

SPECTOBA SACCO

WRITE UP

1. Background

A Savings and Credit Cooperative is a finance entity which is owned, governed and operated by members, who have the same common bond (e.g Old Boys of TC), for their financial benefit, growth and development. SACCO's have become popular in Uganda, as they help members, not only grow savings but also overcome challenges of obtaining financial services, particularly credit, from commercial banks that levy high interest rates. Through SACCOs, individuals have been able to benefit from/be part of large investment projects which they would have never imagined, through pooling resources.

The initiative for the St. Peters College Old Boys (OBs) to form a SACCO started way back during the 2018 SPECTOBA annual August retreat where one of the OBs Dr. Atiya Tolit tabled the idea during the OBs and Staff lunch in the school staff room, which idea was immediately seconded and passed. However, the idea didn't take off until July 2020 when practical steps were realized. An inception meeting complimented by a guest speaker Mr. Henry Katongole the chairperson of the NACOBAs Sacco, who shared the experiences of OBs Saccos was held online (Zoom), on 30th June 2020, and an Interim-Committee was put in place to complete the formation and registration of the SPECTOBA SACCO. This Concept brief clarifies the purpose of a SACCO, its ownership and benefits derived from member savings and shares.

2. SPECTOBA SACCO

The SPECTOBA SACCO was formed and registered by interested OBs of St. Peters College Tororo. The purpose of the SACCO is to mobilize and sensitize members to have easy access to Safe and Sound Financial Services in a Convenient and sustainable manner.

The SACCO serves to promote savings culture, provide loans and create investment opportunities to either individual members or corporately.

3. OWNERSHIP, GOVERNANCE AND MANAGEMENT

As it is with all, the SPECTOBA SACCO is owned, governed and managed by the members. **Each member is an equal owner of the SPECTOBA SACCO and is entitled to one vote during the AGM or such meetings where decisions are taken, regardless of how much he or she has deposited in the SACCO (in terms of shares or savings).** There is an Executive Committee who manage the day to day operations of the SACCO based on the decisions and rules defined by the Members but guided by the Co-operative Societies Act CAP. The executive committee is supervised by and advisory committee.

The executive committee is comprised of the following;

1. Chairman
2. Vice Chairman
3. General secretary
4. Treasurer

4. MEMBERSHIP FEES, ANNUAL SUBSCRIPTION

The one-time **membership fee** and **annual subscription** are used to run/manage the affairs of the SACCO. All new members pay a one-time membership of 50,000 shillings and 30,000 shillings as annual subscription fees. All members save a minimum of 50,000 shillings mandatory savings.

5. SHARES

Ownership of the SACCO is through shares. Thus every potential member must purchase a minimum share of 20,000 making the member an owner of the cooperative. Once the share has been fully paid up, all other contributions go towards savings. Every willing member of SPECTOBA shall purchase ONE SHARE, worth 20,000 Shillings. **No member, at any given point in time shall hold more than a 5th of the total number of shares held.** Members earn dividends from their shareholding, the minimum shares each holds will be revised through an AGM

6. SAVINGS

Savings are deposited monthly by each member to build their saving portfolio but also as a way of mobilizing resources for the SACCO. Currently each member must save 50,000 shillings as the minimum and unlimited amount upper limit as the monthly savings. **Savings unlike shares may be withdrawn on demand at any given time upon giving a two months' notice to the secretariat..** A member's savings help him obtain a loan from the SACCO while retaining their savings. One may borrow upto 80% of his savings while using his savings as collateral at a monthly interest fee of 5% and 2% one time administration fees.

One can also borrow upto 1.5 times his savings provided he is guaranteed by two guarantors who are members of the SACCO.

Currently part of members savings are invested in fixed deposit while some cash is available for lending to members. Interests from lending and other investments are paid out to members as dividends.

7. LOANS

Members are encouraged to save toward loans. The SPECTOBA SACCO offers loans to members currently at monthly interest rate of 5%. Loans are ratio based on members' savings and shares. Individuals who have established their credit worthiness through regular savings and are able to show ability to repay a loan can earn the privilege of borrowing these savings in the form of a loan. Some loans are made for productive, income generating activities, a business idea; other loans are made for provident purposes. It is the money obtained through sale of shares and savings deposits that is lent (money makes money). Loans are given on first come first come basis depending on ones credit worthiness. There is a credit committee charged with the responsibility of vetting and processing loans.

8. DIVIDENDS

Each member annually earns dividends on shares and interest on savings based on the prevailing market rate bench marked from other SACCOs. The more you save the higher the dividends. This is what makes a member to enjoy the benefits of belonging to the SACCO.

9. ACCOUNTABILITY AND AUDITS

The SACCO is audited annually and audited books of accounts presented at the AGM and periodically

Every Month members statement is shared on the SACCO WhatsApp platform.

10. BECOMING A MEMBER AND SPECTOBA SACCO REGISTRATION

Every paid-up member of SPECTOBA is eligible to become a Member of the SACCO.

- a) Pay the one-time membership fee of 50,000 shillings, 30,000 shillings subscription and 20,000 shillings for one-share to:

Bank: DFCU
A/C No. 0118367856632
A/C Name SPECTOBA SACCO

Alternatively:

Send Mobile Money to: 0776-407431 or 0703-462934 (Registered under the name of Julius Kumanya)

(Bank deposits are encouraged; for Mobile Money, include withdrawal charges)

For inquiries please contact
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0772-913833 treasurer
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