

# **Oywa Savings and Credit Cooperative**

## **BY LAWS**

(Registered as a Co-operative Society)

## **1. NAME AND AREA OF OPERATION**

The society shall be called **Oywa** Savings and Credit Co-operative Society Limited herein after referred to in these by laws as "The society" and its area of operation shall be:...**Nyakach Sub-County**.

## **2. REGISTERED OFFICE/ POSTAL ADDRESS**

The registered office of the society shall be at **Pap Onditi** and the postal address of the society shall be **P.O Box 12, Pap-Onditi**

Notice of any change of address shall be given to the Commissioner for Co-operative Development and Marketing herein after referred to as 'The Commissioner' and to all members of the society through their last known address as per records held at the society within 30 days of such change.

## **3. DEFINATIONS/INTERPRETATIONS**

**3.1** In these by-laws, unless the context otherwise suggests words or phrases shall be defined/interpreted in accordance with the Co-operative Societies Act Cap 490 Laws of Kenya and the Rules made there under herein after referred to as the "Act" and "Rules" respectively.

In these by-laws save as otherwise expressly stated:

- (i) "General Meeting" shall be a meeting (either "annual" or "special") for all members duly convened by the society to conduct its business.
- (ii) "Management Committee" shall mean the persons elected in a duly convened General Meeting to govern the Business of the society as per these by-laws.
- (iii) "Commissioner" shall mean "the Commissioner for Co-operative Development as provided for in the Act."
- (iv) "Tribunal" shall mean the Co-operative Tribunal established under the Act to hear and determine disputes.
- (v) "SACCO" shall mean Savings and Credit Co-operative Society limited.
- (vi) "Shares and Deposits" shall mean the amount represented by a member's in portion in the equity of a society as a co – owners.
- (vii) "Applicable Law" shall mean the Co-operative Societies Act, Rules and these by-laws.

**3.2** Any questions concerning interpretation of these by-laws shall be referred to the Commissioner.

#### **4. OBJECTS**

**4.1** The objects for which the society is established are to organize and promote the welfare and economic interests of its members in accordance with the following co-operative values and principles. The values shall be self-help, mutual responsibility, equality and equity. It shall practice honesty, openness and social responsibility in all its activities.

#### **4. 2 In particular, the society shall undertake:**

- a) To promote thrift among its members by affording them an opportunity for accumulating their savings and deposits and create thereby a source of funds from which loans can be made to them exclusively for provident and productive purposes, at fair and reasonable rates of interest; thereby enabling them to use and control their money for their mutual benefit.
- b) To offer members an opportunity to save and ensure personal growth through the introduction of new products and services that will promote the economic base of the members.
- c) To ensure progress of members and society through continuous education programs on proper use of credit, reduction of poverty, human dignity and co-operation.
- d) To apply the co - operative principles of co-operation among co-operatives in order to promote members' interests and in furtherance to the objects the society shall, affiliate to the relevant National Co-operative unions and the Apex society.

For the attainment of the above objects, the society may do acts and things that are permissible under the Act, rules and these By- laws including but not limited to acquire property and chattels and doing all such other things as are incidental or consequential to the economic enhancement of its members interests provided such act is approved by the members in a general meeting.

#### **5. CO-OPERATIVE PRINCIPLES**

The society shall act in accordance with the following Co-operative principles.

**(a) *Voluntary and open membership***

The society shall always be guided by the principle of voluntary and open membership in its member recruitment drives without political, ethical, religious, gender or social discrimination.

**(b) *Democratic member control***

The society will be fully controlled by members who will have equal voting rights on the basis of one member one vote.

**(c) *Economic participation by member***

Members shall contribute equitably to the capital of the society and share in the results of its operations.

**(d) *Autonomy and independence***

The society shall operate on mutually acceptable terms with its stakeholders who will ensure its autonomy and independence.

**(e) *Education, training and information***

The society shall foster reciprocal, on-going education programmes for members, leaders, staff and the community so that they can teach and learn from each other or from the appropriate resource persons in understanding and carrying out their respective roles.

**(f) *Co-operation among co-operatives***

In order to better serve the interests of the members and the community, the society shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.

**(g) *Concern for community in General***

The society shall show concern to the community in which it exists and operates.

## **6. MEMBERSHIP**

Membership shall consist of:-

- a) Original members who signed the application for registration.
- b) New members subsequently admitted in accordance with these by - laws.
- c) An employee of the society may become a member of the society but shall not be a member of any committee.

d) A nominee who qualifies to be a member.

## **7. QUALIFICATION FOR MEMBERSHIP**

A person who possesses the following qualification shall be eligible for membership:-

Is within the field of membership consisting of the following

- a. Membership is open to anybody who:
  - a. Has attained the age of 18 years.
  - b. Is of good character and sound mind
  - c. Pays the entrance fee and share capital prescribed in these by-laws.

## **8. APPLICATION FOR MEMBERSHIP**

Every applicant for membership shall complete an "application for membership" form. This form shall be drawn so as to show all the information required for the purpose of registration of members.

## **9. ADMISSION INTO MEMBERSHIP**

- 9.1** An applicant shall be admitted to membership on application and payment of an entrance fee Ksh. 500.00 and paid in full for such other minimum shares as shall be fixed by the General meeting from time to time.
- 9.2** The applicant shall also pay for a copy of the society's by-laws as its actual cost to the society.
- 9.3** On admission to membership, his/her name shall be entered in the membership register and shall be issued with a member number.
- 9.4** Members shall be admitted by the management committee subject to confirmation by the members during the following general meeting. On being accepted as member by the committee the member shall sign his/her name or mark a thumb mark in the register of members in the presence of two members of the committee to indicate his/her acceptance of the by-laws of the society.

## **10. REFUSAL OF ADMISSION**

The Management Committee may refuse admission to a person after assigning reasons for their decision. Such a person, if otherwise

eligible for membership, shall have the right to appeal to the next General Meeting.

## **11. RIGHTS OF MEMBERS.**

A member of the society shall have the right to:

1. Attend and participate in decision making at all general meetings of the society and vote;
2. Be elected to organs of the society, subject to this by-laws;
3. Enjoy the use of all the facilities and services of the society subject to the society's by – laws;
4. All legitimate information relating to the society, including: internal regulations, registers, Minutes of general meetings and supervisory committees reports, annual accounts, inventories and investigation reports, at the society's head office.

## **12. OBLIGATIONS OF MEMBERS**

A member of the society shall have the obligation to:

- i) Observe and comply with all the society's by-laws and decisions taken by the relevant organs of the society;
- ii) Buy and pay up for shares or make any other regular payments provided for in these By-laws;
- iii) Meet the debts of the society in case of bankruptcy in accordance with the provisions of these by-laws and Act.

## **13. MEMBER'S PERSONAL STATEMENT**

The society may use "check off system", standing orders or cash payments for payments of members shares/ deposits and for loan repayments. However, when direct payments have to be made, they shall be paid directly into the society's' account and a receipt be issued by the society on submission of the banking in - slip.

Every member shall receive regular statements at least once every three months, which shall contain particulars of his/her membership, his/her shares and deposits and loan transactions with the society.

## **14. CESSATION OF MEMBERSHIP**

Membership in the society shall cease with effect from the date of:

- (i) Death.

- (ii) Withdrawal.
- (iii) Expulsion.
- (iv) Being certified insane.
- (v) Transferring shares to another member.
- (vi) Failure to remit share contributions and loan repayments for a continuous period of six months without valid reasons or leave of the society.
- (vii) Ceasing to hold qualification for membership as specified in these by-laws.

## **15. SUSPENSION/EXPULSION**

**15.1** The management committee may suspend a member subject to the decision of the general meeting to expel who:

- a) fails to fulfill his/her obligations to the society whether stated in these by-laws, general internal regulations, a resolution of the general meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed,
- b) Is convicted in a court of law for a criminal offence involving dishonesty or fraud or is, imprisoned for a period of three months or more,
- c) Is discovered to be a member of another co-operative society carrying out the same activities and in the same area of operation as this co-operative society,
- d) Acts in any manner prejudicial to the interests of the society.

Provided that, such a member shall be called upon to show cause why he should not be suspended.

## **15.2. PROCEDURE OF SUSPENSION**

- a) Upon formal and written proof that a member has committed a violation punishable by expulsion, the management committee shall serve a thirty (30) days written notice to the member stating the reason(s) for the proposed expulsion and requiring him to file his/her defence.

- b) Upon the expiry of the 30 days and taking into consideration the member's defence if any, the management committee shall initiate an administrative inquiry and make a decision on its finding within fifteen (15) days.

## **16. WITHDRAWAL FROM SOCIETY**

A member may at anytime withdraw from the society by giving at least sixty (60) days written notice to the management committee.

## **17. PAYMENT TO WITHDRAWING/ EXPELLED MEMBER**

A member who withdraws or is expelled from the society shall be refunded the following amounts after deduction of any debts owed by him to the society as borrower, endorser, and guarantor or otherwise:

- a) The nominal value of his/her deposits.
- b) Any dividends or interests due to him prior to the date membership ceased.
- c) Any deposits or other sums held by the society on his/her behalf.

Partial withdrawal of deposits from the society shall not be allowed under any circumstance.

## **18. NOMINEE**

Every member shall nominate in writing one or more persons as his/her nominee to whom on his/her death, shares, deposits or other interest shall be vested and such appointments shall be attested by two witnesses who are members of the society and thereafter the names of such nominee(s) shall be entered in the nominee register.

Provided that a member shall have the right to change his/her nominee(s) in writing in the presence of two attesting witnesses who are members of the society.



## **19. PAYMENT TO NOMINEE**

In the event of the death of a member, the society after satisfying itself and after obtaining such documentary proof of the death of a member as it may consider necessary, shall pay to the nominee the value of the deceased member's deposits, interest and dividend after deducting monies owed to the society, if any.

## **20. ADMISSION OF NOMINEE**

A nominee shall be admitted to membership if his/her is qualified for membership of the society. On admission to membership of such nominee, the shares deposits, interest and dividends due to the deceased member shall be transferred to the account of that nominee.

## **21. FUNDS OF THE SOCIETY**

**21.1** The funds of the Society shall consist of:

- (i) Non-refundable Entrance fees Ksh 500.00.
- (ii) A minimum of 20 shares of Kshs 50 each.
- (iii) Minimum monthly savings of Ksh 1,000.00
- (iv) Deposits or loans from members or non – members.
- (v) Administration fees and penalties.
- (vi) Such reserve funds as required by law or as may be kept by the society.
- (vii) Any surplus resulting from operations of the society.
- (viii) Any donations, gifts from other bodies, organizations and individuals.
- (ix) Funds obtained from lawful miscellaneous sources.

**21.2** The funds of the society shall only be applied to the promotion of the stated objectives and purposes of the society as set forth in these by laws, and shall be invested in:

- a) In such investments and securities as are authorized for the investment of trust funds,
- b) In the shares of any other co-operative society,
- c) With any bank licensed under the Banking Act,
- d) In the stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya or in any other manner approved by a resolution at a general meeting of the society.
- e) In loans to members.

## **22. SHARES**

Every member shall hold at least 20 shares of Kshs 50 each or such other minimum shares as shall be fixed by the General Meeting. However, no member shall hold more than one-fifth of the total shares of the society.

## **23. TRANSFER OF SHARES**

- a) With the approval of the Management Committee, a member may at any time transfer his/her shares to another member but not to any other person. Such transfers must be in writing and at nominal value.
- b) All transfers of shares between members shall be registered with the society and no transfer shall be valid unless so registered. A fee of Ksh 500 shall be payable by the transferee for each such transfer.

## **24. LIABILITY**

- a) The liability of a member shall be limited to the nominal value of the shares held by him.
- b) In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by members; the funds shall be distributed pro-rata among the shareholders according to the amount of shares held by each.

## **25. POWER TO BORROW**

- a) Loans may be obtained from non- members subject to the maximum amount and terms approved by the General meeting.
- b) For the securing of any loans accepted by the society under paragraph (a) above, the society may grant a charge over its assets. The authority to grant a charge shall be reserved to the General Meeting.
- c) The rate of interest on loans shall not exceed the current market rates.

## **26. RECEIPTING OF MONEY**

- a) Money paid in on account of shares, deposits, Loans, interest's fees or fines shall be evidenced by a printed receipt in a form to be approved by the Management Committee. Every person receiving or paying any money on behalf of the society shall be identified on the receipt.
- b) Should the receipt given to the member by the society be lost or destroyed, immediate notice of such fact shall be given by the member to the Treasurer who may be authorized by the Management Committee to issue a duplicate receipt. The Management Committee may require the member to sign an indemnity to protect the society against any loss due to the issuance of such duplicate. The management Committee may also require payment to the society of a reasonable fee to cover the cost of issuing the duplicate receipt.

## **27. PAYMENT/DISBURSEMENT**

### **28. RESERVE FUND**

- a) The society shall pay into the reserve fund maintained in pursuance of the provisions of Section 47 of the Act and the Rules one fifth of any net surplus resulting from the operations of the society during a financial year.
- b) The reserve Fund of the society shall be invested in the manner provided for in these by-laws.
- c) The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it.
- d) No withdrawal shall be made from the reserve fund of the society without a resolution from the General Meeting and a written approval from the Commissioner.

## **29. GENERAL MEETING/DELEGATES MEETING**

The supreme authority of the society shall be vested in the General Meeting of members. Such meetings shall be held as follows:

- a) An Annual General Meeting shall be convened within four months after the end of the society's financial year.
- b) Any business not completed at the annual General Meeting, may be taken up at a subsequent special General Meeting of the society.

A special general meeting of the society may be held:-

- (i) When convened by the Management Committee.
- (ii) When convened by the Commissioner.
- (iii) When convened by the Management Committee within 15 days of receipt a written request by at least one fourth of the total membership.

Provided that when the General Meeting is convened at the request of the members, the request must be deposited by registered mail at the society's address or delivered to the manager at the society offices within normal working hours.

- (iv) If the Committee fails to convene a meeting within fifteen days of receiving notice under the Act, the members demanding the meeting may themselves convene the meeting by giving notice to the other members of the co – operative, stating the object and reasons for the meeting and the fact that the Committee has failed to convene the meeting.

### **30. DUTIES OF GENERAL MEETINGS**

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

- i. Consider and confirm the minutes of the previous General Meeting.
- ii. Consider reports of committees, the Commissioner or his/her representative and the audited accounts on the society's activities during the past financial year.

- iii. Consider and resolve on the manner in which any available surplus shall be distributed or invested, subject to the Act and rules.
- iv. Elect or remove members of the Management Committee and the Supervisory Committee, subject to the Act, Rules and these by-laws.
- v. Fix the indemnity for the elected committee members and management staff.
- vi. Consider recommendations from the Management Committee, appeal against suspensions of members and refusals of membership by the Management Committee.
- vii. Fix the maximum liability which the society may incur in loans and deposits from both members and non-members.
- viii. Approve the estimates of income and expenditure for the financial year following the General Meeting.
- ix. Fix the honoraria, if any, for officers or employees of the society.
- x. Decide the management structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
- xi. Appoint bankers, auditors and advocates of the society for the ensuing year.
- xii. Transact any other business of the society for which notice has been given to members in the manner prescribed in these by-laws.

**30.2** All members are allowed to attend the General Meeting and participate in its deliberations, however they may be required to identify themselves.

### **31. RECORD OF BUSINESS OF THE GENERAL MEETING**

All business discussed or decided at the General Meeting shall be recorded without erasures and corrections in a Minute Book which within one week of the meeting shall be signed by the Chairman of

the meeting to indicate that in their opinion the record is true and complete record of all important matters which were discussed or decided at the meeting. At the next meeting after approving any alterations or variations which shall be immediately written below the above signatures and not as alterations to the original record, the meeting shall by resolution authorize the chairman to sign and date the final record.

### **32. NOTICE OF MEETINGS**

At least fifteen days before the General Meeting, the Secretary Manager shall take all possible and usual steps to publish the meeting in public places, the posting of a notice on the society's notice board or boards, and advertisement in local newspaper or news – sheets if any, to inform all members of the date and main business of meeting. All written notices of the meeting shall include a statement of the business to be dealt with.

### **33. QUORUM**

Except when convened by the Commissioner, the presence of the least 25% of the total membership shall constitute a quorum for the conduct of business at the General Meeting. When a quorum is not attained the chairman shall adjourn the meeting and shall fix a date within one month for the adjourned meeting, which shall be advertised as prescribed in this by-law. If at such a meeting a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

### **34. ELECTIONS**

- a) With every notice of the General Meeting convened in accordance with these by-laws, where elections will be held, the Management Committee shall notify the members of the vacancies arising in both the Management Committee and the Supervisory Committee.
- b) During elections, the Returning officer shall call for nominations from the floor. Each candidate must have a proposer and a seconder.

- c) At the elections, members shall decide, by majority vote, the method of voting. The method may be secret ballot or queuing or by show of hands.
  - d) No member shall be entitled to vote by proxy.
  - e) Irrespective of the number of shares held by him, no member shall have more than one vote.
- 34.1** Within fourteen (14) days of the elections, the Honorary Secretary shall forward to the Commissioner the names and addresses of all persons elected.
- 34.2** A new committee elected at the General Meeting shall not assume office unless they have satisfied the requirements of the Act, Rules and these by-laws as to the indemnity and ethics.

### **35. THE MANAGEMENT COMMITTEE**

- 35.1** The Management Committee shall be the governing body of the society elected from the general membership and shall consist of nine (9) members. It shall include the Chairman, Vice chairman, Treasurer and Secretary all of whom shall be elected by the Committee from amongst the members of the Committee.
- 35.2** Members of the committee shall hold office for a period of three years provided that, one-third of the committee members shall retire every year but will be eligible for re-election

### **36. ELIGIBILITY FOR MEMBERSHIP TO THE MANAGEMENT COMMITTEE**

No person shall be eligible for membership in the management committee of the society, or remain a member of such a committee if he/she:

- a) Is not a member of the sacco society;
- b) Is under eighteen years of age;
- c) Is unable to read and write;
- d) Receives any remuneration, salary or other payments from the sacco society save as in accordance with this Act;
- e) Is a committee member in two other societies;
- f) Lends money on his/her own account;
- g) Has not, within thirty days of being appointed, declared his/her wealth to the Commissioner in the prescribed manner;

- h) Is an undischarged bankrupt;
- i) Is of unsound mind;
- j) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- k) Has been convicted of any offence under this Act or rules made thereunder;
- l) Has any uncleared debt owing to the society at the end of its financial year other than in respect of a loan granted under the provision of any rules made under this Act;
- m) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under this Act.
- n) Any other condition passed in a general meeting's resolutions and approved by the Commissioner.

### **37. MEETINGS OF THE MANAGEMENT COMMITTEE**

- a) Meetings of the Management Committee shall be held regularly but upto a maximum of 15 per year. At least ½ the number of members of the total number of members of the committee shall form a quorum for the disposal of business.
- b) If a member of the committee fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his/her duties, his/her position may be declared vacant and the vacancy filled as provided in these by-laws.
- c) In exceptional cases where the membership of the committee falls below five the committee may co-opt qualified member(s) into the committee till the next General Meeting.

### **38. RECORD OF BUSINESS OF THE MANAGEMENT COMMITTEE**

All business discussed or decided at the meeting of the committee shall be recorded in a Minute Book within one week of the meeting, shall be signed by the Chairman of the meeting and at least one other committee member who was present at the meeting to verify that in their opinion the minutes are true and complete record of all the important matters which were discussed or decided at the meeting. At the next meeting, after approving any alterations or variations, which shall be written immediately below the above signatures and not as alterations to the original record, the meeting



shall, by resolution, authorize its Chairman to sign and date the final record.

### **39. DUTIES AND POWERS OF THE MANAGEMENT COMMITTEE.**

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

- a) Observe in all its transactions the Act, the Rules, these by-laws and prudent business practices.
- b) Generally direct the affairs of the society.
- c) Act upon all applications for membership.
- d) Ensure that true and accurate records and accounts are kept of the society's money, and its properties, capital reserves, liabilities, and income and expenditure;
- e) Prepare long term planning budgets for presentation at the General Meeting;
- f) Propose to the General Meeting the amount and kind of surety bond, or other security, which shall be required of any member of the committee or employee having custody of or handling funds or property of the society;
- g) Determine and recommend to the General Meeting the interest rates on loans, deposits, the maximum maturities and terms of payment or amortization of loans to members from time to time; and the maximum amounts that may be loaned with or without security to any member;
- h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting;
- i) Lay before the General Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- j) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on savings/deposits;

- k) Fill through co-option, vacancies occurring in the management Committee between General Meetings;
- l) Recommend investments of the society;
- m) Authorize the conveyance of property;
- n) Authorize borrowing and lending operations of the society in accordance to the Act and the Rules;
- o) Designate a depository or depositories for the funds of the society;
- p) Employ and fix the remuneration of the employees in accordance with the terms and conditions of service as approved by the Commissioner;
- q) Impose fines as provided for under these by-law;
- r) Approve transfer of shares between members;
- s) Determine and recommend the interest rates which shall be paid on deposits and loans to members;
- t) Supervise the recovery and collection of loans to members and recommend to the General Meeting the write off of bad debts.
- u) Affiliate the society to National Co-operative Organization for SACCO societies and/or the Apex society, subject to approval of the General Meeting;
- v) Perform or authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the General Meeting;
- w) To provide adequate budget for education and training of members, the committee and staff; and
- x) Perform such other duties as the General meeting may from time to time direct.

#### **40. LEGAL STANDARD OF CARE**

In the conduct of the affairs of the society, the members of Committee shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, the Rules, the By-laws or the directions of the General Meeting.

#### **41. EXPENDITURE**

No expenditure shall be authorized by the Management Committee unless it is provided for in the estimates formally approved by the General Meeting.

#### **42. INDEMNITY**

All Committee Members shall each provide an indemnity of an amount approved by the General Meeting. A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner within 14 days upon election to the committee.

#### **43. DELEGATION TO SUB-COMMITTEE**

The Management Committee may delegate to the sub - committees some of its powers.

#### **44. DELEGATION TO EMPLOYEES**

- a) The Management Committee may delegate to any employee of the society such duties as it deems fit.
- b) Nothing in (a) above shall absolve the Committee from its responsibility of running the affairs of the society in a proper and business like manner.

#### **45. EXECUTIVE OFFICERS**

The Chairman, the Vice-Chairman, the Treasurer and the Honorary Secretary shall be termed as the "Executive Officers of the Society" and shall be elected at a meeting of the Management Committee held within seven days after election at the Annual General Meeting.

#### **46. THE CHAIRMAN**

- a) The Chairman shall preside at meetings of the members, at Management Committee and at joint meetings with the Supervisory Committee.
- b) He/she shall perform such other duties as he may be directed to perform by the Management Committee, not inconsistent with provisions of the Act, the Rules and these by-laws

- c) The Vice Chairman shall perform the duties of the Chairman during his/her absence and shall perform such other duties as he/she may be directed to perform by the Management Committee.

#### **47. HONORARY SECRETARY**

The duties of the Honorary Secretary are:

- a) To cause minutes to be recorded of the Management Committee meetings, General Meetings and joint meetings with the Supervisory Committee.
- b) To prepare and send notices of meetings
- c) To ensure that the society's correspondence is promptly and correctly attended to.
- d) To perform such other duties as may be directed by the management committee.

#### **48. TREASURER**

The duties of the Treasurer shall be:

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

- h) Causes to be presented a statement of ensuing month's cash flow statement.

#### **49. APPOINTMENT OF SUB-COMMITTEES**

The Management Committee may appoint sub - committees as may be necessary from time to time. Such sub - committees shall consist of persons drawn from the Management Committee of the society. These sub-committees shall convene as directed by the management committee.

#### **50. EDUCATION COMMITTEE**

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

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

#### **51. TENDER COMMITTEE**

#### **52. CREDIT COMMITTEE**

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

- i. To hold regular meetings as the business of the society may require, but at least once a month
- ii. To vet loan applicants and their guarantors and their ability to service their credit requirements.
- iii. To endeavor to assist members solve their financial problems.
- iv. To maintain records of their deliberations on loans to members.

- v. To forward its loan recommendations to the management Committee for approval.

### **53. SUPERVISORY COMMITTEE**

- (a) The society shall have a supervisory committee consisting of three members each elected at the General Meeting for a period three years and one member of the supervisory committee shall retire annually. No person who has been in the management committee within two (2) years preceding the date of the anticipated election shall be eligible for membership of the supervisory committee.

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

- (b) The supervisory committee meetings shall be held quarterly save for exceptional joint meetings between its members and those of management committee.
- (c) All supervisory committee members should have qualifications similar to those of management committee members.
- (d) Members of the Supervisory Committee may be required to have at least some proven knowledge of accounts.

### **54. DUTIES OF THE SUPERVISORY COMMITTEE**

- a) To countercheck, the effectiveness of the society's internal control systems through:-
  - i. Carrying out investigations as may be necessary for well being of society and members in general and verifying the accuracy of the transactions of the society.
  - ii. Checking if cash and bank accounts are reconciled in good time.
  - iii. To establish whether the management of the society is geared to use managerial tools i.e. budgets, trial balances, economic reports, long term plans and others and thereafter making necessary recommendations to the management committee.
  - iv. Submission of its report to the Commissioner.

- v. To prepare periodic reports and present them to the management committee during joint committee meetings and prepare reports for presentation to the General Meetings respectively.

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

## **55. SUSPENSION FROM THE MANAGEMENT COMMITTEE**

- a) The Commissioner may suspend from duty any Committee member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.
- b) The majority members of a Committee may for good cause suspend the Committee member subject to ratification by the General Meeting.

## **56. REMOVAL FROM THE MANAGERMENTS COMMITTEE**

A member of the Management Committee shall cease to hold office if:

- a) He/she ceases to hold qualifications of a Management Committee Member as specified in the Act, Rules and these By-laws;
- b) He/she is removed by the Commissioner under the provisions of the Act;
- c) He/she is voted out by two-thirds majority of the society members present and voting at the General Meeting.

## **57. THE MANAGER**

The Manager shall conduct the business of the Society and exercise control over the administration of the society subject to overall control of the committee. He/she shall be an *ex-officio* member of all Committees.

## **58. DUTIES OF THE MANAGER.**

He/she shall advise the Management Committee and other Committees in formulating to prepare and implement long term

policies and programmes of the Society and implement these after approval.

- (i) He/she shall supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner.
- (ii) He/she shall ensure that proper books of accounts, records and returns are kept and that regular financial, statistical and operational information is prepared and submitted to the Management Committees and other Committees and also to the Commissioner.
- (iii) He/she shall be responsible for the security of the funds and assets of the Society.
- (iv) He/she shall ensure that all statutory deductions such as NSSF, NHIF contributions and P.A.Y.E. are correctly calculated and that all the amounts due and the necessary returns are submitted by the due date.
- (v) To ensure that rent, rates, levies and debts due from and to the Society are paid by the due date.
- (vi) To recommend to the Management Committee the filling of any vacant position or dismissal of any staff member who is not performing his/her duties properly.
- (vii) The manager shall be bonded in accordance with the Society's terms and conditions of service.
- (viii) To countersign the society's' cheques, contracts and other documents.
- (ix) To perform such other duties as may be assigned to him by the management committee.

## **59. FRONT OFFICE SAVINGS ACTIVITIES**

If the society is intending to operate a front office service, it shall after a resolution of the general meeting apply in writing to the Commissioner for authorization. If the society is operating a FOSA, it shall:-

- a) Maintain a minimum liquidity at 10% of the deposits;
- b) Maintain a minimum capital adequacy and reserves at 10% of the total liabilities;
- c) Maintain such other prudential standards as may be directed by the Commissioner in writing from time to time;



- d) Make provisions for bad and doubtful debts before any surplus is declared;
- e) Ensure that the provision for bad and doubtful debts made under paragraph (a) above complies with such guidelines as may be prescribed by the Commissioner.

## **60. FRONT OFFICE COMMITTEE**

The front office sub – committee shall comprise of at least 3 members drawn from, a member of Education Committee, a member of the Credit Committee and the society's Treasurer.

The Front office committee will be vested with the duties and responsibilities of governing and directing the business of the FOSA savings account in accordance with the laid down regulations. It will comprise of the officials drawn from the full management committee of the society.

Specifically the FOSA committee is charged with the following duties and responsibilities: -

- i) Accomplishing of the objective for the SACCO society in relation to the objective of the FOSA.
- ii) Approval of the admission and withdrawal of members from the FOSA.
- iii) Ensure the maintenance of accurate and up to date members' savings account records.
- iv) Maintain members savings register.
- v) Ensure members savings and all other funds are safeguarded.
- vi) Determine the terms and conditions of lending and savings.
- vii) Ensure preparation and present regular financial reports of the FOSA.
- viii) Savings accounts to the management committee.
- ix) Research on new products that may be accorded to members.
- x) Maintain public relations amongst the staff members and the public.
- xi) Performing such other duties as may be assigned by the management committee from time to time.

## **61. BOOKS AND RECORDS**

The society shall keep upto date and in a proper business like manner such accounts and books as stipulated in the Act, the Rules, and in particular, shall keep the following books of accounts:-

- a) A register of members showing in respect of each member's:
  - (i) Name, age, date of application for membership, address and occupation;
  - (ii) Date on which he/she ceased to be a member,
  - (iii) Date was admitted to membership;
  - (iv) Name and particulars of his/her nominee, and
  - (v) Any other information as may be required by the society from time to time.
- b) Minute books giving details of proceedings of Management Committee, joint Management and Supervisory Committee, Supervisory Committee meetings and all other committee meetings held in accordance with these by-laws.
- c) Minute book giving details of proceedings at the General Meetings.
- d) A cashbook showing the details of all monies received and paid out by the Society.
- e) A general ledger containing such accounts as is necessary to reflect the business of the Society.
- f) A personal ledger for each member showing his/her transactions with the society.
- g) An assets (property) register.
- h) A register of loans to members showing in respect of each loan; the loan number, name of the borrower, the amount borrowed, the purpose of the loan, the due date of repayments and the date repayments were completed.
- i) Such other books and records as the management committee may decide or that the Commissioner may prescribe.

## **62. REGULATIONS**

The Management Committee may make such regulations, not inconsistent with these by-laws, as they deem necessary for the

conduct of the society's business. Any such rules shall be recorded in the minute books posted on the society's notice board and shall come into force when and as determined by the committee.

### **63. AUTHORIZATION TO SIGN DOCUMENTS**

**63.1** All documents, contracts and cheques shall be signed on behalf of the society by any three of the following:

- a) Chairman;
- b) Vice Chairman;
- c) Secretary; and
- d) Treasurer.

**63.2.** The manager shall counter – sign all the documents.

**63.3.** Any other office authorized by the committee.

### **64. FINANCIAL YEAR**

The financial year of the society shall be from January to December.

### **65. DISPOSAL OF SURPLUS FUNDS**

Subject to the Act, and approval by the General Meeting, the net surplus resulting from operations of the society during any financial year shall be disposed of follows:

- a) 20% shall be credited to the Reserve Fund.
- b) The balance may be disposed of as decided by the General Meeting for:
  - (i) Paying dividend or interest on shares/deposits.
  - (ii) Being forwarded to Education Fund or any other fund or funds of the society including the appropriations.
  - (iii) Paying a gratuity or honorarium to officials or bonuses to employees
  - (iv) In any other way approved by the General Meeting.

### **66. LOANS TO MEMBERS**

The society shall have a loan policy approved by the General meeting as per rule 7 (2) of the rules the Act.

- a) All loans be approved by the committee with recommendation from the credit committee and shall be restricted to the members.
- b) Loans shall only be given for worthy purposes that benefit the borrower.

The rate of interest on loans shall be determined by the General Meeting on recommendation by the Management Committee.

## **67. APPLICATION FOR LOANS**

All loans shall be applied for on forms provided by the society for the purpose. The loan application in each case shall set forth the amount applied for, the purpose for which the loan is desired, the terms of repayment, the security if any, and such other information as the Management Committee may require. All applications for loans and reports thereon shall be filed as permanent records of society.

## **68. LOAN GRANTING**

- a) The loan repayment form shall clearly state the amount of the loan, the rate of interest, the terms of repayment and its security, if any.
- b) No loan shall be made to any member in excess of 5% of the society's total share capital and reserves.
- c) Loans may be granted to Executive Officers, employees of the society who are members only if:
  - (i) The loan is in accordance with these by-laws and is not on terms more favorable than those extended to other borrowers.
  - (ii) The loan is approved by the Credit committee and thereafter by the Management Committee.
  - (iii) The applicant takes no part in the consideration of his application at either the Credit or Management Committee Meeting.

## **69. SECURITY FOR LOANS**

- a) The Credit Committee shall ask for such security for loans as it may consider necessary. The shares and deposits of a member shall constitute the first part of the security.

- b) The committee shall not accept as guarantor, a member who himself has taken a loan and has already guaranteed three loans.
- c) No management Committee member, Supervisory Committee member shall act as endorser or guarantor for borrowers from the Society.
- d) A borrower or guarantor may apply to the Management Committee for change of guarantors.

## **70. REPAYMENT OF LOANS**

A borrower may, on any day on which the Society is open for business, repay his loan in whole or in part prior to maturity.

## **71. RE-FINANCING OF LOANS**

- a) The re-financing of loan shall be allowed by the Management Committee only when the society has satisfied all loan demands and has sufficient funds. The re-financing shall be treated as new-loan, which therefore shall be subjected to the normal loan approval procedures.
- b) Any request for an extension of time in which to pay, shall be agreed by the Management Committee only in the most exceptional circumstances; provided such extension shall not result in financial losses to the society. Any extension so granted shall be treated as though it was a new loan and an extension agreement shall be executed and signed.

