



**WANA-ANGA SAVINGS & CREDIT CO-OPERATIVE
SOCIETY LIMITED**

P. O BOX 34680, 00100

NAIROBI



WANA-ANGA SACCO BY- LAWS 2019

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1. NAME AND AREA OF OPERATION

The society shall be called *WANA-ANGA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED*, herein after referred to in these by-laws as “*The Society*” and its area of operation shall be *THE REPUBLIC OF KENYA*.

2. REGISTERED OFFICE/ POSTAL ADDRESS

- (a) The registered office of the Society shall be at “*Dagoretti Corner, Ngong Road, Nairobi*” and the postal address shall be “*P. O. Box 34680 00100 GPO Nairobi*”.
- (b) Notice of any change of postal address shall be given to the Commissioner for Co-operative Development, herein after referred to as “*The Commissioner*”, the Sacco Societies Regulatory Authority (SASRA), herein after referred to as “*the Authority*” and to all members of the Society through their last known address as per records held at the Society within 30 days of such change.
- (c) The Society shall seek a written approval from the Authority to open or relocate a new branch.

3. INTERPRETATIONS AND DEFINITIONS

- (a) In these by-laws, unless the context otherwise suggests words or phrases shall be interpreted in accordance with the Sacco Societies Act, 2008 and SACCO Regulations (Deposit – taking SACCO Business) 2010 herein after referred to as the “*Act*” and “*Regulations*” respectively, the Co-operative Societies Act Cap 490 Laws of Kenya and the Rules made there under herein after referred to as the “*Co-operative Act*” and “*Rules*” respectively.
- (b) In these by-laws where the masculine gender is referred to, it will be construed to include the feminine gender.
- (c) In these by-laws save as otherwise expressly stated:

ITEM	MEANING
i. “ <i>Board of Directors</i> ” or “ <i>Board</i> ”	the persons elected in a duly convened General Meeting to govern the Business of the Society as per these by-laws

ITEM	MEANING
ii. <i>Apex Society/body</i>	a Society formed at the national level by the Cooperative movement in Kenya and registered under the Act to promote Co-operative development and represent the interests of co-operative societies locally and internationally
iii. <i>Applicable Law</i>	any other relevant law other than the Sacco Societies Act, 2008 and the Regulations, Co-operative Societies Act cap 490, Rules, and these by-laws
iv. <i>Next of Kin</i>	Any person/persons/legal entity that are officially declared by the member to take charge of/inherit his/her benefits incase of demise of the member.
v. Authority	SACCO Societies Regulatory Authority(SASRA)
vi. Branch	An office which offers core services of the society stationed away from the same locality of the registered office.
vii. <i>BOSA</i>	Back Office Service Activities
viii. <i>BOSA Member</i>	Is a primary member who has paid membership fee, minimum share capital and contributed for at least six consecutive months or any pother amount approved by the General meeting from time to time
ix. <i>Commissioner</i>	the Commissioner for Co- operative Development as provided for in the Co-operative Act
x. Corporate customer	any credible and solvent legally registered institution
xi. Common Bond:	Employees of the Kenya Meteorological Services
xii. Co-operative Act	the Co-operative Societies Act No.12 of 1997 and (Amendment) Act, No. 2 of 2004 and subsequent amendments
xiii. <i>Core capital</i>	the fully paid up members' shares, capital issued, disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the Society
xiv. Customer	Any person or group/coporate/societies that receives services from the SACCO
xv. <i>Date of Dissolution</i>	the date on which the Commissioner's order cancelling the registration of the Society takes effect

ITEM	MEANING
xvi. <i>Deposits</i>	means a sum of money paid on terms under which it shall be repaid, with or without interests or premiums, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the Society to receive it at a risk of the Society receiving it
xvii. <i>Depositor Member</i>	Is somebody who has saved his/her money with the SACCO under fixed period of time
xviii. <i>Dividends</i>	the share of a Society's surplus allocated to members the organization pays to the people who own shares in the Society
xix. <i>EBF</i>	Exit and Benevolent Fund
xx. <i>EBF Member</i>	Member of Exit and Benevolent Fund
xxi. <i>Financial investments</i>	mean investments in government securities, shares and stocks, deposits in institutions licensed under the Banking Act and other licensed SACCO societies
xxii. <i>FOSA</i>	Front Office Services Activities
xxiii. <i>FOSA member</i>	A member of the FOSA
xxiv. <i>General Meeting</i>	a meeting (either " <i>annual</i> " or " <i>special</i> ") for all members duly convened by the Society to conduct its business
xxv. <i>Guardian</i>	Custodian of the assets/property for the children left in the SACCO.
xxvi. <i>Institutional Capital</i>	disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the Society
xvii. <i>Member</i>	a person admitted to membership in accordance with these by-laws and the Society's Membership Policy
xviii. <i>Member in good standing</i>	a member who is current on the repayment of his/her loan repayments due to the Society and who is current on making his/her required contributions and has not in any way acted in a manner which is potentially damaging to the Society and has fully complied with the policies and rules set by the Society

	ITEM	MEANING
xxix.	<i>Members of the immediate family</i>	when used in these By-laws, includes, but is not limited to a spouse or other family member living in the same household or under the direct influence of the officer, member or employee of the Society
xxx.	<i>Net Surplus</i>	the amount of income in excess of expenses of the Society. It is the amount computed before any allocation is made for members' dividends and/or interest to be paid on shares
xxxi.	<i>Nominee</i>	a person appointed by the member to inherit the shares, deposits and other interests in the society upon the death of that member
xxii.	<i>Officers</i>	a director or any other person by whatever name or title he may be called or described, who carries out or is empowered to carry out functions relating to the overall direction of the Society or takes part in the general management thereof
xxiii.	<i>Primary member</i>	This is a member who has fulfilled all the requirements of BOSA
xxiv.	<i>Regulations</i>	the Regulations made by the Minister in charge of Co-operative Development and includes the SACCO Regulations (Deposit – taking SACCO Business), 2010 and subsequent amendments
xxv.	<i>Returning officer</i>	is a person appointed to oversee or conduct the elections of a co-operative society at a general meeting
xxvi.	<i>Rules</i>	the Rules made by the Minister in charge of Co-operative Development and subsequent amendments
xvii.	<i>SACCO</i>	Savings and Credit Co-operative Society
xviii.	<i>SACCO Act</i>	the SACCO Act, 2008 and subsequent amendments
xxix.	<i>Savings</i>	deposits payable on demand
xl.	<i>Savings member</i>	Someone who has savings in the SACCO
xli.	<i>Share</i>	the amount representing a member's portion in the equity of a Society as a co-owner
xl.	<i>Share Capital</i>	members' equity in the form of issued and fully paid up shares of common stock
xl.	<i>Society</i>	“Wana-Anga Savings and Credit Co-operative Society Limited”
xliv.	<i>Supervisory Committee</i>	an oversight committee elected at General Meeting and in accordance with these By-laws

	ITEM	MEANING
xliv.	<i>Tribunal</i>	the Co-operative Tribunal established under the Co-operative Act to hear and determine disputes
xlvi.	<i>WANABIMA</i>	Wana-Anga Insurance
xlvii.	<i>WANAMECO</i>	Wana-Anga Medical Cover
lviii.	<i>WANAMECO Member</i>	A member of Wana-Anga Medical Cover
xlix.	<i>WANATRUFU</i>	Wana-Anga Trust Fund
1.	<i>WANA-RITHI</i>	Anybody who has been appointed by primary member to inherit part or full of the benefits

- (d) Any questions concerning interpretation of these by-laws or any matters not provided for therein, errors and omissions shall be referred to the Board, Authority or Commissioner as is applicable.

