**PCEA SACCO NWD LTD EDUCATION TRAINING MANUAL**

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| **MEMBER-CARE**  |
| **Investing Wisely**  | * Diversify to reduce risk
* Long term perspective to avoid short term fluctuations
* Regular Contributions: Invest a fixed amount regularly, regardless of market conditions.
* Avoid Emotional Decisions: Resist the urge to make impulsive decisions based on fear or greed. Stick to your plan
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| **Personal Budget & Debt Management** | **The Importance of a Personal Budget**A personal budget is a financial roadmap that helps you track your income and expenses to make informed decisions about how you spend your money. Personal budget as the following benefits. 1. Financial Control:* + *Awareness of spending habits*
	+ *Avoid overspending*

2. Goal Achievement:* + Prioritize savings towards set goals
	+ Track progress towards these goals

3. Debt Reduction:* + budget helps to identify unnecessary expenses
	+ Create a debt repayment plan: pay it off more quickly and save on interest.

4. Emergency Preparedness:* + Allows one to set aside money for unexpected expenses
	+ enhances peace of mind as you are better able to deal with emergencies

5. Improved Financial Habits: * One becomes conscious of their spending habits and avoids impulsive purchases.
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| **Retirement**  | You start to prepare when you start working. The more you save, the more you are ready. We encourage members to come for Fixed deposit product that has competitive rates.  |
| **Work-Life Balance** | Work-life balance is about finding a healthy equilibrium between your professional and personal life. It's essential for overall well-being and can lead to increased productivity, job satisfaction, and a happier life. It involves: * Define boundaries- e.g. Avoid checking work emails or taking calls outside of work hours.
* Prioritize and delegate
* Focus on one task at a time
* Take breaks/ rest
* Learn to say NO
* Take break from technology and media
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| **SACCO MEMBERSHIP** |
| **Institutional Membership** | -Institutions, Parishes, Presbyteries, Church Groups and other registered groups are eligible to Join the Sacco.- Registration is ksh 5000, monthly contribution is kshs 5000 and share capital is Ksh 15000 |
| **Church employees & Non-Employee Membership** | * Our Sacco is open to all i.e Church members and all other interested individuals
* Registration is Ksh 1000, Share capital Kshs 15000 and minimum contribution is Kshs 1000
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| **Deposits**  | * Minimum Monthly contribution is Kshs 1000 for individuals and kshs 5000 for institutions and registered groups
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| **Interest And Dividends** | * 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 create 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%Reason for drop is the requirement by SASRA For provisioning of non-Performing loans. |
| **Share Capital** | * Every member must have minimum of Ksh 15000 in share capital. Its non-refundable but transferable in case a member decides to leave Sacco.
* The Maximum amount that a member can hold is 15% of total Sacco shareholding.
* It earns better dividends annually the recent rate was 16.9% in the year 2020 and 24.4%. year 2021, 19.9% in 2022, and 15.2% in year 2023. You cannot take a loan against your share capital.
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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
* SASRA Regulations says that upon non remittance of 12 months and above 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.
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| **SACCO LOAN PRODUCTS** |
| **Types Of Loans**  | 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. These are given for development purposes e.g. buying land, building etc.
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-** These are granted to members who have loans with other institutions like banks, microfinance at a charge of 2.5% of the existing bank loan.
5. **REFINANCING LOANS-** These are 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.
6. **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.
7. **NORMAL PLUS LOANS**- This product 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.
8. **RUDI TENA PLUS**- This product just as the normal plus its 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%.
9. **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.
10. **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.

