

KHASAKH COOPERATIVE SOCIETY LIMITED- FY 2023 BUDGET

BUDGET FY 2023							FY-2022 Actual	FY-2021 Actual	FY-2020 Actual
Revenue Item	Particulars	Unit	interest	loan	Frequency	Amount			
Loan Interest income	Short Term loan	Month	2.50%	4,043,000.00	12	48,516,000	38,805,235	43,921,498	34,536,000
	Salary Loan	Month	1.3	29,609,000	12	355,308,000	296,085,385	251,651,498	228,472,800
	Land Loan	Month	1.3	32,090,000	12	385,080,000	334,868,414	315,533,353	300,365,078
	Vehicle Loan	Month			12	-	-	-	125,000
	Asset loan	Month	1.3	750,000	12	9,000,000	6,646,150	2,000,000	1,457,374
	Business Loan	Month	1.3	250,000	12	3,000,000	1,863,705	244,444	-
	Kagwilawo Loan	Month	10	825,000	12	9,900,000	7,652,100	1,628,246	-
Other Interest Income	Bank Interest	Month	1	350,000	12	4,200,000	427,884	-	-
	Interest from Financial Investments	Month	3	3,500,000	9	94,500,000	131,815,350	90,403,092	70,198,817
	Sub total					909,504,000	818,164,223	705,382,131	635,155,069
Non interest income				Unit	Rate				
	Income from loan processing fees	Month	70	44,723	12	37,567,320	27,566,894	12,630,000	9,450,000
	Loan protection fund	Month		-	12	-	-	9,492,036	-
	Income from Transactional Fees	Month	200	2,500	12	6,000,000	4,050,000	4,728,750	3,622,500
	Subscription Fees on new clients	Month	15	30,000	12	5,400,000	1,510,000	3,440,000	600,000
	Annual member subscription	Annual	896	10,000	1	8,960,000	7,460,000	7,620,000	-
	AGM Penalty Fees	Annual	362	50,000	1	18,100,000	17,100,000	-	-
	Monthly Ledger fees	Month	751	2,000	12	18,024,000	15,502,000	12,634,000	9,664,000
	Others	Month	1	0	12	-	184,000	-	-
	Loan Penalty	Annual	1	0	1	-	301,000	-	-
Real Estate Income	Income from sale of land	Month	25	4,800,000	1	120,000,000	-	-	-
	Sub total					214,051,320	73,673,894	50,544,786	23,336,500
	TOTAL INCOME					1,123,555,320	891,838,117	755,926,917	658,491,569
EXPENDITURE				Interest Expense	Rate				
A)INTEREST EXPENSE									
	General Saver	monthly	0.42	14,976,000	12	179,712,000	155,827,022	146,655,260	211,894,465
	Child Saver	monthly	1.00	150,000	12	1,800,000	1,340,821	923,916	577,522
	Education Saver	monthly	0.67	309,000	12	3,708,000	3,212,521	2,636,471	2,229,483
	Target Saver	monthly	0.83	900,000	12	10,800,000	10,123,861	4,783,557	4,841,544
	Pension Saver	monthly	1.00	750,000	12	9,000,000	7,448,462	2,971,995	1,719,827
	Sub total					205,020,000	177,952,687	157,971,199	221,262,841
B)PERSONNEL COSTS									
Salaries & wages	Gross - Manager	Month	1	4,200,000	12	50,400,000	50,400,000	48,000,000	-
	Gross- Accountant	Month	1	2,100,000	12	25,200,000	25,200,000	21,967,560	16,634,500
	Gross- Assistant Accountant	Month	1	1,300,000	12	15,600,000	12,330,000	-	-
	Gross - Credit & Marketing Officer	Month	1	1,500,000	10	15,000,000	16,000,000	12,840,000	14,400,000
	Gross- Office Administrator	Month	1	600,000	9	5,400,000	-	-	-
	Support staff - Temporary staff	Month	1		4	-	2,825,000	1,007,000	274,000
Nssf- Employer's Contribution 10%	Manager	Month	1	420,000	12	5,040,000	5,105,000	4,865,000	-
	Accountant	Month	1	210,000	12	2,520,000	3,049,015	2,351,000	1,663,450
	Assistant Accountant	Month	1	130,000	12	1,560,000	1,298,000	-	1,440,000
	Credit & Marketing Officer	Month	1	150,000	10	1,500,000	1,760,000	1,874,940	2,343,250
	Office Administrator	Month	1	60,000	9	540,000	-	-	-