4. VISION

A leading model SACCO in provision of financial services nationally.

5. MISSION

To offer high quality savings and credit services through resource mobilization to enhance socio-economic status of our customers

6. CORE VALUES

At Wana-Anga, we uphold the following values:

- (a) Fairness,
- (b) honesty
- (c) integrity
- (d) teamwork.
- (e) Results oriented
- (f) innovative.
- (g) Social responsibility.
- (h) Professionalism.

7. OBJECTS

The object for which the Society was established is to mobilize resources and promote the quality of life of the members by providing quality financial products and services.

In particular, the Society shall undertake to:

- (a) Promote thrift among its members by affording them an opportunity for accumulating their savings and deposits and to create revenue thereby a source of funds from which loans can be made available to them for purposes of providence or production or both at a fair and reasonable rate of interest.
- (b) Provide an opportunity for each of its members to improve their respective economic and social conditions.
- (c) Offer the members complementary savings and credit services and other financial products such as front office service or withdraw-able savings/deposit accounts as may be required by members from time to time.
- (d) Ensure safety and soundness of the members' funds.
- (e) Ensure progress of its members by educating them continuously on proper use of credit.
- (f) Perform all those functions and exercise those powers designated for Savings and Credit Co-operative Societies under the applicable law for the benefit of members.
- (g) Co-operate with other Co-operatives in order to promote members' interest and in furtherance of this object, the Society may affiliate to National Co-operative organizations and other approved relevant organizations and institutions.
- (h) Perform within the relevant law (The Act, the Rules) and these By-laws, all those acts, deeds and things necessary to further enhance, promote or encourage any or all foregoing purposes and objects provided that such acts, deeds and things are approved by the Annual General Meeting.
- (i) Offer products such as medical cover, Exit and benevolent benefits, Wanabima and any other product approved by the AGM

For the attainment of the above objects, the Society may things that are permissible under the Act and Regulations, Co-operative Act and Rules and these By-laws and all such other things as are incidental or consequential to the economic enhancement of its members interests provided such act is approved by the members in a general meeting.

8. CO-OPERATIVE PRINCIPLES AND VALUES

In order to achieve its objects the Society shall act in accordance with the following Co-operative principles and relevant values.

(a) *Voluntary and open membership*

The society shall always be guided by the principle of voluntary and open membership in its member recruitment drive without political, ethnic, religious, gender or social discrimination.

(b) *Democratic member control*

The society will be fully controlled by members who will have equal voting rights on the basis of one member one vote.

(c) *Economic participation by member*

Members shall contribute equitably to the capital of the society and share in the results of its operations.

(d) *Autonomy and independence*

The society shall operate on mutually acceptable terms with its stakeholders who will ensure its autonomy and independence.

(e) *Education, training and information*

The society shall foster reciprocal, on-going education programmes for members, leaders, staff and the community so that they can teach and learn from each other or from the appropriate resource persons in understanding and carrying out their respective roles.

(f) *Co-operation among co-operators*

In order to better serve the interests of the members and the community, the society shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.

(g) *Concern for community in General*

The society shall show concern to the community in which it exists and operates.

9. MEMBERSHIP

Membership of the society shall consist of:-

- (a) Current members in the Society's Register
- (b) Public service employees
- (c) Members in the formal and informal sectors
- (d) Corporate member

- (e) FOSA member
- (f) Depositor member,
- (g) Savings member
- (h) WANAMECO member
- (i) EBF member
- (j) WANATRUFA member
- (k) WANA-RITHI member
- (l) Any other person approved by the Board/ All employees of the society

9.1 Membership

Any person who meets the following conditions shall be eligible for primary membership

- (a) Eighteen years and above of age.
- (b) Of good character and of sound mind.
- (c) Any credible and solvent legally registered institution wishing to be a co-operate member.
- (d) Is not a member of another SACCO with similar objectives and within the same area of operation
- (e) Any other member defined under 9.0 (a)-(m).

9.1.1 Primary member

A member who has;

- Eighteen years and above of age.
- Of good character and of sound mind.
- Is not a member of another SACCO with similar objectives and within the same area of operation.
- Paid up membership fees,
- Been active for a minimum period of six months
- Minimum shares as approved by the AGM
- Contributes monthly deposits as approved by the AGM

- Contributes monthly RBF

9.1.2 Corporate members

A member who has met the following requirements;

- A registered entity
- Appointed office bearers
- Minutes of authorization.
- Paid a Registration fee

9.1.3 Welfare Groups/Chama Members

A member who has met the following requirements;

- Appointed office bearers
- Minutes of authorization.
- Registration fee.

9.1.4 FOSA member

A member who has;

- Paid a registration fee
- A FOSA account

9.1.5 FIXED Depositor

A member who has;

- Paid a registration fee
- A FOSA account

9.1.6 Savings member

- Paid a registration fee

- A Savings account

9.1.7 WANAMECO member

A member who has;

- Paid up membership fees,
- Been active for a minimum period of six months
- Contributes monthly contribution as approved by the AGM

9.1.8 EBF member

A Primary member who has;

- Paid up membership fees,
- Been active for a minimum period of six months
- Contributes monthly contribution as approved by the AGM

9.1.9 WANATRUFU member

A member who has;

- Paid up membership fees,
- Been active for a minimum period of six months
- Contributes monthly contribution as approved by the AGM

9.1.9 WANA-RITHI member

A member who has;

- Paid up membership fees,
- Been active for a minimum period of six months
- Contributes monthly contribution as approved by the AGM

9.2 *Application for Membership*

Every applicant for membership shall complete an “application for membership” form, which is prescribed by the Board. This form shall be drawn to show all the information required for the purpose of registration of a member.

9.3 *Admission into Membership*

- (a) Primary membership: An applicant shall be admitted to primary membership upon approval by Board but shall not qualify for the rights and privileges of membership until he/she has paid an approved entrance fee, minimum share capital and contribute deposits for six (6) consecutive months or as shall be fixed by the General meeting from time to time.
- (b) Other membership: Other members will be admitted according to the policies, rules and regulations governing the facilities
- (c) Upon admission the member’s name shall be entered in the appropriate membership register and a membership number issued.
- (d) A primary member who transfers from another SACCO will automatically enjoy all the rights from respective membership in the facilities of the Society.

9.4 *Rights of Admission*

The Board may decline admission to a person after assigning reasons for their decision. Such a person, if otherwise eligible for membership, shall have the right to appeal in writing to the next General Meeting through a member or the Chief Executive Officer. However the Board of Directors is not under any obligation to explain the reasons for which application is not approved.)

9.5 *Rights of a Member*

The rights of a member shall be to:

Rights of Primary member

- (a) Attend and participate in decisions taken in all General Meetings, and Education meetings of the society subject to member having the minimum shares and contributed deposits for a minimum period of six months.

- (b) Be elected to any Organ of the society provided he/she has attained 18 years of age, has been a member of the society for a minimum of five years. In addition the member must have a minimum of Ksh 500,000.00 deposits or an amount approved by the AGM.
- (c) Have access to facilities of the Society subject to a written consent by the Board of Directors.
- (d) Have access to legitimate information relating to the society including: Internal regulations, registers, minutes of general meeting, Supervisory committee's report, annual accounts and inventories, investigation report at the Society's head office provided a written request by the member is received within fourteen days for a consent by Board of Directors.
- (e) Use the Society Services according to the Policies and Procedures approved by the Board of Directors.
- (f) Have one vote irrespective of the member's total shareholding.
- (g) Transfer his/her shares/deposits, assets and liabilities upon resignation and payment of stated commission.

