



PUBLIC SERVICE SAVINGS AND CREDIT COOPERATIVE

BYLAWS

PS-Sacco
Creating our future today
Creating Our Future Today

Jan 2018

TABLE OF CONTENTS

Chapter 1: Name, Domicile, Definitions and Purpose	1
Article 1. NAME AND AREA OF OPERATION.....	1
Article 2. REGISTERED OFFICE AND POSTAL ADDRESS	1
Article 3. INTERPRETATIONS	1
Article 4. PURPOSE.....	1
Article 5. COOPERATIVE PRINCIPLES.....	2
Article 6. COLLABORATION, PARTNERSHIPS AND SUBSIDIARIES.....	3
Chapter 2: ELIGIBILITY, Application for Membership, MemberACCOUNT, REFUSAL OF MEMBERSHIP	4
Article 7. MEMBERSHIP ELIGIBILITY	4
Article 8. MEMBERSHIP APPLICATION FORM	4
Article 9. NOMINEES	4
Article 10. PAYMENT TO NOMINEE	4
Article 11. ADMISSION INTO MEMBERSHIP.....	5
Article 12. MEMBER PERSONAL ACCOUNT.....	5
Article 13. REFUSAL OF MEMBERSHIP	5
Chapter 3: MEMBERSHIP Rights, Member Liability, Penalties, Withdrawal and Expulsion	6
Article 14. MEMBERSHIP RIGHTS.....	6
Article 15. LIABILITY OF MEMBERS	6
Article 16. PENALTIES.....	6
Article 17. VOLUNTARY WITHDRAWAL.....	7
Article 18. SUSPENSION AND EXPULSION.....	7
Article 19. SUSPENSION AND EXPULSION PROCEDURE.....	7
Article 20. PAYMENTS RESULTING FROM WITHDRAWAL, TERMINATION, OR EXPULSION FROM MEMBERSHIP	7
Article 21. CESSATION OF MEMBERSHIP	8
Chapter 4: PUBLIC SERVICE SAVINGS AND CREDIT COOPERATIVE Funding, Shares, Deposits, Reserves	9
Article 22. SACCO FUNDS.....	9
Article 23. SHARES	9
Article 24. DEPOSITS	10
Article 25. RESERVES.....	10
Chapter 5: PROVINCIAL GENERAL MEETINGS, Annual GENERAL Meeting, Special MeetingS, Notice of Meetings, Quorum, Nominations and Voting.....	11
Article 26. GOVERNANCE STRUCTURE.....	11

Article 27: ESTABLISHMENT OF ELECTORAL ZONES	11
Article 28. ELIGIBILITY FOR ELECTION AS A DELEGATE	11
Article 29. DELEGATES ELECTION.....	12
Article 30. PROVINCIAL ANNUAL GENERAL MEETINGS	12
Article 31: FUNCTIONS OF THE PROVINCIAL GENERAL MEETING	12
Article 32. DUTIES AND RESPONSIBILITIES OF THE PROVINCIAL DELEGATES.....	13
Article 33: CESSATION OF THE TERM OF A DELEGATE	13
Article 34. ANNUAL GENERAL MEETING (AGM)	14
Article 35. SPECIAL MEETINGS	14
Article 36. NOTICE OF SPECIAL OR ANNUAL GENERAL MEETING.....	14
Article 37. QUORUM	15
Article 38. REQUIRED MAJORITY.....	15
Article 39. CHAIRPERSON AT MEETINGS.....	15
Article 40. IDENTIFICATION OF MEMBERS.....	15
Article 41. POWERS AND DUTIES OF THE ANNUAL GENERAL MEETING	15
Article 42. MINUTES OF THE GENERAL MEETING	16
Article 43. CONDUCT OF THE ORGANIZATIONAL MEETING	16
Article 44. CONDUCT OF THE FIRST GENERAL MEETING	16
Article 45. NOMINATIONS AND VOTING	17
Chapter 6: Board of Directors, Board Indemnity, Executive Committee.....	18
Article 46. BOARD OF DIRECTORS.....	18
Article 47. CONDUCT OF BUSINESS.....	18
Article 48. ELIGIBILITY FOR THE BOARD OF DIRECTORS	18
Article 49. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS	19
Article 50. IDEMNITY	20
Article 51. DELEGATION OF DUTIES	20
Article 52. RECORDS OF BOARD OF DIRECTORS MEETINGS	20
Article 53. SUB-COMMITTEES	20
Article 54. EXECUTIVE COMMITTEE MEMBERS	21
Article 55. FUNCTIONS OF THE EXECUTIVE COMMITTEE	21
Article 56. CHAIRPERSON AND VICE CHAIRPERSON	21
Article 57. TREASURER	22
Article 58. SECRETARY	22
Chapter 7 – Credit Committee	23
Article 59. CREDIT COMMITTEE	23

Article 60. MEETINGS OF CREDIT COMMITTEE.....	23
Article 61. DELEGATION RIGHT OF CREDIT COMMITTEE	23
Article 62. DUTIES OF CREDIT COMMITTEE	23
Chapter 8 – Supervisory Committee.....	24
Article 63. AUTHORITY OF SUPERVISORY COMMITTEE	24
Article 64. MEETINGS OF THE SUPERVISORY COMMITTEE.....	24
Article 65. ELECTION OF SUPERVISORY COMMITTEE	24
Article 66. POWERS AND DUTIES OF SUPERVISORY COMMITTEE	24
Article 67. RESPONSIBILITY OF SUPERVISORY COMMITTEE	25
Chapter 9 – CHIEF EXECUTIVE OFFICER	26
Article 68. DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER.....	26
Chapter 10 – SACCO Operations.....	27
Article 69. BOOKS AND RECORDS	27
Article 70. AUTHORIZATION TO SIGN DOCUMENTS.....	28
Article 71. DISPOSAL OF NET SURPLUS.....	28
Article 72. LOANS AND SECURITY	28
Article 73. LOAN RESTRICTIONS FOR MEMBERS OF THE BOARD OF DIRECTORS, CREDIT COMMITTEE, SUPERVISORY COMMITTEE AND EMPLOYEES	28
Article 74. PENALTY CHARGES FOR OVERDUE LOANS.....	29
Article 75. AMOUNT AND USE OF LIQUIDITY.....	29
Article 76. PAYMENTS.....	29
Article 77. COMMON SEAL.....	29
Chapter 11 – General Provisions.....	30
Article 78. FINANCIAL YEAR	30
Article 79. CONFLICT OF INTEREST.....	30
Article 80. DISPUTES	30
Article 81. CONFIDENTIALITY BY OFFICERS OF THE SACCO	30
Article 82. ACQUISITION OF BY-LAWS	30
Article 83. INSPECTION OF DOCUMENTS.....	30
Article 84. AUDIT AND SUPERVISION FEES	31
Article 85. AMENDMENT OF BY-LAWS.....	31
ACCEPTANCE.....	31
APPENDIX A.....	32

CHAPTER 1: NAME, DOMICILE, DEFINITIONS AND PURPOSE

Article 1. NAME AND AREA OF OPERATION

The Savings and Credit Cooperative shall be called **Public Service Savings and Credit Cooperative Limited**, hereinafter referred to in these by-laws as “**Sacco**” and its area of operation will be the Republic of Zambia.

Article 2. REGISTERED OFFICE AND POSTAL ADDRESS

The registered office of the Sacco shall be situated at **Plot No. 441a/57, Zambezi Road, Roma, Lusaka, Zambia** and its postal address shall be **50857, Lusaka**. Any change of address of the Sacco shall be furnished to the Registrar of Co-operative Societies and to the members of the Sacco.

Article 3. INTERPRETATIONS

In these By-laws, unless the context otherwise requires, words or phrases shall be interpreted in accordance with the Co-operative Societies Act, of 1998 and the Co-operative Societies Regulations of 1999 made there under, hereinafter referred to as “**the Act**” and “**the Regulations**” respectively and which term shall include their subsequent amendments:

- (a) “**Sacco**” means the Public Service Savings and Credit Co-operative Limited;
- (b) “**Deposits**” are the funds placed in the safe custody of the Sacco on agreed terms and are withdrawable;
- (c) “**Immediate family member**” means a parent, foster parent, spouse, child, foster child or sibling;
- (d) “**Institutional Capital**” means and is comprised of statutory reserves, retained earnings, donations to capital, audited net income, and non-withdrawable members’ shares;
- (e) “**Net Surplus**” means the amount of income in excess of expenses of the Sacco and is the amount computed before any allocation is made for member dividends on shares;
- (f) “**Officer**” refers to any officer of the Sacco and includes, Chairperson, Vice chairperson, Secretary, Treasurer, member of a Board, Chief Executive Officer, Chief Accountant, or any other person empowered under the Regulations or the Bylaws to act on behalf of the Sacco;
- (g) “**Registrar**” means the Registrar of Co-operative Societies; and,
- (h) “**Shares**” are the funds that represent a member’s ownership in the Sacco. They are non-withdrawable unless the Sacco exceeds the minimum institutional capital requirement at the time of the request, and the withdrawal of such funds would not cause the Sacco to fall below the minimum requirement.

