



Village Savings and Loan Associations Group Guide



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A Training Manual for Village Savings and Loan Association Facilitators

Dear _____

Thank you for caring for your community and training and supporting Village Savings and Loan Association Groups.

These groups have existed for many years, and there are now over 20 million people in Savings Groups worldwide. Interestingly, 15 million self-help savers are in Africa. These groups provide an alternative to traditional microfinance and offer sustainable financial help to our rural communities.

These groups are successful because of positive people like you who follow God's word to actively make a difference. These groups will succeed only through your efforts: **you are at the heart of the programme.**

As the facilitator, you are given the important job of training group members. You are responsible for setting an example, and **it's important that you follow this guide to facilitate in the correct way.**

Where good Village Savings and Loan Association groups have been created, more groups follow. This is why we encourage you to **focus on the quality of your group instead of large numbers.** Groups will start and grow naturally under your strong guidance.

In the following pages, you will **learn how to train members and their families to:**

- Buy shares, lend, and borrow money in their group so they can start small businesses and earn their own money (for example, you can lend money to a member to buy spinach seedlings to grow and sell).



- Pay you for the savings kit.
- Learn about easy income generation ideas.
- Find affordable stock and equipment like materials for building a beehive or day-old chickens.
- Find markets and communities to sell to.
- Share in value chain profits through you (to remain loyal to you). The results of your efforts will be permanent, and you will find the work a blessing.

May you train with God's grace!

Proverbs 6:6-8

Go to the ant, O sluggard; consider her ways, and be wise. Without having any chief, officer, or ruler, she prepares her bread in summer and gathers her food in harvest.



Section 1:

What Is a Village Savings and Loan Association Group?

Here, you will learn more about how and why Village Savings and Loan Association groups are built. The questions and answers cover the important principles of the group.

Common Questions and Answers:

- Question:** How many members are in a Village Savings and Loan Association group?

Answer: Each group has 10 to 25 people who save together and take small loans from those savings.
- Question:** How long does saving in a group take?

Answer: The activities of a group run in “cycles” of 12 months. After a cycle, the members’ money is shared out in proportion to what they saved.
- Question:** Who trains Village Savings and Loan Association group members?

Answer: Groups are trained by leaders like you, who we call “Village Savings and Loan Association group facilitators.”
- Question:** Who manages a Village Savings and Loan Association group?

Answer: A member of the group will be appointed as a group manager. Facilitators will train members but never manage the group.
- Question:** How are Village Savings and Loan Association group Management Committees chosen?

Answer: Each group has 5 members on the Management Committee, elected for one cycle. Each member has 1 vote in electing the Management Committee and developing the Constitution.

Every member has an equal voice in the election of a Management Committee and the development of a Constitution.
- Question:** What can I expect from the first cycle (the first 12 months) of the group?

Answer: The first cycle is a training and supervision cycle, and members will meet monthly.
- Question:** What can Village Savings and Loan Association group loans be used for?

Answer: Loans can only be used for income-generating activities.



8. **Question:** How do group members save within the group?
Answer: Members save by buying 1 to 5 shares at every meeting. These shares are invested in a Loan Fund. The group decides the value of shares at the start of each cycle.
Note: The share value cannot change during a cycle.
9. **Question:** Is interest payable on Village Savings and Loan Association group loans?
Answer: Yes, groups will decide what interest to charge.
10. **Question:** How much can each member borrow from their group?
Answer: All members have the right to borrow up to half of the value of their shares.
11. **Question:** When can group members take out loans?
Answer: Loans are taken at any meeting when there is sufficient money in the Loan Fund.
12. **Question:** How are Village Savings and Loan Association group loans repaid?
Answer: Loans are repaid in total over 3 months. The borrower can pay any amount he or she wishes at each loan meeting but must repay the total sum owing within 3 months.
13. **Question:** How do Village Savings and Loan Association group transactions work?
Answer: All group transactions are performed at meetings in front of all the members. Cash, savings, and loan books are locked in a cash box secured with three padlocks to ensure that transactions do not occur outside meetings.
14. **Question:** Who keeps the keys to the cash box?
Answer: The 3 keys are kept by 3 members who are not on the management committee. Theft of boxes by outsiders is very rare, but members must take responsibility for security.
15. **Question:** How are share purchases and loans recorded and tracked?
Answer: All members have a Savings and Loan book. Share-purchases are recorded in the front of the book using a rubber stamp. Loans are recorded in the back of the book.
Important: Savings and Loan books are locked in the box between meetings to stop unauthorised changes.
16. **Question:** Who keeps track of the loan fund repayments?
Answer: An elected Record-keeper tracks loans in a notebook.



17. **Question:** When are Village Savings and Loan Association group shares paid out?
Answer: Shares are paid out at the end of every cycle. All loans plus interest must be repaid before the end of a cycle so that shares are distributed fairly.
18. **Question:** How much do members earn at the end of a cycle?
Answer: Each member will receive a payout according to the number of shares purchased.



Section 2:

Village Savings and Loan Association Group Training Schedule

As a Village Savings and Loan Association group facilitator, you must train and support your group for 12 months according to the schedule below.

You will see that this schedule is divided into 4 phases:

1. **The preparatory phase:** This is when you will provide general information to interested and qualifying group members and prepare them for what will happen at future meetings.
2. **The intensive phase:** You will facilitate 3 days of training in the first month and then 1 day of training at the end of each training workshop every month.
3. **The development phase:** You will facilitate group meetings 1 day each month for the first few months and one final share-out meeting visit.
4. **The maturity phase:** You will offer support 1 day when necessary and you will attend 1 final share-out meeting visit.

1. Preparatory Phase					2. Intensive Phase										
A	B	1	2	3			4		5						
First month		1 month			2	3	4	5	6	7	8	9	10	11	12

3. Developmental Phase												4. Maturity Phase											
											6										6		
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	?



A		4	Training: first loan disbursement meeting.
B	First meeting with newly formed groups.	5	Training: first loan repayment meeting at any time when loans are first repaid (in full or in part).
1	Training: Groups, leadership & elections.	6	Training: Action - share-out & elections.
2	Training: constitution development.		Supervision meeting. No training module.
3	Training: first share purchase savings meeting.		Meetings without the financial officer in attendance.

Note: A cycle will normally continue for 12 months, in which case data will be collected at the end of each cycle.

Figure 1: Village Savings and Loan Association group training and supervision schedule.

Note: As the facilitator, you may adjust the number of visits, usually in cases where you think the group needs extra help.

During the **intensive phase**, visits happen often, and as the facilitator, you must actively train members during these meetings to guide the meeting steps.

When the group is confident and doesn't make many mistakes, you, as the facilitator, can take on a quieter role where you watch but do not train. You must only get involved when steps or record-keeping need correction.

In the **maturity phase**, as the facilitator, you will only need to attend group meetings once every 2 months. This is to make sure that, as the group approaches the end of the 12-month cycle, it is working well and is following the Constitution as drawn out in **Annex 2**.



Section 3:

Preparatory Meetings

The Preparatory Phase has two purposes:

- 1: To gather and train people in a community who want to learn to save
- 2: To talk to these groups and encourage them to take part in formal training.

Tip: By asking interested people to pay a deposit, you can ensure commitment.

The following table explains the order in which these meetings take place and what information is shared.

<u>Type of meeting</u>	<u>Meeting A</u>	<u>Meeting B</u>
Content	<p>You as a facilitator introduce the idea of a village savings and loan group to key community members.</p> <ul style="list-style-type: none"> - Overview of how savings and loans work (and why). - How interested people can form village savings and loan groups. 	<p>First group meeting with you as the facilitator and new groups.</p> <ul style="list-style-type: none"> - Step-by-step description of how village savings and loan groups work. - Qualities of good members are discussed. - Member and facilitator obligations are discussed. - Training schedule.
Comments	<p>This can include boards of local social institutions, council members, traditional leaders, schoolteachers, etc.</p>	<p>Attended only by people committed to joining a village savings and loan group and who show this by forming themselves into a group.</p>

Figure 2: Preparatory meetings guide.