Rights of other members

1. Fixed depositor has a:
 - i. Right to access FOSA loans against their deposits
 - ii. Right to access the SACCO's financial information on request
 - iii. Rights to guarantee loans using their fixed deposits.
 - iv. Rights to transfer part or all of his/her deposits.
2. Corporate Member has a:
 - v. Right to access FOSA loans against their deposits/collaterals.
 - vi. Right to access the SACCO's financial information on request
 - vii. Rights to guarantee loans using their deposits/collaterals.
3. Welfare Groups/Chama Members has a:
 - viii. Right to access FOSA loans against their deposits.
 - ix. Rights to guarantee loans using their deposits.

9.6 Obligations of Members

A member of the Society shall have the obligation to:-

- (a) Observe and comply with all the society rules and decision taken by the relevant organs of the Co-operative Society.
- (b) Repay their loans.
- (c) Ensure that loans guaranteed are repaid.

- (d) Buy and pay up for shares or make any other payment in line with these By-laws.
- (e) Nominate next of kin(s).
- (f) Meet the debts of the Society in case of bankruptcy in accordance with the provision of the Acts and this By-Law.
- (g) Support projects of the Society approved by the Board/AGM.
- (h) Have collective responsibility on matters pertaining to the Society

9.7 *Member's Personal Statement*

Every member shall receive annual statements. Any other request shall draw a fee.

9.8 *Termination of Membership*

Membership in the Society shall cease with effect from the date of a;-

- (a) Member's death;
- (b) Member certified insane;
- (c) Member suspended by the Board and subsequently expelled by a resolution of a general meeting of the society
- (d) Member withdraws Membership;
- (e) Transferring all shares to another member
- (f) Ceases to hold the qualifications in accordance with these by-laws;

However a member shall retain his shareholding with the Society unless the shares are sold or transferred to a third party. Such a member shall not be entitled to any rights except dividends.

9.9 *Suspension and Expulsion*

The Board may suspend a member pending expulsion by a general meeting who:-

- (a) Fails to fulfil his/her obligations to the Society whether stated in these by-laws, general internal regulations, a resolution of the general meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed,
- (b) Defaults in the repayment of loans;
- (c) Is convicted of a criminal offence;
- (d) Is involved in dishonesty;
- (e) Acts in any way detrimental or prejudicial to the interest of the society;
- (f) For any other reason approved by a general meeting and/or as may be contained in the code of ethics of the society;

- (g) Joins another cooperative society having the same or similar objects.

During suspension the member will not be entitled to any rights, privileges or benefits from the Society.

9.10 Procedure of Suspension and Expulsion

- (a) Upon formal written announcement that a member has committed an offence punishable by expulsion, the Board shall give a written notice to the member stating the offence he/she is alleged to have committed and giving the member 15 days to prepare his/her defence.
- (b) Upon the expiry of 15 days, the Board shall initiate an administrative inquiry and make a decision on the findings.
- (c) Based on the findings, the committee may suspend the member pending expulsion by a General Meeting of the Society. During suspension the member will not be entitled to any rights, privileges or benefits from the Society but will be expected to honour his/her obligation.
- (d) The member may give notice and grounds of appeal with the Hon. Secretary not less than 15 days before the date of the General Meeting.
- (e) Upon hearing the appeal, the General Meeting may:-
 - (i) Reinstate the member;
 - (ii) Confirm the suspension and consequently expel the member;
 - (iii) Impose such fine as it may deem fit;
 - (iv) Take any other lawful action
- (f) A member who is expelled from the Society by the General meeting may appeal to the tribunal.

9.11 Voluntary Withdrawal

- (a) A member with no liability or outstanding obligation in a respect of other members' loans may withdraw from membership at any time provided that where a member has an outstanding obligation in respect of guarantee shall continue to be responsible unless alternative arrangements acceptable to the society are made.
- (b) A member withdrawing from membership of the society shall give at least 60 days written notice of intention to withdraw.
- (c) Partial withdrawal of non-withdrawable deposits from the Society shall not be allowed under any circumstance.
- (d)

9.12 *Payment on Cessation of Membership*

On cessation of membership, a person shall be paid the following less any outstanding obligations:-

- (a) The non-withdrawable deposits .
- (b) Any dividends and interests on deposits will be computed as at 31st December of the year prior to the cessation date.
- (c) No dividend and interest on deposits will be computed on pro rata basis if it does not mature at 31st December of that year.
- (d) Any other funds other than share capital held by the Society on his/her behalf.

10.APPOINTMENT OF NOMINEE(S)

- (a) Every member shall appoint his/her nominee(s) to whom upon his/her death or incapacitation the shares, deposits or other benefits in the society shall be transferred. The Society shall use the official records of nominees regardless of any changes in the member's status.
- (b) Every appointment of a nominee(s) by a member shall be put in writing and signed by the member in the presence of two witnesses;
- (c) Where more than one nominee is appointed by a member, the member shall specify the percentage of benefits to be transferred to each nominee. However, where no percentage is specified, each of the nominees shall receive an equal share.
- (d) A member desiring to change his/her nominee(s) may do so at any time provided such a change or alteration is in writing and signed by the member in the presence of two witnesses.
- (e) The particulars of nominee(s) shall be recorded and kept in sealed envelope under the custody of the Hon Secretary whose reference shall be entered in the register of members.
- (f) In case a member dies and a nominee does not exist the society may pay any money due to the deceased member to the personal representative or recognized heir identified by the public trustee of that deceased member.
- (g) A member may nominate the society as the trustees of his/her benefits upon demise
- (h) In a situation where the member dies without appointing a nominee and also when the nominee is a minor, the society may manage the dues under Wana-Anga Trust Fund (WANATRUFA).
- (i) When a member dies without having appointed a nominee and in case of a family dispute about the next of kin, the society shall have the final say in determining the beneficiary and may manage the members' dues under the trust fund.
- (j) When a member dies inter-estate, the society shall use the letter of administration to determine the beneficiary of his/her dues

- (k) In case a nominee (s) dies/die, the members is given chance to nominate another one
- (l) In case a nominee dies without appointing another nominee the society will manage the funds under trustee
- (m) A nominee may appoint another/other nominee(s)

10.1 Payment to Nominee

The Society after obtaining such documentary proof of the death or incapacitation of a member as it may consider necessary, shall pay to the nominee/s the value of the deceased member's benefits after deducting monies owed to the Society, if any.

10.2 Admission of Nominee

A nominee(s) may be admitted to membership of the Society if qualified. The benefits due to the deceased member shall be transferred to the account(s) of that nominee(s).

11.FUNDS OF THE SOCIETY

The funds of the Society shall consist of:

(a) Core Capital

- (i) Paid members shares
- (ii) Retained Earnings
- (iii) Disclosed Reserves
- (iv) Grants and Donations

(b) Income

- (i) Interest, fees and charges, penalties, and commissions
- (ii) Entrance fee
- (iii) Any donations, grants or gifts from other bodies, organizations or individuals
- (iv) Funds obtained from other lawful miscellaneous sources

(c) Liabilities

- a. Members deposits
- (d) Fixed deposits
- (e) Funds borrowed from other sources
- (f) Funds obtained from lawful miscellaneous sources.

