the absence of the Treasurer, shall perform the duties of the Treasurer.

9. General Meetings:

1. There shall be two classes of general meetings - Annual General Meetings and Special General Meetings.
2. The Annual General Meeting shall normally be held not later than 31st December each year at such venue and time as the Officials Committee shall determine. Notice of such Annual General Meeting in writing, accompanied by annual statement of accounts and the agenda for the meeting, shall be sent to all members not less than 21 days before the date of the meeting.
3. The agenda for the Annual General Meeting shall consist of the following, among other items:
 - a. Confirmation of the minutes of the previous Annual General Meeting.
 - b. Matters arising from the confirmed minutes.
 - c. Chairman's Report.
 - d. Considerations of accounts.
 - e. Election of Officials Committee members and appointment of auditor and directors as necessary.

- f. Such other matters as the Officials Committee may decide or as to which notice shall have been given in writing by a member or members to the Secretary at least seven days before the date of the meeting.
 - g. Any other business with the approval of the Chairman.
4. A Special General Meeting may be called for any specific purpose by the Officials Committee. Notice of such a meeting shall be sent to all members not less than 7 days before the date thereof. A Special General Meeting may also be requisitioned for a specific purpose by order in writing to the Secretary of not less than 10 members and such meeting shall be held within 21 days of the date of receipt of the requisition.
5. Any member wishing to bring any matter before the Annual General Meeting for resolution or discussion may do so only if he/she shall have given notice in that behalf to the Secretary at least 14 days before the date fixed for resolution or discussion or by leave of all the members of the Group present at such meeting.
6. The quorum for the General Meetings shall not be less than one-fifth of the registered members of the Group.
7. At all meetings of the Group, the Chairman shall preside, or in his/her absence, the Vice-Chairman, or in the absence of both of these officers, a Chairman elected from amongst the members present.
8. The Chairman may at his/her discretion limit the number of persons permitted to speak in favour of or against any motion.
9. Resolutions shall be decided by simple voting by a show of hands. In the case of equality of votes, the Chairman shall have a second or casting vote.
10. The Officials Committee shall cause proper minutes of all general meetings of the Group and of the Officials Committee to be taken and recorded and shall present to the Annual General Meeting a full report of the activities of the Group.

10. Use of Group funds:

1. The funds of the Group may only be used for the following purposes:
 - a. Any activity organised in the interest of the Group.
 - b. Helping a charitable cause decided upon by members of the Group.
 - c. Reimbursement of expenses incurred by officers or members of the Group in the course of their work for the Group.
 - d. Investments as agreed upon by members.
 - e. All monies and funds shall be received by and paid to the Treasurer and shall be deposited by him/her in the name of the Group in the bank or accounts approved by the Officials Committee.
 - f. No payments shall be made out of the bank account(s) without the authority of the Officials Committee authorising such payment and all cheques on such bank account(s) shall normally be signed by the Treasurer or, in the absence of the Treasurer, the Assistant Treasurer and two other office bearers of the Group who shall be appointed by the Officials Committee.
 - g. A sum not exceeding **add amount** or such other amount as may be determined by the Officials Committee from time to time may be kept by the Treasurer for petty disbursements for which proper account shall be kept.
 - h. The Officials Committee shall have power to suspend any officer of the Group who it has reasonable cause to believe is not properly accounting for any of the funds or property of the Group and shall have power to appoint any other member of the Officials Committee in his/her place. Such suspension shall be reported to a General Meeting to be convened on a date not later than two months from the date of such suspension and the General Meeting shall have full power to decide what further action should be taken in this matter.

- i. The financial year of the Group shall be from 1st November to 31st October (change if required).

11. The Officials:

1. The officials shall be members of the Group and shall be appointed at an Annual General Meeting for a period of three years from the date of the Annual General Meeting.
2. On retirement, such officials shall be eligible for re-election for a further term of three years. Provided that an official who has held office for two consecutive terms shall not be eligible for re-election until the expiry of three years from the date he/she last held office.
3. An Annual General Meeting shall have power to remove any of the officials and all vacancies occurring by removal, resignation or death, shall be filled at the same or next Annual General Meeting.
4. The officials, in consultation with the Officials Committee, shall have power to invest and deal with the monies of the Group not immediately required in such manner as may from time to time be determined by the Group, and shall pay all the income received from the property or investment vested in them to the Treasurer. Any expenditure in respect of such property or investment, which in the opinion of officials is necessary or desirable, shall be reported by the officials to the Officials Committee which shall authorise expenditure of such moneys as it thinks fit.