Tip: Remember to use the training posters and flashcards available to facilitate your meetings. These are especially helpful when choosing group members and Management Committee members. These can be downloaded from the africanhoneybee.co.za website under "Training."

Meeting A: Introduction of the Village Savings and Loan Association methods to key members of the community.

As the facilitator, your task is to create an interest in savings and loan groups within a community. This task includes contacting influential people. Examples are:

- Board members of social organisations
- Council members
- Traditional leaders
- Respected neighbours
- Small business owners
- Teachers

Here is what you will explain to these influential individuals (use this list as a checklist to make sure you have shared all the important information):

- Open the meeting with a Bible scripture reading and prayer.
- The purpose of this group is to create community-managed savings and loan processes that belong to the members.
- Members will be taught how to save money, to take loans from these savings, and to share out the savings and profits each year according to each member's contributions.
- The money used to give loans to the members comes from the members' own efforts. The programme does not provide any money to Village Savings and Loan Association groups for lending to its members.
- Each group manages itself and makes its own rules.



- The size of each group must not be less than 10 members and not more than 25.
- Training and supervision take 12 months to complete. After this, the group will run on its own, although you, as the facilitator, will continue to be available for advice.
- Each group receives a metal box with 3 locks. This box holds all the materials needed for the group to save. This box must not be opened between meetings.
- Groups charge interest (called a service charge) on loans taken by members.
- As the facilitator, you are only there to teach the steps. Members must manage the steps themselves. Facilitators will never handle the group's money, write in the records, take the cash box away, or ask for a loan or a gift.
- Members of the proposed group choose where and when meetings are held.
- As the facilitator, you must return to the community at an agreed time to see if people are interested and will then make training arrangements. People who are interested must form groups of 10 to 25 members before Meeting B.
- The Management Committee is not elected until after training begins.
- As the facilitator, you end by stressing that members must know and trust each other.
- Close the meeting with prayer and a song of worship.

Tip: Keep it simple. You are only trying to explain the basic steps to get the community's support.



Meeting B:

First meeting with potential group/s.

This meeting is only attended by people who are interested (attended Meeting A) in being in a Village Savings and Loan Association group and have already gathered in groups of 10 to 25 people who know and trust each other.

Tip: Ask the interested people to bring a deposit to demonstrate their commitment.

As the facilitator, you must now explain the basic principles of a Village Savings and Loan Association group (use this list as a checklist to make sure you have shared all the important information):

- Open the meeting with Bible scripture reading and prayer.
- A Village Savings and Loan Association group is created so people can save, borrow, and start a Loan Fund to help members who wish to begin income-generating activities (small businesses).
- A Village Savings and Loan Association group operates in a 12-month cycle. At the end of a cycle, all the loans are repaid, and members receive back the money they saved, plus any profits the group may have made.
- All members can buy between 1-5 shares each month. The members decide the price of a share.
- The money collected from the purchase of shares is used to provide loans to members, which are repaid over a period of not more than 3 months.
- Members are self-selected, and the group is managed by its members, who elect a Management Committee.
- New Management Committee elections take place at the end of every 12-month cycle.
- Each group has its own written Constitution and rules, which are agreed to by all members.
- Members must attend all meetings and buy at least 1 share at each meeting.



- Groups can give fines to members for things such as lateness or forgetting the rules and Constitution.
- Groups will charge interest (called a service charge) on loans. However, a service charge is not the same as interest because the money raised from service charges is returned to the members at the end of the 12-month cycle.
- All the group's money is kept in a box with 3 locks. Keys to the locks are kept by 3 different members of the group who are not part of the Management Committee.
- A box can only be opened in meetings, and all transactions are done in front of all members.
- Record-keeping is done in a basic Savings and Loan book provided to each member, in which their savings and loans are recorded.
- Savings and Loan books are locked in the box between meetings to stop anyone from changing the entries.
- The box and its contents will be supplied by the facilitator and paid off by group members.
- After the first 12-month cycle, the group continues to operate on its own without any external formal support for savings activities.
- During the training period, the group will meet monthly. The facilitator will visit monthly in the first cycle and, when necessary, in future cycles.

Next...

As the facilitator, you must now help participants pay attention to the qualities needed in a member. If the members do not meet these qualities, then they should probably not join. **Think about what the Bible refers to as a good person and looks for true servants of God.**

Philippians 2:3-4 - Do nothing from selfish ambition or conceit, but in humility count others more significant than yourselves. Let each of you look not only to his own interests, but also to the interests of others.



Ideally, good members must:

- Know each other and be from a similar economic background.
- Live within walking distance from where the meetings will be held.
- Be honest and reliable.
- Be able to attend all meetings on time.
- Be willing to follow all rules.
- Have a cooperative personality (someone who creates conflict should probably not join).
- Be able to buy at least one share each meeting.
- Be able to repay loans on time within 3 months.

As the facilitator, you will now explain that there are 6 training modules categorised as follows:

1. Members, leadership, and elections
2. Development of group Constitution
3. First savings meeting
4. First loan meeting
5. First loan repayment
6. Action-audit/share-out

Module 1	Module 2	Module 3	Module 4	Module 5	Module 6
Members, leadership, and elections	Creation of group Constitution	First savings meeting	First loan meeting	First loan repayment	Action-audit/share-out and graduation
Individual self-selection Role of General Assembly Roles of leaders Preparation for elections Elections	Policies and rules related to: <ul style="list-style-type: none"> • Share purchase • Credit Repayment Group governance	Supervision of first meeting in which cash is handled Contribution to savings fund Share-purchase	Supervision of first loan disbursements	Supervision of first loan repayments	Distribution of the savings fund at the end of the cycle
Week 1			Month 4	When it occurs for the first time	At the end of a 12-month cycle

Figure 3: Training modules 1-6



The facilitator and the Village Savings and Loan Association group arrange a time and a place for the first training.

Meeting closes in prayer and song.

Module 1: Groups, Leadership, and Elections

Steps for the meeting:

1. Welcome members and open the meeting with scripture reading and prayer.
2. **Explain the purpose of the meeting:** The purpose of this meeting is to give the group a name and to elect a Management Committee who will lead the group for a 12-month cycle. You must explain that elections are held once a year and the next election will be in 12 months' time.
3. **The group chooses a name.** Help members to think of a strong, encouraging name that they are proud to associate with. Something unique to their community or collective goals, perhaps.
4. **Individual self-selection.** The facilitator again reminds the group of the qualities of a good member (for example, trusted, responsible, reliable, attends all meetings on time, no conflict).

Tip: Use the training posters and flashcards available to facilitate your meetings. These can be downloaded from the africanhoneybee.co.za website under "Training."

5. **Elections.** As the facilitator, you will now explain the following:
 - The Management Committee consists of 5 people: the **Chairperson, Record-keeper, Box-keeper,** and **two Money-counters.**
 - The Management Committee serves for 12 months, after which elections are held. Even if the group is happy with its committee, it must hold new elections.



- The Management Committee is elected by the members, who can also dismiss it (or any individual officer) for poor performance.

6. **Explain the responsibilities** of each position and highlight the qualities members must look for in the members they want to vote into each position. Use figures 4-7 as checklists.

Responsibilities of the Chairperson	Checklist of qualities
<ul style="list-style-type: none"> • To call the meetings to order, announce the meeting agenda, and lead discussions. • To ensure that the meetings follow proper procedures and that the Constitution is followed and respected. • To maintain discipline and charge fines if needed. • To facilitate discussions and to ensure that everyone's views are listened to. • To resolve conflicts. • To act as a contact person for outsiders who may want to be informed about the group. 	<ul style="list-style-type: none"> <input type="checkbox"/> Respected <input type="checkbox"/> Confident and calm when speaking in front of others <input type="checkbox"/> Treats everyone equally <input type="checkbox"/> Listens to others and asks for opinions <input type="checkbox"/> Organised <input type="checkbox"/> Always on time

Figure 4: Responsibilities and qualities of the Village Savings and Loan Association group Chairperson.