11.1 Capital Adequacy

- (a) The Society shall at all times maintain capital adequacy as may be prescribed by the Act and regulations:-
- (b) The funds of the Society shall only be applied for the promotion of the stated objects of the Society as set forth in these by-laws, and shall be invested in:
 - (i) Securities issued or guaranteed by the government or any agency of the government.
 - (ii) Deposits obligations or other accounts of deposit taking institutions under the banking Act
 - (iii) Shares, stocks, deposits in, loans to or other obligations to any Society or Co-operative Society.
 - (iv) Loans to members.
 - (v) Properties and Equipment for purposes of SACCO business
- (c) Investments under (b) above shall not in the aggregate, exceed such proportion of total assets, core capital and deposits of the Society as prescribed in the Regulations.

11.2 Shares

Every primary member shall hold at least 1250 shares of Kshs 20.00 each or any amount as shall be fixed by the General Meeting. However, no member shall hold more than one-fifth of the total shares of the Society.

11.3 Transfer of Shares/Deposits or Interest of Members

- (a) **Shares:** With the approval of the Board of Directors, a member may transfer his/her shares to another member or any other person whose membership has been approved by the board. Such transfers must be in writing and at nominal value.
- (b) **Deposits:** A member may transfer his/her deposits to another member or next of kin on approval of the Board
- (c) **Fixed Deposits:** A member may transfer his/her fixed deposits to another member or next of kin on approval of the Board
- (d) **Other benefits:** A member may transfer other benefits to another member or next of kin on approval of the Board

- (e) All transfers of shares, deposits and benefits must be registered and no transfer shall be valid unless so registered. The transfer shall require payment fee of 5% of the transferred amount and should do so in writing. Such fee shall be paid by the transferee.

11.4 Liability

- (a) The liability of a member shall be limited to the nominal value of the shares held by him/her.
- (b) In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by members; the funds shall be distributed pro-rata among the shareholders according to the amount of shares held by each.
- (c) In addition to (b) above members shall be compensated by the Deposit Guarantee Fund as provided in the Regulations.

11.5 Power to Borrow

- (a) Loans may be obtained from other organizations subject to the maximum amount of Ksh.100 million on terms approved by the General Meeting provided the total external borrowing by the Society does not exceed the limit prescribed in the Regulations.
- (b) For the securing of any loans accepted by the Society under section 27(5)(f) the Society Act may grant a charge over its assets. The authority to grant a charge shall be reserved to the General Meeting.
- (c) The rate of interest on loans shall not exceed the prevailing market rates.

11.6 Receipting of Money

Money received on account of shares, deposits, Loans, interests fees or fines shall be recorded and evidenced as provided in the approved policies and procedures manuals.

11.7 Payment and Disbursement

Payments made by the Society shall be recorded and evidenced as provided for in the approved policy and procedure manual.

11.8 The Purpose to Which Funds May Be Applied

The funds of the Society may be applied to the promotion of the stated Objects and purposes of the Society as set forth in these By-Laws and as determined and approved by the General Meeting.

11.9 Disposal of Accumulated Funds and Surplus

Subject to the Act and Rules and approval of General Meeting the net surplus resulting from Operations of the Society during any financial year shall be disposed off as follows:

- (a) The balance may be disposed off as decided by the General Meeting for:-
 - (i) Paying dividend on shares;
 - (ii) Paying an interest on deposits to members on the register at the close of the financial year;
 - (iii) Being carried forward to appropriation account;
 - (iv) Applying an amount not exceeding a figure decided upon by the General Meeting of the net balance to any charitable purpose;
 - (v) Paying gratuity, honoraria or bonus to Board of Directors, Supervisory Committee and/or employees of the society;
 - (vi) In any other way approved by the General Meeting.
- (b) The Society shall pay a dividend at such a rate as may be recommended by the board of Directors and approved by the Annual General Meeting of the society.
- (c) Paying all distributable interest to members at the close of financial year subject to approval by Annual General Meeting.
- (d) Transfer a minimum of 3% of net surplus to a Wana-Anga reserve fund.
- (e) Transfer to sinking fund (WANABIMA)

11.10 Reserve Funds

The society shall maintain a Reserve Fund as required by the Act and Rules. Unless otherwise resolved by the General Meeting and approved by the Commissioner, the Reserve Fund shall be credited with 20 % of the net surplus of each financial year. It shall also be credited with all entrance fees, except the amount taken from such fees to pay initial expenses within 2 calendar years following the year in which the society was registered and with recoveries of loans and other losses previously charged against the Reserve Fund.

11.11 Dormant Accounts

(An account which has no transaction over a period of 6 months)

Where a member fails to contribute deposits for six consecutive months he/she shall be flagged as Dormant account.

11.12 Dormant members

Members who have failed to contribute deposits for six consecutive months shall be treated as dormant members

Such members shall;

- (i) Not participate in the society's meetings;
- (ii) Not be entitled to any loans, benefits from the Sacco;
- (iii) May lose all or some rights of a member

12. PRODUCTS

The Board shall create products, which are beneficial to the welfare of members. There shall be rules and regulations governing the products as approved by the AGM.

A product shall mean a specialized service offered in addition to the core business of the Society to enhance financial well being of the SACCO members.

The society shall offer the following products/services;

- (i) Front office
- (ii) EBF
- (iii) WANAMECO
- (iv) Money transfer services (MTS)
- (v) Any other product that may be approved by the AGM.

13. CREDIT/LOANS

13.1 credit/loans policy

All loans shall be granted in accordance to the Loaning Policy and procedures to ensure that members get their loans in efficient manner and to facilitate and improve loans recoveries with an objective of assisting members.

The loaning policy will include the following rules and procedures:-

- (a) The Society may grant loans to members in the Society's register;
- (b) The repayment period, borrowing power and rate of interest on loans shall be approved by the Board of Directors. No loan shall be granted to a member who has no ability to pay in accordance to the ACT and these by-laws.
- (c) All loans shall be applied for on prescribed forms. The loan application shall be signed by the member and in each shall set forth amount applied for, the repayment the security, if any and such other information as the Credit committee or loans officer may require. All applications for loan and the report of the credit/front committee or loans officer thereof shall be filled as a permanent record of the society.
- (d) Loan applications shall be considered by the credit committee in the order in which the applications are made unless the loan is deemed by the committee to be an emergency loan.
- (e) The credit /Board of directors may summon or cause an applicant to be summoned to appear personally to be interviewed in respect of his/ her application for a loan, to determine the members' ability to repay the loan.
- (f) The loan application form shall clearly state the amount of loan, rate of interest, the terms of repayment and the security if any.
- (g) All loans shall be approved by credit/front committee and ratified by Board of directors
- (h) For purpose of a members being considered for a loan, his shares, savings, deposits and any security approved by board of directors may be taken into account.
- (i) Loan may be granted to Board of Directors/supervisory committee members and employees of the society if:-
 - (i) The loan is recommended by the credit committee thereafter approved by board of Directors;
 - (ii) The applicant takes no part in the consideration of his application.
- (j) The board of Directors may draw further regulations in respect to granting of loans provided such a regulation shall not come to force until approved by a general meeting.
- (k) No loan or credit facility shall be granted to a member where the loan or credit facility, in the aggregate, exceeds such a limit of the society's core capital.
- (l) All loans granted must be subjected to an insurance fee as may be determined by the Board.