Article 4. PURPOSE

The purposes for which the Sacco is established are to:

- (a) Encourage thrift among members by giving them an opportunity to save;

Public Service Savings & Credit Cooperative: *Creating Our Future Today*

- (b) Offer members savings and loan services and other financial products at reasonable rates and terms;
- (c) Provide financial counseling to members;
- (d) Provide members with loans for provident and productive purposes;
- (e) Ensure the safety and soundness of member funds;
- (f) Educate members in the proper use of credit, and by familiarizing them with the Act, Regulations, bylaws, the co-operative movement, the roles of various Committees and Subcommittees, and the role of members in the Sacco; and
- (g) Offer other services as permissible by law for the benefit of members.

Article 5. COOPERATIVE PRINCIPLES

To achieve its objects the Sacco shall act in accordance with the following Co-operative principles and Values:

(a) Voluntary and open membership

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

(b) Democratic member control

The Sacco will be fully controlled by members who will have equal voting rights based on one member one vote.

(c) Economic participation by member

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

(d) Autonomy and independence

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

(e) Education, training and information

The Sacco shall foster reciprocal, on-going education programmes for members, leaders and staff 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

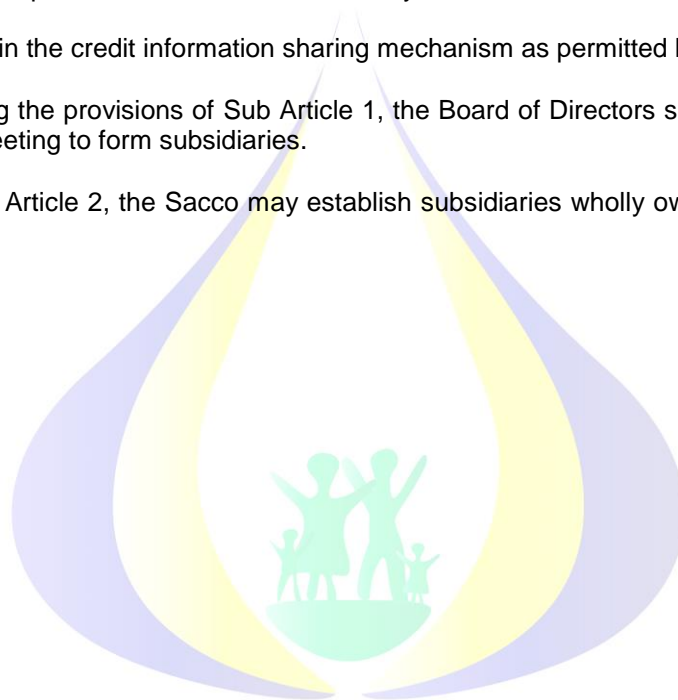
To better serve the interests of the members, the Sacco shall actively co-operate with other co-operatives locally, nationally, regionally and internationally.

(g) Concern for community in General

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

Article 6. COLLABORATION, PARTNERSHIPS AND SUBSIDIARIES

1. The Sacco may:
 - (a) become a member of any national or international organization that may best serve its interests;
 - (b) enter into partnerships with organizations, institutions and such other service providers approved by the Board of Directors;
 - (c) form or participate in such subsidiaries as may be of benefit to its members; and,
 - (d) participate in the credit information sharing mechanism as permitted by law;
2. Notwithstanding the provisions of Sub Article 1, the Board of Directors shall seek the approval of the General Meeting to form subsidiaries.
3. Subject to Sub Article 2, the Sacco may establish subsidiaries wholly owned or controlled by the Sacco.



PS-Sacco
Creating our future today

CHAPTER 2: ELIGIBILITY, APPLICATION FOR MEMBERSHIP, MEMBERACCOUNT, REFUSAL OF MEMBERSHIP

Article 7. MEMBERSHIP ELIGIBILITY

A person shall be eligible for membership if he/she is within the field of membership, is at least eighteen years of age, is not directly or indirectly a money lender, or carrying out such activities detrimental to the purpose of the Sacco and meets the following criteria:

- (a) Is employed by the Government of the Republic of Zambia in any Ministry, Province or Spending Agency (MPSA);
- (b) Is employed by a State-Owned Enterprise (SOE), a parastatal body and other agencies approved by the Annual General Meeting;
- (c) Is an employee of the Sacco;
- (d) Is of good character;
- (e) Is of sound mind;
- (f) Pays the prescribed entrance fee and the minimum prescribed shares; and,
- (g) Has accepted the objectives of the Sacco, the obligations of members and other conditions as stated in these By-laws

Article 8. MEMBERSHIP APPLICATION FORM

Every applicant for membership shall complete an "Application for Membership" (see Appendix A of these By-laws).

Article 9. NOMINEES

- (a) Every member may nominate, on the membership application, one or more persons in order of priority and percentage to whom upon his/her death, his/her shares, deposits or any other interest shall be transferred. Appointment of a nominee by a member shall be in writing and signed by the member. Such particulars of the nominee(s) shall be recorded and kept safely by the Sacco;
- (b) A member may at any time change his/her nominee provided such change or alteration is in writing and signed by the member;
- (c) In the absence of a valid nominee, monies due shall be paid to the estate of the member.

Article 10. PAYMENT TO NOMINEE

The nominee shall be paid the value of the deceased member's shares or interest, less any sums due by the latter to the Sacco as soon as possible and in any event not later than six months after receiving official notice of the death of the member.

Article 11. ADMISSION INTO MEMBERSHIP

- (a) All public Service workers, employees of quasi government institutions and state-owned enterprises are eligible to join the Sacco and pay the minimum required share amount. Membership is voluntary.
- (b) An applicant shall be admitted into membership if he/she meets the eligibility criteria and has paid a membership fee of K200.00 and paid in full at least 1,500 shares with nominal value of K3.00 per share, giving a total of K4,500.00 to be paid over a maximum period of twenty-four (24) months. A member is also required to submit a copy of the National Identity Card or any other authenticated identity. The completed form, when filed, shall constitute the Register of members as required under the Act. Upon admission to membership the Chief Executive Officer shall cause the name and relevant particulars of the qualified applicant to be entered in the register of members.

Article 12. MEMBER PERSONAL ACCOUNT

- (a) A number shall be assigned to each member as a means of identifying their account with the Sacco;
- (b) The Sacco shall maintain a Personal Account for each member, which shall contain full particulars such as name, Sacco membership number, employment personal number Identification (I.D) number, amount and number of shares, and all transactions and balances for savings and loan accounts; and,
- (c) A Statement of Account showing the member's savings balance, names and I.D number signed by a duly authorized officer shall be conclusive evidence that the person named therein is a member of the Sacco and shall constitute a certificate of savings, unless it is proved otherwise. If such a book is lost, issuance of a duplicate may be authorized by the Board of Directors upon payment of any applicable fee.

Article 13. REFUSAL OF MEMBERSHIP

The Board of Directors may refuse membership to any applicant giving him/her reasons for the refusal in writing, provided the person whose membership has been refused, if aggrieved by the decision, shall have the right to appeal to the next Annual General Meeting. The decision of the Annual General Meeting on the matter shall be final.



CHAPTER 3: MEMBERSHIP RIGHTS, MEMBER LIABILITY, PENALTIES, WITHDRAWAL AND EXPULSION

Article 14. MEMBERSHIP RIGHTS

Subject to these By-laws, and Sacco policies and procedures, all members shall have the right to use the Sacco's services and exercise the rights established by the Co-operative Societies Act, the Regulation and By-laws, and valid resolutions of the annual and special general meetings. The members are entitled but not limited to:

- (a) Receive periodically, or upon request, and at least once a year, a Statement of Account containing the individualized record of his/her transactions;
- (b) Attend and participate at the Annual General Meeting (AGM) as described in these by-laws;
- (c) Cast one vote at the AGM irrespective of the member's total shareholding;
- (d) Elect or be elected as an officer of the Sacco unless otherwise prohibited by any other law or these By-laws;
- (e) Bring to the attention of the Board of Directors and Sacco management, problems affecting the Sacco and provide suggestions for solutions;
- (f) Attend co-operative seminars organized by the Sacco;
- (g) Use the Sacco services according to the policies and procedures approved by the Board of Directors; and,
- (h) All other rights as prescribed by the Act and Regulations.