12. Auditor:

1. An auditor shall be appointed for the following year by the Annual General Meeting from among members of the Group or from within the community. All the Groups accounts, records and documents shall be open to the inspection of the auditor at any time. The Treasurer shall produce an account of his/her receipts and payments and a statement of assets and liabilities made up to a date which shall not be less than four weeks and not more than eight weeks before the date of the Annual General Meeting. The auditor shall examine such annual accounts and statements and either certify that they are correct and in accordance with the law or report to the Group in what respect they are found to be incorrect, or not in accordance with the law.
2. A copy of the auditor's report on the accounts and statements together with such accounts and statements shall be normally be furnished to all members at the same time as the notice convening the Annual General Meeting is sent out. An auditor may be paid for his/her duties as may be resolved by the Annual General Meeting appointing him/her.
3. No auditor shall be a member of the Officials Committee of the Group.

13. Amendments to the Constitution:

Any amendment to this Constitution of the Group must be approved by at least a two-third majority of members at a General Meeting of the Group and implemented immediately thereafter provided the amendment does not contravene Government regulations.

14. Dissolution:

1. The Group shall not be dissolved except by a resolution passed at a General Meeting of members by a vote of two-thirds of the members present. If no quorum is obtained, the proposal to dissolve the Group shall be submitted to a further General Meeting, which shall be held within one calendar month.
2. Notice of this meeting shall be given to all members of the Group at least 14 days before the date of the meeting. The quorum for this second meeting shall be the number of members present.
3. Provided, however, that no dissolution shall be effected without the prior consent in writing of the official(s) in the relevant Government Department, obtained upon

application to him/her made in writing and signed by three office bearers. When the relevant Government Department has approved the dissolution of the Group, no further action shall be taken by the Executive Committee or any officer of the Group in connection with the aims of the Group other than to get in and liquidate all the assets of the Group. Subject to payment of all the debts of the Group, the balance thereof shall be distributed in such other manner as may be resolved by the meeting at which the resolution for dissolution is passed.

15. Inspection of Accounts and List of Members:

The books of accounts and all documents relating thereto and a list of members of the Group shall be available for inspection during ordinary working days by any relevant Government officer, legal representative or member of the Group on giving not less than seven days' notice in writing to the Chairman.

16. Regulations:

1. The Officials Committee may, subject to the provisions of this Constitution, make regulations that shall be binding, on all members of the Group, prescribing all or any of the following matters:
 - a. annual subscriptions;
 - b. manner of application for membership of the Group;
 - c. grounds for, and procedure relating to, expulsion of members of the Group;
 - d. resignation of members from the Group;
 - e. regulation of powers exercisable by the Officials Committee and any committees or sub-committees thereof, and delegation of powers;
 - f. manner of convening meetings of the Officials Committee, sub-committees and quorums and procedures thereof;
 - g. manner of convening general meetings of the Group, and quorums and procedures thereof;
 - h. manner of election, removal and replacement of the Chairman, the Vice-Chairman and other members of the Officials Committee; and
 - i. such other matters as may be deemed by the Officials Committee to be necessary for the promotion of the objects and regulations of the affairs of the Group.

Appendix B

Individual Group Members Agreement

This agreement is made between **name of group** and its member:

Add individuals name

Add their address

On **add date**

Name has requested to join **name of group** and have been accepted by the Officials Committee and the members. This decision was made at our meeting on **add date**.

In joining I agree to pay the agreed tuition fees for my training. This will be **add fees and term e.g.: monthly, per six week term etc.**

In joining I agree to contribute and pay to the group **add percentage** of all sales of goods I have made during my training using materials provided for me and tools owned by the Group.

In joining the Group, I will support the group members with friendship, encouragement and dignity. I will work hard, be determined to learn and support the Group in reaching its goals.

I agree to abide by the rules of the Group as set out in the constitution and as agreed at Group Members meetings.

I agree to attend all training sessions and Members Meetings unless there is a good reason why I cannot attend. I will inform the Secretary in advance if I cannot attend a training session or Group Members meeting.

I agree to accept the authority of the Officials Committee and support them, as they work for the good of the Group.

Member name	Chairpersons name	Secretary's name
Signature	Signature	Signature
Date	Date	Date

j.

Appendix C

Loan Contract	
Group Name:	
Borrower:	
Address:	
Purpose of loan:	
Loan amount:	
Flat interest rate:	
Monthly interest amount:	
Additional fees:	
Period of loan:	
Number of payments:	
Total interest:	
Late payment fee:	
Total due:	
Date Issued:	
Signature of borrower:	Signature of treasurer:

Appendix D

Template of individual Cash Book and Loan Ledger

Appendix E

Accounts Book for Group:

Appendix F

Individual Member Paying in Book

