**PCEA SACCO NWDT LTD EDUCATION TRAINING MANUAL - 2025**

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| **THEME** | **SECURE AND SECURED** |
| **Basic Info** | PCEA SACCO was registered in October 1985, under CS/No. 4483.  |
| **TYPES OF SAVINGS** |
| **Deposits** | This refers to the normal contributions by the members to the SACCO. Minimum Monthly contribution is Kshs. 1000 for individuals and kshs 5000 for institutions and registered groups.**Interest on deposits*** Interest on deposit is declared during AGM and is paid on pro-rata basis. Months with loan arrears do not earn interest.
* Arrears means the money that the member should have paid and it was meant to have participated in business but didn't do business.
* A positive balance is what earns. When loan is in arrears in relation to your savings it creates a negative balance.
* Loan arrears affect your earnings as it creates negative balance
* For a member who has no loan he or she is not affected since his/her savings remain positive even though he may not have contributed monthly.
* The rates for the recent years:

Year 2019: 10.9%Year 2020: 10.4%Year 2021: 9.9% Year 2022: 9.7%Year 2023: 8.65%Year 2024: 10.2% |
| **Fixed Deposits** | A **Fixed Deposit** is a savings product where a member deposits a specific amount of money with the SACCO for a fixed period at an agreed interest rate. The funds are not withdrawn during this period, and the member earns higher interest compared to a normal savings account.**OUR FIXED DEPOSIT RATES ARE AS FOLLOWING**:**KSHS RATE P.A**1,000-75,000 1.5%75,001-150,000 3%150,001-300,000 4.5%300,001-600,000 6%%600,001-1,000,000 8% |
| **Junior Account** | The Junior Account is a special savings account designed for children and young dependents under the age of 18. It encourages a saving culture from an early age and helps parents or guardians plan for their children's future financial needs |
| **Share Capital** | * This money represents the equity stake that shareholders have in the SACCO. Its non-refundable but transferable in case a member decides to leave Sacco.
* Every member must have minimum of Ksh 15000 in share capital but cannot own more than 15% of total Sacco shareholding.
* A member cannot take a loan against your share capital

**Dividends on Share Capital**Share Capital earns better dividends annually. The recent rates are as follows * 2020: 16.9%
* 2021: 24.4%.
* 2022: 19.9%
* 2023: 15.2%
* 2024: 15%..
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| **CREDITS (Loans)** |
| **Loan Products**  | 1. **Emergency Loans -** Emergency loans are defined by purpose and must be accompanied by supporting documents. The repayment period is 12 months.
2. **Normal Loans -** Normal loans are granted for a period of up to 72 months to members who don’t have any other outstanding loans.
3. **Rudi Tena Loans -**These are granted to the members who already have loans with the Sacco. The member is charged 2.5% of the remaining balance.
4. **Rudi Nyumbani Loans - T**his is the loan granted to members who have loans with other institutions like banks, microfinance at a charge of 2.5% of the existing bank loan.

**NOTE**To celebrate 40 years of PCEA SACCO, waiver of 2.5% was granted. The waiver has 11 days remaining1. **Refinancing Loans –** This loan is granted to members who already have loans with the Sacco but have not completed the project they had started with the initial loan (Normal loan and Rudi tena loans). The repayment is within the remaining period of existing loan.
2. **Institutional Loans -** These are given to church institutions and groups, Parishes, Sessions. They are given up to 5 times of their savings with a maximum repayment period of 5 years with guarantors or collateral as security. Applicants are required to have:
	1. *A six month bank statement*
	2. *Security i.e. Guarantors or collateral*
	3. *For PCEA Church institutions the Secretary General approval letter is required*
3. **Normal Plus Loans** - This loan is given five times of member’s savings and repayment period of up to 84 months. It is granted to members who don’t have any other existing loans.
4. **Rudi Tena Plus** - This loan just as the normal plus is repayable within 84 months and given five times of members savings, but it differs with the normal plus in that its granted to a member who has an existing loan whereby the existing loan balance is offset and charged 2.5%.
5. **Refinancing Plus Loans -** This is a refinancing loan granted to members who have not completed their projects after taking Rudi tena plus or normal plus loans. Repayment is within the remaining period of the existing Rudi tena plus or normal plus loans.
6. **Deposit/Share Boost Loans -** This is a loan given to members who want to boost their deposits. It does not require guarantors since the member is not paid the money, but it’s added to his/her deposits.