Gratuity- 10%	Manager	Month	1	420,000	12	5,040,000	5,105,000	4,865,000	-
	Accountant	Month	1	210,000	12	2,520,000	2,585,000	2,253,104	1,663,450
	Assistant Accountant	Month	1	130,000	12	1,560,000	1,298,000	-	1,440,000
	Credit & Marketing Officer	Month	1	150,000	10	1,500,000	1,600,000	1,275,600	2,343,250
	Office Administrator	Month	1	60,000	9	540,000	-	-	-
						133,920,000	128,555,015	101,299,204	42,201,900
Staff benefits	Staff benefits-Christmas Voucher	Annual	4	700,000	1	2,800,000	1,950,000	1,300,000	1,200,000
	Staff benefits -Medical insurance	Annual	12	705,000	1	8,460,000	10,016,035	1,914,904	3,016,390
	Staff benefits-GPA Cover	Annual	5	180,000	1	900,000	842,151	-	431,019
	Staff Workshops	Quarterly	3	500,000	1	1,500,000	698,000	888,975	371,853
	Staff Team Building	Annual	5	200,000	1	1,000,000	-	-	-
	Cost of Living Increment	Month	3	200,000	9	5,400,000	-	-	-
	East Africa-Sacco Regional Forum	Annual	1	-	1	-	3,721,500	-	-
	Sub total					20,060,000	17,227,686	4,103,879	5,019,262
ADMINISTRATION COSTS									
C)COMMUNICATION									
Airtime	Manager	Month	1	50,000	12	600,000	730,000	710,000	-
	Accountant	Month	1	40,000	12	480,000	556,000	460,000	505,000
	Assistant Accountant	Month	1	35,000	12	420,000	255,000	-	990,000
	Credit & Marketing Officer	Month	1	45,000	10	450,000	475,000	660,000	655,000
	Office Administrator	Month	1	30,000	9	270,000	-	-	-
	SGM Airtime facilitation to members							860,000	
Internet Bundles	Manager	Quarterly	1	50,000	3	150,000	100,000	85,000	-
	Accountant	Quarterly	1	50,000	3	150,000	-	95,000	500,000
	Assistant Accountant	Quarterly	1	50,000	3	150,000	5,000	-	230,000
	Credit & Marketing Officer	Quarterly	1	50,000	3	150,000	-	50,000	515,000
	Sub total					2,820,000	2,121,000	2,920,000	3,395,000
D)TRANSPORT									
	Transport within kampala	Monthly	1	468,000	9	4,212,000	2,174,500	1,633,000	2,662,500
	Transport Up Country	Monthly	1	140,000	12	1,680,000	-	-	-
	Sub total					5,892,000	2,174,500	1,633,000	2,662,500
E) STATIONERY									
	Paper	Annual	12	150,000	1	1,800,000	966,100	850,000	549,200
	Tonner	Annual	12	450,000	1	5,400,000	4,080,000	2,760,000	3,717,000
	Box files	Annual	36	8,500	2	612,000	405,000	264,000	101,700
	Spring Files	Annual	30	4,800	2	288,000	125,738	200,000	-
	Others - Envelopes, staple wires	Quarter	2	50,000	4	400,000	879,679	149,049	166,591
	Sub total					8,500,000	6,456,517	4,223,049	4,534,491
F) FIXED ASSETS & INVENTORY									
	Office Printer	Annual	1	2,500,000	1	2,500,000	-	-	-
	Single work station	Annual	1	850,000	1	850,000	-	-	2,301,000
	3 seater Office Chairs	Annual	1	-	1	-	-	-	-
	Single Office Chair	Annual	1	1,300,000	1	1,300,000	-	-	-
	Laptop	Annual	1	2,500,000	1	2,500,000	4,802,600	-	2,700,000
	Document Safe	Annual	1	6,500,000	1	6,500,000	-	-	-
						13,650,000	4,802,600		5,001,000