13.2 Security for loans

- (a) The Board of directors shall ask for such security for loans, as it may deem necessary. The shares guarantee and deposits of a member may be taken as security.

- (b) Where there is, after 60 days, continued delinquency, the board may offset the loan balance, from the shares, guarantees, deposits and savings.
- (c) The committee may refuse to accept as a guarantor a person who is himself/herself in receipt of a loan or who has over guaranteed and may decline to grant a loan subsequently to a member while he/she remains liable as a guarantor.
- (d) No director, officer, employee or a member of the board of the society shall act as a guarantor of any person with respect to a loan advanced or credit facility granted to a person by the society.
- (e) A borrower or guarantor may apply to the credit/board of Directors for a change of guarantors.

13.3 Repayment of loans

- (a) A borrower may repay his loan in whole or in part prior to maturity.
- (b) The board of Directors may in the most exceptional circumstances agree to the refinancing of a loan balance or any request for an extension of time in which to pay. Any extension so granted shall be treated as though it was a new loan and an extension agreement shall be executed.
- (c) At every monthly meeting of the Board of directors, the item "LOAN" shall appear on the Agenda. At the meeting, the Credit/Front committee shall present an up to date listing of delinquent borrower/defaulters showing:-
 - (i) Name of borrower
 - (ii) Account number/ membership number
 - (iii) Date of last payment
 - (iv) Unpaid balance of loan
 - (v) Number of months delinquent /defaulted
 - (vi) Borrowers share, deposits and savings balances
 - (vii) Security or guarantors, if any

The Board of directors shall thereupon take action to collect the overdue accounts.

- (d) For any loan that is delinquent the Board of directors shall attach the guarantee(s). The amount in default shall be recovered from the guarantor's salary, deposits, savings, terminal savings, terminal benefits and any other securities.
- (e) If the employer will not have remitted the deductions the Board of directors shall refer the matter to the commissioner.
- (f) Any loan more than four months overdue may be referred to Co-operative Tribunal as a dispute.

13.4 *Loan defaulting*

- a) The society shall recover outstanding liabilities against deposit and share capital and upon any dividend or interest payable to a member for any debt due to the society from the member, either as a guarantor or endorser of a loan or credit facility or for any other obligation.
- b) The society may refuse to allow withdrawals from any deposit account operated by a member where the member is in arrears on a debt owed to the society.
- c) In case of any default in payment, the entire loan balance will immediately become due and payable at the discretion of the society and all shares and deposits owned by the member and any interest and deposits due to the member will be offset against the owed amount. The member will be liable for any costs incurred in the collection of the loan balance and accumulated interest. Any remaining balance will be deducted from guarantors or terminal benefits where applicable.

13.5 *Interests on Loans and Deposits*

The rate of Interest on loans and deposits shall be proposed by the Board of Directors of the society and approved by the General Meetings

14. GENERAL MEETING

The supreme authority of the Society shall be vested in the General Meeting of members.

14.1 *Timing of General Meetings*

- (a) The Annual General Meeting shall be held every year within four months after closure of the financial year to hold elections and to undertake such other business as is laid down in these by-laws.
- (b) Special Members General Meeting shall be called when:-
 - (i) Need arises to discuss specific issues of interest to members, or
 - (ii) a written request by at least 500 members or one third of the members, whichever is more, provided the request is deposited by registered mail at the Society's address or delivered to the Chief Executive Officer at the Society's offices within normal working hours.
- (c) Except when convened by the Commissioner or his representative, at least 15 clear days notice shall be given in the case of an Annual General Meeting or Special General Meeting. The Hon.

Secretary will take all the necessary steps to ensure that all members are informed of the date and main business of the meeting.

- (d) Any business not completed at the annual General Meeting, may be taken up at a subsequent special General Meeting of the Society.

14.2 Notice of Meetings

- (a) The general meeting shall be convened by giving at least 15 days written notice to the members.
- (b) The Honorary Secretary shall take all usual steps to publish the notice of the meeting and audited accounts in any of the following: - public places, on the Society's notice Board(s), website, in local newspapers or news-sheets, including the media or any other mode decided by the members.
- (c) All notices shall include a statement of the business to be dealt with.

14.3 Quorum

Except when convened by the Commissioner, the presence of at least 100 members or 25% of the total membership, whichever is less, shall constitute a quorum for the conduct of business at the General Meeting. When a quorum is not attained the chairman shall adjourn the meeting and fix a date for another meeting within one month, which shall be advertised as prescribed in these by-laws. If a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

14.4 Duties of General Meetings

- (a) The General Meeting shall have the powers and duties prescribed in the Act, Regulations, Co-operative Act, Rules and these by-laws. It shall:
 - (i) Consider and confirm the minutes of the previous General Meeting.
 - (ii) Consider reports of committees, the Commissioner or his/her representative and the audited accounts on the Society's activities during the past financial year.
 - (iii) Consider and resolve on the manner in which any available surplus shall be distributed or invested, subject to the Act, Regulations, Co-operative Act and Rules.
 - (iv) Appoint a Returning officer for the Election of the Board of Directors and Supervisory;

- (v) Elect or remove members of the Board and the Supervisory Committee, subject to the Act, Regulations and these by-laws.
 - (vi) Fix the indemnity for the elected committee members and management staff.
 - (vii) Consider recommendations on expulsion of members and refusal of membership by the Board.
 - (viii) Fix the maximum liability which the Society may incur in loans and deposits from members and non-members.
 - (ix) Approve the estimates of income and expenditure for the financial year following the General Meeting.
 - (x) Fix the honoraria, if any, for officers or employees of the Society.
 - (xi) Decide on the management structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
 - (xii) Appoint bankers, auditors and advocates of the Society for the ensuing year.
 - (xiii) Approve affiliation to National Co-operative Organizations for SACCO societies and the Apex society.
 - (xiv) Transact any other business of the Society for which notice has been given to members in the manner prescribed in these by-laws.
- (b) All primary members as defined in 9.3 (b), in this By-laws have a right to attend the General Meeting and participate in its deliberations; however they may be required to identify themselves.
 - (c) A decision taken by the General meeting shall be binding to all members present, absent and objecting.
 - (d) The chairman or in his absence the vice chairman shall preside at every General Meeting. In their absence any Board member elected by a majority of those present shall preside.

14.5 *Record of Business*

- (a) All business discussed or decided at the General Meeting shall be recorded without erasures and corrections in a Minute Book, which within one week of the meeting, shall be signed by the Chairman of the meeting and at least one other committee member who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.

- (b) At the next meeting after approving any alterations or variations which shall be written below the above signatures and not as alterations to the original record, the meeting shall by resolution authorize the chairman to sign and date the final record.