**Note:** 1. Duration of loans – up to 84 months (7yrs)
2. Multiplier of the loans – up to five times
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| **Guaranteeing the Loan****(Self and Others)** | ***Role of the guarantors*** * Guaranteeing a member means that your savings are attached in case the member defaults.
* When loan is not paid, the deposits of the guarantor are used to clear the loan
* **How can guarantors recover their money**? They can launch a case with the Cooperative tribunal. Where possible, PCEA SACCO can assist members to file the case.
* When withdrawing from Sacco, one has to clear up with the ones you have guaranteed. One cannot remove a guarantor from a loan; a guarantor can only be replaced with another
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| **Collateral On Loans** | * Those who have challenges getting guarantors can use collateral as guided by our collateral policy.
* The collateral must undergo the legal process of valuation and charging at the cost of the loan applicant.
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| **Loan Limit**  | Loan limit is determined by: 1. Deposits
2. Ability to pay – one must provide a payslip, 6 months banks statements or Mpesa statements for self-payers
3. Security i.e. guarantors or collateral
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| **Loan Risk Classification** | 1. ***Performing Loans*** - Paid up to date
2. ***Watch loan*** - 1-30 Days 1 instalment unpaid
3. ***Sub-standard loan*** - 31-180 days i.e. 2-6mths unpaid
4. ***Doubtful loan*** - 181-360 Days 7-12mths unpaid
5. ***Loss*** -over 360 days i.e. 13mths and above

NB: Report on loans is required to be submitted to SACCO Societies Regulatory Authority (SASRA) |
| **Loan Recovery** | * Loan repayment is a member’s individual responsibility
* When a member who is an employee changes the paying point it’s his/her responsibility to transfer the details of his loan to the new employer.
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| **Insurance On Loans**  | * Loan is recovered from Insurance in case of death
* Insurance does not pay for defaulted money or money in arrears
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| **MEMBERSHIP** |
| **Individual membership** | * PCEA Sacco membership is open to all people whether or not they are employed by PCEA.
* Registration is Ksh 1000, Share capital Kshs 15000 and minimum monthly contribution is Ksh. 1000
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| **Institutional Membership** | * Institutions, Parishes, Presbyteries, Church Groups and other registered groups are eligible to Join the Sacco.
* Registration is ksh 5000, monthly contribution is ksh. 5000 and minimum share capital is Ksh 15000
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| **Registered Groups** | * Registered organized groups are also eligible to join our SACCO.
* Registration is ksh 5000, monthly contribution is ksh. 5000 and minimum share capital is Ksh 15000
* Registration Certificate & List of Members
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| **New Members Commission**  | * There is a commission of Kshs 300 upon introducing a new member
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| **Dormant Accounts** | * Once a member does not contribute savings for a period of over three months the account becomes dormant.
* dormant account should be reactivated and remain active for a period of six months before applying for a loan.

NB: SASRA Regulations demand that upon non-remittance of 12 months and above, the Sacco should maintain a separate account for such accounts. Such amounts shall be deemed to be unclaimed in accordance with the Unclaimed financial Assets Act. |
| **PCEA SACCO E-SERVICES** |
| **Member portal** | The Member Portal is a secure online platform that allows SACCO members to conveniently access and manage their accounts anytime, anywhere. It promotes transparency, efficiency, and real-time interaction between the SACCO and its members.**Key Features of the Portal*** **Account Access**: View savings, loan balances, dividends, and transaction history.
* **Loan Applications**: Apply for loans and track approval status.
* **Statements**: Download account statements.
* **Deposit Updates**: Confirm receipt of deposits and contributions.
* **Profile Management**: Update contact details and personal information.
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| **USSD Services** | USSD \*477# gives access to SACCO services from a mobile phone. Services available on the USSD include: * Deposit from Mpesa
* Airtime purchase
* Mobile loan application
* Checking balance
* Getting mini statements
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| **Mobile loan** | * This is a short-term loan using their mobile phones (\*477#). Its repayable in three equal instalments of one to three months with an interest rate of 6% deducted upfront.
* Conditions to qualify for Mobile Loan
	+ A Member should not be Dormant
	+ A Member should have the minimum Shares of Ksh.15,000
	+ Must not have defaulted previous Mobile loan, otherwise he/she will have to wait for one month
	+ If a member has other loans they should not be in arrears.
	+ A member must have some savings in order to qualify for the loan
* One month of default the total amount of loan plus interest will be recovered from one’s deposits after the necessary notifications are sent. The member will then be disqualified for One (1) month from taking the short loans.
* In case of a second default the member will be disqualified for Three (3) Months from taking the short loans.
* Loan payment is through depositing money direct to the Sacco paybill.
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| **SOCIAL WELFARE PRODUCTS** |
| **Pole Mshirika** | * This is a benevolent fund where each member contributes Kshs 300 annually from the deposits.
* In case of death of principal member, the family is paid Kshs 50,000.00 and for loss of a nuclear family member is paid Kshs 25,000.00.
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|  | **PAYMENT DETAILS & PROCESS** |
| **Bank details** | * Co-operative Bank

ACC NO :01120040130600NOTE: Narration use your ID NumberNB: You can indicate in the deposit slip the allocation of the money to Loan or deposit |
| **MPESA PAYBILL** | -Paybill- 922200Acc no.- ID NumberNOTE : The members can allocate for themselves to either savings or loans provided they are registered to USSD services ProcedureDial \*477#Option 3 (loans) or 4 (Deposits)Choose option of contributing from mpesaNB: Minimum that can contribute/ repay using this method is ksh 100 |