

# **EXODUS COOPERATIVE SAVINGS AND CREDIT SOCIETY LTD**

**REG. NO 8404**

**P. O. BOX 7055 Kampala**

**Office: Nsambya Police Barracks**

**Office: 0414 389 043 Mob: 0772 425 492**

## **ABOUT THE EXODUS SACCO**

Exodus Savings operates a savings programme in an integrated self sustaining manner. This means that in order to access credit from us, you must be a member and saving with us.

The credit is run in accordance with the principles of micro finance. Exodus SACCO targets at improving house hold incomes and in alleviating poverty through simple loans and grants to the members of the SACCO with viable projects/business plans and enterprises besides providing minimum financial assistance for the development of its members, their wives and civilians working with the Uganda Police force.

These operations are undertaken through the principles and practices that are compatible with the micro finance and in accordance with the objectives of the cooperative movement.

The SACCO participates in the activities of USCSU (Uganda Cooperative Savings and Credit Union Limited) especially the Life Savings Fund and the Loan Protection Fund to safe guard against loss in case of death or total and permanent disability of our members holding loans. The main objective of the programme is to provide easy access of loans to its members.

### **Target clientele.**

Exodus SACCO is specifically relevant to members of Uganda Police Force family who are mainly low income earners and are not at times able to access financial services from the formal banking sector because they cannot meet the requirements given for the loans as they do not possess securities which is one of the rigid requirements of banks.

The time it takes for one to access the loan from banks is long and the interest charged is very high.

Because of such conditions, we assist the following categories of people:-

- 1) Members of the Police Force
- 2) The wives of Members of the Police Force.
- 3) The Civilian Staff working with the Police Force.
- 4) And any other people as determined by the Exodus Board of Directors

### **The Credit Programme**

The SACCO's credit programme is designed such that it is affordable and accessible to all members outlined above. The SACCO asks for low opening balances to start savings accounts and accepts deposits from its members as well as operating a cheque system where the SACCO is allowed to deduct monthly savings directly from the monthly salary.

This enables the SACCO to accumulate savings for lending to the members. This amount accumulated acts as a revolving fund from which all loans are given.

The services are provided at its offices located at Nsambya Police Barracks at the former Paymaster's offices. For easier access, better administration and provision of services, the offices are open to its members daily from 8.00 am to 5.00 pm (Monday to Friday) and up to 1.00pm on Saturday when we shall be fully operational.

### **To open up a Savings Account.**

- Individuals opening a savings account can complete a savings registration form and submit two passport size photographs.
- A fee of shs 5,000/= is charged as membership fee paid once on registering with the society.
- An annual Subscription fee of shs 10,000/= is
- paid once every year. This is used for running the affairs of the society, salaries of workers, office imprests, stationery and holding of the Annual General Meeting etc, without tampering with the member's savings. The SACCO is independent of the Uganda Police Force.

- Members are encouraged to buy any number of shares in the society. One share is shs 5,000/= and you can buy any number of shares which your money can allow but not over 20% of the total number of shares.
- The minimum amount required for operating the cheque system should at least be over shs 10,000/= per month from your salary so as to make meaningful savings and a member can fill a commitment form that is available in SACCO offices in Nsambya Police Barracks.
- All information pertaining to the account holders and their cash balances is captured in the savings passbooks, the ledger cards and the computerized data bank of the SACCO which information is confidentially.

### **Different Credit Schemes**

There is:-

- a) Individual Business Loans
- b) Individual personal Loans
- c) Mortgage Loans
- d) School fees Loans
- e) And any other loans approved by the Board

### **Eligibility Criteria**

For an individual to access a loan, the following requirements must be met in all circumstances.

- a) Having a savings account with Exodus SACCO.
- b) Having saved regularly with the society for a minimum period of at least one month
- c) Engaged in a micro-enterprise or income generating activity or planning to start one in any of the economic sector.
- d) Have a minimum savings of at least shs 50,000/= incase of normal loans but this condition could be waived should we obtain through grants from outside the institution e.g. Bonnabagawale monies from government.
- e) Pay a loan application fee of shs 5,000/= for loan processing.

- f) In case the amount is colossal i.e. in excess of the ration 1:4 of the savings, any form of security may be required for the loan and how much you earn may determine how much you may get. The condition may be waived according to conditions prevailing and as may be approved by the SACCO board of Directors.