Article 15. LIABILITY OF MEMBERS

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

Article 16. PENALTIES

- (a) Any member who willfully acts in violation of these By-laws or Regulations made there under shall be liable to a fine not exceeding Five Thousand Kwacha (K 5,000.00) for each offense notwithstanding any other action that may be taken against him/her in accordance with the Act, Regulations, these By-laws or any other law;
- (b) The Board of Directors of the Sacco shall have powers to hear and determine matters relating to any alleged violation of By-laws by a member; and,
- (c) Any member aggrieved by the decision of the Board of Directors may appeal to the Annual General Meeting (AGM) whose decision shall be final provided this provision should not prejudice a member's right to refer the matter to a regulator or redress system, if the issue constitutes a dispute.

Article 17. VOLUNTARY WITHDRAWAL

- (a) A member may at any time withdraw from the Sacco by giving 30 days' written notice to the Sacco during which time the Sacco will settle the member's accounts and refund the member's savings. Shares are not redeemable and can only be transferred/sold to another person to be found by the member who wishes to withdrawal. Such a person may or may not be a member of the Sacco; and,
- (b) A member is not eligible to withdraw from membership if they have outstanding obligations on their accounts or they have guaranteed another member's loans and the loan has not been fully repaid.

Article 18. SUSPENSION AND EXPULSION

The Board of Directors may suspend a member, pending expulsion by the Annual General Meeting, who:

- (a) willfully fails to comply or refuses to comply with the Sacco's by-laws, policies or contracts and persists in such refusal or failure;
- (b) willfully defaults in the repayment of loans due or part of loans due for a period exceeding six months;
- (c) acts in any way detrimental or prejudicial to the Sacco's interests;
- (d) is convicted in court of a criminal offense involving dishonesty; or
- (e) for any other reason approved by the Annual General Meeting and/or as may be contained in the Sacco's Code of Ethics.

Article 19. SUSPENSION AND EXPULSION PROCEDURE

- (a) Upon formal and written announcement and proof that a member has committed a violation punishable by expulsion, the Board of Directors shall provide written notice to the member stating the reason/s for the proposed expulsion, and grant the member 30 days for the member to prepare a defense if any;
- (b) Upon expiry of the 30 days and taking into consideration the member's defense, the Board of Directors shall initiate an administrative inquiry and take a decision on its findings within 15 days; and,
- (c) The Board shall recommend to the Annual General Meeting that such member be expelled. The decision of the General Meeting on the matter shall be final.

Article 20. PAYMENTS RESULTING FROM WITHDRAWAL, TERMINATION, OR EXPULSION FROM MEMBERSHIP

- (a) Withdrawal, expulsion, or termination of membership will not exonerate a member from any existing personal or membership liability;
- (b) A member who withdraws or is expelled shall be repaid the following amounts after deduction of any debts owed by him/her to the Sacco as borrower, endorser, guarantor, or otherwise:

- (i) the nominal or book value of shares, whichever is less; provided however, that the Board of Directors may require a minimum of 60 days written notice of intention to withdraw shares;
 - (ii) any dividends or interest due on the date membership ceased; and,
 - (iii) any deposits or other sums held by the Sacco on the member's behalf.
- (c) Members who voluntarily withdraw may re-apply for admission. They will be required to pay the entrance fee if the application is approved. A member may only rejoin the credit union three months after ceasing to be a member.

Article 21. CESSATION OF MEMBERSHIP

Membership in the Sacco shall be terminated upon:

- (a) Voluntary resignation by the member;
- (b) Death of the member;
- (c) Expulsion from membership;
- (d) Transfer/sale of all his/her shares;
- (e) mental disorder or legal incapacity of the member;
- (f) the member's ownership share balance falls below the stated par value in Article 10 of these by-laws;
- (g) Acting contrary to the relevant provisions of the Act, Regulations and By-laws;
- (h) By vote of the membership at the ensuing General Meeting following suspension of a member by the Board of Directors for any violation of these By-laws or conduct prejudicial to the Sacco's interest; or
- (i) Being declared bankrupt by a court of law.



PS-Sacco
Creating our future today

CHAPTER 4: PUBLIC SERVICE SAVINGS AND CREDIT COOPERATIVE FUNDING, SHARES, DEPOSITS, RESERVES

Article 22. SACCO FUNDS

The funds of the Sacco shall consist of:

- (a) Entrance fee per member of **K200.00**, or as may be determined from time to time by the Board of Directors;
- (b) An unlimited number of shares;
- (c) Deposits from members;
- (d) Borrowed funds;
- (e) Reserve fund as required by law and such other reserves as may be established with the approval of the Annual General Meeting;
- (f) Any donations, grants, or gifts from other bodies organizations or individuals;
- (g) Any surplus resulting from operations of the Sacco; and,
- (h) Funds obtained from other lawful miscellaneous sources.

Article 23. SHARES

- (a) The par value of each share is K 3.00. Each member shall purchase a minimum of 1,500 shares or as may be determined from time to time by the Annual General Meeting;
- (b) No member shall hold more than one fifth of the total shares;
- (c) Shares may not be used as collateral to secure a loan;
- (d) Any amount may be accepted towards the purchase of shares, provided, however, that the Annual General Meeting may fix a minimum amount that may be paid in by a member at any one time;
- (e) With the approval of the Board of Directors, a member may at any time transfer his shares to another member. Such transfers must be in writing and at nominal value;
- (f) All transfers of shares must be registered with the Chief Executive Officer, and no transfer shall be valid unless so registered. A fee of K50.00 shall be paid to the Sacco by the transferee;
- (g) The shareholdings of a member who fails to complete payment of the required minimum shares within two years of his/her admission to membership, or of a member who reduces his/her share balance below 1,500 shares and does not increase the balance to the required minimum shares within two years of the reduction, may be subjected to a fine upon authorization of the Board of Directors. Before such a fine is levied, such member shall be sent a written notice to his/her last known address which notice shall provide that, unless his/her share balance is increased to minimum shares, or his/her shareholding is transferred to another person within 30 days of the date of the notice, his/her shares shall be utilized to absorb the fine; and,

(h) The Board of Directors shall have the right at any time to require members to give 60 days' written notice of intention to transfer/sell shares.

Article 24. DEPOSITS

Deposits made to the Sacco by members shall be withdrawable according to the terms and conditions of a contract or as provided by the Board of Directors for non-contractual deposit accounts.

Article 25. RESERVES

Reserves shall be held by the Sacco to fund growth and to meet operational losses not related to loans. The allowance for loan loss account shall be held to meet loan losses. Reserves and the allowance for loan loss account may not be distributed to members except in the case of dissolution of the Sacco and after all of the losses have been provided for.



CHAPTER 5: PROVINCIAL GENERAL MEETINGS, ANNUAL GENERAL MEETING, SPECIAL MEETINGS, NOTICE OF MEETINGS, QUORUM, NOMINATIONS AND VOTING

Article 26. GOVERNANCE STRUCTURE

- (a) The Governance structure of the Sacco shall comprise of the Annual General Meeting, which shall have overall control of the Sacco, Board, management staff, elected Delegates and appointed representatives.
- (b) The members in Provinces shall elect their representatives (referred to as Delegates) to the General Meeting of the Sacco and the Delegates shall constitute the General Meeting. Provided that in the interest of maintaining the operations of the Sacco, the Board of Directors may delegate authority or appoint the Provincial/District Service Centre officials to provide loans and other services at a designated Provincial/District Service Centres.

Article 27: ESTABLISHMENT OF ELECTORAL ZONES

- (a) The Sacco shall have ten (10) Electoral Zones, comprising the ten (10) Provinces of Zambia, subject to review by the Annual General Meeting on recommendation from management; The review shall, among other things, consider geographical location of the members. All Electoral Zones shall have a minimum of one (1) delegate and a maximum of ten (10) provided that:
 - (i) The minimum number of members to qualify for an Electoral Zone shall be fifty (50); and,
 - (ii) Every fifty (50) members or part thereof shall qualify for one (1) Delegate.
- (b) Members of each Electoral Zone shall be represented by such number of Delegates determined based on the number of members in the Electoral Zone i.e. every delegate shall represent fifty (50) members or a part thereof, in accordance with these Bylaws.
- (c) The Delegates shall provide such services to members in accordance with these Bylaws and other Sacco operational policies; and,
- (d) Every member shall belong to one Electoral Zone.

Article 28. ELIGIBILITY FOR ELECTION AS A DELEGATE

A person shall **NOT** be eligible for election as a Delegate if he/she:

- (a) Has not attained the minimum share capital of K4,500.00 (i.e. 1,500 shares of K3.00 each);
- (b) Has not been making monthly savings of at least K200.00 for a continuous period of at least twelve (12) months;
- (c) Has not accumulated savings of at least K2,400.00;
- (d) Has not attained a minimum of Secondary School Certificate or its recognized equivalent;
- (e) Is not an active member who supports and promotes Sacco products and values;

- (f) Has not been a member for at least 12 months;
- (g) Is an un-discharged bankrupt;
- (h) Is of an unsound mind;
- (i) Is an employee of the Sacco or its subsidiary;
- (j) Has been a defaulter and /or dormant for three months or more;
- (k) Adversely mentioned in an inquiry Report;
- (l) Convicted of a criminal offence involving dishonesty; or,
- (m) Does not reside or work within that Electoral Zone.

Provided Sub Articles (a) to (f) may be waived by the Board of Directors or Registrar where the Sacco or Electoral Zone is new.

Article 29. DELEGATES ELECTION

- (a) Delegates shall be elected from among members of the Sacco once after every three years at the Provincial General Meetings of members to be held at a venue within the Province;
- (b) The Quorum shall be 25% of members in good standing in the Province;
- (c) Delegates shall serve for a term of 3 years unless transferred outside the Province and is unable to perform;
- (d) Delegates shall be elected for a term of three years and may be eligible for re-election, provided no delegate shall serve for more than two consecutive terms; and,
- (e) Every delegate shall represent at least 50 members or a part thereof

Article 30. PROVINCIAL ANNUAL GENERAL MEETINGS

- (a) Provincial General Meetings shall take place annually, and shall consist of all members in the Electoral Zone and shall be chaired by the Board Chairperson or the Vice Board Chairperson;
- (b) The Board shall have power to convene Electoral Zone meetings whether, special or annual.
- (c) Any Delegate who with justifiable cause is unable to attend the Delegates Meeting must inform the Board two (2) days prior to the Meeting. The Delegate may nominate an alternative delegate of the Electoral Zone to attend the Delegates Meeting. This shall be ratified by the Electoral Zone members in the next Electoral Zone meeting.

Article 31: FUNCTIONS OF THE PROVINCIAL GENERAL MEETING

- (a) The Provincial General meeting shall elect Delegates, whose number shall be determined under Article 27;
- (b) Confirmation of minutes of previous meetings;

- (c) Consider reports of the Board, particularly from the Chairperson, and any other Committee constituted in accordance to these By-laws;
- (d) To express views and pass resolutions for consideration by the board and/or the General Meeting.

The Electoral Zone shall not act on any subject, which will commit the Sacco without the approval of the Board.

Article 32. DUTIES AND RESPONSIBILITIES OF THE PROVINCIAL DELEGATES

Provincial Delegates shall be the chief marketing executives for the Sacco in their respective Provinces. It shall also be the responsibility of every delegate to:

- (a) attend General Meetings when convened, to exercise their democratic rights and those of the members they represent;
- (b) attend education forums organized by the Sacco for members or delegates;
- (c) where possible, notify the Headquarters on issues relating to deceased members;
- (d) educate current and potential members about Sacco matters in general;
- (e) advise members on proper loan utilization and the importance of loan repayments;
- (f) act as a liaison between the Sacco and its members;
- (g) elect committed and visionary leaders as officials of the Sacco;
- (h) market Sacco activities and enhance its corporate image;
- (i) perform such other duties and responsibilities as may be directed by the Board of Directors from time to time; and,
- (j) co-ordinate Provincial activities, meetings, member education and dissemination of information for awareness.

Any Delegate who, without any justifiable cause, fails to attend the Provincial Meetings for two consecutive times shall be disqualified and the Province shall elect another member to replace him/her in accordance with electoral rules.

Article 33: CESSATION OF THE TERM OF A DELEGATE

The term of a Delegate shall cease before expiry of the 3 years upon a delegate's:

- (a) Death;
- (b) Change of employers;
- (c) Certifiable Insanity or mental incapacitation;
- (d) Certifiable Sickness or physical incapacitation
- (e) Ceasing from being a member of Public Service Sacco;

- (f) Conviction of any criminal offence and imprisoned for a term exceeding 3 months;
- (g) Defaulting on loans obtained from the Sacco for a period of three months;
- (h) Changing residence from the Province and is unable to perform;
- (i) Being adversely mentioned in an inquiry Report; or,
- (j) A written complaint signed by outlining service dissatisfaction by at least two thirds of members in the Province.

Upon occurrence of any of the above events by- elections in the respective Province in which a vacancy has occurred shall be carried out within 90 days.

Article 34. ANNUAL GENERAL MEETING (AGM)

Subject to the Act, Regulations and these By-laws, the Supreme Authority shall be vested in the Annual General Meeting (AGM) which shall be constituted of members' representatives (Delegates) elected from Provinces. Such meeting shall be held within 120 days of the close of the financial year to hold elections and to undertake such other business as laid down in these By-laws.

Any business not completed at the Annual General Meeting may be taken up at a subsequent Special General Meeting, or at the next Annual General Meeting.

Article 35. SPECIAL MEETINGS

A Special Meeting shall be held:

- (a) when convened by the Board of Directors or the Registrar; or
- (b) Within 14 business days of receipt of a written demand from at least 10 percent of members. For a Special Meeting requested by members, the request must state the object of the meeting being called and be signed in person or electronically or thumb marked by the requesting members. The request shall be deposited in the registered office of the Sacco.

Article 36. NOTICE OF SPECIAL OR ANNUAL GENERAL MEETING

- (a) At least fourteen business days' notice shall be given in the case of an Annual General Meeting or a Special Meeting. The Chief Executive Officer shall take all possible and usual steps, such as announcements at public meetings, posting a notice on the Sacco's notice Board or, an advertisement in the local newspaper or news-sheet, or any other media to inform all members of the date, venue and main business of the meeting; The Chief Executive Office may use modern information and communication technology and send notices to members electronically in such form as email and short text message. Such form of invitation shall not invalidate a meeting;
- (b) The notice of the Special Meeting shall clearly specify all the issues to be discussed. The Special General Meeting shall deal exclusively with the issues for which it was convened;
- (c) An Annual General Meeting or a Special Meeting of members, convened solely for this purpose, shall have the exclusive power to amend the credit union Sacco's by-laws; and,

- (d) All meetings of members shall be conducted according to the procedures approved by the Board of Directors and Regulations.

Article 37. QUORUM

- (a) Except when convened by the Registrar, the presence of the lesser of 15% of the delegates or 25 delegates shall constitute a quorum for the conduct of business at an Annual General Meeting; and,
- (b) If a quorum is not present, an adjournment shall be taken to a date not fewer than 10 but no more than 20 business days after the prior established date. The members present at any such adjourned meeting shall constitute a quorum, regardless of the number of the members present. The same notice shall be given for the adjourned meeting provided that such notice shall be given no fewer than five (5) business days before the date of the adjourned meeting.

Article 38. REQUIRED MAJORITY

- (a) The motion to remove a Board or Supervisory committee member from office or to make amendments of these by-laws shall be approved by a vote of two-thirds majority of the members present at the meeting;
- (b) Any other motion shall be approved by simple majority of votes; AND,
- (c) Any decisions taken by the majority at meetings shall be binding to all members present, absent and objecting.

Article 39. CHAIRPERSON AT MEETINGS

The Board Chairperson, or in his/her absence, the Vice Board Chairperson shall preside at every AGM. In their absence, any committee member elected by a majority of those present shall preside. Failing the presence of a committee member, any member elected by a majority of those present shall preside.

Article 40. IDENTIFICATION OF MEMBERS

Before a member may attend or vote at an AGM, they shall be required to produce evidence of membership, or identify themselves in a satisfactory manner against the membership registry of the Sacco and shall be presented with accreditation credentials.

Article 41. POWERS AND DUTIES OF THE ANNUAL GENERAL MEETING

Annual General Meetings shall be conducted and shall have the powers and duties prescribed in the Co-operative Societies' Act and Regulations and these By-laws. The Annual General Meetings shall:

- (a) Adopt the agenda of the meeting;
- (b) Confirm the minutes of the previous meeting;
- (c) Consider the statement of accounts, the auditor's report, the inspection notes of the Registrar, and the reports of the Committees on the activities of the Sacco during the past financial year;

- (d) Confirm or otherwise, actions taken by the Board of Directors and give directions to the Board where necessary;
- (e) Consider appeals against the suspension of members and refusal of membership by the Board of Directors;
- (f) Elect, suspend, or remove members of the Board of Directors and Supervisory Committee, provided that proper notice and the purpose of the meeting has been given in advance;
- (g) Receive the inspection notes of the Commissioner or the Authority, if any;
- (h) Fix honoraria, if any, for officials;
- (i) Review the approved income and expense budget for the upcoming year as presented by the Board;
- (j) Fix maximum liability the Sacco may incur in borrowing;
- (k) Approve the share dividend to be paid on share accounts as recommended by the Board;
- (l) Approve the Auditor to perform the annual audit for the upcoming year;
- (m) Transact any other general business of the Sacco of which seven (7) days' notice has been given to members in the manner prescribed in these By-laws; and,
- (n) A decision taken by a General Meeting shall be binding on all Delegates and members present, absent and objecting.

Article 42. MINUTES OF THE GENERAL MEETING

- (a) All business discussed at a General Meeting shall be recorded in a minute book, which within one week of the meeting, shall be signed by the Chairman and at least one other Board member present at the meeting to verify that in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the meeting; and,
- (b) 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.

Article 43. CONDUCT OF THE ORGANIZATIONAL MEETING

At the organisational meeting of the Sacco, before receipt of the registration, the initial members will elect from themselves, or from those eligible to become members of the Sacco, the Board of Directors and the Supervisory Committee, all of whom will hold office until the first AGM of the members. If not already a member, the elected person must become a member within 20 business days of accepting the appointment. If they have not become a member by the deadline, the office shall automatically become vacant and shall be filled by the Board of Directors.

Article 44. CONDUCT OF THE FIRST GENERAL MEETING

- (a) The first General Meeting of members shall be held not later than 90 days after the end of the fiscal year and not later than 9 months after the Sacco was registered; and,
- (b) At the AGM of members for the initial three years after the Sacco is registered, one-third of the Board of Directors and Supervisory Committee positions shall be up for election each year.¹

Article 45. NOMINATIONS AND VOTING

- (a) The Board shall on an annual basis appoint a Nomination Committee that shall vet all candidates seeking to be considered for election;
- (b) The Nomination Committee shall comprise five (5) members, two representatives from the ministry in charge of cooperatives serving as chairman and member respectively and the Chief Executive Officer as secretary. There shall also be one Management staff and a person from a recognized and relevant professional association, both of whom shall serve as members to the committee.
- (c) A 21-day notice shall be provided for interested candidates to present their names for consideration;
- (d) All elections shall be determined by simple majority of vote of members present and shall be by secret ballot or show of hands except where there is only one nominee for the office. If there is a tie vote, the elections shall be repeated. If there is a tie vote a second time, the chairman of the Board shall cast the deciding vote;
- (e) No member shall be entitled to vote by proxy;
- (f) Irrespective of the number of shares held by him/her, no member shall have more than one vote; and,
- (g) Within Ten (10) days after the election, the names and addresses of all persons elected to office shall be compiled by the Chief Executive Officer and forwarded to the Registrar of Co-operative Societies.



¹ This will allow for staggering of the re-election dates for the Board and Committee members so that all the positions do not come up for re-election in one year. Thus, 1/3 of the positions come up for election at the 2nd AGM, the next 1/3 of the positions come up for election at the 3rd AGM, and the final 1/3 of positions comes up for election at the 4th AGM.

CHAPTER 6: BOARD OF DIRECTORS, BOARD INDEMNITY, EXECUTIVE COMMITTEE

Article 46. BOARD OF DIRECTORS

- (a) The Board of Directors shall be elected by and from among the Provincial Delegates and shall consist of eleven (11) members;
- (b) The Board shall elect the Chairman, Vice-Chairman, Treasurer, Honorary Secretary, and members of the Board Committees, all of whom shall be elected from the members of the Board;
- (c) The Board may appoint an ad hoc committee with specific terms of reference and time frames to address specific issues. Such committees shall be entitled to allowances at the prevailing rate.
- (d) The meetings of the Board of Directors and Supervisory Committee shall comply with the Rules, Regulations, By-laws, the Board and Governance Charter and best practices.
- (e) The Board of Directors shall be elected for a term of three years and shall be eligible for re-election. The maximum number of consecutive terms is two (2) at which time the Board member may not serve on the Board for six (6) consecutive years; Provided that for the first Board of Directors, one third (1/3) of positions will come up for election at the 2nd AGM, the next third (1/3) at the 3rd AGM and the final one third (1/3) at the 4th AGM.
- (f) The Board of Directors shall deliberate and be informed about the condition of the Society to provide oversight guidance and policy direction to the management.
- (g) The Quorum of a board meeting shall be six (6) members. In the event the Chairman and the Vice-Chairman are absent, a chairman for the meeting shall be elected from amongst those present for purposes of presiding over that meeting.
- (h) In case of a mid-term vacancy in the Board of Directors and where the number of board members falls below eleven (11), the remaining board members may fill the vacancy until the next AGM at which such time the position will be declared open and the position filled using the voting process described in these By-laws; and,
- (i) Meetings of the Board shall be held regularly at least once each month and at other times, when necessary.

Article 47. CONDUCT OF BUSINESS

- (a) The Board of Directors may make such rules not inconsistent with these By-laws, as it may deem necessary for the conduct of the Society's business;
- (b) Any such rules shall be recorded in the Minute Book and shall be posted on the Society's notice board, and shall come into force as and when determined by the Board; and,
- (c) Each decision taken by the Board shall be made through a written resolution, and no action may be taken on a decision purported to be by the Board unless the same is evidenced by a written resolution duly signed in accordance with the Board and Governance Charter.

Article 48. ELIGIBILITY FOR THE BOARD OF DIRECTORS

No person shall be eligible for election as a member of the Board of Directors or remain a member of the Board of the Sacco if he/she has not been elected as a Provincial Delegate.

Article 49. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors shall be the Governing Authority and subject to directions from the AGM. Its procedure, powers and duties shall be as prescribed in the Co-operative Societies Act and Regulations and in particular, it shall:

- (a) Observe in all its transactions the Act, the Regulations, these By-laws, and prudent business practices;
- (b) Direct the affairs of the Sacco;
- (c) Act upon all applications for Sacco membership;
- (d) Ensure that true and accurate records and accounts are kept of the Sacco's assets, liabilities, capital, income and expenses;
- (e) Decide and recommend to the AGM the amount and kind of surety bond, or other security, which shall be required of the Chairperson, Treasurer, Secretary and any other officer/Committee or employee having the custody of, or handling funds or property of the Sacco;
- (f) Determine and approve the interest rates on loans and deposits, the maximum maturities and terms of loans and member deposits, and the maximum amounts that may be loaned with or without security to members;
- (g) Present to the AGM a balance sheet and final accounts;
- (h) Determine and present to the AGM the dividend to be paid on shares;
- (i) Adopt the annual budget which shall include the income, expenses and written explanations of how the budgeted figures were calculated;
- (j) Present and explain the budget to the AGM for the upcoming year;
- (k) Ensure the annual budget is adequate for education, training and advisory services to Sacco members;
- (l) Recommend to the AGM names of three (3) firms of auditors who are qualified to perform the annual audit;
- (m) Fill vacancies occurring on the Board of Directors, and the Committees between AGMs;
- (n) Approve investments of the Sacco;
- (o) Authorize mortgaging of Sacco property within the borrowing powers and after specific resolutions from the members;
- (p) Authorize Sacco borrowings and lending operations in accordance with provisions of the Act and Regulations;
- (q) Designate Sacco depositories;

- (r) Establish criteria for staff recruitment, promotion and discipline;
- (s) Impose fines as provided for under these By-laws;
- (t) Approve transfer of shares between members;
- (u) Review loan collection activity and approve the write-off of uncollectable accounts;
- (v) Affiliate the Sacco to any other national Cooperative Organization, or other industry body;
- (w) Elect the delegates to represent the Sacco in a co-operative union, national cooperative organization or other apex Savings and Credit Cooperatives which the Sacco is a member;
- (x) Approve new services, pricing policies and operational policies and ensure implementation;
- (y) Perform such other duties as the members may from time to time direct, and'
- (z) Perform or authorize any actions consistent with the Act, Regulations and these By-laws, unless specifically reserved for the AGM.

Article 50. IDEMNITY

In the conduct of the affairs of the Sacco, the Board members shall exercise the prudence and diligence of ordinary people of business. Unless willfully acting contrary to the Act, Regulations and the By-laws, or the directions of the AGM, the Board shall not be held jointly, individually or severally liable for any losses sustained through any of their actions.

Article 51. DELEGATION OF DUTIES

- (a) The Board of Directors may delegate in writing to an officer or Sacco employee such of its duties, as it deems necessary; and,
- (b) Nothing in (a) above shall absolve the Board of Directors from its responsibility of running the affairs of the Sacco in a proper and business-like manner.

Article 52. RECORDS OF BOARD OF DIRECTORS MEETINGS

- (a) All business discussed or decided at Board of Directors meetings shall be recorded in a minute book which, within one week of the meeting, shall be signed by the Chairman and Secretary present at the meeting to verify that in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the meeting; and,
- (b) At the next meeting, after approving any alterations or variations, which may be written immediately below the above signatures, and not as alterations to the original record, the meeting shall authorize the Chairman to sign and date the final record.

Article 53. SUB-COMMITTEES

- (a) The Board of Directors may appoint sub-committees, such as an Executive Committee, Education and Staff Development Committee, Credit Committee, and such number of Sub-committees, as

may be deemed necessary or approved by members in an AGM. All members of the sub-committees must be Sacco members in good standing;

- (b) The Board of Directors may delegate to the Sub-committees such of its powers and duties under these By-laws as it deems fit and proper; and,
- (c) The Sub-committee shall hold meetings as the business of the Sacco may require but not less frequently than once every three months.

Article 54. EXECUTIVE COMMITTEE MEMBERS

- (a) The Chairperson, Vice-Chairperson, Treasurer and Secretary shall be termed "Executive Committee" members. The Executive Committee shall be elected at the Annual General Meeting or a term of three years;
- (b) The Executive Committee meeting shall be attended by the Chief Executive Officer or, in his/her absence, a Deputy Chief Executive Officer, or any other senior staff member assigned by the Chief Executive Officer. The Committee shall meet as often as needed to deal with policy matters referred to it by Sacco Management. All Committee decisions must be ratified and adopted by the Board of Directors; and,
- (c) Any three-(3) members of the Committee shall form a quorum.

Article 55. FUNCTIONS OF THE EXECUTIVE COMMITTEE

The functions of the Executive Committee shall be as follows:

- (a) Deal with urgent matters requiring immediate policy guidelines/decisions;
- (b) Handle matters of recruitment, adjudication, short listing, confirmation, promotions, transfer, discipline and retirement of the Chief Executive Officer;
- (c) Ensure appropriate tendering for products and services used by the Sacco and also that tenders and supplies and the resultant obligations are fulfilled;
- (d) Discuss and review monthly/quarterly cash flow statements, financial reports, and the adherence to the annual budget; and,
- (e) Any other duties as may be directed by the Board of Directors.

Article 56. CHAIRPERSON AND VICE CHAIRPERSON

- (a) No person shall serve in the post of Chairperson of the Sacco for more than two consecutive terms of three years;
- (b) The Vice-Chairperson shall perform all duties of the Chairperson during his/her absence and such other duties as may, from time to time, be assigned to him/her by the Committee;
- (c) In the absence of the Chairperson and the Vice-chairperson the Committee shall elect from amongst themselves a person to chair the meeting;
- (d) The powers and duties of the Chairperson shall be to:

- (i) Convene all meetings of the Sacco and prepare or cause to be prepared the agenda for Sacco meetings;
- (ii) Preside at all AGMs and meetings of both the Management, Executive Committee and ensure that all resolutions and directives of the General Meeting and that of the committees are carried out;
- (iii) Direct the affairs of the Sacco in conjunction with other elected officials; and,
- (iv) Perform such other duties as may be directed by the Board of Directors in accordance with the provisions of the Act, the Regulations and these By-laws.

Article 57. TREASURER

The Treasurer shall have an accounting or financial management background. The powers and duties of the Treasurer shall be to:

- (a) Manage or cause to be managed, the financial affairs of the Sacco in a competent and efficient manner;
- (b) Maintain full and complete records of all assets, liabilities, income and expenses of the Sacco;
- (c) Ensure the safe-keeping of the Sacco's money, securities and books of account;
- (d) Ensure that all payments and expenditures are duly authorized;
- (e) Ensure compliance with all directives of the Board of Directors;
- (f) Within 10 days after the close of each month, and no less frequently than the close of each quarter, the Treasurer shall cause to be prepared and submitted to the Board of Directors a balance sheet and income statement showing the Sacco's finances as of the end of the month or quarter;
- (g) Supervise the management of Sacco properties, i.e. payments of rents, maintenance of buildings, and other assets; and,
- (h) Present any findings and recommendations to the Board of Directors via the Executive Committee.

Article 58. SECRETARY

The duties of the Secretary are to:

- (a) Ensure that minutes of the Board of Directors meetings and General Meetings are prepared on time;
- (b) Ensure that Sacco correspondence is promptly attended to;
- (c) Ensure meeting notices are prepared and sent out on time; and,
- (d) Perform such other duties as may from time to time be assigned by the Board of Directors.

CHAPTER 7 – CREDIT COMMITTEE

Article 59. CREDIT COMMITTEE

- (a) The Credit Committee shall consist of three (3) members who may be members of the Board of Directors, none of whom shall be executive officers. Credit Committee members may also be appointed by the Board from Sacco membership. The Credit Committee shall be chosen at a meeting of the Board of Directors within seven (7) days after each General Meeting; and,
- (b) At least one (1) member of the Credit Committee must have experience in accounting or financial management and can evaluate the loan applicant's financial situation.

Article 60. MEETINGS OF CREDIT COMMITTEE

The Credit Committee shall hold such meetings as the loan volume of the Sacco may reasonably require, but not less frequently than once a month or more often than four times a month.

Article 61. DELEGATION RIGHT OF CREDIT COMMITTEE

- (a) The credit committee may delegate its powers, or part of them, with regards to the approval of loan applications and lines of credit, requests for deposits being used as collateral, releases and substitutions of collateral to a loan officer;
- (b) Loan officers may be employed by the Sacco and restrictions on their lending authority stated in the loans policy;
- (c) The loan officer shall maintain a record of all received loan applications and furnish to the committee a record of each approved or disapproved application, and such record shall become a part of the records of the committee; and,
- (d) No individual may disburse funds of the Sacco for any application that they have approved.

Article 62. DUTIES OF CREDIT COMMITTEE

The Credit Committee shall:

- (a) Inquire into the character and financial condition of each loan applicant and of his/her guarantors, if any, to ascertain his/her ability to fully repay any loan obligation with the Sacco;
- (b) Determine whether the loan will be used for its stated purpose and will benefit the borrower;
- (c) Assist members in solving their financial problems;
- (d) Follow the Loan Policy and the By-laws when acting on loan applications;
- (e) Maintain the "Loan Applications Register" and ensure the loan cheques schedule is prepared;
- (f) Ensure loans are repaid per the contract and follow up on all loans in default; and,
- (g) Keep minutes for all meetings and provide these reports to the Board of Directors at their monthly meeting.

CHAPTER 8 – SUPERVISORY COMMITTEE

Article 63. AUTHORITY OF SUPERVISORY COMMITTEE

The Supervisory Committee is responsible for compliance, internal control, organizational oversight, accuracy of the financial statements, and for making sure that the Sacco's administrative practices and procedures are adequate to safeguard the members' funds, rights, and interests.

Article 64. MEETINGS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee shall meet no less frequently than monthly and no more than two times in a week. The Committee shall present its work to the Board of Directors no less than quarterly.

Article 65. ELECTION OF SUPERVISORY COMMITTEE

- (a) The Supervisory Committee shall be elected at the AGM and consist of three (3) members who must not be employees of the Sacco, serving on the Board of Directors, or any other Sacco committee;
- (b) Terms of office of the Committee will be the same as those of the Board of Directors. No Committee member may serve more than two consecutive terms;
- (c) The Supervisory Committee members shall choose from among their number a Chairperson and a Secretary. The Secretary of the Supervisory Committee shall prepare, maintain, and keep custody of the records of all actions taken, including written evidence of any audits performed by the Committee. Conditions for elections shall be the same as for the Board of Directors described in Article 43 of these By-laws; and,
- (d) At least one member of the Supervisory Committee must have an educational background or experience in accounting, auditing, or financial management.

