# CONSTITUTION

**Part 1: How the Saving and Credit Group will govern itself**

**I.BASIC INFORMATION ON THE SAVING GROUP**

* Name of the Saving and Credit Group: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Date of first saving meeting: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**II. OBJECTIVE OF THE SAVING GROUP**

* The purpose of the Saving and Credit Group is to be an independent, profitable provider of financial services (savings, credit and social fund) to its members-only.

**III. RELATIONSHIP TO EXTERNAL SOURCES OF FINANCIAL SERVICES**

* The Saving and Credit Group will not borrow from financial institutions during the first cycle of savings and lending. If it does so in subsequent cycles it will use the following principles:
* The Saving and Credit Group must be the borrower and not individual members.
* The Saving and Credit Group will not allow the lender access to information on individual loans.
* Members’ savings cannot be used as collateral for an external loan.
* Any borrowing by the Saving and Credit Group must not exceed the total value of all members paid up shares.

**IV. WHO MAY BE A MEMBER OF THE SAVING GROUP?**

* Lower age limit \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Gender \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Residence \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Other common circumstances \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**V. COMPOSITION OF THE MANAGEMENT COMMITTEE**

* Chairperson: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Record-keeper: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Box-keeper: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* 2 Money-counters: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

+3 key holders (different from Management Committee): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**VI. ELECTION PROCEDURES**

* The maximum number of consecutive terms any one person may serve on the Management Committee is: \_\_\_\_\_
* Elections must be held at the beginning of each new cycle.
* The minimum number of members who must be present to hold an election is: \_\_\_\_\_\_
* The election procedure will use a system that allows everyone’s vote to be secret.
* If nomination: the minimum number of people that must stand for each position is 2. And a candidate for election to a post must be proposed by another member.

**VII. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS**

* Any member of the General Assembly can call for a vote of no confidence in a member of the Management Committee. If a majority of the members decide that the person should be removed from the Management Committee, the member must step down and another member be elected to the same position.

**VIII. MEETINGS**

* To mobilise savings the Saving and Credit Group will meet every \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* To disburse loans the Saving and Credit Group will meet every four weeks.
* The cycle of meetings will continue for a maximum of \_\_\_\_\_ weeks before the Saving Group shares-out its assets.

**IX. MEMBERS LEAVING THE SAVING GROUP**

* If a person leaves the Saving Group before the end of the cycle, the Saving Group will return his/her savings, deducting owed loans plus interests.

**X. EXPULSION FROM THE SAVING GROUP**

* The reasons for which a person should be expelled from the Saving Group are: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**XI. FINES**

The following table lists the fines that can be charged for offences committed by members:

|  |  |
| --- | --- |
| Offence (EXAMPLES) | Amount |
| *Non-attendance at a meeting for personal reasons*  |  |
| *Late to meetings*  |  |
| *Not remembering Saving Group rules*  |  |
| *Loss of member number card*  |  |
| *Forgetting key*  |  |
| *Chatting through the proceedings*  |  |
| *Showing disrespect to a fellow member*  |  |
| *Not remembering decisions and activities of the preceding meeting*  |  |
| *Failure of a member of the Management Committee to perform their duties* |  |
|  |  |
|  |  |

**XIII. AMENDMENTS TO THE CONSTITUTION**

* 2/3 of the members must agree before the constitution can be changed.
* Anyone can propose an amendment to the Constitution.

**Part 2: Services offered by the Saving and Credit Group**

**I. SAVINGS**

* The amount of an individual share (SHARE VALUE) is: \_\_\_\_\_\_\_\_\_\_\_\_.
* Members may buy at least 1 share and maximum of 5 shares in each meeting.
* Members may contribute an equal agreed-upon amount at the start of every future cycle to speed up the growth of the loan portfolio. This can be more than 5 shares if all members agree.

**II. LENDING**

* Those eligible to borrow are: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* The maximum amount that anyone can borrow is 3 times the value of their shares.
* The maximum length of loan term is 3 months.
* A member must repay a loan before (s)he can take another
* The monthly interest rate to be charged every four weeks (1 month) is: \_\_\_\_\_\_\_\_\_\_\_\_ %
* When a member does not repay a loan the following principle will apply: \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* If a member dies his/her loan need not be repaid.
* The highest priority for loans will be given for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* The second highest priority for loans will be given for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* The third highest priority for loans will be given for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**III. SOCIAL FUND**

* The social fund will be used as donation in case of death of spouse, child or parent. Also, in the following cases: EXAMPLES

-*Workplace destroyed*

*-Unexpected problem*

*-Disaster*

*-Sickness of a family member*

* The regular contribution to the social fund will be: \_\_\_\_\_\_\_\_\_\_\_\_\_.

Member Name / Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_

Member Name / Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_

Member Name / Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_

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