Responsibilities of the Record-keeper	Checklist of qualities
<ul style="list-style-type: none"> • Ensures that all transactions for the Share-purchase and lending take place according to procedure and that rules are kept. • Makes all Savings and Loan book and notebook entries for shares and loans. • Reads the Loan Fund cash balances out loud at every meeting. 	<ul style="list-style-type: none"> <input type="checkbox"/> Good with numbers <input type="checkbox"/> Can read well <input type="checkbox"/> Writes neatly <input type="checkbox"/> Can be trusted <input type="checkbox"/> Always on time <input type="checkbox"/> Willing to work extra hours to train with the facilitator

Figure 5: Responsibilities and qualities of the Village Savings and Loan Association group Record-keeper



Responsibilities of the Village Savings and Loan Association group Box-keeper	Checklist of qualities
<ul style="list-style-type: none"> • Keeps the groups' cash box safe between meetings. • Ensures that he or she is accompanied to and from meetings. • Brings the box to the meetings on time. • Stands in for the Record-keeper when he/she is absent. • Assists the Record-keeper as needed to record savings and loan repayment cash movement. 	<ul style="list-style-type: none"> <input type="checkbox"/> Trustworthy <input type="checkbox"/> From a household that has a good reputation (no one in that household should be considered troublesome) <input type="checkbox"/> Lives in a house with good security <input type="checkbox"/> Always on time <input type="checkbox"/> Good with numbers <input type="checkbox"/> Can read well

Figure 6: Responsibilities and qualities of the Village Savings and Loan Association group Box-keeper.

Responsibilities of the Money-counters	Checklist of qualities
<ul style="list-style-type: none"> • Receives and pays out all money to members. • Counts and announces all money paid to and received from members. • Informs the Record-keeper of the correct amount to be recorded in the savings and loan books. 	<ul style="list-style-type: none"> <input type="checkbox"/> Able to count quickly and correctly <input type="checkbox"/> Trustworthy <input type="checkbox"/> Calm and organised <input type="checkbox"/> Always on time

Figure 7: Responsibilities and qualities of the two Village Savings and Loan Association group Money-counters.

7. Now you will organise the election of the officials, starting with the Chairperson. You can refer to the standard procedures shown in **Annex 1** for guidance. Note that **as the facilitator, you must prepare beforehand** for this part of the meeting.

8. Tell the members that they now need to appoint 3 people to be called Key-holders. These Key-holders will keep the 3 cash box keys (so that the box can only be opened in meetings). They can be chosen by discussion based on the following points:
 - They must not be members of the Management Committee.
 - They must not be members of the same family.
 - They must be members who can be relied upon to attend and will always be on time.

9. Close the meeting with prayer and song.



Module 2:

Creating a Village Savings and Loan Association Group Constitution

There is some preparation to do before you start this meeting.

A few days before the meeting starts, you must go to **Annex 2** and make a copy of the Constitution Framework. This Constitution form will help you and your group write and create a unique Constitution. Part of this form remains fixed because some rules will be the same in all Village Savings and Loan Association groups. **The decisions that your group needs to make for itself are underlined and include advice for filling in these decisions.**

You must also take the group's new kit to this meeting.

Steps for the meeting:

1. Welcome members and open the meeting with scripture reading and prayer.
2. **Explain the purpose of the meeting:** The purpose of this meeting is to create rules. These rules will help control how the members of the group will save by buying shares, how they will take out loans and pay them back, and how they will pay out the savings at the end of the cycle.
3. **Explain the seating arrangements and why they are important:** The seating arrangements are important because they allow all group members to see what is happening. They also help to make sure that steps are taken in the correct order, making the group processes easier to manage.

Important – refer to figure 8 to explain and arrange the correct seating placements.

4. Now it's time for you, as the facilitator, to hand over the group's kit and money box and give the keys to the voted key-holders. The Key-holders are given all the keys for their lock. Explain that no keys are kept by anyone else. The safety of the kit will be the responsibility of the Box-keeper. He or she must carry it to every Village Savings and Loan Association group.



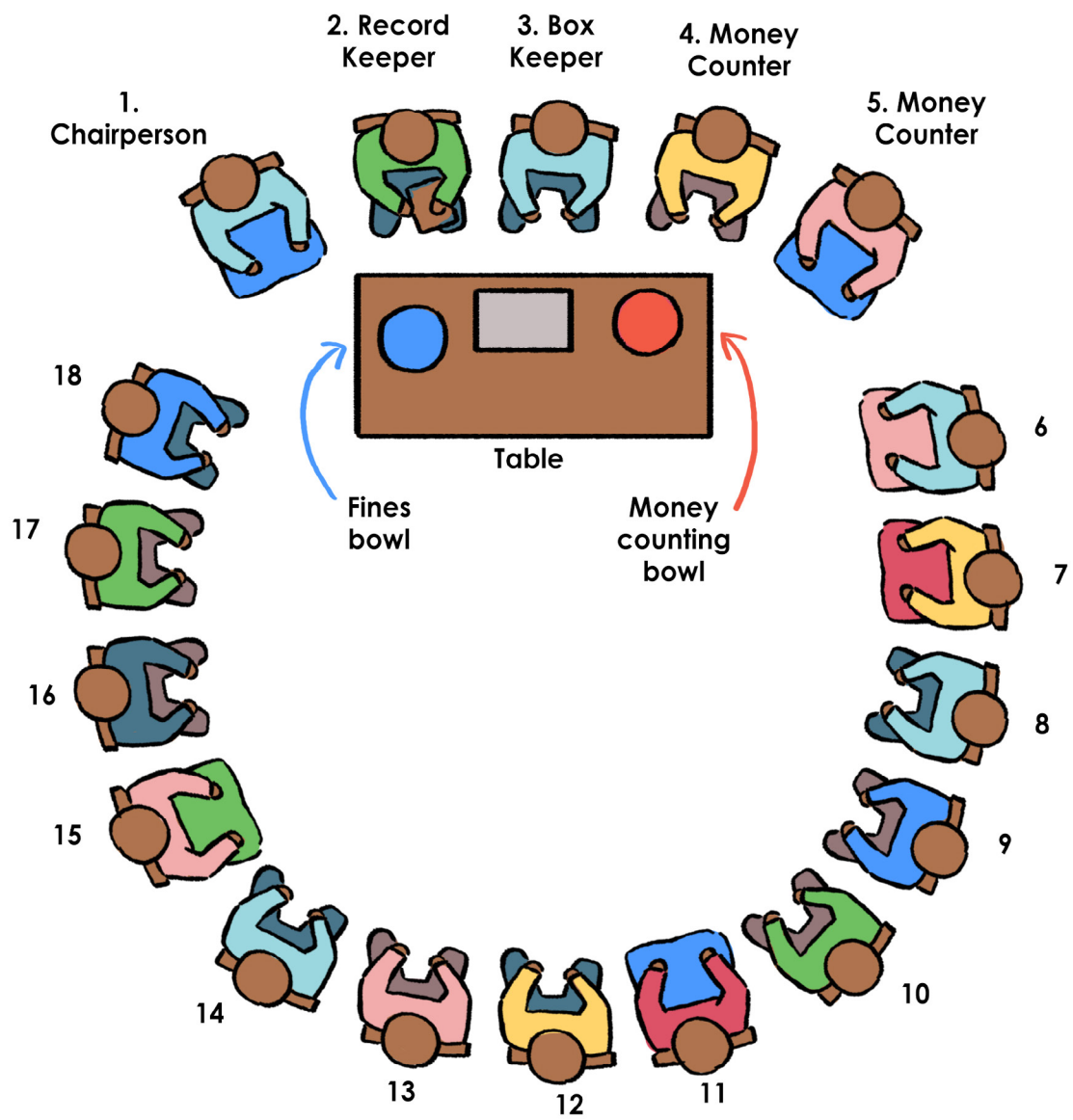


Figure 8: Layout of meeting place: Village Savings and Loan Association group with 18 members.