**Loan Application Approval:**

When a member fulfills all the requirements to apply for a loan, the following procedure will be followed:

- a) The member is assisted to fill the necessary forms
- b) An internal loans Committee that comprises of selected members of Exodus SACCO consider the loan application.
- c) As soon as the loan is approved or otherwise, information is immediately communicated to the applicant.

**Disbursement:**

All loans approved are communicated to the Accountant to make necessary arrangements for disbursement. The Accountant prepares a payment voucher and a cheque in the names of the payee member. Cheques in the names of a member are paid or credited directly to the beneficiaries account. The cheque could also be cashed by the Accountant and the cash disbursed to the member where this arrangement is found to be more practicable. The member must sign all the necessary documents pertaining to the loan disbursements.

Disbursements can be done in one lump sum or by installments depending on the purpose of the loan and availability of the funds. Where a loan is disbursed in installments, interest will be calculated only on amounts disbursed from the date of disbursement.

**Loan Amounts:**

Individual business loans depend on the urgency of the applicant and what she/he intends to do with the money.

The highest amount one can borrow depends on the savings of the person getting the loan which is at a ratio of 1:4 and the source of the money. The committee may recommend to Exodus Management higher amounts in exceptional cases. An individual borrower whose first two loans were paid on time and continues to save regularly may be given special consideration for a higher loan to savings ratio for other subsequent loans.

### **Purpose of the Loans**

- For fixed assets and working Capital.
- To buy inputs for generating activities such as gardening activities, farming, poultry farming, fishing ,handicraft etc
- For petty trading, wholesale and retail trade business.
- Dressmaking, food processing, hair dressing etc
- Purchase of milling machines, sewing machines, refrigerators, farming tools and implements.
- Home improvements.
- School fees and other reasonable socially acceptable developmental need.

### **Loan repayments:**

- Loan repayments are between a minimum period of three months and a maximum of twelve months for a start and higher periods will be recommended as we build more savings and according to source of the loan. The loans from grants may carry a longer repayment period.
- Loan principal and interest are repaid by monthly installments to be deducted either directly from borrowers savings in case of non salary earners and on monthly salary in case of salary earners or by direct cash payments to the SACCO's Accountant or direct banking on the society's account number 2100000000097 in Post Bank City Branch but can be deposited in any other branch nearest to you.
- Interest on loans are charged at a flat rate of 1.0% per month (12% per annum) payable on monthly basis starting from the date of disbursement. No grace

period is given to any body. The Board through the Annual General Meeting may change the interest rates depending on the market forces in the economy or any other reasons that may deem it necessary.

- Borrowers are encouraged to deposit enough money in their savings account to cover both the principal and the interest before they are due.
- A monthly penalty is charged out on outstanding principal balances that are due for payment.
- Borrowers can only withdraw from their savings when their savings balance amount exceeds the month repayments. Members are encouraged to borrow on their savings rather than withdraw.
- Failure to repay a loan on time may lead a penalty.
- The benefits of the loans repayments are that they help in building up the revolving fund that remains available for members borrow from.
- In case of death, the borrower dies with the loan as they are covered under the “Loan Protection Fund” which is guaranteed by ACSCA through UCSCU and insurance cover loan risks. The insurer on top of paying for the loan in case of death will also contributes to the borrower’s burial expenses.

#### **Guarantee Requirements:**

- Salary is the major grantee for Salary earners.
- All loans will be guaranteed by two people incase of non employees of the Police Force who together will sign an agreement with the society on terms and conditions of the loans.
- The person guaranteeing the loan must be willing to indicate and provide evidence of his/her source of income and means of guarantee because in case of failure to pay, he/she takes responsibility. This mainly applies to people who are not members of the Uganda Police Force and civilians working with the Force. Those who opt to pay cash directly for the loans borrowed are welcome including salary earner.
- The society may also have lease on fixed assets bought from the loan if necessary.

- The loan processing period will be as short as possible so long as funds are available.

**Investment and Financing:**

The capital is the savings from members and the grants that (may be) obtained from various out sources available i.e. Bonnabagagawale funds from government. We invest the Savings and Shares in profitable ventures especially loans to our members so as to make the SACCO self sustaining.

**Prepared by:-**

Paul Mabonga

**Manager**