Notes: * Duration of loans – up to 7yrs
* Multiplier of the loans – up to five times
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| **Collateral On Loans** | -For those who have challenges getting guarantors we currently accept 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 |
| **Loan Limit Determination** | Factors to consider * Deposits
* Ability to pay – One must provide a payslip, 6 months banks statements or Mpesa statements for self payers
* Security ie Guarantors or collateral
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| **Institutional Loans**  | * Given up to 5 times of deposits.
* Six months bank statement
* Security i.e Guarantors or collateral
* For PCEA Church institutions the Secretary General approval letter is required
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| **Loan Risk Classification**  | 1) Performing Loans- Paid up to date2) Watch- 1-30 Days 1 instalment unpaid1. Sub-standard- 31-180 days i.e 2-6mths unpaid
2. Doubtful- 181-360 Days 7-12mths unpaid
3. Loss-over 360 days i.e 13mths and above
4. Report to be submitted to SASRA
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| **Loans Recovery** | * Loan payment is a members individual responsibility
* It’s a contractual obligation which a member should honour
* When a member who is an employee changes the paying point its his/her responsibility to transfer the details of his loan to the new employer.
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| **Guaranteeing (Self And Others)** | * Role of the guarantors - Guaranteeing a member means that your savings are attached in case the member defaults.
* What happens 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
* When withdrawing from the Sacco, one has to clear 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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| **MOBILE SERVICES**  |
| **Mobile Loan** | * 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. * The member must pay the loan on monthly basis by depositing money direct to the Sacco paybill. Note this is an individual loan and its not connected with the other employer deductions.
* You can also buy airtime through mobile \*477#
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| **OTHER FACILITIES** |
| **Solar Loan Facility**  | **Solar Installation Including** * Domestic Solar Lighting
* Solar Water Heating
* Solar Water Pumping
* Borehole Drilling

Notes * It’s a contractual obligation that has to be met by the loanee by paying instalments monthly per the repayment Schedule.
* Any months skipped amounts to arrears. Arrears affect earnings of interest on deposits since money that never came to the Sacco cannot earn.
* A deceased member with loan arrears/Default the insurance cannot pay. The amounts in default has to be recovered from the members savings.
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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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| **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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| **FREQUENTLY ASKED QUESTIONS** |
| 1. ***Can we have a Sacco information booklet?*** *Yes we have and also in brochures. The information is also on the websitewebsite www.pceasaccoltd*
2. ***How can one/group join the Sacco?*** *Yes many have enrolled and benefited from us details in the brochure*
3. ***What happens after one retires?*** *Advisable to continue with the Sacco with guarantors one can get loan*
4. ***How is the penalty charged and at what time?*** *After 15th of the following month 5% compound interest*
5. ***Can one use any other collateral other than guarantors?*** *Yes but legal process of valuation and charging must be undertaken by the member at his/her cost*
6. ***How is the Sacco management board elected and who qualifies?*** *Refer to the By Laws*
7. *H****ow can we access the by-laws?*** *Available on the website*
8. ***Why should an individual be punished and not get a loan because the presbytery or institution is not paying?*** *It’s a legal requirement for all employers to submit deductions and it’s a personal responsibility to follow up. When applying for a loan all requirements must be met per the policy including the members account being up to date.*
9. ***What do I do if I guarantee a person and she /he leaves the country for abroad and defaults in payment?*** *Guaranteeing means you are liable in case of default so your deposits will be deducted therefore guarantee people whom you trust can pay even if they are far.*
10. **What happens if a member dies and has a loan with the Sacco?** *Sacco has an insurance it will pay provided the loan had no default and the next of kin will apply to withdraw the savings.*
11. ***Can one guarantee others if he/She has a loan with the Sacco?*** *Yes up to a maximum of 5 people*
12. ***Are we registering defaulters with CRB?***work in progress
13. ***If one clears loan is interest for the remaining period charged?*** *No interest is on reducing balance meaning once loan balance is cleared no further interest is charged.*
14. ***Is Loan Insurance charged on refinancing and Rudi Tena Loans?*** *Yes, its charged on all loans, for Rudi Tena loans the insurance charged on the current loan is offset against the insurance paid for the remaining period of the loan being cleared*
15. **What about Withholding tax?** *Its charged on Interest on deposits at 5%*
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| **TALK TO US** |
| **Sacco Contacts**  | **Tel/ WhatsApp**: 0720403460/0792633308 **Website:** [www.pceasaccoltd.co.ke](http://www.pceasaccoltd.co.ke)**Emails:** * admin@pceasaccoltd.co.ke – Send your schedules for updating and general queries.
* loans@pceasaccoltd.co.ke - Send your loan forms and loan queries.
* chairman@pceasaccoltd.co.ke - Send your correspondences to the chairperson.
* accounts@pceasaccoltd.co.ke - Send your receipts and banking details

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