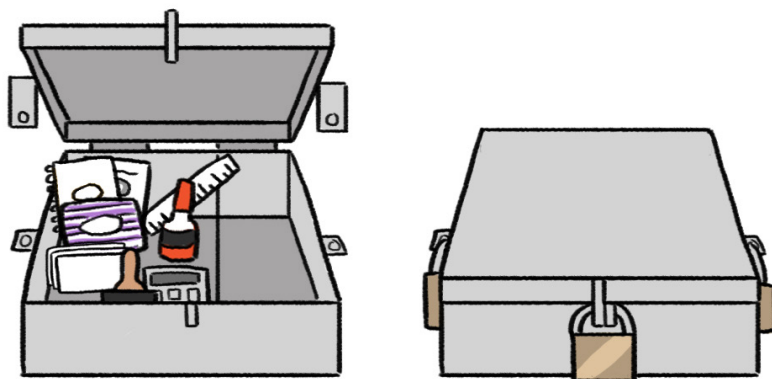














Figure 9: Village and Loan Association Group Kit



Show the kit to the members and discuss what it includes:

-  Strong, well-made lockable metal cash box, able to be closed with 3 locks
-  3 very strong padlocks, each with 2 keys
-  25 member number-cards
-  25 savings and loan books
-  Notebook
-  Rubber stamp for marking shares
-  Ink pad and spare bottle of ink
-  Ruler
-  2 ballpoint pens: one black or blue, the other red
-  Good quality calculator
-  2 plastic bowls about 25-30 cm in diameter and 12 cm deep (for money-counting)
-  2 fabric money-bags with drawstrings for the Loan Fund

Emphasise the following: Groups must use lockable boxes. The reason for using 3 locks is to keep member money and records safe and to make sure that transactions cannot take place privately outside meetings. If a group does not want to use a box, you, as the facilitator, should refuse to train the members.

5. Now it is time to start **preparing the constitution**. First, you must **explain and discuss the services the Village Savings and Loan Association group will provide its members**. These services include:

- Share-purchase (savings)
- Lending



Discuss rules for share purchases:

Explain again that group members save money when they buy shares. At each meeting, each member must buy 1 to 5 shares. Now, discuss what the values of the shares should be in the group you are currently training. Explain that -

- If the cost of a share is too high, the poorest member might have trouble saving for at least one share at each meeting.
- If the cost of a share is too small, it may frustrate the better-off members who want to save more.

The amount that is finally decided on should be something everyone can afford to pay at every meeting throughout the cycle and satisfies their savings needs. The amount cannot be changed during the cycle but can be changed in the next cycle. **Make a note of the decided-on cost of a share, for example, R20, R50, R100, etc.**

Discuss the rules for lending and paying back loans:

Emphasise that members can save, borrow, and repay their loans every month. Next, ask your Village Savings and Loan Association group what their priorities for their loans are. Explain that the answer to this question will help prevent arguments if there is not enough money in the Loan Fund to meet every need. Write down these priorities so that you can refer to them later.

It is also important that you highlight and offer guidance for the following –

- The members must decide what type of loans will receive the highest priority, the next highest priority, and the lowest priority. Make a note of these decisions.
- Mention that members must not take out loans they cannot repay easily.
- Explain that the amount borrowed by any member cannot be more than half of their savings. This ensures that the loans are not too risky and help encourage savings.



- Highlight that the longest loan period should not be more than 3 months but can be less.
- Help the group decide what they want their service charge to be. For the purposes of training, it is suggested that you start with a 10% service charge over three months. First, you must explain and discuss the services the Village Savings and Loan Association will provide its members. Make a note of the service charge the group has agreed on.

6. Now, you can help your Village Savings and Loan Association group to **create a Constitution** using the services information you have noted and by completing the blank spaces on the Constitution form found in Annex 2.

Your role as facilitator is to help your group to fill in this form by explaining each section to them. Once your form has been completed, you must ask the Record-keeper to read the finished Constitution out loud to all the members.

Ask the Record-keeper to make a note to read this constitution again at least once every 3 months. This will help make sure that everyone remembers the rules.

Once the constitution form has been filled in and read to the members, all the members must sign it to show that they agree with it.

Note: Creating a Village Savings and Loan Association constitution is the most important training, and it should not be rushed or treated carelessly. It tells the group how it will do its work and the services offered to members. If this is rushed, likely, the group will not be stable and reach its goals.

Experience has shown that sometimes creating a constitution can take two meetings to finish, which is OK! It shows that members have thought about and discussed their rules in detail. If it takes half an hour and many sections are ignored, this can be a sign that it was not taken seriously.

7. The meeting closes with song and prayer.



Module 3:

Your first official Village Savings and Loan Association Group Savings Meeting

This meeting is when group members can buy shares for the first time.

Before starting this meeting, you must study **Annex 3** and have it available at the meeting to refer to it when necessary. **Do NOT fill out any records without reference to Annex 3.**

Make sure the Record-keeper has a Savings and Loan book for each member.

Steps for the meeting:

1. Welcome members and open the meeting with Bible scripture reading and prayer.
2. Explain the **purpose of the meeting**: Tell the members that this meeting will be the first chance they have to buy shares and that you will now guide them through the steps. Also, tell the members that the first loan meeting will not take place for another month, after which loans can be taken at every meeting.

Explain that from now on; **you are only there to support the Management Committee**, which is now in charge of all meetings, which the Constitution must guide.

3. The Chairperson calls the meeting to order and gives the following instructions:
 - Tells the Record-keeper to make a note of who is at the meeting and who is not there – we call this “**roll call.**” The Record-keeper uses the seating plan on page 12 (figure 8) to confirm who is or is not seated at their correct position.
 - Tells the Key-holders to open the box, which stays in front of the Box-keeper. The Box-keeper takes the items out and places them in front of the Record-keeper.
 - The fines bowl is placed in front of the Chairperson so that fines can be collected. The Chairperson asks the members who have been fined to pay what they owe.
 - The Record-keeper is asked to call each member (in number order of their seating position) to the front. Now, he/she gives each member a number card and tells them **they must always bring it with them to all meetings.**



- The Record-keeper writes each member's name and number on a savings and loan book but does not give the savings and loan book to them.
4. The Chairperson announces that it is **time to purchase shares/savings**. He or she:
- Tells the **Record-keeper** to conduct the share purchase/savings activities.
 - The **Record-keeper** calls each member to the front by their number (the number that is on their card).
 - Each member comes to the front and buys 1 to 5 shares. They do so by giving the money to the Money-counters.
 - The Money-counters count the money saved by each member and then place it in a money-counting bowl. The Money-counters announce and confirm the amount and the number of shares that have been purchased by each member.
 - The Record-keeper stamps the correct number of shares into each member's Savings and Loan Book and crosses out any unused blocks (refer to **Annex 3** for guidance).
 - The member then checks that the number of new stamps in the Savings and Loan book is correct: the Savings and Loan book always remains with the Record-keeper.
 - Once all the members have bought 1 to 5, the Record-keeper tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it.
 - The Money-counters count all the money collected at the meeting and announce the total to the group.
 - The Money-counters then count the money that's left and announce the total.
 - The Record-keeper tells the group that this money forms their Loan Fund but that no loans will be given until 4 savings meetings have been completed. When 4 loan meetings are completed, loans will be available at every meeting according to loan rules.



The Record-keeper records this total in the notebook's '**Cash in the Loan Fund**' section.

* The Record-keeper writes Loan Fund information in the notebook at the end of every meeting.

The Money-counters place the Loan Fund in its drawstring bag and in the box.

5. **Closing of balances.** The Chairperson takes the notebook from the Record-keeper and announces the total/s in the fund/s, instructing everyone to remember it for the next meeting.
6. The Chairperson asks the 3 Key-holders to lock the box and reminds the Box-keeper of the importance of keeping the box in a safe place and to bring it back at the next meeting.
7. The Chairperson invites the group members to discuss any matters they want to bring to the group's attention – or they can ask the Chairperson questions.
8. Once discussions have ended, the Chairperson announces the **date and time of the next savings meeting**. Members are asked to make a note of this date in their diaries and are reminded what they may be fined for according to the Constitution.
9. The meeting closes with song and prayer.