15.THE BOARD OF DIRECTORS

15.1 *Eligibility for Membership to the Board*

No person shall be eligible as a member of Board of Director if he/she;-

- (a) Has not been a member of the Society for at least five year prior to the Annual General Meeting and does not have a minimum of Ksh 500,000 shares/deposits in the SACCO or amount approved by the AGM.
- (b) Has been adversely named by the Commissioner or his/her representative in an inquiry report endorsed by an Annual or Special General Meeting for mismanagement or corrupt practices whilst still a member of the Board of a co-operative society or union in the last ten years, or named in any other national inquiries where he/ she has been shown to be engaging in dishonest activities,
- (c) Has been adversely named by the Authority in an inspection report for mismanagement or corrupt practices while still a member of the Board of a Society
- (d) Has been charged of any offence involving dishonesty, a crime involving fraud, perjury or breach of contract of a licensed financial institution.
- (e) Has been convicted of any offence involving dishonesty or is imprisoned for three months or more with a crime involving fraud, perjury or breach of contract of a licensed financial institution.
- (f) Is delinquent on loans with the SACCO for more that 90 days within 2 years prior to elections;
- (g) Shall not have attained a minimum of “O” Level Certificate of Education or equivalent;
- (h) Is un-discharged bankrupt ;
- (i) Is under 18 years of age;
- (j) Is of unsound mind;
- (k) Is a Board member of two other Co-operative Societies with the same or similar objects licensed under the Act;
- (l) Is an official of or holds a political or state office at any level
- (m) Does not conform to minimum qualification standards in accordance to the applicable law.
- (n) Has been removed from public office on disciplinary action.
- (o) Has not duly executed the Fit and Proper Test form as provided in the Regulations

15.2 Elections

- (a) The Board shall notify the members of the vacancies arising in both the Board and the Supervisory Committee.
- (b) There shall be a Nominating(Vetting) Committee constituted as per the Society Electoral Policy formulated by the Board to vet and clear the prospective candidates for elections.
- (c) During elections, the Returning officer shall present duly nominated candidates for the vacant positions. Each candidate must have a proposer and a seconder.
- (d) At the elections, members shall decide, by majority vote, the method of voting. The method may be secret ballot or queuing or by show of hands.
- (e) No member shall be entitled to vote by proxy.
- (f) Irrespective of the number of shares/deposits held by him/her, no member shall have more than one vote.
- (g) Within fourteen (14) days of the elections, the Chief Executive Officer shall forward to the Commissioner and the Authority the names and addresses of all persons elected.

15.3 The Board

- (a) The Board shall be the governing body of the Society elected from the general membership and shall consist of not less than five and not more than nine members who are non executive.
- (b) The Board shall include the Chairman, Vice chairman, Treasurer and Honorary Secretary all of whom shall be elected by the Board from amongst the members of the Board.
- (c) Members of the Board shall hold office for a period of three years provided that; one-third of the Board members shall retire every year but will be eligible for re-election.
- (d) Where the membership of the Board falls below five the committee shall co-opt qualified member(s) into the Board until the next General Meeting.

15.4 Board Meetings

- (a) The Board shall meet at least twelve (12) times in a financial year and not more than two months shall lapse between the date of one meeting and the date of the next meeting.
- (b) At least five members out of nine members of the Board shall form a quorum.
- (c) If a member of the Board fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his/her duties, the position shall be declared vacant and may be filled as provided for in these by-laws.

15.5 Record of Business of the Board

- (a) All business discussed or decided at the Board Meeting shall be recorded without erasures and corrections in a Minute Book, which within one week of the meeting, shall be signed by the Chairman of the meeting and at least one other Board member who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.
- (b) At the next meeting, after approving any alterations or variations, which shall be written below the above signatures and not as alterations to the original record, the meeting shall, by resolution, authorize its Chairman to sign and date the final record.

15.6 Duties and Powers of the Board

The Board of the Society shall be the governing authority and subject to any directions from the General Meeting generally direct the affairs of the Society. Its procedures, powers and duties shall be as prescribed by the Act, Regulations, co-operative Act and Rules and these by-laws. In particular, it shall:

- (i) Observe in all its transactions the Act and the Regulations, Co-operative Act and the Rules, these by-laws and prudent business practices.
- (ii) Establish and approve appropriate policies.
- (iii) Ensure that the management maintains proper and accurate records that reflect the true and fair position of the Society's financial condition in accordance with International Financial Reporting Standards.
- (iv) Act upon all applications for membership and resignation.
- (v) Recommend dismissal of errant members.
- (vi) Prepare and develop business plans and annual budgets for presentation at the General Meeting;
- (vii)
- (viii) Appoint such number of Board committees as maybe necessary to effectively discharge its functions;
- (ix) Approve interest rates on loans, the maximum maturities and terms of payment or amortization of loans from time to time and the maximum amounts that may be loaned to any member as recommended by the Society's management;

- (x) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting;
- (xi) Lay before the General Meeting audited accounts, together with proposals for the disposal of net surplus, if any;
- (xii) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on non withdrawable deposits;
- (xiii) Fill through co-option, vacancies occurring in the Board between General Meetings;
- (xiv) Appoint other Sub-committees, such as Education, Credit, product and any other committees as necessary. These sub- committees/working groups shall consist of persons drawn from board members, Supervisory Committee, and general membership of the society.
- (xv) Have the option to delegate to the subcommittees such powers and duties under these by - laws as it deems fit
- (xvi) Have the option to delegate to any relevant officer or employee of the Society, such powers, as it deems necessary.
- (xvii) Develop competitive products from time to time.
- (xviii) Authorize the conveyance of properties;
- (xix) Authorize borrowing of the Society in accordance with the law.
- (xx) Approve and review lending policies of the Society to ensure compliance with the Law.
- (xxi) Approve and ratify all loans to directors and employees of the Society;
- (xxii) Approve interest rates on loans to members as recommended by finance committee,
- (xxiii) Designate a depository or depositories for the funds of the Society;
- (xxiv) Prepare and approve a code of conduct in the form set out in the third schedule of the Regulations;
- (xxv) Employ, firing and fix the remuneration of the employees including the appointment of chief executive officer in accordance with the approved human resource manual and policy;
- (xxvi) Report within 15 days the appointment, resignation or removal of the Chief Executive Officer to the Authority
- (xxvii) Impose fines as provided for under these by-laws;
- (xxviii) Ensure that the Society pays its statutory levies as required by Law;

- (xxix) Ensure adequate provisions for known and probable losses and recommend to the General Meeting the write-off of bad debts.
- (xxx) Ensure that all the loans are properly secured.
- (xxxi) Approve share payments and transfer of shares
- (xxxii) Determine the Interest rates, which shall be paid on deposits and borrowed money.
- (xxxiii) Perform or authorize any actions consistent with the Act, the Regulations and these by-laws, unless specifically reserved for the General Meeting;
- (xxxiv) To provide adequate budget for education and training of members, and the capacity development of the Board and staff.
- (xxxv) Receive and consider reports from the established Board committees.

15.7 Expenditure

No expenditure shall be authorized by the Board and/or management unless it is provided for in the estimates formally approved by the General Meeting.

15.8 Authorization to Sign Document

Unless decided otherwise by the General Meeting, all documents, contracts, and cheques shall be signed on behalf of the society by at least any three of the Executive Members of Board of Directors. The Chief Executive Officer and any other Board Member may also sign if need arises.

15.9 Legal Standard of Care

In the conduct of the affairs of the Society, the members of the Board shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, the Regulations, any other applicable law these By-laws or the directions of the General Meeting.

15.10 Delegation to Employees

- (a) The Board may delegate to the chief executive officer of the Society such duties as it deems fit.
- (b) Nothing in (a) above shall absolve the Board from its responsibility of running the affairs of the Society in a proper and businesslike manner.

15.11 Indemnity

The AGM shall decide the amount of indemnity for each Board Member, Supervisory committee members, CEO, senior management and employees of the society.

All Board Members shall each provide an indemnity of an amount approved by the General Meeting. A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner within 14 days upon election to the Board.

15.12 Declaration of Wealth

Every Board member shall within 30 days of being elected declare wealth to the Commissioner in the prescribed manner.