Article 66. POWERS AND DUTIES OF SUPERVISORY COMMITTEE

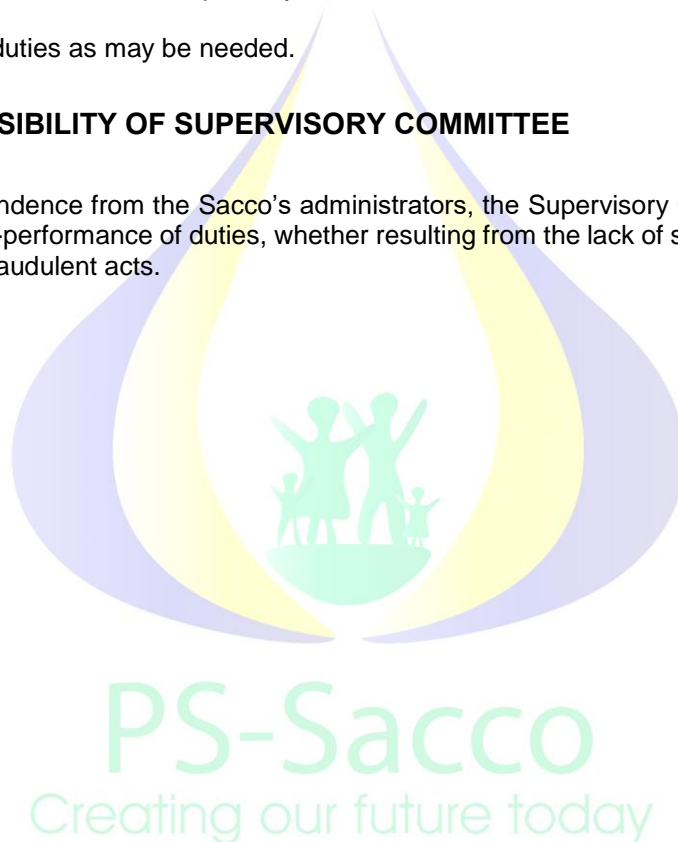
The following are the powers and duties of the Supervisory Committee:

- (a) Review minutes of the Annual General Meeting, Board of Directors, Credit Committee, and other Sacco Committees;
- (b) Ensure the proper interpretation and implementation of Sacco Policies, By-laws, Co-operative Societies Act and Regulations, and Annual General Meeting resolutions;
- (c) Request the Chief Executive Officer to provide Sacco books, records and any information that may be required;
- (d) Audit expenses and operations of the Sacco by performing internal audits that:
 - (i) evaluate internal operations and controls;
 - (ii) make recommendations in writing regarding accounting and internal control procedures; and,

- (iii) follow-up on the recommendations to ensure that the necessary changes have been made;
- (e) Make recommendations for internal controls and the policies, procedures and systems for implementation;
- (f) Ensure that all annual audit adjustments are made and recommendations are implemented;
- (g) Review and verify the accuracy of the daily, monthly, quarterly and annual financial accounts;
- (h) Perform an annual verification on a sample of the member account balances as compared to the Sacco's records;
- (i) Prepare reports describing the Committee's activities for the period and present reports to the Board of Directors no less than quarterly and to the AGM; and,
- (j) Perform other duties as may be needed.

Article 67. RESPONSIBILITY OF SUPERVISORY COMMITTEE

Despite its total independence from the Sacco's administrators, the Supervisory Committee members are jointly liable for the non-performance of duties, whether resulting from the lack of supervision or negligence in noticing illegal and fraudulent acts.



CHAPTER 9 – CHIEF EXECUTIVE OFFICER

Article 68. DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The Board of Directors shall appoint the Chief Executive of the Sacco. The duties and responsibilities of the Chief Executive Officer are to:

- (a) Advise the Board of Directors and implement its policies and decisions;
- (b) Supervise the work of all staff and ensure that the business of the Sacco is conducted in accordance with Board Policies and Procedures;
- (c) Ensure that proper and accurate books of account, records and returns are kept and that regular financial statistical and operational information is prepared and submitted to the Board of Directors;
- (d) Ensure the security of the funds and assets of the Sacco;
- (e) Hire and dismiss staff with cause;
- (f) Determine that all rents, rates, levies and debts due from and to the Sacco are paid/collected by their due date(s);
- (g) Ensure that all statutory contributions and deductions are correctly calculated and that all amounts due and the necessary returns are submitted by their due date(s);
- (h) Implement recommendations set forth in the audit reports and those issued by the Supervisory Committee;
- (i) Ensure that adequate insurance is in place, if available, for all employees, officials, and property of the Sacco;
- (j) Advise on the pricing strategy for products and services;
- (k) Assist the Board of Directors in determining acceptable types of collateral to be used to secure loans;
- (l) Ensure there is adequate liquidity to meet loan demand, savings withdrawal, and operating expenses; and,
- (m) Perform any other task as directed by the Board of Directors.

CHAPTER 10 – SACCO OPERATIONS

Article 69. BOOKS AND RECORDS

The Sacco shall keep up-to-date and accurate accounts and records as the Act and Regulations require. The following books, records, and documents shall be maintained:

- (a) Register of members that includes: their account numbers, name, age, date of application for membership, address, occupation, membership termination date, if applicable, and any other membership particulars;
- (b) AGM, Board of Directors, Supervisory and Credit Committee and other Committee minute books;
- (c) Cashbook that provides details of all monies received and all monies expended, or paid;
- (d) General Ledger;
- (e) Share ledger for each member showing transactions on their account(s);
- (f) Ledger showing deposits and withdrawals made by members;
- (g) Asset (property) register;
- (h) Stock control ledger;
- (i) Register of charges that details every charge created by the Sacco, the amount of the charge, and the person entitled thereto;
- (j) Register of loans to members that details the name of the borrower, the amount borrowed, the purpose of the loan, the payment due date(s), and the actual date the loan payment(s) was made;
- (k) Guarantor's control register showing loan interest rates and collaterals;
- (l) Copy of the Co-operative Societies Act, 1998;
- (m) Copy of the Co-operative Societies Regulations, 1999;
- (n) Copy of the Sacco's By-laws;
- (o) Copy of internal regulations;
- (p) Certificate of registration of the Sacco visibly displayed in the office;
- (q) Copies of approved final accounts;
- (r) Copies of monthly financial statements;
- (s) Copies of the policies;
- (t) Branch cash books and register of loans to be maintained; and,
- (u) Such other books and records as the Board of Directors may decide or the Registrar may prescribe.

Article 70. AUTHORIZATION TO SIGN DOCUMENTS

- (a) Contractual transactions of the Sacco shall be signed by three of the following:
- (i) Chairperson or in his/her absence, the Vice Chairperson, Secretary and the Chief Executive Officer;
 - (ii) The Chairman, or Vice Chairman, Treasurer or Secretary and either the Chief Executive Officer or Financial Manager to endorse final transaction; or
 - (iii) The Chief Executive Officer, or any two Executive Officials or any other person authorized by the Board of Directors on its behalf.
- (a) Unless otherwise stated, the documents of the Sacco shall be deemed official, provided they carry the official stamp and designated signatures referred to above; and,
- (b) The books, accounts and all other documents of the Sacco shall be permanently at the disposal of the Board of Directors, Supervisory Committee or any other authorized person or organization.

Article 71. DISPOSAL OF NET SURPLUS

After determining that all provision for loss accounts have been adequately funded, the net surplus resulting from Sacco operations at the end of the fiscal year shall be disposed as follows:

- (a) To institutional capital until institutional capital is at least 10% of total assets; or
- (b) The remaining balance may be disposed as the Board of Directors decides:
- (i) Pay a dividend on shares and/or additional interest on deposits;
 - (ii) Education Fund or other appropriation accounts;
 - (iii) Charity, provided that the amount given does not exceed 10% of the remaining net surplus; or
 - (iv) Any other way approved by the AGM.

Article 72. LOANS AND SECURITY

Loans may either be secured or unsecured, as determined by the Loan Policy of the Sacco. Each loan application shall be on an approved form and shall set out the purpose of the loan, the security offered, if any, and any other information as may be required by the Loan Policy. Loan application forms and attachments thereto shall be filed as permanent records of the Sacco.

Article 73. LOAN RESTRICTIONS FOR MEMBERS OF THE BOARD OF DIRECTORS, CREDIT COMMITTEE, SUPERVISORY COMMITTEE AND EMPLOYEES

The Sacco may make loans to the members of the Board of Directors, Credit Committee, Supervisory Committee and employees provided that the requested loan complies with requirements set forth in the

Law, Regulations, By-laws, and the Policies and Procedures and are not made on terms more favorable than those established for other members.

Article 74. PENALTY CHARGES FOR OVERDUE LOANS

A member whose loan is overdue may be required to pay a penalty as determined by the Loan Policy of the Sacco, approved by the Board of Directors and recorded in the loan agreement.

Article 75. AMOUNT AND USE OF LIQUIDITY

- (a) The board of directors shall establish liquidity fund for the purpose of meeting the immediate needs withdrawal demands of members and business needs of the Sacco;
- (b) Funds to meet the immediate needs may be deposited with recognized financial institutions in Zambia authorized by the Board of Directors and licensed and supervised by the Bank of Zambia and audited by an independent external auditor. Such cash funds shall be deposited not later than the third calendar day after receipt by the Sacco.

Article 76. PAYMENTS

- (a) The Sacco may, upon approval of the AGM, pay any of its officers or Committee members such honorarium, sitting allowance salary, commission or other payment subject to the provision of the approved budget for the financial year provided that no expenditure shall be authorized by the Board of Directors unless it is provided for in the estimates formally reviewed by the AGM; and,
- (b) Sacco officials and employees shall be paid the actual cost of traveling and subsistence while working on the Sacco's business.

Article 77. COMMON SEAL

The Sacco may adopt and use a common seal bearing the word “**seal of Public Service Savings and Credit Cooperative Ltd**” and shall be kept securely under lock and key by the Chief Executive Officer or duly designated officer for that purpose and shall be used only by, and in the presence of, the officers authorized to sign documents on behalf of the Sacco.



CHAPTER 11 – GENERAL PROVISIONS

Article 78. FINANCIAL YEAR

The financial year of the Sacco shall be 1st April to 31st of March.

Article 79. CONFLICT OF INTEREST

No member of the Board of Directors, Supervisory and Credit Committees, and Staff should engage in any business with the Sacco either directly or through proxy.

Article 80. DISPUTES

- (a) Any dispute arising out of these By-laws or concerning the business of the Sacco shall be referred to an regulator or recourse system. Appeals against award shall be to the High Court, whose decision shall be final;
- (b) In the case of debts due to the Sacco from a member, or debts owing to a member or past members by the Sacco, this should be treated as a dispute of the regulator. In the case of debts due to, or from past members, this may be settled through regulator and such instructions issued to the Board of Directors for the liquidation of the debts as may be necessary.

Article 81. CONFIDENTIALITY BY OFFICERS OF THE SACCO

- (a) The Chief Executive Officer, Board of Directors, Committee members, and employees of the Sacco shall hold in the strictest confidence all transactions of the Sacco with its members and all information respecting their personal affairs, except to the extent deemed necessary by the Board of Directors, in connection with the loans and the collection thereof;
- (b) In cases of breach of confidentiality, besides the resulting action for damages, the responsible party shall be removed from office or their employment terminated if proven guilty; and,
- (c) No member, staff member, Board or Committee members shall issue press statements on any matter of the Sacco without written authority of the Board of Directors. Any person who issues a statement contrary to this By-law shall be liable to disciplinary action by the Sacco.

Article 82. ACQUISITION OF BY-LAWS

- (a) Any person may purchase a certified copy of these By-laws from the registered office of the Sacco upon payment of a fee as may be determined by the Board of Directors.
- (b) For purposes of this provision, a copy of the By-laws shall be deemed duly certified provided it is endorsed in compliance with these Bylaws.

Article 83. INSPECTION OF DOCUMENTS

A copy of the Act, Regulations, Registration Certificates, these By-laws and a list of its members excluding details of nominees and shareholdings or loans shall be available for inspection by any member at all

reasonable times during business hours and a fee may be assessed as determined by the Board of Directors.

Article 84. AUDIT AND SUPERVISION FEES

The Sacco shall pay audit and supervision fees as required.

Article 85. AMENDMENT OF BY-LAWS

These By-laws may be amended in accordance with the procedure set forth in the Act, Regulations and these By-laws but no amendment shall become effective until it is approved and registered by the Registrar.

ACCEPTANCE

We the undersigned Executive Committee Members and Chief Executive of the Public Service Savings and Credit Cooperative Limited do hereby accept and adopt these By-laws for and on behalf of Public Service Savings and Credit Cooperative Limited together with any changes or alterations that have been initiated or signed by us.

SN	Name	Designation	Signature	Date
1		Interim Chairperson		
2		Interim Vice Chairperson		
3		Interim Secretary		
4		Interim Treasurer		
5		Interim Chief Executive Officer		

Certified that the foregoing By-laws of the Public Service Credit Union Limited have been approved by me and duly registered.

GIVEN UNDER MY HAND AT LUSAKA THIS..... DAY OF 2018

.....
REGISTRAR OF CO-OPERATIVE SOCIETIES

APPENDIX A

PUBLIC SERVICE SAVINGS AND CREDIT COOPERATIVE LIMITED

Attach
Passport
Size Photo

Membership Application Form

Part 1: Applicant's Personal Details

Full Name	<input type="text" value="Surname"/>	<input type="text" value="Middle Name"/>	<input type="text" value="First Name"/>
Mobile No.	<input type="text" value="1234567890"/>	Tel. No.	<input type="text" value="1234567890"/>
Date of Birth	<input type="text" value="DD/MM/YYYY"/>	NRC No.	<input type="text" value="1234567890"/>
Marital Status	<input type="text" value="Single/Married/Divorced/Widowed"/>	Gender	<input type="text" value="Male/Female"/>
Home Address	<input type="text"/>		
	<input type="text"/>		
Postal Address	<input type="text" value="1234567890, ABDC"/>	Email Address	<input type="text"/>

Part 2: Applicant's Employment Details

Employer (MPSA, SOE)	<input type="text"/>	Employer Address	<input type="text"/>
Job Title	<input type="text"/>	Employee Number	<input type="text" value="1234567890"/>
Date of Appointment/ Start of Contract	<input type="text" value="DD/MM/YYYY"/>	Expected Retirement Date/ End of Contract	<input type="text" value="DD/MM/YYYY"/>
Terms of Appointment	<input type="text" value="Pensionable/Contract"/>	Gross Salary	<input type="text" value="1234567890"/>

Part 3: Proposed Contributions

Membership Fee (K) (One Off)	<input type="text"/>	Monthly Capital Contributions (K)	<input type="text"/>	Monthly Savings (K)	<input type="text"/>
Proposed method of Remittance (Tick)	Payroll	<input type="checkbox"/>	Bank Standing Order	<input type="checkbox"/>	
Effective Sate	<input type="text" value="DD/MM/YYYY"/>				

Part 4: Nominee Information

I, the undersigned, in the event of my death whilst a member of the Sacco, hereby instruct the Sacco, to pay all amounts due to me, less any money due to the Sacco from me, to the person(s) named in this section. I understand that I may alter the name(s) of nominated next of Kin by filling an update form.

(Use additional paper if nominees are more than provided below: Kindly sign on additional paper used)

Name	NRC/Passport No.	Relationship	Contact Cell No.	Date of Birth	Percentage (%)

Part 5: Authority to my employer to make deductions from my salary

I, the undersigned hereby authorize my employer to deduct the amounts at Part 3 of this Membership Application Form from my salary and remit it to the Public Service Savings and Credit Cooperative Limited.

Part 6: Consent

I, _____ (Full Names) hereby apply for membership of the Public Service Savings and Credit Cooperative and agree to conform and abide by the Sacco's by-laws, internal rules and regulations, and amendments thereof.

Applicant Signature: _____

Date: _____

(Signature to be used as Specimen Signature)

Witness:

Full Name: _____

Signature: _____

Date: _____

Cell Number(s): _____

Part 7: Required Attachments (Please tick)

1. Certified copy of National Registration Card
2. Proof of residence (e.g. Utility bill, Tenancy Agreement, Employer confirmation of residence)

Part 8: For Official Use Only

Membership Application Form Received By (Name)

Signature

Date

Membership Approved By (Name)

Signature

Date

Data Captured By (Name)

Signature

Date

System Approval By (Name)

Signature

Date

Membership Number

Member Physical File Opened By (Name)

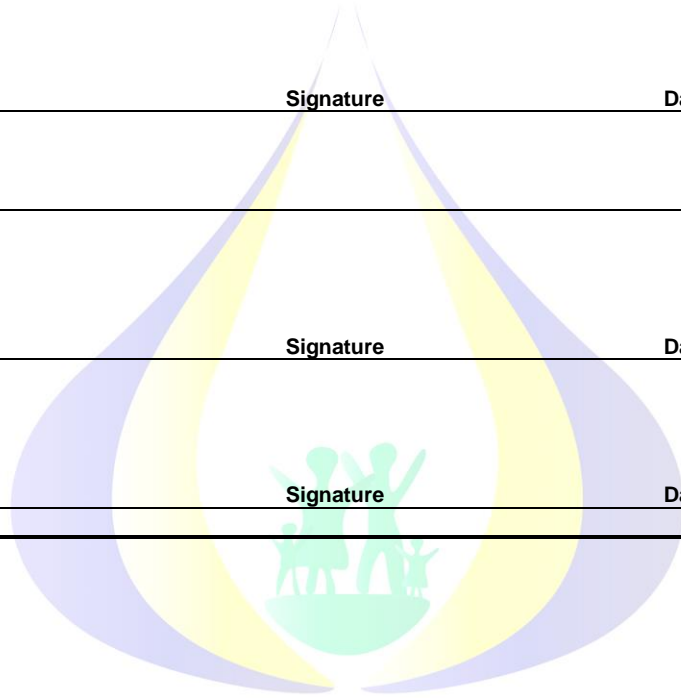
Signature

Date

Member Registration Notification Confirmed By (Name)

Signature

Date



PS-Sacco
Creating our future today