Note: Remember, your role for this meeting and the meetings going forward is to support the Management Committee only. The Management Committee is now in charge of all meetings, which the Constitution must guide.



Module 4: First Loan Meeting

The first loan meeting takes place 3 months after the first savings meeting and is the first-time members can borrow.

Before this meeting, you, as a facilitator, and the Management Committee, must study **Annex 3** and have it on hand so the group can be sure of how the Loan Fund savings and loan records are kept. **Do NOT fill out any records without reference to Annex 3.**

Steps for the meeting:

1. The Chairperson calls the meeting to order and opens with scripture reading and prayer.
2. The Chairperson tells the Record-keeper to perform a roll call by calling member numbers.
3. The Key-holders are asked to open the box, which remains in front of the Box-keeper, and the materials are taken out and placed in front of the Record-keeper.
4. The fines bowl is placed in front of the Chairperson so that fines can be collected during the meeting.
5. The Chairperson announces that it is **time to purchase shares/savings**. He or she:
 - Tells the Record-keeper to start the share purchase/savings activities.
 - The Record-keeper asks the group members to recall the balance of the Loan Fund from the previous meeting.
 - The Money-counters then remove the Loan Fund from its drawstring bag and count it, announcing the amount to the members.
 - Once it is agreed that the amount remembered and counted are the same, the money is placed in a money-counting bowl.
 - The Chairperson announces that members can now buy shares.



- The Record-keeper calls each member to the front by their number, and each member buys 1 to 5 shares by giving their share money to the Money-counters and their Savings and Loan book to the Record-keeper.
 - The Money-counters count the money saved by each member, place it in the money-counting bowl, and announce the amount and the number of shares that the member has purchased.
 - The Record-keeper stamps the correct number of shares into the savings and loan book and crosses out any unused blocks.
 - The member then checks that the number of new stamps in the Savings and Loan book is correct. The savings and loan book remains with the Record-keeper for the rest of the meeting and after that.
 - Once all the members have made their contributions, the Chairperson tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it.
 - The Money-counters count the money and announce the total to the Group.
 - The Record-keeper then tells the group that this is the money available for lending in this meeting.
6. The Chairperson announces it is time for the loan-taking part of the meeting and
- works through the following checklist of steps:
 - The Chairperson first reminds members of the maximum loan term (3 months) and maximum loan amount (half the value of a member's savings).
 - The Chairperson invites members to make loan requests.
 - Members needing loans must include the following in their request:
 - o How much money they need.
 - o The reason why they need a loan.
 - o How long they need the loan for.



- The Record-keeper checks the Savings and Loan books of members asking for a loan to make sure they have saved at least one-third of the requested loan amount. If they haven't saved enough, they must lower their loan requests.
- The Record-keeper adds up all the loan requests. The group must talk about changing the loan amounts if the total is more than the money available in the Loan Fund (the money in the money-counting bowl). Use the Constitution to help guide this discussion.
- The Record-keeper calls each borrower forward in order of their number.
- The Record-keeper enters the "Date of loan disbursement" and the "Date by which the loan must be repaid" at the top of the page at the back of the Savings and Loan book.
- The Record-keeper calculates each loan request's service charge payable for the whole loan period of 3 months at 10% of the loan.
- The Record-keeper adds up the loan amount and service charge and writes the total in the "Total due" box. They tell the member that this amount must be repaid any time before the "Date by which the loan must be repaid" written in the Savings and Loan book.
- The Record-keeper tells the Money-counters to give the borrower the loan amount.
- The borrower counts the money and signs the Savings and Loan book.
- The Record-keeper tells the borrower to announce the total amount due and by what date it will be repaid.
- The above process is repeated until all loans have been handed out.
- The Record-keeper tells the Money-counters to count the money remaining in the money-counting bowl and announce it to the members.
- The Record-keeper records this amount in the "Cash in the Loan Fund" page in the notebook.



- The Record-keeper says that this is the current value of their Loan Fund.
 - The Money-counters then put the Loan Fund in its drawstring bag and return it to the cash box.
7. **Closing of balances.** The Chairperson leads the meeting again and takes the notebook from the Record-keeper.
- The Chairperson shares the total of the Loan Fund once again and tells all members to remember it for the next meeting.
 - The Chairperson then asks the 3 Key-holders to lock the box.
8. The Chairperson invites the group members to discuss any matters they want to bring to the group's attention – or they can ask the Chairperson questions.
9. Once discussions have ended, the Chairperson announces the date and time of the next Village Savings and Loan Association meeting. Members are asked to **make a note of this date** in their diaries and are reminded of what they can be fined for according to the Constitution.
10. The meeting is closed with song and prayer.



Module 5: First Loan Repayment Meeting

This meeting can take place at any time after the first loans have been made. The purpose of this meeting is to save but also to receive any loan repayments.

Before this meeting, you, as the facilitator and the Management Committee, must study **Annex 3** and have it on hand so the group can be sure of how the Loan Fund savings and loan records are kept. **Do NOT fill out any records without reference to Annex 3.**

Steps for the meeting:

1. The Chairperson calls the meeting to order and opens with scripture reading and prayer.
2. The Chairperson tells the Record-keeper to perform a roll call by calling member numbers.
3. The Key-holders are asked to open the box, which remains in front of the Box-keeper, and the materials are taken out and placed in front of the Record-keeper.
4. The fines bowl is placed in front of the Chairperson so that fines can be collected during the meeting.
5. The Chairperson announces that it is time to **purchase shares/savings**. He or she:
 - Tells the Record-keeper to start the share purchase/savings activities.
 - The Record-keeper asks the group members to recall the balance of the Loan Fund from the previous meeting.
 - The Money-counters then remove the Loan Fund from its drawstring bag and count it, announcing the amount to the members.
 - Once it is agreed that the amount remembered and counted are the same, the money is placed in a money-counting bowl.
 - The Chairperson announces that members can now buy shares.



- The Record-keeper calls each member to the front by their number, and each member buys 1 to 5 shares by giving their share money to the Money-counters and their Savings and Loan book to the Record-keeper.
 - The Money-counters count the money saved by each member, place it in the money-counting bowl, and announce the amount and the number of shares that the member has purchased.
 - The Record-keeper stamps the correct number of shares into the savings and loan book and crosses out any unused blocks.
 - The member then checks that the number of new stamps in the Savings and Loan book is correct. The savings and loan book remains with the Record-keeper for the rest of the meeting and after that.
 - Once all the members have made their contributions, the Chairperson tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it.
 - The Money-counters count the money and announce the total to the group.
 - The Record-keeper then tells the group that this is the money available for lending in this meeting.
6. The Chairperson announces that all **loan repayments must now be made** and works through the following checklist of steps:
- The Chairperson tells the Record-keeper to manage loan repayment activities.
 - By looking at each member's Savings and Loan books, the Record-keeper identifies who the borrowers are and what they owe as a loan repayment.
 - Each borrower is asked if they will make a loan repayment in the meeting. If they say "yes", they must give the money to the Money-counters who announce the amount and place it in the money-counting bowl.



What to do if the loan is paid back late

If a member repays their loan late, they must be fined for late payment. A fixed percentage of the loan amount is charged as a late fine for every month or part of a month the loan is not paid (meaning that if a member is overdue by as little as one month, they must still pay the full fine). This rule is included in the “**Fines**” section of the Constitution template in **Annex 2**.

- The Record-keeper enters the payment amount in the borrower’s Savings and Loan book in the “Paid” box.
 - The Record-keeper then calculates the remaining balance due and enters it in the “Balance” box in the Savings and Loan book.
 - The borrower then signs in the space provided.
 - Note** - If the remaining balance due is zero, the Record-keeper signs the Savings and Loan book and says that the loan is repaid. The Record-keeper must also cancel the loan by drawing a diagonal red line through the loan page’s entire page. **See Annex 3.**
 - Now, the Chairperson tells the Money-counters to combine the cash in the money-counting bowl and the fines-bowl and to count it.
 - The Record-keeper then tells the group that this is the money available for lending in this meeting.
7. The Chairperson announces it is time for the **loan-taking** part of the meeting and works through the following checklist of steps:
- The Chairperson first reminds members of the maximum loan term (3 months) and maximum loan amount (half the value of a member’s savings).
 - The Chairperson invites members to make loan requests.