15.13 Suspension of a Board Member

- (a) The Authority may suspend from duty any Board Member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.
- (b) The Board Members may recommend the suspension of a Board Member and accordingly inform the Authority subject to ratification by the general meeting for:-;
 - (i) Failure to disclose vested interests.
 - (ii) Any other good cause.

15.14 Removal of a Board Member from Office

A member of the Board shall cease to hold office if he/she:

- (a) Ceases to hold qualifications of a Board of Director as specified in the Act, Regulations and these By-laws;
- (b) Is removed by the Authority under the provisions of the Act and Regulations;
- (c) Is voted out by majority of members present and voting at the General Meeting;
- (d) Is removed by the Commissioner under the provisions of Co-operative Act and the Rules;
- (e) If a board member fails to attend three consecutive monthly meetings without being excused or
- (f) Becomes ineligible for any other reason(s)

15.15 Board Chairman and Vice Chairman

- (a) The Board chairman shall:
 - (i) Preside at general meetings, Board meetings and joint meetings with the Supervisory Committee.

- (ii) Perform such other duties as may be directed by the Board, not inconsistent with provisions of the Act, the Regulations applicable laws and these by-laws.
- (b) The vice chairman shall perform the duties of the Chairman during his/her absence and such other duties as the Board may direct.

15.16 Honorary Secretary

The duties of the Honorary Secretary are to:

- (a) Ensure the proper minutes of the General Meetings, Board meetings, and joint meetings with the Supervisory Committee to be recorded.
- (b) Ensure the Minutes Book, nominee records and register of members are kept
- (c) Ensure that communication of notices of the meetings are prepared and sent out.
- (d) Ensure that the Society's correspondence is promptly and correctly attended to.
- (e) Perform such other duties as may be directed by the Board.

15.17 Treasurer

The powers and duties of the Treasurer shall be:

- (a) Generally to manage, or ensure the financial management and the affairs of the Society in a competent manner.
- (b) To maintain full and complete records of all Assets, Liabilities, Income and Expenses of the Society.
- (c) Within 15 days after the close of each month, the Treasurer shall prepare or ensure financial statements of the society are prepared and submitted to the Board at the end of every month..
- (d) Ensure the custody of all accountable documents and the seal of the Society as directed by the board.
- (e) Carry out other assignments as directed by the Board

16.BOARD COMMITTEES

The Board may constitute committees such as Executive, Credit, Education and Human resource, Finance and Business Support, Audit committees and any other as the Board shall deem necessary.

- (a) Board committees shall consist of persons drawn from the Board.
- (b) The Board may delegate to the Board-committees some of its duties under these by-laws as it deems fit.
- (c) These committees shall convene as directed by the Board.

The committees:-

- (i) Shall keep minutes of their work at all times
- (ii) May delegate to the management any of their functions but shall ultimately bare responsibility

16.1 Finance and Business support Committee

The finance Committee shall consist of members from the Board including the treasurer.

Its duties shall be to:

- (a) Review and make recommendations to the Board on the financial plans of the Society ensuring its adequacy and soundness in providing for the Society current operations and long term stability.
- (b) Review, discuss and make recommendations to the Board concerning significant financial planning, management and reporting issues of the Society
- (c) Review periodic financial statements of the Society before submission to the Board.
- (d) Review, monitor and recommend to the Board for approval new and revised prices, products and services
- (e) Consider and advice the Board on investments and borrowings.
- (f) Make recommendations to the Board on capital expenditure projects.
- (g) Ensure all expenditure of the Society are within the approved budgets
- (h) Monitor the management's adherence to the procurement plans approved by the Board
- (i) Review and make recommendation on finance related policies including investments, capital adequacy and financial performance monitoring.
- (j) Ensure the Society has liquidity management policies as prescribed in the Regulations.
- (k) Review loan interest rates and other levies proposed by the management and make recommendations to the Board for approval.

16.2 Human Resource and Education Committee

The Human Resource and Education Committee is responsible for the Society's staff development, management and training. It shall consist of members elected by the Board and chaired by the Vice Chairman of the Society.

Its duties among others shall be to:

- (a) Advise the Board on Staff development and management including performance, succession, deployment, remuneration and discipline.
- (b) Advise the Board on necessary revisions and/or amendments to the Society's Strategic Direction in view of emerging human resource and market trends.
- (c) Receive and review regular reports of various Marketing and Customer Service related matters and guide management on Continuous improvement efforts.
- (d) Conduct training needs assessment for members, Board, Supervisory and Management team
- (e) Recommend training and education programmes for Board members, supervisory committee, management and the general membership for approval by the Board.
- (f) Monitor implementation of educational programs formulated to ensure that the members and the Board are well trained and prepared for the tasks they are entrusted with.
- (g) Compile the relevant publication, periodicals, brochures and other documentation on issues of the society.
- (h) Carry out other assignments as directed by the Board.
- (i)
- (j) Review the organizational structure of the Society and ensure its manned by staff with relevant skills and experience.
- (k) Ensure that periodic reviews of staff performance are conducted.
- (l) Examine and recommend Human Resource expenditure for approval by the Board.
- (m) Ensure establishment of management succession plan in the Society.
- (n) Ensure the management adheres to the approved human resource and related policies
- (o)

16.3 Audit and Risk Management Committee

The audit and risk management committee is to ensure the internal controls are established and adhered to. It shall consist of members appointed from the Board to review the financial conditions of the Society, one of whom shall be conversant with financial and accounting matters. The chairman of the Board and members of finance committee shall not be a member of the Audit committee and the Internal Auditor will be an ex-officio member of the committee.

The primary responsibility of the Audit committee shall be as prescribed in the Regulations which include:-

- (a) Ensuring establishment and review of the internal control system.

- (b) Review performance and findings of the internal auditor and recommend remedial actions regularly;
- (c) Recommending of external auditors to the Board;
- (d) Reviewing coordination between internal and external audit functions as well as monitor external auditors independence and objectivity;
- (e) Report to the Board on their findings and recommendations;

16.4 Credit Committee

The credit committee is responsible for ensuring credit worthiness and fairness to all members. It shall consist of members of the Board. Its duties among others shall be to:-

- (a) Ensure establishment and review of appropriate credit policy consistent with the relevant provisions of the Regulations and these by-laws.
- (b) Ensure that loan performance are timely and adequately identified and classified as prescribed in the Regulations.
- (c) Ensure adequate provisions for potential loss is maintained.
- (d) Appraise and present periodic credit and loan portfolio reports of the Society to the Board.
- (e) Ensure that the loanee, guarantors and owners of loan security of defaulted loans are timely informed.
- (f) Develop competitive credit related products

16.5 Supervisory Committee

- (a) The supervisory committee is the oversight of the members that audits and ensures the operations and internal controls systems of the Society conform to the Acts, Rules, Policies Regulations and By-laws. It consists of three members each elected at the General Meeting for a period of three years and one member of the supervisory committee shall retire annually. The supervisory committee shall not perform the duties or exercise any of the powers of the Board.

The committee shall:

- (a) Have qualifications similar to those of members of the Board.
- (b) Be required to have at least some knowledge of accounts.

The supervisory committee shall hold quarterly meetings save for joint meetings between its members and those of the Board.

16.5.1 Duties of the Supervisory Committee

The duties of the supervisory committee shall include:

- (a) Counter checking, the effectiveness of the society's internal control systems.
- (b) Verification of all transactions of the Society
- (c) Writing periodic report to be tabled at Board meetings
- (d) Submission of its reports to the commissioner
- (e) Presenting its reports to general meeting.