LAND ACQUISITION	Land Acquisition	Annual	1	510,000,000	1	510,000,000	-	-	-
	Sub total					510,000,000	-	-	-
G) ANNUAL LINCENSE & SUBSCRIPTIONS									
	Zoom Lincense	Annual	1	700,000	1	700,000	686,594	564,181	559,000
	Website Domain Lincense	Annual	1	350,000	1	350,000	300,000	300,000	-
	Annual Subscription - UCUSCU	Annual	1	1,000,000	1	1,000,000	1,000,000	-	3,617,785
	Annual Subscription -UHURU	Annual	1	50,000	1	50,000	60,000	48,000	-
	Annual Lincense- UMRA	Annual	1	500,000	1	500,000	142,000	-	-
	License - Financial Management Syst	Annual	1	4,670,000	1	4,670,000	3,654,000	4,016,370	4,475,740
	Annual Lincense- Monkey Survey	Annual	2	300,000	1	600,000	-	-	-
	Sub total					7,870,000	5,842,594	4,928,551	8,652,525
H)MARKETING, BRANDING & VISIBILITY									
	Sacco Brochures	Annual	300	2000	1	600,000	460,000	450,000	-
	Branding & Visibility	Annual	1	1,800,000	1	1,800,000	1,150,000	3,715,000	-
	Advertising & Videography	Annual	4	637,500	1	2,550,000	780,000	2,520,000	9,912,692
	Website maintenance & Update	Annual	1	5,000,000	1	5,000,000	-	-	-
	Promotional Items (Members)	Annual	300	15,000	1	4,500,000	4,332,000	-	-
	Airtime For Ambassadors	Monthly			9	-	3,135,000	840,000	-
	Bulk Sms	Monthly	1	136,000	9	1,224,000	433,000	433,000	-
						15,674,000	10,290,000	7,958,000	9,912,692
I) REAL ESTATE COSTS									
	Site Visit Expenses	Monthly	1	834,000	9	7,506,000	6,541,000	-	-
	Brokerage fees	Monthly	1	500,000	25	12,500,000	-	-	-
						20,006,000	6,541,000		-
J) MEMBER EDUCATION									
	Member sensitization Drives	Quaterly	1	600,000	5	3,000,000	2,441,000	-	-
	Financial literacy Trainings	Quaterly	1	400,000	3	1,200,000	-	1,164,475	-
	Sub total					4,200,000	2,441,000	1,164,475	
K) - OTHER ADMIN EXPENSES									
	FM System Audit	Annual	1	-	1	-	4,720,000	-	-
	Loan monitoring & Debt Collection	Quarter	1	150,000	3	450,000	-	-	404,000
	Perdiem	Quarter	2	330,000	4	2,640,000	2,368,000	-	-
	Loan loss provision	Annual	1	109,997,815	1	109,997,815	99,485,318	208,669,000	16,646,000
	WHT on investments	Annual	1	-	1	-	-	5,700,000	-
	Depreciation	Annual	1	390,625	1	390,625	390,625	552,818	-
	Bank Charges	Month	2	275,000	12	6,600,000	8,123,575	4,335,625	7,488,250
	GIK Storage fees	Monthly	1	138,000	12	1,656,000	-	-	-
	Office Partition	Annual	1	0	1	-	654,000	-	-
	Repairs and maintenance	Quarter	3	545,000	1	1,635,000	645,000	475,000	680,000
	Sub total					123,369,440	116,386,518	219,732,443	25,218,250
L) GOVERNANCE COSTS									
	Exco Board Meetings	Month	9	200,000	12	21,600,000	23,399,000	14,003,000	12,173,300
	Logistics for ExCo	Month	9	35,000	12	3,780,000	1,617,500	937,200	2,295,500
	Exco Sacco benchmarking	Visit	2	150,000	2	600,000	-	-	-
	SupCo Board meetings	Month	3	200,000	4	2,400,000	3,550,000	2,400,000	2,850,000
	Supco -Sacco benchmarking	Visit	1	100,000	3	300,000	-	-	-
	Logistics for SupCo	Quarter	3	35,000	4	420,000	320,000	-	144,500

	Board Trainings & Orientation	Annual	8	250,000	1	2,000,000	1,400,000	-	-
	Staff Board Meeting Facilitation	Monthly	2	70,000	16	2,240,000			
Consultancy	Review of Sacco policies & Manuals	Quarter	0	-	0	-	1,570,000	19,500,000	8,370,000
	Benevolent Fund	Annual	4	300,000	1	1,200,000	720,000	700,000	-
	Legal Fees	Monthly	1	1,000,000	12	12,000,000	27,780,000	20,500,000	7,550,000
	Internal Audit	Annual	1	1,200,000	4	4,800,000	0		
	External Audit	Annual	1	7,600,000	1	7,600,000	7,524,500	5,800,000	5,623,176
	Sub total					58,940,000	67,881,000	63,840,200	39,006,476
M) ANNUAL GENERAL MEETING	Meals (Break Fast & Lunch)	Annual	170	55,000	1	9,350,000	7,250,000	1,592,000	10,960,000
	Venue & Ammenities	Annual	1	2,000,000	1	2,000,000	1,900,000		-
	Casual workers	Annual	1	50,000	2	100,000	50,000	86,000	-
	AGM Transport Expense	Annual	15	150,000	1	2,250,000	2,250,000	1,800,000	
	AGM Planning Meetings	Annual	15	150,000	2	4,500,000	4,500,000	-	
	Video & Photography	Annual	1	300,000	1	300,000	1,200,000	300,000	-
	AGM Data	Annual		-	1	-	-	2,200,000	
	AGM Virtual Host	Annual		-	1	-	850,000	4,923,000	
	Miscellaneous	Annual	1	100,000	1	100,000	-	-	
	Speacial General Meeting	Annual	1	-	1	-	3,666,000		
	Sub total					18,600,000	21,666,000	10,901,000	10,960,000
N) HONORARIUM	Executive Committee Members	Annual	9	450,000	1	4,050,000	7,200,000	-	6,300,000
	Supervisory Committee Memebrs	Annual	3	450,000	1	1,350,000	2,700,000	-	
	Recognition for Top Perfomers	Annual	20	400,000	1	8,000,000	13,000,000	-	
	Subt total					13,400,000	22,900,000		6,300,000
O) CSR	Social Responsibility Intiatives	Annual	1	4,000,000	1	4,000,000	-	-	
	Khasakh Wellness Club	Monthly	1	200,000	12	2,400,000	-	-	
	Sub total					6,400,000	-	-	-
	TOTAL EXPENDITURE					658,321,440	593,238,117	580,675,000	384,126,937
	GROSS SURPLUS/DEFICIT					465,233,880	298,600,000	175,251,917	274,364,632

BUDGET NARRATIONS

DESCRIPTION	NARRATION
INCOME	
Loan Interest Income	Interest on Salary & short term loans are expected to grow by 25% more compared to the previous performance, this is due to the expected membership growth as a result of the merger with Mercy corps
	Interest on Land loans are expected to increase by 5% given the previous growth trends but also as we launch investment in the Real estate, we expect members to take up real estate loans more compared to other loan products this financial year.
Other Incomes	Loan processing fees are expected to increase by 36% compared to the previous financial year as a result of increased membership but also changes in processing fees with loans below 20 million paying 60,000/=, Above 20 million paying 80,000/= and Above 50million paying 100,000/= respectively.
	A general increase by 35% of the previous financial year performance is anticipated from transactional fees, subscription fees and monthly ledger fees. This is as a result of increased membership from Mercy corps & new entry from our partner WVU.
	A 5% increase in collection of AGM Penalty fees is expected due to increased membership and non attendance of the AGM
	Interest on financial investment is expected to drop as a result of withdrawal of funds from our various money market & unit trust accounts to invest in Real estate.
	We anticipate a net profit of 120,000,000/= from sale of 25 plots from land at the Kiwenda Real estate site.
Total Income	The Overall Annual incomes are expected to grow by approximately 24% compared to the previous financial year.
EXPENDITURE	
Interest Expense	A 16% increment in general interest expense is expected compared to the previous year as a result of anticipated growth in subscription to the general saver product by the incoming membership from Mercy- corps. Pension saver & Target saver accounts are also expected to increase respectively due to the fixed nature of the savings product.
Personnel Costs	These are expected to slightly increase by 6% compared to the previous financial year as a result of recruitment of an administration officer and the accompanying staff benefits the position attracts. The cost of living increment to the existing staff by 10.3% and proposed team building at 1,000,000/= for the year has also contributed to the increase in general personnel costs.

Communication Costs	Staff communication costs are expected to increase by 11% compared to the previous financial year as a result of additional staff and also required data facilitation to support sacco ooperations at merci Corps
Transport	An increase in transport expenses is anticipated due to daily travels of the support staff to merci corps offices to facilitate member enrollment. This arrangement is expected until recruitment is done for a fulltime sacco staff at Merci Corps.
Stationery	Stationery Expenses are expected to increase due to increased staffing & also anticipated growth in sacco membership which will increase documentation
Fixed Assets	Our fixed Assets are expected to increase due to purchase of land for sale , a new laptop for additonal staff & work station. Also a document safe in which land tittles can be kept safely shall be purchased along side a new printer for the staff that will be stationed at Merci Corps
Annual Lincenses & Subscriptions	This consists of subscriptions to the various Cooperative bodies and FMS annual lincense renewal. The FMS lincense is expected to slightly increase by 1,000,000/= from 3,600,000/= as a result of a system upgrade to a newer & better version of the FMS.
Marketing, Branding & Member Education	With increased membership & collaborations, intensive marketing is required inorder to effectively deliver on member enducation & sensitization. Marketing expenses are expected to increase due to plans to revamp our current website inorder to match the growing diversification in our operations.
Real Estate Costs	Inorder to facilitatate quicker sale of the 27 plots of land at the newly acquired real estate site in kiwenda, 12, 500,000/= is anticipated as brokerage fees towards external buyers who may be interested in purchasing land from the Khasakh Estate. The sacco expects to kick start another search for new land once the first estate is paid off hence the estimated cost of 7,500,000/= million shillings in transportation & other additional field expenses

Member Education & Sensitization	We intend to conduct member education drives on quarterly basis across the different regions occupied by our membership. Financial literacy trainings shall also run once every quarter of the financial year. These funds are expensed off our annual accumulated Education Fund reserve account.
Governance Costs	Governance costs are anticipated to reduce as a result of completion of review of majority of the sacco policies, no re-election of other board members & other corresponding costs however, there is a estimated cost for hiring an internal auditor for quarterly review of sacco accounts due to the diversified sacco operations. Internal audit has been at 1,200,000/= per quarter.
Annual General Meeting	In order to minimize costs this financial year, AGM costs have been reduced to 18,650,000/= for only physical to cut down on any additional costs of virtually streaming the event.
Honorarium	An annual appreciation token of 450,000/= shall be extended to our board members for the year of service. Exceptional members in terms of share holding, Great saving culture and high credit uptake shall be honoured & celebrated as well with a token worth 400,000/= respectively
Cooperate Social Responsibility	Khasakh intends to give back to society through enabling access to education for a selected number of orphans across the various areas that WVU operates, these have been independently assessed and we intend to spend 4,000,000/= annually on school fees and other scholastic materials. Secondly, in order to ensure a healthy membership, a wellness & fitness club partially funded by Khasakh has been proposed for all our members within Kampala.