- Members needing loans must include the following in their request:
 - o How much money they need.
 - o The reason why they need a loan.
 - o How long they need the loan for.

- The Record-keeper checks the Savings and Loan books of members asking for a loan to make sure they have saved at least one-third of the requested loan amount. If they haven't saved enough, they must lower their loan requests.

- The Record-keeper adds up all the loan requests. The group must talk about changing the loan amounts if the total is more than the money available in the Loan Fund (the money in the money-counting bowl). Use the **Constitution** to help guide this discussion.

- The Record-keeper calls each borrower forward in order of their number.

- The Record-keeper enters the "**Date of loan disbursement**" and the "**Date by which the loan must be repaid**" at the top of the page at the back of the Savings and Loan book.

- The Record-keeper calculates each loan request's service charge payable for the whole loan period of 3 months at 10%.

- The Record-keeper adds up the loan amount and service charge and writes the total in the "**Total due**" box. They tell the member that this amount must be repaid any time before the "**Date by which the loan must be repaid**" written in the Savings and Loan book.

- The Record-keeper tells the Money-counters to give the borrower the loan amount.

- The borrower counts the money and signs the Savings and Loan book.

- The Record-keeper tells the borrower to announce the total amount due and by what date it will be repaid.

- The above process is repeated until all loans have been handed out.



- The Record-keeper tells the Money-counters to count the money remaining in the money-counting bowl and announce it to the members.
 - The Record-keeper records this amount in the 'Cash in the Loan Fund' page in the notebook.
 - The Record-keeper says that this is the current value of their Loan Fund.
 - The Money-counters then put the Loan Fund in its drawstring bag and return it to the cash box.
8. **Closing of balances.** The Chairperson leads the meeting again and takes the notebook from the Record-keeper.
- The Chairperson shares the total of the Loan Fund once again and tells all members to remember it for the next meeting.
- The Chairperson then asks the 3 Key-holders to lock the box.
9. The Chairperson invites the group members to discuss any matters they want to bring to the group's attention – or they can ask the Chairperson questions.
10. Once discussions have ended, the Chairperson announces the date and time of the next Village Savings and Loan Association meeting. Members are asked to make a note of this date in their diaries and are reminded that they may be fined if they miss this meeting.
11. The meeting is closed with song and prayer.

You, as the facilitator and Management Committee must use the steps for Module 5 as a procedure guide for all meetings going forward except for the Share-out/action-audit and graduation meeting at the end of the cycle.



Module 6: Share-out/Action-audit and Graduation

This meeting takes place at the end of the Village Savings and Loan Association group's 12-month cycle. This is when shares are audited and distributed fairly among the group members.

Tip: Suggest to the group to make the Share-out date after Christmas so members cannot be tempted to use their savings for festivities.

Steps for the meeting:

1. The Chairperson opens the meeting with scripture reading and prayer.
2. If any member has not completed their loan repayments, the exact amount owing is taken from the total number of shares in the member's Savings and Loan book.
3. The Money-counters count the money in the Loan Fund.
4. While the Money-counters are counting, the Record-keeper takes the Savings and Loan books and counts the total number of shares of the entire group.
5. When the Money-counters are finished, the Record-keeper uses the calculator to divide the total cash in the Loan Fund by the total number of shares. This process will determine the value of a single share. **This value must be written down to 3 decimal places (for example, ZAR 984).**
6. Next, the Record-keeper multiplies the number of shares in each Savings and Loan book by the value of one share.
7. The Record-keeper announces the number of shares and the amount payable to each member, **rounding down by the smallest cash unit of ZAR.**
8. The Record-keeper asks the Money-counters to count out the amount and place it in each member's Savings and Loan book.
9. After the loan is given out, the Record-keeper cancels each member's shares. They do this by drawing a large cross on the pages of the savings and loan book



where there are share stamps. This process is done for all members before anyone receives any money.

10. After finishing the calculations, a small amount of money might be left due to rounding down. However, there should not be any shortage of money. If there is a shortage, the process is repeated until the amounts are correct. Any small amount remaining is used as seed capital in the Loan Fund for the next cycle.
11. Now, all members are given their Savings and Loan books with all their money. It is very important that every member's money is placed in their hand.
12. **Preparing for the next cycle.** During this part of the meeting, the Chairperson must work through the following checklist of steps:
 - Announce that any member who wishes to leave the Village Savings and Loan Association group can do so.
 - New members can now be allowed to join only if all the remaining members agree.
 - The continuing members now decide on the share price for the next cycle.
 - If the group wants to give seed capital to start (boost) the next cycle, they should now do so. Note: All members can contribute whatever amount they wish, and it can be more than 5 shares on this occasion only.
 - The number of shares is recorded in each member's Savings and Loan book in the "starting NUMBER OF SHARES" box.
 - Once all members who wish to give seed capital have done so, the Money-counters count the money and place it in both the Loan Fund bag and cash box. The Record-keeper records this amount in the notebook.
 - The Chairperson announces the amount and explains that this is the balance of the Loan Fund to start the next cycle.
 - The box is now locked, and the old cycle is formally ended.



You, as the facilitator, explain that the members must hold new elections at the next meeting and revise the Constitution.

You, as the facilitator, announce that you will be available to attend the next meeting to help with elections and the Constitution.

13. The meeting is closed with song and prayer.



Annex 1: Election Procedures

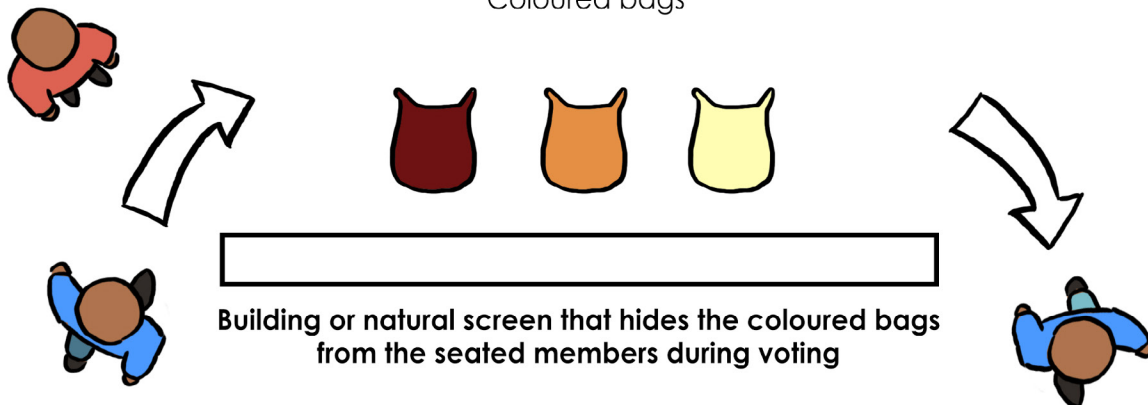
- You, as the facilitator must prepare the group members for the election and explain the process (see Figure 10 below).
- You, as the facilitator, must bring 3 bags to the Village Savings and Loan group meeting. Each bag must be a different colour.
- You ,as the facilitator, must also bring one small stone for each member.
- Each candidate (no less than 2 and no more than 3 for each position) is given a coloured bag. Members must note the colour of the bag of the member they want to vote for.
- The coloured bags are placed behind a screen (or inside a building) some distance from the gathering and hidden from the view of members and passers-by.
- Each member, in turn, goes behind the screen (or into the building) and, hidden from the members but under the eye of the facilitator, deposits their stone in the coloured bag of his/her choice.
- When all the members have voted, the facilitator counts out the votes in front of the members by removing the stones from each bag.
- You, as the facilitator, must make sure that no additional stones have been put in the bags and that the total equals the number of members voting.
- At the end of the elections, you, as the facilitator, must explain that in the next cycle, you can be asked to facilitate the elections OR it can be facilitated by a trusted member who does not stand for election and is trusted to be neutral.