17. STAFF ESTABLISHMENT

- (a) The society shall have a staff establishment as proposed by the Board and approved by the General Meeting,
- (b) The employees of this society shall be appointed in accordance with the terms and conditions of service approved by the Board.
- (c) The staff establishment and terms and conditions of the service shall be reviewed by the Board from time to time as need arises.

17.1 *The Chief Executive Officer*

- (a) The chief executive officer shall be appointed by the Board and shall be responsible for the day to day operations of the Society and in particular:-
 - (i) To manage the affairs of the Society in a competent and professional manner.
 - (ii) To ensure proper books of records and registers are kept.
 - (iii) To attend Board meetings and General Meetings in an advisory capacity but have no voting rights.
 - (iv) To prepare and analyze on a quarterly basis the society's business plan and budget.
 - (v) To represent the society in basic business transactions and any other transactions authorized by the board members.
 - (vi) To provide information required by the Supervisory Committee in time.
 - (vii) To propose to the Board new positions arising at the Society, and the revision of the salary schedule for all the Society's staff.

- (viii) To implement recommendations set forth in the audit reports and those issued by the Supervisory Committee.
- (ix) To ensure on a monthly basis the accounting records are in balance and the individual accounts subsidiaries are upto date and the income statement, balance sheet, and delinquency lists are complete and correct in accordance with internationally accepted accounting standards and principles.
- (x) To ensure that adequate insurance is in place, if available, for employees, committee members and properties of the society.
- (xi) To direct and supervise the administration and processing of loan applications.
- (xii) To ensure prompt recovery of loans
- (xiii) To assist the Board in determining acceptable types of collateral that can be used to secure the SACCO's loans.
- (xiv) To ensure there is adequate liquidity to meet loan demands savings withdrawal, and operating expenses.
- (xv) To ensure drawing up and updating job descriptions of each employee.
- (xvi) To ensure implementation without delay of all decisions of all Committees of the Society and the General/Members meeting.
- (xvii) May counter sign society cheques, contracts and other documents.
- (xviii) To carry out such other duties as prescribed in the rules or directed by the Board

18. BOOKS OF ACCOUNTS AND RECORDS

The Society shall keep up to date and in a proper businesslike manner, electronic or otherwise, such books of accounts and records as stipulated in Co-operative Act and Rules, Regulations and these By-Laws and in particular:-

- (a) A register of all members in the society showing in respect of each member:
 - (i) Name, age, date of application for membership, address and occupation;
 - (ii) Date of admission to membership;
 - (iii) Date of cessation of membership,
 - (iv) Name and particulars of nominees,
 - (v) Any other information as may be required by the Society from time to time, and
 - (vi) Number and Value of shares/deposits held

- (b) Minutes giving details of proceedings of Board, Board committees, joint Board and Supervisory Committee, Supervisory Committee meetings and all other committee meetings held in accordance with these by-laws.
- (c) Minutes giving details of proceedings at the General Meetings.
- (d) A cashbook showing the details of all monies received or paid out by the Society.
- (e) A general ledger containing such accounts as is necessary to accurately reflect the business of the Society.
- (f) A personal ledger for each member showing his/her transactions with the Society.
- (g) A register of assets and property.
- (h) A register of loans to members showing in respect of each loan; the loan number, name of the borrower, the amount borrowed, the purpose of the loan, security, the due date of repayments and the date repayments were completed.
- (i) Records of all FOSA transactions.
- (j) Register of all members and customers in the FOSA.
- (k) Such other documents and records as the Board or the Authority may decide or prescribe.

The accounts and the financial records of the Society shall be denominated in Kenya shillings and shall comply with international financial reporting standards and any reporting requirements prescribed by the appropriate Laws.

19. PAYMENT OF ALLOWANCES.

Members, Board, Supervisory and staff may be paid allowances for subsistence, travelling, sitting and any other allowance as approved by General Meetings.

20.POLICIES AND PROCEDURES

The Board shall prepare and approve such policies and procedures as prescribed in the Regulations and as they deem necessary for the conduct of the Society's business. Any such policies and procedures shall be documented.

21.CODE OF CONDUCT

- (a) The officers of the Society shall comply with governance rules as prescribed by the ethics commission for cooperatives and Chapter Six of the Kenyan Constitution.

- (b) The Society shall formulate a code of conduct in accordance with third schedule of the regulations.

22.COMMON SEAL

The Society shall adopt and use a common seal. The seal shall have an imprint bearing the words “seal of **Wana-Anga Savings and Credit Co-operative Society Limited**” which shall be different from the ordinary name-stamp of the Society.

- (a) The seal shall be kept securely under lock and key by the Chief Executive Officer and be used only in the presence of the officers authorized to sign documents on behalf of the Society.
- (b) Where the common seal is used in any document it shall be authenticated by the signature of the Board chairman and the Chief Executive Officer or any other officer authorized by the Board of the Society.

23. FINANCIAL YEAR

The financial year of the Society shall be from 1st January to 31st December

24. FINES

For any breach of these by-laws or lawful instructions issued by the Board and General Meeting, or failure to honour his obligations on time, the member may be fined an amount determined by the Board.

25.DISPUTES

If any dispute concerning the business of the Society arises: -

- (a) Among members, past members and persons claiming through members, past members and deceased members; or
- (b) Between members, past members or deceased members, and the Society, its committee or any officer of the Society; or
- (c) Between the Society and any other co-operative society; OR
- (d) Between the Society and any other institution

Which cannot be determined by the Board (or General Meeting), it shall be referred to the Tribunal. Appeals shall be taken to the High Court.

26.MISCELLANEOUS

- (a) The Board and supervisory committee members, and employees of the Society shall hold in the strictest confidence all transactions of the Society with its members.
- (b) No member of the Board or supervisory committee shall in any manner participate in the deliberations and determination of any matter affecting his/her financial interest. In the event of any disqualification, the remaining qualified Board or committee members present at the meeting, if constituting a quorum with the disqualified person may exercise, with respect to the matter, all powers of the Board or committee.

27. INSPECTION OF DOCUMENTS

- (a) All books of accounts and other records shall at all times be available for inspection by the Authority, supervisory committee.
- (b) The by-laws of the Society and the registration certificate shall at all times be available for inspection by the Authority and the Commissioner.
- (c) A members' register (excluding details of nominees and shareholdings, deposits and loans) shall be available for inspection by any member and any other stakeholder upon payment of a prescribed fee.

28.DISSOLUTION

The Society shall be dissolved in accordance with the procedures set forth in the Co-operative Act and Regulations and the Rules.

29. AMENDMENT OF BY-LAWS

These by-laws shall be amended in accordance with the Cooperative Acts, SACCO Society Act 2010 and the Rules, and Regulations but no amendment shall become effective until it is approved and registered.

30.ACCEPTANCE

We the undersigned Board Members of Wana-Anga Savings and Credit Co-operative Society Limited named herein do hereby accept and adopt these by-laws for and on behalf of the Society.

NAME/ TITLE	ID. NO.	SIGNATURE
S. GACHARA Chairman
P. OMENY Vice Chairman
B. CHANZU Hon. Secretary
C.MUSUNDI Treasurer
V. ROTA Chief Executive Officer

OFFICIAL CERTIFICATION

I CERTIFY that the foregoing by-laws of the Wana-Anga Savings and Credit Co-operative Society Limited have been approved and duly registered.

Given under my hand at

Nairobi this Day of 20.....

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT