

## **PRESENTATION OF INVESTMENT UNITS GUIDELINES IN THE 11<sup>TH</sup> AGM HELD ON 23<sup>RD</sup> MARCH 2024**

### **Mandate of the Sacco**

Khasakh's mandate is:

- Encourage members to develop a culture of saving;
- Provide affordable credit services to members;
- Provide financial services such as training members on how to manage their finances for sustainability.

#### **1.1. Vision**

A healthy and wealthy people centred financial institution.

#### **1.2. Mission**

To offer reliable and effective services for healthy and wealthy people.

#### **1.3. Core Values**

##### Stewardship/Integrity

Khasakh is a Christian organization that promotes and acts with honesty and honour without compromising the truth in all the Financial and non-financial activities. We believe our promise is our most vital product – our word is our bond. Our success depends on maintaining the highest ethical and moral standards. All products promoted within the SACCO ensure sustainable health and safety of our communities and environment.

##### Innovation

We believe in innovative solutions that drive an efficient and effective services delivery to the members.

##### Accountability/Transparency

Khasakh acknowledges responsibility for actions, products, decisions and policies under her jurisdiction. Khasakh shall promptly avail information, follow approved policies and procedures, use of international financial reporting standards, presentation of independent audited reports to the members, follow the principles and practices of good corporate governance.

##### Partnership

Khasakh promotes partnerships, networking and collaborations with other financial institutions, government and other NGOs for learning and development purposes.

##### Equity

Khasakh promotes equal opportunities to all her members in all dealings and operations.

## **CO-OPERATIVE PRINCIPLES**

1. Open and voluntary membership
2. Democratic member control
3. Member economic participation/patronage
4. Autonomy and independence
5. Education, training and information to promote member's education and awareness
6. Cooperation among co-operatives/ co-operators
7. Concern for the community development

## **REGULATORY ENVIRONMENT**

### **THE LAWS**

1. COOPERATIVE ACT 1991 (AS AMENDED 2020)
2. TIER 4 MICROFINANCE INSTITUTIONS AND MONEY LENDERS' ACT (2016)
3. COOPERATIVE REGULATION (1992)
4. MICRO FINANCE DEPOSIT-TAKING INSTITUTIONS (REGISTERED SOCIETIES) REGULATIONS 2023.
5. KHASAKH BYE- LAWS

### **Background**

As per the Cooperative regulations 1992 section 40, the maximum annual dividend shall be 10% of the paid up capital. This restricts returns or rewards to members.

### **Resolution for AGM**

- ❖ Resolved to create a product of investment units to drive Khasakh long term investments
- ❖ Resolve to redeem shares above the minimum 64 shares into investment units

### **Proposed Investments**

Where is your interest?

- ❖ Real estate
- ❖ Financial markets

### **Membership**

- ❖ Only Khasakh members in good standing
- ❖ Projected numbers; atleast all fully paid up members
- ❖ A member can belong to more than one investment cluster

## Contributions

- ❖ Annual membership fee shall not be less than ushs 100.000/= (Uganda shillings: one hundred thousand or such other values as cluster General meeting may decide on the advice of the cluster executive committee)
- ❖ Annual welfare fee as the cluster general meeting may decide on the advice of the cluster executive committee)
- ❖ Monthly contribution shall not be less than ushs. 100.000/= (Uganda shillings: one hundred thousand or such other values as the cluster general meeting may decide on the advice of the cluster executive committee.

## Mode of Payment

Upfront contributions: monthly quarterly, biannually and annual basis

**Note:** there shall not be special considerations in terms of interest share for a member who advance payments.

## Transfer of Investment Units by a member

- ❖ Investment units shall not be withdraw able but transferable. A member shall transfer his or her units to another member in the society.
- ❖ All transfers shall have to be requested through and registered by the secretary in writing.
- ❖ No transfer shall be effective if a member has a debt in the society.

## Reward of Interest on Investment Units

- ❖ Investment units shall be rewarded with interest as may be proposed by the Board to AGM
- ❖ The maximum reward shall be 80% of the total return from the investments.
- ❖ The reward shall be annually.

## Using Investment Units as Collateral For Loan

A member shall borrow against the investment units up to a tune of \*3 in addition to \*2 of their savings.

## Role of Leadership

- ❖ Mobilize members for cluster
- ❖ Work on cluster guidelines
- ❖ Organize/ invite cluster meetings
- ❖ Develop an investment plan
- ❖ Provide cluster leadership
- ❖ Account for cluster funds

### **Khasakh Role**

- ❖ Supervise clusters
- ❖ Approve cluster investment strategy
- ❖ Support cluster leadership
- ❖ Finance investments
- ❖ Co-invest with the clusters