Building or natural screen that hides the election process

Field Officer observing & controlling entry.

Coloured bags

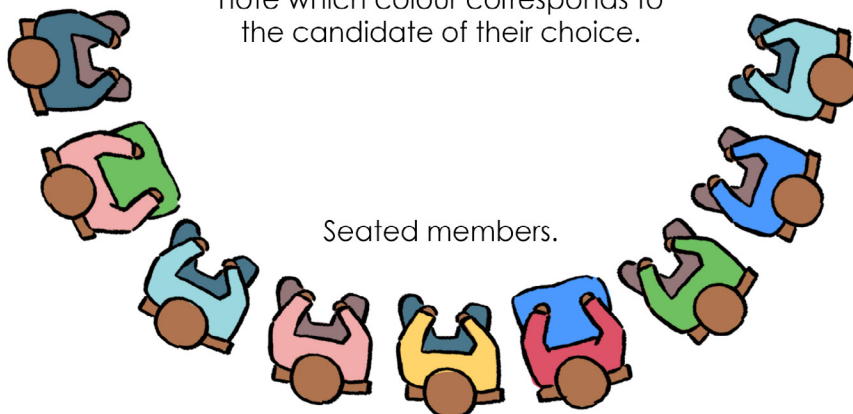


One-by-one, each member goes inside the building/behind the screen to privately vote and puts their stone in the bag of their choice.



Member who has voted returns to seat.

Candidates hold up their coloured bag for the members to note which colour corresponds to the candidate of their choice.



Seated members.

Figure 10: Diagram of election procedures.



Annex 2: Constitution Framework

Part 1: Village Savings and Loan Association Group Governance

1. BASIC INFORMATION ON THE VILLAGE SAVINGS AND LOAN ASSOCIATION GROUP

- **Name of the Village Savings and Loan Association group:**

(Advice: Use a name that empowers the group or supports the goals/vision of the group. Another idea is to use a name that is meaningful to the community.)

- **Address:**

(Advice: Choose an address and venue that can accommodate your group safely without interruptions. A venue that is central to members and can be reached by foot is ideal.)

- **The Village Savings and Loan Association group was formed on (date):**

(Advice: Enter the date on which the Constitution is signed.)

2. OBJECTIVES OF THE VILLAGE SAVINGS AND LOAN ASSOCIATION GROUP

- The purpose of the Village Savings and Loan Association group is: to be an independent, sustainable provider of savings, credit, and social support to its members.

3. WHO MAY BE A MEMBER OF THE VILLAGE SAVINGS AND LOAN ASSOCIATION GROUP?

(Advice: Choose members who are honest, trustworthy, reliable, punctual, ambitious, calm, and who are guided by Christian values.)



- **Lower age limit:**

(Advice: Older members may be more reliable. However, younger members can be ambitious and more capable of contributing physical labour. Consider your members and their needs to determine a suitable lower age limit.)

- **Gender:**

(Advice: Depending on the needs of the members and community, some groups may prefer to have a gender-specific group. Keep in mind that a balance of genders can help maintain group perspective.)

- **Residence:**

(Advice: Group meeting attendance is generally better when members live close to the meeting venue. However, members who live and work outside your location may be able to buy more shares and add more monetary value to the loan fund. Decide whether you want members to reside within your village community only or if you are happy to welcome “outsiders.”)

- **Other common circumstances:**

(Advice: Here, you can add other member requirements. For example, must all the members speak a certain language or work for the same company? This section allows you to personalise the membership of your group.)



4. COMPOSITION OF THE MANAGEMENT COMMITTEE

(Advice: Choose candidates who have a reputation for being responsible, trustworthy, and who can confidently carry out a management role. It is also important that these candidates are well-spoken and are good at reading, writing and mathematics. Remember, they will be handling everyone's money!)

- Chairperson
- Record-keeper
- Box-keeper
- 2 Money-counters

5. ELECTION PROCEDURES

- Elections must be held at the beginning of each new cycle.
- The minimum number of people that must stand for each position is 2.
- The minimum number of members who must be present to hold an election is:

(Advice: This number will depend on how many members are in YOUR Village Savings and Loan Association group. Ideally, you want all your members to vote. However, sometimes it helps to have an odd number of voters to avoid voting ties.)

- The election procedure will use a system that allows everyone's vote to be kept secret.
- A candidate for any position must be proposed by another member. No one is allowed to nominate themselves.

6. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS

- Any member of the Association may, at any time, request a vote of no confidence against a member of the Management Committee.
- The Committee member must resign if the majority of members vote to remove him/her.
- An election is required to fill the vacant position.

7. MEETINGS

- The Village Savings and Loan Association group will meet once a month to buy shares.



- Shares must be bought at every meeting.
- Loans may also be disbursed and repaid at every meeting after the first loan disbursement in the 4th week of a cycle.
- The group will conduct a share-out at the end of every cycle in which members will receive all their savings and any profit the group may have made.

8. MEMBERS LEAVING THE VILLAGE SAVINGS AND LOAN ASSOCIATION GROUP

- If a member leaves before the cycle is finished with a very good reason, the money they have used to purchase shares may be returned to them, minus any loan balance or outstanding fines they owe. If a member leaves before the cycle is finished for laziness or selfish reasons, the money they have used to purchase shares and interest will be left in the Loan Fund and they will be expelled from the group.

9. EXPULSION FROM THE VILLAGE SAVINGS AND LOAN ASSOCIATION GROUP

The reasons for which a person (member) should be expelled from the group are:

(Advice: Here, the group must agree on reasons that justify expulsion from the group. Examples include: missing more than one or two group meetings, not paying fines, failing to buy at least one share at each meeting, dishonesty, fighting with other members, and not following the group Constitution.)

- If a member is expelled from the group, the money they have used to purchase shares and interest will be left in the Loan Fund.



10. FINES

The following table lists the fines that will be charged:

REASON FOR THE FINE	AMOUNT
Failure to attend a meeting without sending word	
Late to a meeting	
Not remembering Village Savings and Loan Association group rules	
Forgetting a key to the box	
Chatting through the proceedings	
Not remembering balances from the preceding meeting	
Failure of a member of the Management Committee to perform their duties	
% of the loan balance due, payable monthly in case of late payment	

(Advice: The fine amount must not be too high for members to pay, but it must also not be too low because then they will not learn their lesson. A suggestion is to make the fine no more than the value of one share. This way, if the member fails to pay their fine, the amount can be deducted from their shares/savings.)

11. AMENDMENTS TO THE CONSTITUTION

- At least two-thirds of the members must be in agreement before the Constitution can be changed.
- Any member can propose an amendment to the Constitution after _____ months.

(Advice: Test your current Constitution for at least two months before proposing changes to it.)



Part 2: Services offered by the Village Savings and Loan Association Group

1. SAVINGS

- Members must buy 1 to 5 shares in each meeting.
- The purchase price of a share will be: _____
(Advice: Remember, if the cost of a share is too high, the poorest member might have trouble saving for at least one share at each meeting. If the cost of a share is too small, it may frustrate the better-off members who want to save more.)
- Members may contribute an equal agreed-upon amount at the start of every future cycle to speed up the growth of the loan portfolio. Only at this moment in the cycle can the number of start-up shares be more than 5 shares per member.

2. LENDING

- The maximum amount that anyone can borrow is three times the value of their savings.
- A loan may be taken for one, two, or three months only.
- The service charge on a loan will be 10% charged as a set amount for each loan of 3 months.
- A member can take another loan as long as they have not borrowed more than half the value of their total savings.
- If a member dies and has a loan remaining unpaid, it will be treated as follows:

(Advice: You can use any shares/savings the deceased member had to cover the cost/some of the cost of the loan repayment.)

- 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: _____

(Advice: To answer these questions, the group must consider what the collective values and goals are. Does the group want to encourage members to start income-generating activities that will help better themselves and increase the group's Loan Fund? Is education for members and lower generations a priority for the betterment of the community? Perhaps a priority is to make sure that members are healthy so that they can attend all group meetings and are able to make their contributions?)

3. CONSTITUTION SIGNATURES

*To be signed by all group members.

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____



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Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____

Name: _____ Signature: _____



Annex 3: Use of Savings and Loans Books

Savings

Village Savings and Loan Association group members save by buying shares. When a member buys a share, they receive a stamp in the front section of their Savings and Loan book.

Examples:

Explanation: This picture shows that there have been five meetings and that the member has bought eleven shares in total.

When members make their contribution, the Record-keeper adds a stamp to each Savings and Loan book. The number of stamps equals the number of shares the member has bought. After the Record-keeper has added stamps, the member must confirm that the amount is correct.

On each line, the unused spaces are marked through with a blue ink cross to prevent dishonest changing of shares later. **The value of shares purchased is $11 \times \text{ZAR } 100 = \text{ZAR } 1,100$.**

The image shows two identical Savings and Loan book pages. Each page has a header section with 'Single share value' and 'R 100'. Below this is a box for 'Starting NUMBER OF SHARES' with the value '0'. The main body of the page is a grid with 5 rows and 5 columns, labeled 'Shares bought per meeting'. Each cell in the grid contains a blue arrow pointing right. In the first row, all 5 arrows are present. In the second row, the first two arrows are present, and the last three are crossed out with a blue 'X'. In the third row, the first three arrows are present, and the last two are crossed out. In the fourth row, the first four arrows are present, and the last one is crossed out. In the fifth row, all five arrows are present. At the bottom of each page is a box for 'Ending NUMBER OF SHARES'.

Figure 11: Savings and Loan book with 11 shares stamped in



Explanation: 2 meetings later, in the 7th meeting of the cycle, this member could not save/buy shares. To show that the member did not save anything at this meeting, the row for meeting 7 is cancelled by the Record-keeper and has blue ink crosses in all the blocks of the row.

Single share value		<u>R 100</u>	
Starting NUMBER OF SHARES		0	
Shares bought per meeting			
→	×	×	×
→	→	×	×
→	→	→	×
→	→	→	×
→	→	×	×
→	×	×	×
×	×	×	×
×	×	×	×
×	×	×	×
×	×	×	×
×	×	×	×
×	×	×	×
Ending NUMBER OF SHARES			

The Record-keeper must also fill in a line with crosses if a member is not at a meeting and does not send share-money with another member.

Figure 12: Savings and Loan book with 12 shares stamped and failure to buy shares.

Explanation: Figure 13 shows what the Savings and Loan book looks like when a page is filled. By the 12th meeting (the book contains 12 lines to cover a quarter of a year), the member had purchased a total of 28 shares. This total is written in at the end of the row called "Ending NUMBER OF SHARES."

On the next page, this figure will be reported in the cell called "Starting NUMBER OF SHARES." Note: Do NOT enter the cash value of shares in the "Starting NUMBER OF SHARES" and "Ending NUMBER OF SHARES" boxes, but only the number of shares bought."



Single share value <i>R 100</i>			
Starting NUMBER OF SHARES	0		
Shares bought per meeting			
→			
→	→		
→	→	→	
→	→	→	
→	→		
→			
→	→		
→	→	→	
→	→	→	→
→	→	→	
→	→	→	
→			
Ending NUMBER OF SHARES	28		

Figure 13: Situation at the end of 13 meetings

Figure 13 shows the total number of shares owned by the member at the end of the period. This number will be added to the next page's (period's) shares, and so on. This means the number (value) will be different at the end of each page.

Explanation: Figure 14 shows what the Savings and Loan book looks like at the end of a cycle. The large "X" over the entire page shows that the share-out is finished, and the member has received her money back.

Single share value <i>R 100</i>			
Starting NUMBER OF SHARES	0		
Shares bought per meeting			
→			
→	→		
→	→	→	
→	→	→	
→	→		
→			
→	→		
→	→	→	
→	→	→	→
→	→	→	
→	→	→	
→			
Ending NUMBER OF SHARES	28		

Figure 14: Situation at the end of the cycle, after share-out



Loans

Loans are recorded in the back of the Savings and Loan book. Note: each loan takes up a whole page.

Explanation: Figure 15 shows a loan given to Monica. Monica borrowed ZAR 800. At the top of the page, the date the loan is given is written down, and so is the date by which the loan must be fully repaid. The loan repayment date will be 3 months from the date when the loan was taken. This helps the Record-keeper and the member to know if a loan is being paid back late.

Loans			
Date of loan disbursement		<u>12/10/17</u>	
Date by which the loan must be repaid		<u>12/1/18</u>	
Date	Item	Amount	Signature
12/10	Loan amount	800	Monica
	Service charge	120	
	Total due	920	
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

The Record-keeper then writes the date again in the first block of the table. He or she also writes the amount of the loan and the service charge (ZAR 120, or 5% a month). The loan amount and the service charge are added together. This value is written in the "Total due" space (for example, ZAR 920).

Note: The Record-keeper calculates the service charge based on 3 months at 10%. Monica signs this to show that she understands that she now owes a total of ZAR 920 and must pay it back by the due date.

Figure 15: Member loan record (1)



Loans			
Date of loan disbursement		12/10/17	
Date by which the loan must be repaid		12/1/18	
Date	Item	Amount	Signature
12/10	Loan amount	800	Monica
	Service charge	120	
	Total due	920	
26/10	Paid	200	Monica
	Balance	720	
9/11	Paid	50	Monica
	Balance	670	
14/12	Paid	100	Monica
	Balance	570	
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

Explanation: Entries after this are only made and shown if the member pays back part or all of the loan. In this case, in a meeting on 26-10 -17, Monica paid ZAR 200, leaving a balance of ZAR 720.

Figure 16: Member loan record (2)

Loans			
Date of loan disbursement		12/10/17	
Date by which the loan must be repaid		12/1/18	
Date	Item	Amount	Signature
12/10	Loan amount	800	Monica
	Service charge	120	
	Total due	920	
26/10	Paid	200	Monica
	Balance	720	
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

Explanation: Monica pays a further ZAR 50 on the 9th of November and ZAR 100 on the 14th of December, reducing the balance she owes to ZAR 570. In meetings where she made no payment, no entries were made.

Figure 17: Member loan record (3)



Explanation: Figure 18 shows that, at the next meeting, Monica pays the full amount owed on her loan. The Record-keeper (Helen) enters ZAR 570 in the “Paid” row, enters a “0” in the Loan balance row, and then signs the entry.

Loans			
Date of loan disbursement		12/10/17	
Date by which the loan must be repaid		12/1/18	
Date	Item	Amount	Signature
12/10	Loan amount	800	Monica
	Service charge	120	
	Total due	920	
26/10	Paid	200	Monica
	Balance	720	
9/11	Paid	50	Monica
	Balance	670	
14/12	Paid	100	Monica
	Balance	570	
5/1	Paid	570	Helen
	Balance	0	
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

Once the loan is fully paid, the Record-keeper draws a red line through the whole loan record. This shows that the loan has been completely repaid and that no more entries must be made on this page.

Note: the extra lines are available in case a member pays in small, more frequent amounts. If the member pays in more than 8 instalments, the loan record can continue on the next page (in this case, you must ignore the “Service charge cell” on the new page).

Figure 18: Member loan record (4)



Fines

Fines are recorded in the back of the Savings and Loan book.

Explanation: Figure 19 on the left shows a record of Monica's fines and that she paid her fines resulting in a total of ZAR 0 at the end of the cycle.

Fines owing		
Fines owing at start of cycle		0
Fine amount	Paid	Balance
50	0	50
	50	0
200	50	150
	150	0
100	0	100
	100	0
Fines owing at the end of cycle		0

Figure 19: Member loan record (4)



Hebrews 10:24–25

And let us consider how to stir up one another to love and good works, not neglecting to meet together, as is the habit of some, but encouraging one another, and all the more as you see the Day drawing near.



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