## **72. LOANS AS AN ITEM OF THE AGENDA**

- a) At every regular meeting of the management Committee the item "loans" shall appear on the agenda. At the meeting, the Credit Committee shall present a list of loans granted for approval. Every month, the Treasurer will present an up-to-date listing of delinquent borrowers showing: -
  - Name of borrower.
  - Account number.
  - Date of loan
  - Unpaid loan balance.
  - Borrower's share balance.
  - Number of months delinquent.
  - Security or guarantors if any

- b) The management Committee shall thereupon take action to collect the overdue loans. Any loan, which remains outstanding after six (6) months, may be referred to the Tribunal as a dispute provided that the society shall first give a written notice to the borrower on its intention to do so.
- c) The Management Committee shall thereafter make full report to the General Meeting

### **73. CASH RESERVE**

Except as otherwise authorized by the General Meeting and approved by the Commissioner, a cash reserve shall be maintained of not less than 10% of total deposits capital for the specific purpose of meeting requests for deposits withdrawals and other emergency pay-outs. The cash reserve may consist of cash in hand, the current account, the society's savings account and fixed deposits.

### **74. COMMON SEAL**

The society shall adopt and use a common seal bearing words "seal of OYWA SAVINGS AND CREDIT CO - OPERATIVE SOCIETY LIMITED" and shall be different from the ordinary name-stamp of the society. The seal shall be kept securely under lock and key by the Manager and shall be used only in the presence of the officers authorized to sign documents on behalf of the Society.

### **75. FINES**

For any breach of these by - laws or lawful instructions issued by the Management Committee and General Meeting, or failure of a member to pay his/her obligations on time, the member may be fined an amount not exceeding Kshs. 20,000.00

### **76. DISPUTES**

If any dispute concerning the business of the society arises: -

- a) Among members, past members and persons claiming through members, past members and deceased members; or
- b) Between members, past members or deceased members, and the society, its committee or any officer of the society; or
- c) Between the society and any other co – operative society; and

- d) From these by-laws or concerning the business of the society which cannot be determined by the Management Committee or General Meeting;

shall be referred to the Tribunal. Appeals for any aggrieved party be taken to the High Court on matters of interpretation of laws.

## **77. MISCELLANEOUS**

- a) No management Committee member or Supervisory Committee member shall receive from the society any payment apart from sitting allowance, agreed allowance of travelling and subsistence allowance while working on the Society's business, except an honorarium from the net surplus as allowed in these by-laws.
- b) The Management Committee members, supervisory committee members, members of committee and employees of the society shall hold in the strictest confidence all transactions of the society with its members and all information respecting their personal affairs except to the extent deemed necessary by the Management Committee in connection with the making of loans and the collection thereof.
- c) When any Management Committee member is disqualified or otherwise, unable to perform his/her duties, the committee may co-opt another member or members of the society to serve on the committee until the next general meeting.
- d) The society shall pay an audit and supervision fees of such sums as may be required by the Act and rules.
- e) No management committee member, supervisory committee member or employee of the society shall in any manner participate in the deliberations upon or determination of any question affecting his/her own financial interest. In the event of disqualification of any such officer bearer, executive officer, committee member or employee, he/she shall withdraw from such deliberation or determination, and the remaining qualified committee members present at the meeting, if constituting a quorum without the disqualified person may exercise, with respect to the matter, all powers of the committee.

## **78. INSPECTION OF DOCUMENTS**

- a) All books of accounts and other records shall at all times be available to all committee members and the supervisory committee of the society, and to the commissioner or his/her authorized representative. A copy of the Act, the Rules, the by-laws and the society's Registration certificate or copy thereof, this by-laws, and list of members excluding details of nominees and shareholdings or loans shall be available for inspection by any member and any other stakeholder upon payment of the prescribed fees.
- b) A copy of these by-laws shall be furnished to every member who joins the society or on request upon payment of a fee not exceeding its actual cost to the society.

## **79. DISSOLUTION**

The society may be dissolved in accordance with the procedures set forth in the Act and Rules made thereunder.

## **80. AMENDMENT OF BY-LAWS**

These by-laws may be amended in accordance with the Act and the Rules but no amendment shall become effective until it is approved and registered by the Commissioner.



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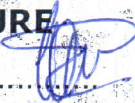


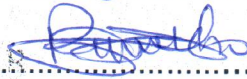
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### 81. ACCEPTANCE

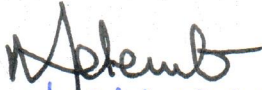
We the undersigned Executive officers of Oywa Savings and Credit Co-operative Society Limited named herein do hereby accept and receive these by laws for and on behalf of the society.

TITLE	NAME	I.D NO.	SIGNATURE
CHAIRPERSON:	Clifford Okembo	23693648	
VICE CHAIRPERSON:	Benson O. Apuoyo	6056222	
SECRETARY:	Emily Awuor	33150464	
TREASURER:	Barack Ambasa	11044385	

### OFFICIAL CERTIFICATION

I CERTIFY that the foregoing by-laws of the Oywa Savings and Credit Co-operative Society Limited have been approved and duly registered.

Given under my hand at Nairobi this 16<sup>th</sup> Day of JANUARY 2018

  
MARY N. MUNGAI

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT