

# Village Savings and Loan Federations (VSLFs)

---



## Field Officer's VSLF Training Guide

Version 2.4.2 for Plan International Ghana  
October 20<sup>th</sup> 2024

Plan Ghana, Oxfam Nigeria and Plan Tanzania  
in cooperation with VSL Associates , Solingen, Germany



# Table of contents

---

Preface .....	3
List of acronyms .....	4
Introduction for the Field Officer.....	5
Part 1 What are VSLFs? .....	6
Part 2 Schedule of operations.....	8
Part 3 Preparatory meetings with VSLAs that want to participate in a VSLF .....	9
Part 4 VSLF training modules 1 - 7 .....	19
Module 1: VSLF structure and election of Management Committee .....	20
Module 2: Development of VSLF Insurance/Expenses Fund, share-purchase and loan policies .....	23
Module 3: Development of VSLF Constitution.....	25
Module 4: First VSLF savings meeting.....	26
Module 5: First VSLF loan meeting .....	29
Module 6: First VSLF loan repayment meeting .....	32
Module 7: Annual General Meeting dividend payment to member VSLAs .....	36
Annexes .....	40
1 Part 3 of a VSLA Constitution framework for VSLAs participating in a VSLF .....	40
2 Constitution framework for a VSLF .....	41
3 The Kit .....	46
4 Use of passbooks .....	47
5 Service charge calculation tables.....	51
6 VSLF loan application form.....	53
7 VSLF savings withdrawal application form.....	54
8 Use of notebook: supplemental cash, savings and loan records .....	56

## Preface

---

### The purpose of this manual

This manual is to be used by Field Officers (FOs) who are in charge of creating VSLFs. FOs are paid employees, who create, train and supervise VSLFs until they are able to operate independently. We have developed the manual to provide straightforward guidance to FOs on how to train VSLFs, reduced to the essentials.

Village Savings and Loan Federations (VSLFs) were first created about 10 years ago in Tanzania, by CARE and later by Plan International. Called IMAs (Input Marketing Associations) they proved to be effective as financial intermediaries, able to mobilise additional capital (from member VSLAs), which could then be lent to other VSLAs that were short of loan capital at critical times (usually early) in their respective annual cycles, without relying on banks or MFIs (Micro Finance Institutions). They offered a self-managed local alternative that was sustainable and keeps capital and profits in the hands of their members, working in the local area.

Comprised of 5 - 15 VSLAs, a VSLF has a total membership of as few as 50 and as many as 250 people, which is a scale at which large community-managed institutions seem able to thrive, when focused on a single purpose.<sup>1</sup> This scale seems suited to maintaining social cohesion and transparency and minimises costs that are associated with more formal structures.

Over the years, VSLFs have gone beyond the simple intermediation of capital, to take on other forms of technical and social support to their members, but their primary function remains financial intermediation<sup>2</sup>. Participating VSLAs contribute to a VSLF-managed Loan Fund from which they can borrow at lower service charge rates than VSLAs charge internally. This adds to VSLA Loan Funds and meets seasonal upswings in demand for additional capital. This role has proven to be very popular. They also offer loan Insurance/Expenses against the risk of participating VSLA default.

This manual is designed to provide organisations a detailed guide to setting up, supervising and graduating independent VSLFs as financial intermediaries over a period not exceeding two years, after which they are expected to operate independently. It does not cover other activities that VSLFs might pursue in addition to financial intermediation.

### This version

This version is specially prepared for Plan Ghana, and uses Ghanaian currency in its calculations and typical Cedi amounts displayed as savings and loans in accounting examples. The manual also offers an upgraded and clearer display of the internal VSLF record-keeping system.

Hugh Allen  
August 20<sup>th</sup> 2024

---

<sup>1</sup> In Ethiopia, Iddirs have been around since the early 20<sup>th</sup> Century and are mainly focused on savings for the purpose of burial. Almost all adults in the country belong to Iddirs, which comprise between 50 and 150 members

<sup>2</sup> Financial intermediation refers to the activity in which an institution mobilises savings and then uses these savings to lend to borrowers. It is a way in which capital can be made to work more efficiently because it is collected from where it is in surplus (as savings) and invested where it can be productive (as loans).

## List of acronyms

---

AGM.....	Annual General Meeting
CARE .....	Cooperative for Assistance and Relief Everywhere
CBO .....	Community-based Organisation
FA .....	Facilitating Agency. Trains and finances Implementing Organisations
FO .....	Field Officer
GH¢ .....	Ghanaian Cedi
IMA.....	Input Marketing Association
MC .....	Management Committee
MFI.....	Microfinance Institution
VA .....	Village Agent
VSL .....	Village Savings and Loan
VSLA or 'Association' .....	Village Savings and Loan Association
VSLF .....	Village Savings and Loan Federation

## **Introduction for the Field Officer**

---

Congratulations on being selected as a Field Officer (FO) to train and support Village Savings and Loan Federations (VSLFs).

The FO is a paid employee who, after working for a few years to create VSLAs, shifts to creating VSLFs and should be able to take on a training caseload of between 5 -10 VSLFs at any one time (assuming this is their sole responsibility). The first VSLFs created in a community will set an example and it is important that they should be successful and operate in the correct way. It is for this reason that paid project staff are used as VSLF trainers at the start of a programme.

Creating a VSLF is a more complex than creating VSLAs because it is necessary, first of all, to be working where there are many well-established VSLAs that have been operating independently for at least a year. If these VSLAs are to become the members of a VSLF, they need to be very high standard VSLAs, disciplined, strictly following correct procedure and with accurate, clear financial records. They must also be VSLAs that have demonstrated a need for additional capital, a desire to secure excess liquidity or a desire to build a financial buffer for possible hard times.

This is not as simple as it sounds, because, while VSLAs are easy to create and members quickly become expert managers, a VSLF, as an apex (second-level institution), is a semi-external organisation in which, every 4 weeks, or monthly, transactions that affect the VSLAs are carried out by Representatives of the VSLAs and not under the eye of all of the members. This is made possible by modelling the transactions of a VSLF on those of a VSLA, so that everyone who represents a VSLA at a VSLF meeting is immediately familiar with the way in which meetings are conducted and is able to carry back reports to their own VSLAs that everyone will understand.

Because a VSLF is an organisation that only has two members of each VSLA present at its meetings, it is essential for the FO to ensure that VSLF procedures are fully understood and rigorously implemented in a standardised way. It is important that the members present, who represent individual VSLAs, are clear about their roles, not just as meeting participants, but as effective reporters, who keep the other members of their respective VSLA fully informed about what happens at the 4-weekly/monthly VSLF meeting.

# 1 What are VSLFs?

---

A Village Savings and Loan Federation (VSLF) is a second-level (apex) institution composed of between 5 - 15 VSLAs. Participating VSLAs save some of their excess funds in a VSLF Loan Fund, from which individual VSLAs can borrow, in order to increase the capital invested in their VSLA Loan Funds. It also operates an Insurance/Expenses Fund that covers the risk of individual VSLA members not being able to pay back their loans.

VSLFs are member-managed. Programme staff (Field Officers) will train VSLFs and member VSLAs, but will never manage the VSLF, write in the record-books, touch money belonging to the VSLF or request any form of financial or material support.

Member VSLAs must be established in a limited geographical area. The principal condition for inclusion is that most of the members in VSLAs that belong to a VSLF are known to each other, to ensure mutual accountability and to build confidence in the VSLF. If a VSLF draws in VSLAs that are distant from each other and with few kinship relations, social accountability may be weakened.

VSLFs meet every four weeks or every month as is most convenient

A VSLF is managed by a five-person Management Committee. The Committee is elected by the Representatives of the VSLAs to the VSLF and manages its savings and loan activities. To the maximum extent possible, the Management Committee (MC) should be made up of Representatives of different VSLAs.

VSLFs develop a Constitution. This describes its system of governance and its Insurance/Expenses Fund share-purchase and loan policies. Each member VSLA has one vote in electing the Committee and developing the Constitution.

Unlike a VSLA, a VSLF does not have an annual cycle, after which all its capital is returned to its members. A VSLF cannot provide VSLAs with supplementary loan support if it shares out all of its capital every year, so it is essential that it builds an independent financial base over time. To do so, it must remain in operation indefinitely, but with regular annual meetings, at which financial reports are made available to all members and profit-sharing is conducted, paid in the form of dividends to each member VSLA.

Member VSLAs save through the purchase of between 1 – 5 shares at every meeting. The share-value is decided by the VSLF. The contribution to the VSLF is made from each VSLA's Loan Fund. The value of the share is determined by the General Assembly of the VSLF and will be much larger than the shares purchased by individual members in their VSLA. After the first year of operation, a VSLF may increase the maximum number of shares that can be bought at every meeting from 5 to 10. It cannot change the price of a share unless this is calculated at the AGM

The share price is the same for all member VSLAs. It must be agreed upon during the second training module (Development of VSLF Insurance/Expenses Fund share-purchase and loan policies, see page 22). The share value can only change by agreement at the AGM and, if the share value is changed, all old shares must be re-calculated in the new amount.

All VSLFs have an Insurance/Expenses Fund in addition to a Loan Fund. This is to cover loan losses if an individual member dies, with an outstanding debt, and to cover VSLF operating expenses.

The Insurance/Expenses Fund contribution is the same for all member VSLAs and must be paid at every meeting. The Insurance/Expenses Fund contribution may be increased or decreased at any time, if all member VSLA's agree.

The Loan Fund is comprised of money contributed in the form of shares and loan profits (from service charges).

All member VSLAs have the right to borrow up to a maximum of 3 times the value of their shares. In addition, the loan cannot be more than 50% of the value of the applicant VSLAs last share-out.

This prevents the risk of a VSLA borrowing many more times than it has proven capable of managing in the past.

Loans taken from a VSLF by a VSLA must be repaid over 3 or 6 months as the borrowing VSLA requests. The VSLA borrower is free to pay in whatever amounts it wishes at each loan meeting, but must repay the total sum owing within the agreed-upon period.

VSLF loans can be repaid (in full or in part) in any VSLF meeting.

The monthly service charge for loans is determined by discussion among all the members of the VSLF at the AGM. The service charge rate is expressed in the form of a percentage value. It cannot be changed between AGMs and is charged on a flat percentage basis at the time of the loan being issued.

All VSLF transactions are performed at meetings in front of all the members. To ensure that transactions do not take place outside VSLF meetings, cash and summary records are locked in a cash-box, secured with three padlocks. The three keys are held by three members, none of whom is a member of the Management Committee and each of whom comes from a different VSLA.

All VSLAs have an individual VSLA passbook. The passbook is laid out in exactly the same way as VSLA individual member passbooks, except for the cover page on which the name of the VSLA is registered as a member. Share-purchases are recorded in the first half of the passbook using a rubber stamp. Loans are recorded in the back of the passbook. Loan Fund and Insurance/Expenses Fund balances are noted by the Record-keeper in a notebook and memorised by all VSLA Representatives at each meeting.

Summary records remain locked in the box between meetings. This is very important, to prevent tampering with the records of shares purchased by the members, or alteration of loan records. Passbooks are not kept in the box, but remain with the Representatives of member VSLAs. This is so that Representatives of the VSLA can prove that the transactions they report actually took place.

At the end of every annual cycle, the VSLF calculates its profits, decides upon a dividend payment to member VSLAs and pays each member VSLA what it is due. Profits are calculated using a simple formula in which savings, the value of physical property and debts are subtracted from total assets. The VSLF then decides on how much of this will be paid to member VSLAs as dividends and how much will be retained for other uses.

VSLAs that invest in a VSLF may withdraw up to 75% of their savings at any time, by selling a portion of their shares (at purchase price). Once sold, these shares cannot be replaced at a future meeting in excess of the 5-share maximum. If a VSLA withdraws their savings before the end of the VSLF's annual cycle, they will not be paid any dividend on the money withdrawn. A VSLA can only withdraw 100% of its savings if it decides to leave the VSLF.

The dividend is only paid out at the end of the VSLF's annual cycle and is based on each VSLA's net savings at the end of the annual VSLF cycle.

VSLFs are trained by Field Officers whose role is to:

- recruit high-quality VSLAs (at least two years old) and prepare them in the procedures necessary to become VSLF members.
- facilitate the creation of a VSLF by ensuring that:
  - its goals are clear, and its plans are regularly reviewed and updated.
  - it is properly constituted, with representative leadership.
  - it is able to conduct fully transparent standardised savings, loan and Insurance/Expenses transactions.
  - it is able to record all financial transactions.
  - it pays all benefits due to the member VSLAs at an AGM.
- ensure that VSLFs are fully autonomous within a two-year period.

## 2 Schedule of operations

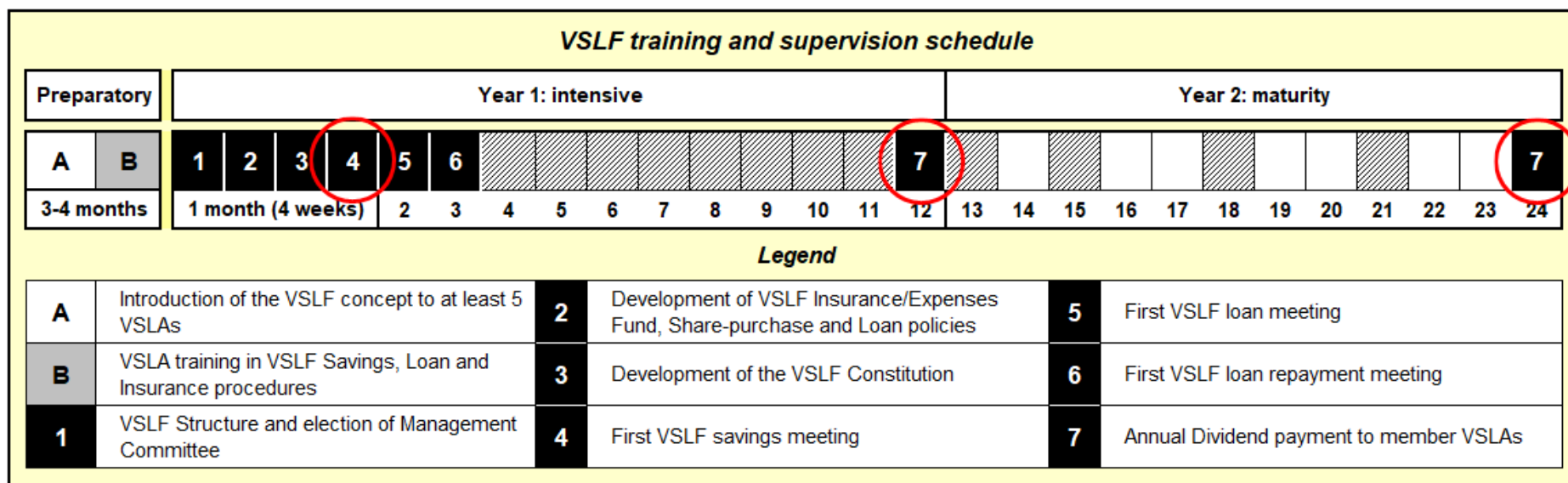
VSLFs are trained and supervised by FOs over a period of 2 years according to the schedule below.

**Preparatory phase:** This provides general information to prospective VSLAs and trains them in procedures related to VSLF participation.

**Year 1:** 12 months. It starts off with 4 training visits in the first month until savings start and then reverts to 4-weekly/monthly meetings. The FO is present at all meetings. In months 2 and 3 there are additional training meetings

**Year 2:** 12 months. This is preceded by an evaluation of VSLF quality by the FO's Supervisor to see if it is ready to operate independently. In the second year the FO visits less frequently, every three months.

Figure 1: VSLF training and supervision schedule



Note: The meetings in months 4-11 and 13, 15, 18, and 21 are supervision meetings, attended by the FO.

Note: The red circles indicate the Supervisor's attendance at the first savings meeting; at the end of year 1 and at the end of year 2, when the VSLF should be able to operate independently.

Note: A VSLF can be declared independent at any time in year 2 that the FO's Supervisor is satisfied that it is fully functioning and in no need of further support.

### 3 Preparatory meetings with VSLAs that want to participate in a VSLF

Before a VSLA can become a member of a VSLF, it must undertake preparatory training. The Preparatory phase has two purposes:

- To propose membership in a VSLF to a cluster of VSLAs in reasonably close geographical proximity.
- To provide a detailed description of how a VSLF works, what VSLAs have to do to participate and what the FO promises to do.

Table 1 below lays out the order in which these meetings take place and their content.

**Table 1: Preparatory Meetings**

Type of meeting	<u>Meeting A</u> <i>Introducing the concept of VSLFs to a single VSLA in a cluster of interested VSLAs</i>	<u>Meeting B</u> <i>FO trains groups in additional procedures needed to participate in a VSLF</i>
Content	<ul style="list-style-type: none"> <li>• Description of a VSLF and its principal functions related to savings, credit and loan insurance</li> <li>• The advantages to VSLAs</li> <li>• What additional costs VSLAs will incur in terms of contributions and time</li> </ul>	<ul style="list-style-type: none"> <li>• Election of 2 VSLA Representatives to the VSLF</li> <li>• Modification of the VSLA's Constitution to reflect VSLF membership</li> <li>• Training in Savings mobilisation for VSLFs</li> <li>• Training in Loan application, repayment and record-keeping process</li> <li>• Training in Insurance/Expenses fund activities</li> </ul>
Comments	Meetings will take place with individual VSLAs that have been operating successfully and independently for at least two years, until at least 5 VSLAs have been contacted and agree to participate. They must be of an approximately similar economic status to participate.	Carried out only with VSLAs that have agreed to participate in a VSLF.

## Meeting A: Introducing the concept of VSLFs to a VSLA

---

Pages 6 and 7 of this manual may be used as a hand-out by the FO at this meeting.

### Purpose of the meeting

The FO should understand that the purpose of the meeting is to:

- explain the purpose of a VSLF to VSLAs that may have an interest in joining a member-owned and managed apex organisation.
- explain the advantages and disadvantages of membership in a VSLF.
- list the obligations of the VSLA to the VSLF and of the VSLF to the VSLA.
- outline the changes that would be needed in the VSLA's procedures and systems in order to participate.
- take a vote on whether or not to join a VSLF.

### Who participates?

- The FO.
- A single VSLA. While there may be public meetings to explain the basic VSLF concept, each VSLA must receive an *individual briefing* from the FO in order to ensure that all members agree and have a chance to express their views and concerns.

### What is covered in this meeting?

The key topics covered are:

- What is a VSLF?
- Organisational structure
- Advantages and challenges of belonging to a VSLF
- Mutual obligations between a VSLF and its VSLAs

### What is a VSLF and what is its purpose?

- The FO explains that a VSLF is a second-level (apex) organisation, made up of between 5 - 15 VSLAs, each one represented by two elected Representatives. No VSLA can join a VSLF until it has been running without the support of the implementing organisation for at least two years.
- Its purpose is to act as an institution that can:
  - mobilise VSLA capital in the form of shares, to be invested in a VSLF Loan Fund.
  - offer loans to VSLAs from the VSLF Loan Fund, to increase the size of a VSLA's internal Loan Fund.
  - set a service charge for these loans that will be about half that charged by most VSLAs to their members (in order to make sure that the VSLA can make a profit on the money borrowed from the VSLF, when it is on-lent to VSLA members).
  - offer individual loan Insurance/Expenses facilities to VSLAs to cover the risk of an individual VSLA member failing to repay a loan as a result of death, and to pay small operational expenses.
- Like VSLAs, a VSLF is managed by its member VSLAs (through elected Representatives) and can operate informally, although it can also seek formal recognition as a Community-based Organisation (CBO) if it wants to do so, or if it is a legal requirement.
- Unlike a VSLA, a VSLF does not share-out its capital at the end of an annual cycle, but calculates profits and agrees among the members how much of this profit will be retained by the VSLF and how much will be paid as a dividend to the participating VSLAs. After dividends are paid at the annual end-of-cycle meeting, VSLAs can withdraw up to 75% of their savings, leaving a minimum of 25% as seed capital for the next year.

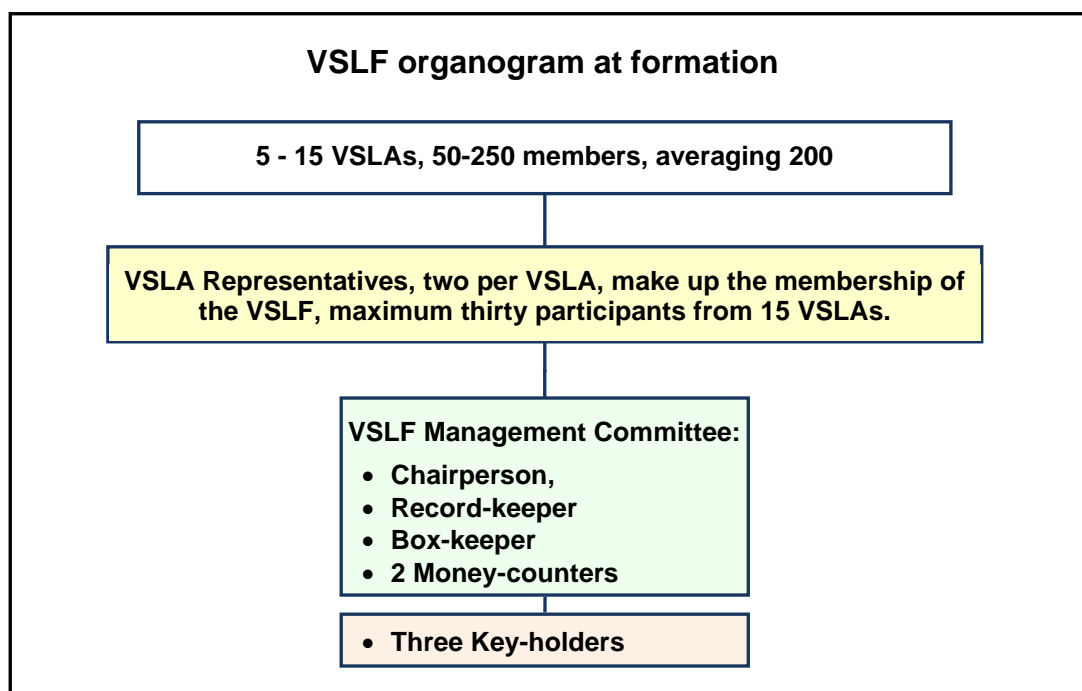
- Member VSLAs can withdraw up to 75% of their investment with the VSLF at any time so long as they do not have a loan outstanding. If they withdraw some of their shares before the annual dividend is paid, they do not receive any dividend payment on the amount withdrawn.

## **Organisational structure**

The organisational structure of the VSLF is modelled on the organisational structure of a VSLA. The difference is only that members of the VSLF are groups rather than individuals, with each VSLA sending 2 Representatives to the VSLF. But once these Representatives are present in a meeting, the way in which a VSLF mobilises savings, manages loan disbursement and repayment and handles insurance, is almost exactly the same as in a VSLA.

The organogram below shows this structure.

**Figure 2: VSLF organisational structure**



## **Advantages and challenges of VSLF membership**

- The advantages of VSLA membership in a VSLF are explained as follows:
  - The ability of their VSLAs to obtain additional loan capital from their VSLF, allowing individual VSLA members to access larger loans.
  - The ability of member VSLAs to increase their profitability through being able to manage a larger Loan Fund.
  - The ability of the VSLF to provide other services in the long-term.
  - The ability of a VSLF to represent member interests more effectively with government and external agencies, and, long-term, to diversify its role.
- Challenges related to creating and managing a VSLF are as follows:
  - Maintaining transparency, since only a few VSLA members will be present as Representatives.
  - Ensuring that other VSLAs repay their loans.
  - More work and time for Representatives

- More complex procedures at the VSLA level, since VSLF savings and Insurance/Expenses Fund contributions will have to be separately mobilised and kept safe once every 4 weeks/month at VSLA meetings just prior to the VSLF meeting.
- Measures may be taken to minimise risk:
  - Geographical proximity ensures that the VSLAs remain socially accountable. This is why it is important that the members of different VSLAs should know one another.
  - Each VSLA is carefully vetted and selected by the Field Officer before joining to ensure impeccable standards of management procedures and financial record-keeping.
  - Because the procedures and systems used by a VSLF are based on those of a VSLA, they are rapidly understood by all members. This ensures transparency.
  - Representatives have a reporting role and should be selected carefully. They should be known to be trustworthy, reliable and have a good reputation in the community.
  - The AGM provides an opportunity for individual members to query reports and the performance of the Management Committee.

## **Mutual obligations between a VSLF and its VSLAs**

- Obligations of the VSLA to the VSLF:
  - Regular purchase of VSLF share(s) every four weeks/month throughout the year.
  - Regular, equal (by member) contribution to the VSLF Insurance/Expenses Fund.
  - Repayment of the VSLF loans by the borrowing VSLA.
  - Full participation of designated Representatives in the activities of the Management Committee and regular attendance at meetings.
  - Participation of all individual VSLA members in the AGM of the VSLF.
- Obligations of the VSLF to the VSLA:
  - The VSLF will treat all VSLA groups as equal members in all decision-making and as recipients of VSLF services.
  - The VSLF will conduct annual elections for membership of the MC.
  - The VSLF will convene regular meetings every 4 weeks/ or month, which all Representatives of the member VSLAs should attend.
  - The VSLF Management Committee will be responsible for the safe-keeping of VSLA contributions to the Loan Fund and the Insurance/Expenses Fund and for the security of any cash on hand or held in a financial institution.
  - The VSLF Management Committee will be responsible for:
    - mobilising savings from member VSLAs.
    - disbursing loans to members VSLAs.
    - ensuring on-time loan reimbursement.
    - managing the activities of the VSLF Insurance/Expenses Fund.
  - Once the Management Committee is running a successful Savings and Loan Fund, the VSLF may, in the future, create other committees, as the member VSLA Representatives agree, but only after ensuring that proper financial and administrative systems are in place for all such committees. This should not be considered until the savings and lending activities of the VSLF are well-established, well-managed and profitable. In any case, this should not begin in less than two years after the VSLF is created.
  - The VSLF will ensure that an AGM is called, at which all members of all VSLAs are invited and at which dividends are paid.

The FO will then take questions and ask for feedback.

The VSLA will then decide, by consensus, if it wishes to become part of a VSLF. The FO will note down the decision and, if positive, inform the VSLA that they will be contacted for a preparatory training for membership once the FO has mobilised a sufficient number of VSLAs in the vicinity to form a new VSLF.

## Meeting B: VSLA training in additional procedures needed to participate in a VSLF

---

### Purpose of the meeting

The purpose of the meeting is to:

- Train individual VSLAs in the internal procedures needed to participate in a VSLF.

### Who participates?

- The FO
- Single VSLA. All members should be present

### What is covered in this meeting?

The key topics covered are:

- Selection of VSLF Representatives.
- Definition of VSLF financial products.
- Supplementary meeting procedures related to VSLF membership.

## Selection of VSLF Representatives

### Qualities and responsibilities

The Field Officer first says that each VSLA will elect two Representatives to the VSLF. (S)he lists the duties of Representatives. These may be summarised as:

- ensuring the safe passage of money between the VSLA and the VSLF. This includes:
  - Contributions to the Insurance/Expenses Fund and Loan Fund
  - Loan repayments
  - Loan disbursements
- Making sure that all entries into the VSLF passbook are correct and are displayed to all members of the VSLA at its next meeting.
- If elected, being ready to serve on the VSLF Management Committee, or other committees as may be created thereafter.

The Field Officer stresses that the VSLF is an institution made up of many VSLAs and it cannot be known, ahead of time, what role the VSLA Representatives may need to play. *It will therefore be important to select people that are able to perform as members of the Management Committee*, which will certainly call for basic literacy, numeracy and strong social and leadership skills. Table 2 below provides a list of the qualities and potential responsibilities of Representatives.

Table 2: Common qualities and responsibilities of VSLA Representatives to a VSLF

Qualities	Responsibilities
<ul style="list-style-type: none"> <li>• Member of the VSLA. This role cannot be delegated outside the group</li> <li>• Reliable and with time at his/her disposal to travel to VSLF meetings and undertake tasks that (s)he may be assigned</li> <li>• Displays a genuine awareness of the views of other people and carefully considers all points of view: does not impose his/her own agenda and views</li> <li>• Literate and highly numerate. Used to maintaining or examining VSLA financial records</li> <li>• Respected in the community as a leader</li> <li>• Experienced as a manager in any field, or has long and successful experience as a VSLA Committee member or Village Agent</li> <li>• A good planner</li> <li>• Diligent</li> <li>• Very honest</li> <li>• A good public speaker</li> </ul>	<ul style="list-style-type: none"> <li>• To serve principally as a member of the VSLF, but faithfully representing their VSLA's interests and opinions</li> <li>• To elect a VSLF Management Committee and to serve on it if elected</li> <li>• To attend all VSLF meetings</li> <li>• To participate in planning the short and long-term activities of the VSLF</li> <li>• To ensure that money contributed by the VSLAs is used to buy shares and that the passbook of the VSLA is shown to the VSLA members at their next normal VSLA meeting</li> <li>• To ensure that loan requests are carried to the VSLF, and that money provided by the VSLF as a loan to the VSLA is securely carried back to the VSLA</li> <li>• When making a loan application to the VSLF, to carry the VSLA's notebook to the meeting to verify the value of the last share-out</li> <li>• To ensure that money brought back to the VSLA from the VSLF is immediately secured in the box and the amount registered in the cash record</li> <li>• To report to their own VSLAs all of the proceedings of the VSLF meetings and to report to the VSLF any issues that their VSLAs may want to raise</li> <li>• To bring a fixed Insurance/Expenses Fund contribution to all meetings, based on the number of members in their VSLA</li> </ul>

## Election of two VSLA Representatives to the VSLF

The VSLA will elect two people as Representatives of the VSLA to the VSLF: *The FO says that Representatives must not be drawn exclusively from the Management Committee of the VSLA* and that at least one of the two Representatives must be a non-Committee member of the VSLA. Elections to this position must be held annually, but Representatives can serve a maximum of three consecutive terms.

The FO brings four bags to the group meeting, each in a different colour. (S)he also provides one small stone or metal token for each member to be used in voting.

Each of up to four candidates (there must be at least 3 for the two positions) is given a coloured bag which they display to all of the members. Members are asked to think about who they want to vote for and memorise the colour of the bag carried by the member of their choice. The coloured bags are placed behind a screen (or inside a building) some distance from the gathering and sheltered from view of members and passers-by. Each member in turn goes behind the screen (or into the building) and, hidden from the members but under the eye of the FO, deposits a token/stone in the coloured bag of his/her choice.<sup>3</sup>

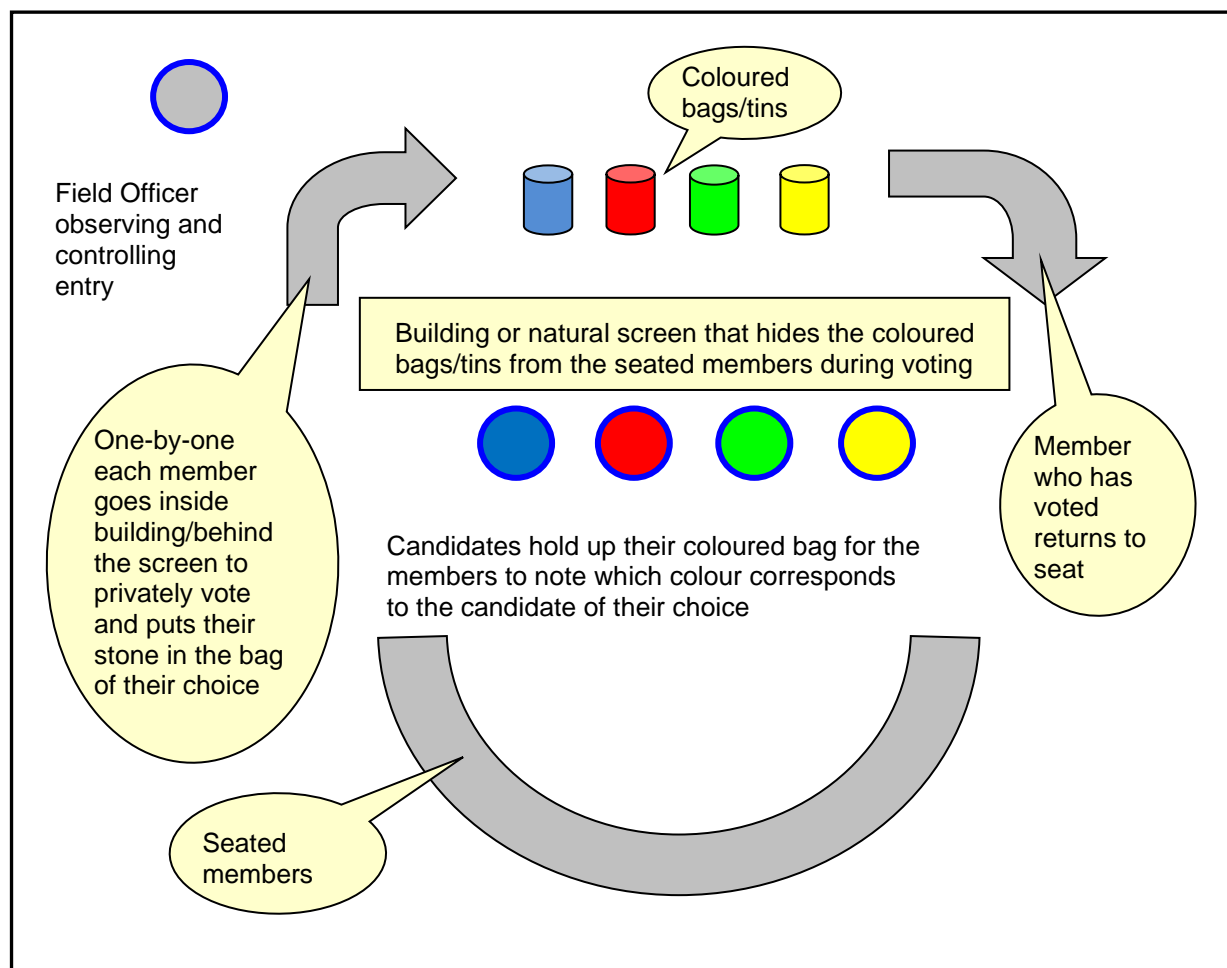
When all of the members have voted, the FO counts out the votes in front of the members by removing the stones from each bag. (S)he ensures that no additional stones have been put in the bags – the total should equal the number of members voting.

<sup>3</sup> As many as three Representatives can be elected, to allow for rotation and permitting backup if one of the others is not available

When the Representatives are elected, the VSLA Record-keeper notes down the election result in the VSLA's notebook. This is signed by the VSLA Chairperson and can be produced in evidence if the authenticity of the Representative is questioned by the VSLF.

Similar procedures are used to elect each of the various VSLF Committees (see Module 1).

**Figure 3: Diagram of election procedures**



## Definition of VSLF financial products

A VSLA that wants to join a VSLF can take advantage of VSLF services, but, while being able to participate in VSLF decisions regarding financial products, is bound by those decisions and cannot change them without the agreement of the VSLF.

The items related to VSLF financial products that need to be enshrined in the Constitution of the VSLA are:

### Insurance/Expenses Fund

- A VSLF Insurance/Expenses Fund is different to the VSLA Social Fund and is operated for different purposes. These are:
  - To cover loan losses incurred by VSLAs in the case of members whose loans have had to be written-off owing to death, incapacitation through accident or serious illness or injury
  - To provide funds for paying trainers who provide non-financial services to the VSLF

The actual amount per member can only be known after the FO has met with all VSLAs and researched the actual death rate of indebted members, to know the likely annual cost. See Annex 8 for the tool to be used

Once the Representatives are selected, the VSLA agrees that the Representatives will be given the VSLA's contribution to the VSLF in the meeting immediately prior to the VSLF meeting. All member VSLAs will seek to coordinate this, so that the money is provided to their Representatives one day prior to the VSLF meeting.

### **Savings**

- The value of a VSLF share is decided at the second VSLF meeting. Updating the Constitution will be done at that time (See Module 2)
- Contributions to the VSLF are made every 4 weeks/month.
- The contribution to the VSLF Loan Fund is taken from the balance of the VSLA's Loan Fund.

### **Loans**

- A VSLA can borrow from a VSLF. It can do so for 3 months or 6 months, based on calendar dates. A six month loan has the advantage that the money can circulate more than once in a VSLA cycle
- The VSLA can borrow an amount that is no more than 50% of the last cycle's share-out (as recorded in the VSLA Record-keeper's notebook, presented as evidence at the time of making the loan application). In addition, the loan cannot be more than three times the savings accumulated by the borrowing VSLA in the VSLF.
- Any loan from a VSLF to a VSLA must have a maturity that is no longer than the remaining time in the VSLA's cycle.
- Loans provided to the VSLA by the VSLF will be added to the internal Loan Fund of the VSLA, for on-lending to individual members.
- All loans taken from the VSLA Loan Fund that has received VSLF finance, will be offered to VSLA members under exactly the same terms and conditions as any other loan taken from the VSLA's Loan Fund (i.e. there will be no 'VSLA' loans and 'VSLF' loans).
- The service charge rate chargeable by the VSLF to the VSLA must be specified.
- No new loan will be offered to the VSLA until the preceding loan and service charge due have been fully repaid to the VSLF.

## **Supplementary meeting procedures related to VSLF membership**

Investments by a VSLA in a VSLF are made only from the Loan Fund and not from the Social Fund, which must only be used to meet the needs of members experiencing an emergency.

There are three sums that must be set aside by the VSLA:

- Contributions to the VSLF Insurance/Expenses Fund.
- The amount needed to buy an agreed-upon number of VSLF shares.
- Any amount due as a loan repayment

This is decided at the meeting of the VSLA, immediately before the VSLF meeting.

*The amount to be invested in the VSLF is decided on after the loan disbursement activities are completed* and may be one or more of the following:

- The Insurance/Expenses Fund: this is a fixed amount and is obligatory
- Any amount owing for loan repayment: this can be any amount that the VSLA wants to use to pay down a loan
- The number of shares that the VSLA thinks it can afford

*It should be noted that it is only after these three amounts have been agreed and set aside that the final cash balance can be announced*

Table 3 on the following page lists the procedures that are needed to accomplish this.

Table 3: Supplementary VSLA procedures for new activities that support VSLF membership

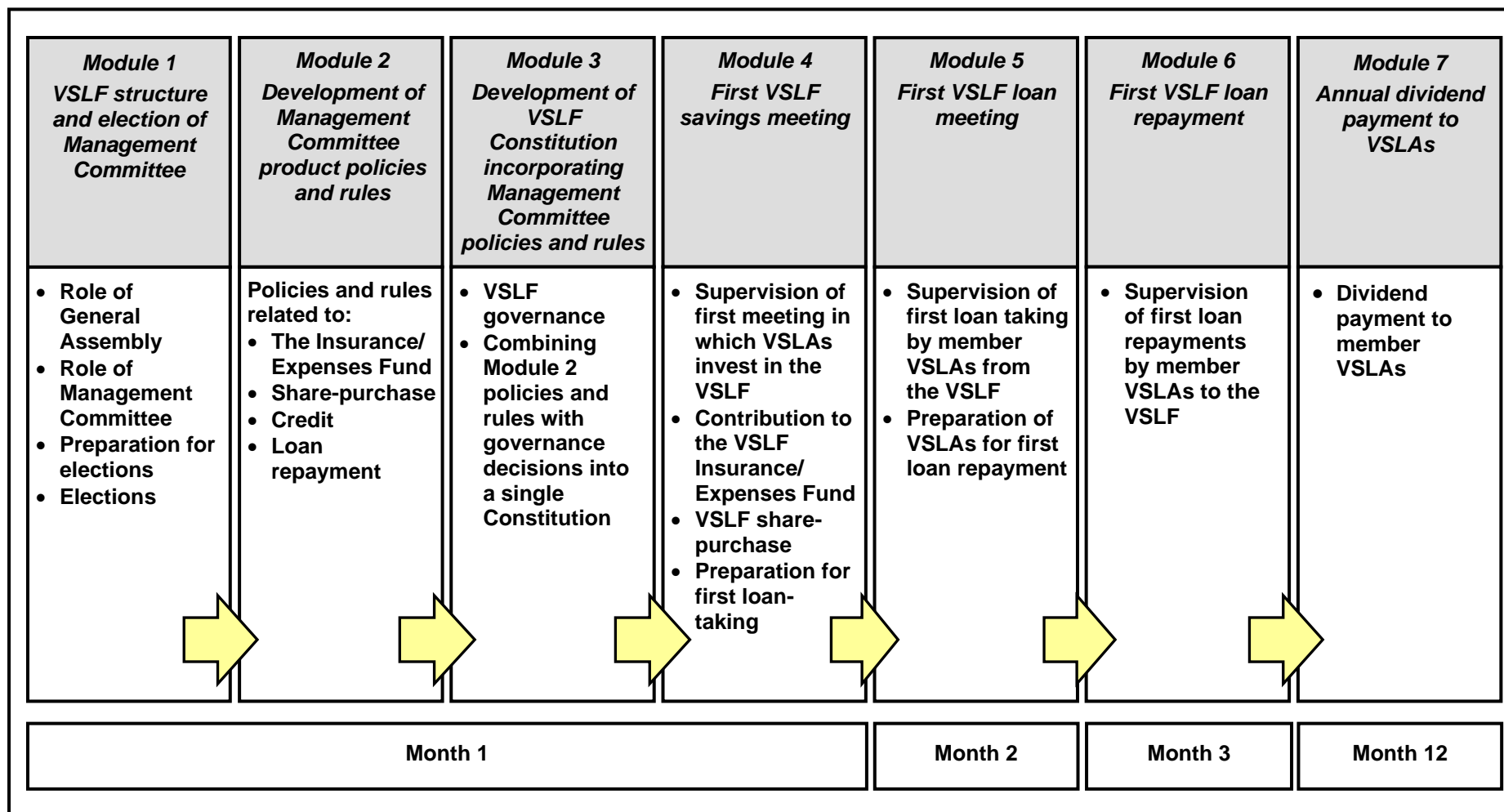
Meeting step	Supplementary procedures to a normal VSLA meeting
VSLF Insurance/ Expenses  Loan Reimburse-ments  Share-purchase allocations	<ul style="list-style-type: none"> <li>• The Chairperson announces that contributions will be made to the VSLF Insurance/Expenses Fund and reminds the members of the fixed amount</li> <li>• The Record-keeper announces this amount and instructs the Money-counters to count this amount from the money-counting bowl and give it to the two Representatives</li> <li>• If there is a loan outstanding from the VSLF, the Chairperson asks how much may be sent as a loan repayment. Once this is agreed the Chairperson instructs the Money-counters to count this amount from the money-counting bowl and give it to the two Representatives</li> <li>• The Chairperson requests the Money-counters to count the balance and then asks the members to decide how much of this money will be used to buy shares at the next meeting of the VSLF, reminding them of the price of a single VSLF share</li> <li>• When agreement is reached, the Chairperson tells the Money-counters to count this amount, which is given to the two Representatives to the VSLF</li> <li>• The Representatives count the money and confirm that it is correct</li> <li>• The Chairperson tells the Money-counters to count the money remaining in the money-counting bowl and announce it to the members as the closing balance in their loan fund.</li> <li>• The Record-keeper records this amount in the 'Cash in the Loan Fund' page in the notebook</li> <li>• The Record-keeper says that this is the current value of their Loan Fund</li> <li>• The Money-counters then put the Loan Fund in its draw-string bag and return it to the cash box</li> </ul>
Preparation of VSLF loan application	<ul style="list-style-type: none"> <li>• If the VSLA does not have a loan from the VSLF, the Chairperson facilitates a discussion to see if the VSLA wishes to make an application</li> <li>• The Chairperson reminds the members that there is no need to take a loan from the VSLF, if the money they have in their Loan Fund is sufficient to meet their needs</li> <li>• If it is agreed that there is a need for a VSLF loan, the Chairperson reminds them that it will be invested in the normal VSLA Loan Fund and must be paid back over a period of 3 months or 6 months and will include a service charge to be paid to the VSLF</li> <li>• The Chairperson also reminds members that the VSLA can only borrow up to three times the amount of their savings in the VSLF and this cannot be more than 50% of the total value of their last share-out</li> <li>• The Chairperson then facilitates a discussion among the members to agree on the amount that will be requested as a loan from the VSLF and over what period of time it will be repaid, noting that payments will be possible at any meeting of the VSLF</li> <li>• Once the amount is agreed upon, which meets the lending criteria of the VSLF, the Record-keeper is instructed to fill out the VSLF loan application form (See Annex 6, VSLF Loan Application Form)</li> <li>• The application form is then signed by the Chairperson, Record-keeper and Box-keeper, plus two members, and is then given to the Representatives to submit to the VSLF at the next VSLF meeting</li> <li>• The Representatives are also given the Record-keepers notebook to present as evidence of the value of the last share-out at the VSLF meeting</li> </ul>
Preparation of Savings withdrawal	<ul style="list-style-type: none"> <li>• If the VSLA wishes collectively to withdraw part of their savings the Chairperson facilitates a discussion to decide how much they wish to withdraw, noting that not more than 75% of their savings can be withdrawn at any one time</li> </ul>

Meeting step	Supplementary procedures to a normal VSLA meeting
	<ul style="list-style-type: none"><li>• When the amount is agreed, the Chairperson instructs the Record-keeper to fill out the Savings withdrawal application form (See Annex 7)</li><li>• When the form is filled out the Chairperson and the Record-.keeper sign it, and invite two members of the non-committee members also to sign. The form is then given to the two Representatives, to present to the VSLF Management committee, noting that the VSLA's passbook provides evidence of the VSLA's total savings in the VSLF to date</li></ul>

After the steps above, the normal closing procedures of the VSLA are followed.

## 4 VSLF training modules 1 - 7

Table 4: Diagram of training schedule



## **Module 1: VSLF structure and election of Management Committee**

---

### **Purpose of the meeting**

The FO explains that the purpose of the meeting is to give the VSLF a name and to elect leaders to the Management Committee, appointed for a year and eligible for annual re-election for a maximum period of three consecutive terms. (S)he explains that elections will be facilitated by the FO for the first two years, but that future elections will be run by the VSLF.

### **Who participates?**

- The FO, in this and all subsequent training meetings.
- The VSLF, made up of the 2 Representatives elected by each member VSLA.

### **What is covered in this meeting?**

The following are the key topics covered:

- Discussion of the role of the Management Committee.
- Elections to the Management Committee.

### **General Assembly**

The FO explains that the General Assembly of the VSLF is made up of all the members of all VSLAs who constitute the membership. They meet at the Annual General Meeting at which:

- financial reports are presented by the VSLF Record-keeper.
- the Constitution may be amended as deemed necessary.
- long-term VSLF strategies and operational plans are developed and approved
- the dividend amount is agreed.
- the establishment of bank accounts is approved.

Votes held at the AGM are done by a simple show of hands.

### **Role of the VSLF Representatives**

The FO explains that because a VSLF is an apex of many VSLAs, it is not practical for VSLF meetings to include all VSLA members in VSLF meetings. Each VSLA sends two Representatives to the VSLF who are accountable for reporting what took place in the VSLF meeting back to their VSLA.

No policy decisions, nor alterations to the VSLF Constitution can be made by the Management Committee of the VSLF that are not agreed to by a 2/3 majority of the VSLF Representatives

The FO reminds the Representatives of their responsibilities, as listed on page 14. These are:

- To elect a VSLF Management Committee and to serve on it if elected.
- To attend all meetings of the VSLF
- To ensure that money contributed by the VSLAs is used to buy shares and that the passbook of the VSLA is shown to the VSLA members at their next meeting, as evidence that savings contributions and loan repayments are accurately recorded.
- To ensure that loan requests are carried to the VSLF, and that money provided by the VSLF as a loan to the VSLA is securely carried back to the VSLA
- To ensure that savings withdrawal requests are carried to the VSLF
- When making a loan application to the VSLF, to carry the VSLA's notebook to the meeting to verify the value of the last share-out, to confirm that the request for a loan from the VSLF is no greater than 50% of the value of the most recent share out of the VSLA
- To ensure that money brought back to the VSLA from the VSLF is immediately secured in the box and the amount registered in the cash-record

- To report to their own VSLAs all of the proceedings of the VSLF meetings and to report to the VSLF any issues that their VSLAs may want to raise
- To bring a fixed Insurance/Expenses Fund contribution to all meetings, based on the number of members in their VSLA

## **Role of the Management Committee (MC)**

The main activity of the VSLF will be savings, lending and loan Insurance/Expenses services that the VSLF will offer to its member VSLAs. The MC's role is central to the whole functioning of the VSLF and the services on offer will likely remain the most important for the long-term.

The FO explains that the MC has the following functions:

- To call and manage the AGM and ensure that dividends are calculated and paid.
- To facilitate agreement among member VSLAs.
- To provide Insurance/Expenses Fund benefits to VSLAs as needed.
- To receive VSLA savings contributions.
- To disburse loans to VSLAs and manage repayment.
- To manage an Annual General Meeting in which profits are calculated and dividends paid
- To hold an annual election to the Management Committee
- As needed to open and manage a VSLF bank account

The FO uses the generic organogram (Figure 2, page 11) to explain how the relationship between VSLAs and the VSLF works and illustrates the internal structure of the VSLF.

## **Election of the Management Committee**

Elections are held following the same procedures as for a VSLA. Because the Management Committee's functions are almost exactly the same as those of a normal VSLA Committee, it is recommended that Chairpersons and Record-keepers who are nominated for these roles already have experience in performing the same service for their VSLAs.

**Table 5: Qualities and responsibilities of the Management Committee Chairperson**

<b>Qualities</b>	<b>Responsibilities</b>
<ul style="list-style-type: none"><li>• Respected</li><li>• Confident and calm when speaking in front of others</li><li>• Treats everyone equally</li><li>• Listens to others and asks for opinions</li><li>• Organised</li><li>• Always on time</li></ul>	<ul style="list-style-type: none"><li>• To call the meetings to order, announce the agenda and lead discussions</li><li>• To ensure that the meetings follow proper procedure, and that the Constitution is followed and respected</li><li>• To maintain discipline and charge fines as needed</li><li>• To facilitate discussions and to ensure that everyone's views are listened to</li><li>• To resolve conflicts</li><li>• To represent the VSLF to outsiders and non-members, including local government officials</li></ul>

**Table 6: Qualities and responsibilities of the Management Committee Record-keeper**

<b>Qualities</b>	<b>Responsibilities</b>
<ul style="list-style-type: none"><li>• Good arithmetic skills</li><li>• Writes neatly</li><li>• Has a reputation for trustworthiness</li><li>• Always on time</li><li>• Willing to work extra hours to train with the FO if needed</li></ul>	<ul style="list-style-type: none"><li>• Ensures that all transactions for the Insurance/Expenses Fund, share-purchase and lending take place according to procedure, and that all rules are followed</li><li>• Makes all passbook entries for shares and loans</li><li>• Reads the Insurance/Expenses Fund and Loan Fund cash balances out loud at every meeting</li></ul>

Table 7: Qualities and responsibilities of the Management Committee Box-keeper

Qualities	Responsibilities
<ul style="list-style-type: none"> <li>• Trustworthy</li> <li>• From a household that has a good reputation (no one in that household should be considered unreliable)</li> <li>• Lives in a house with good security</li> <li>• Always on time</li> <li>• Numerate</li> </ul>	<ul style="list-style-type: none"> <li>• Keeps the VSLF box safe in between meetings</li> <li>• Ensures that (s)he is accompanied to/from meetings as necessary</li> <li>• Brings the box to the meetings on time</li> <li>• May stand in for Record-keeper or assist as needed</li> </ul>

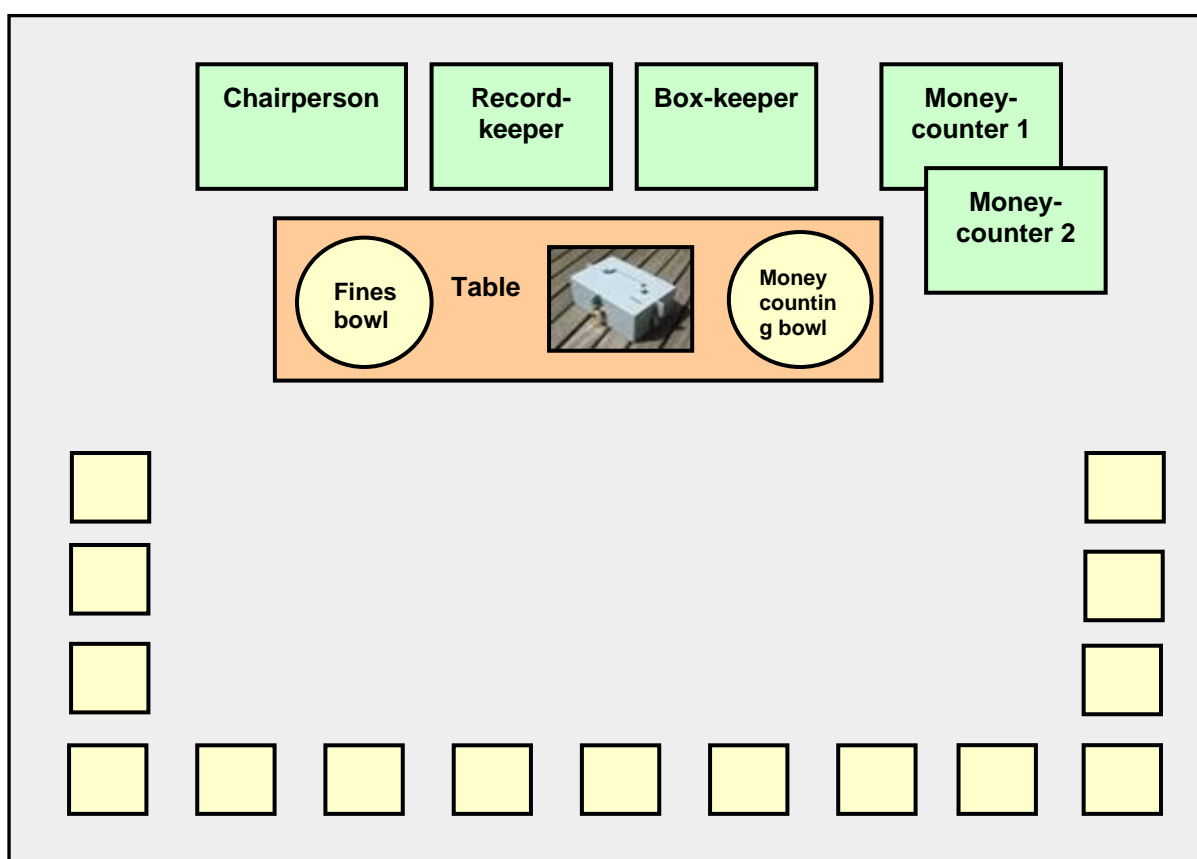
Table 8: Qualities and responsibilities of the VSLF Money-counters

Qualities	Responsibilities
<ul style="list-style-type: none"> <li>• Able to count quickly and accurately</li> <li>• Trustworthy</li> <li>• Calm and organised</li> <li>• Always on time</li> </ul>	<ul style="list-style-type: none"> <li>• Counts all amounts paid to, or taken from the VSLA</li> <li>• Informs the Record-keeper of the correct amount to be recorded in the passbooks</li> </ul>

Key Holders are appointed by open discussion and must be non-Committee members. Once elections are completed, the FO ends by saying that in the next meeting the VSLF will learn how to create policies for running an Insurance/Expenses Fund buying shares and taking and repaying loans.

The members are then arranged as per the seating arrangements shown in Figure 4. This example displays 20 members, from 10 VSLAs.

Figure 4: VSLF seating arrangements



## **Module 2: Development of VSLF Insurance/Expenses Fund, share-purchase and loan policies**

---

### **Purpose of the meeting**

The FO says that the purpose of the meeting is to develop a set of rules that cover how the VSLAs will buy shares in the VSLF, how they will take out loans and pay them back, and how they will operate their Insurance/Expenses Fund. Decisions made by the group are written down by the FO for reference at the next training meeting.

### **What is covered in this meeting?**

- Development of VSLF Insurance/Expenses Fund policies
- Development of VSLF Savings and Loan Fund policies

### **Seating arrangements**

The diagram on the previous page shows how members are seated. This matters, because:

- It allows all members to see clearly what is happening and reinforces a bond
- It ensures that all members transact in order, creating a sense of organisation

The diagram shows a VSLF with 20 members, made up of 10 VSLAs. The number can be as few as 10 members from 5 VSLAs and as many as 30 from 15 VSLAs. This should be considered a maximum, since meetings of more than 30 people take longer and may be less transparent. Experience has shown between 16 and 20 Representatives (8-10 VSLAs) to be an ideal number.

The FO starts the meeting by seating the members according to this arrangement, saying that everyone will sit in the same place at every meeting.

### **Insurance/Expenses Fund**

The FO says that the VSLF will create an Insurance/Expenses Fund but, unlike the VSLA Social Fund, this has different uses. These are:

- Loan Insurance/Expenses that is paid to a VSLA to recover the losses when a member who has a loan with the VSLA dies, is incapacitated or seriously ill, and whose family has no means to make repayment. This reduces the risk of major losses to an individual VSLA and shares the burden of such losses across all of the VSLAs in the VSLF
- Payment of training and educational costs for the VSLF

The VSLF then decides what the amount of regular contributions to the Insurance/Expenses Fund should be. These are calculated per VSLA member, and thus will not be the same for each VSLA. The FO says that this amount should be based on what the previous experience of loan losses has been and the costs that are likely to be incurred in supporting training events. In the event that there have been no loan losses, the FO will ask the VSLA to set a minimum amount that will cover this risk and possible training expenses. The FO says:

- the Insurance/Expenses Fund is kept separately from the Loan Fund, in its own bag, although excess money in this fund can be deposited to a regulated financial institution.
- the Insurance/Expenses Fund pays benefits in the form of grants, not loans.
- the Insurance/Expenses Fund is not returned to member VSLAs except in the case of the VSLF ceasing to operate, in which case the amount returned will be in proportion to the VSLA's total contribution, relative to other VSLAs, at the time of disbanding.

### **Share-purchase rules**

The FO says that VSLAs save in a VSLF by buying shares in exactly the same way that individuals buy shares in their own VSLA. The value of a share is jointly decided and will be

the same value for all member VSLAs. At each meeting, each member VSLA has the opportunity to purchase between 1 to 5 shares. The FO asks what the value of a share should be. (S)he then explains that:

- the amount is too big if the poorest VSLAs cannot regularly buy at least one share.
- the share price must be set at a level that considers the lean period of the year.
- there is no set formula for calculating the value of a VSLF share, but is likely to cost in the range of 10 - 20 times the average value of a share in the participating VSLAs. The FO mentions this range as a norm (but not a rule) and facilitates a discussion in which the Representatives agree on the provisional value of a VSLF share. Once this amount is agreed, the Representatives are told that they must confirm that this amount is acceptable to their VSLA at the next VSLF meeting.

## **Lending rules**

All meetings of a VSLF are both savings and lending meetings.

The FO then says that loans will only be given to invest in the VSLA's Loan Fund and that when loans are given from the individual VSLA's Loan Fund to individual borrowers, they will not be identified as VSLF loans – all such loans are treated as normal VSLA loans.

The FO says that the amount borrowed by any VSLA cannot be more than 50% of the value of the applicant VSLAs last share-out. In addition, it cannot exceed three times the value of the applicant VSLA's shares. This is to ensure that a VSLA does not borrow more than it has proven it can successfully manage and also to maintain motivation for members in a VSLA to save. It also reduces the complication of writing up multiple loan applications by individuals. The application to the VSLF for a loan must be in writing and signed by the Management Committee and two non-Committee members.

The participants are told that a loan can be for 3 months or a maximum of 6 months.

The FO explains that when VSLAs take out loans, they have to pay a service charge that is calculated for the duration of the loan, in just the same way that individuals do in their VSLAs, expressed as a monthly charge. Thus, a 6-month loan at 3% per month would attract an 18% charge (six times 3%), added to the loan amount. The service charge should be set at a level that is half the average monthly service charge within individual VSLAs. Thus, if the average service charge among VSLAs that make up a VSLF is 10% a month, the VSLF should charge 5% for every month all VSLF loans are running. Likewise, if the average service charge of individual VSLAs is 5%, the VSLF should charge 2.5%, or a figure that is convenient to calculate, close to half the average member VSLA service charge.<sup>4</sup> Setting the VSLF service charge at half that of a VSLA ensures that while the VSLF can earn income, so too can the member VSLAs. In this way they have an incentive to manage the VSLF funds carefully.

The service charges should be based on flat calculations and not on declining balance, in order to keep calculations simple. Repayments can vary from month to month, as the borrowing VSLA decides. The VSLAs that are borrowing only need to know the total value of the loan and the service charge, which, as a total, they must pay in full.

## **Safety of group funds**

The FO hands over the group Kit, which is exactly the same as that of a VSLA. It is paid for in full by the VSLF, based on a special contribution by all member VSLAs.

VSLF programmes must use lockable boxes. The reason for using three locks is to keep member money and records safe and to make sure that transactions cannot take place privately between meetings.

It is necessary to update the VSLA's Constitution to incorporate these decisions. Once this is done, it must be signed by all members. The framework for the revised VSLA Constitution is

---

<sup>4</sup> See Annex 5 for service charge calculation tables.

shown in Annex 1 (page 39), Part 3 of a VSLA Constitution framework for VSLAs participating in a VSLF

## **Module 3: Development of the VSLF Constitution**

---

### **Purpose of the meeting**

The FO explains that the rules developed in the previous meeting will be included in the Constitution, but that this meeting will concentrate on the rules that help the VSLF govern itself, including the decisions already made about the Insurance/Expenses Fund share-purchase and loans in Module 2.

### **What is covered in this meeting?**

- Development of governance policies

Before going to this meeting, the FO goes to Annex 2) and makes a copy of the blank Constitution framework for a VSLF. The FO takes this with him/her to the meeting.

This form allows the FO to write down VSLF decisions. Part of it is already fixed, because experience has shown that some things should be common to all VSLFs. Decisions that the VSLF needs to make for itself are shown as underlined blank spaces.

The FO goes through the blank form, item by item, and helps the members to reach agreement on each clause. The FO then helps them to fill in the blank spaces. The FO should never think that (s)he knows what the VSLF will decide and fill out the form before going to the meeting. It may make the process faster, but if it is not the genuine decision of the member VSLA Representatives, it will not be 'owned' by them.

Once the form is filled, all the Representatives will then sign the Constitution to show that they agree.

The VSLF should not rush these discussions to get this done in one meeting. The importance of the Constitution is fundamental to the operation and success of a VSLF. If a VSLF feels the need to discuss in greater detail or for Representatives to report the progress of the development of the Constitution to their VSLAs, then spreading it out over two meetings is appropriate (and quite common).

## Module 4: First VSLF savings meeting

---

### Purpose of the meeting

The FO tells the members that this meeting will be the first chance they have to buy shares and that (s)he will guide them through the steps. The FO then explains that from now on, (s)he is only there to support the Management Committee, which is now in charge of meetings.

### What is covered in this meeting?

- Security of VSLF funds
- Procedures for the first VSLF savings meeting

### Security of VSLF funds

In order to increase its capital base, a VSLF does not have a share-out at the end of its annual cycle. Therefore it is likely, over time, to be handling large sums of money as interest earnings accumulate. For this reason, it is a good idea if the VSLF opens an account in the nearest regulated financial institution. While a bank or cooperative may not be conveniently to hand, the FO promises to work with the VSLF to try to identify the nearest financial institution with a good reputation, able to take deposits from a VSLF.

### Managing a meeting: General

The FO explains that the savings and lending procedures of a VSLF are based on those of VSLAs. The main difference is that while VSLAs save every week and may, in some cases, decide to lend only every month, all VSLF meetings take place every 4 weeks and include savings and lending. The following procedures framework for the first of these meetings is shown as Table 9 on the following page and is used by the Field Officer to guide the VSLF in its first savings and loan meeting.

### Records

The principal records are the VSLA passbooks, in which all savings and loan records are maintained. To guard against losses or false alterations in the passbooks, the VSLF maintains a set of records in a notebook which is kept in the box, covering the following:

- Record of shares bought by each VSLA.
- Record of loans outstanding by each VSLA.
- Record of cash balances in the Expenses/Insurance/Expenses Fund bag and the Loan Fund bag.

These records are illustrated in Annex 8.

Table 9: Procedures for first VSLF savings meeting

Meeting step	First savings meeting – Procedures
1. Meeting opening	<ul style="list-style-type: none"> <li>• The Chairperson calls the meeting to order</li> <li>• The Record-keeper performs a roll call</li> <li>• The Key-holders open the box, which remains in front of the Box-keeper</li> <li>• The Fines bowl is placed in front of the Chairperson, so that fines can be collected during the meeting</li> <li>• The Record-keeper calls both Representatives for each VSLA forward</li> <li>• The Record-keeper writes their VSLA name and number (given to it by the VSLF) on a passbook and gives the passbook to one of the 2 Representatives from each VSLA</li> </ul>
2. Insurance/ Expenses Fund	<ul style="list-style-type: none"> <li>• The Chairperson announces that contributions will be made to the Insurance/Expenses Fund</li> <li>• The Record-keeper calls each VSLA, by number, to give their Insurance/Expenses Fund contribution to the Money-counters</li> <li>• When the Representative (one of the two) comes forward, they give their Insurance/Expenses Fund contribution to the Money-counters</li> <li>• The Money-counters confirm that the Representative has given the right contribution and place it in the Money-counting bowl</li> <li>• The Record-keeper notes the payment made in the passbook, in the form of a checkmark</li> <li>• Once all contributions have been made, the money-counters count the total amount in the Money-counting bowl and announce this to the Representatives</li> <li>• The Record keeper says that everyone should remember this amount for the next meeting</li> <li>• The Record keeper records this amount in the notebook (See Annex 8.3)</li> <li>• The Insurance/Expenses Fund money is then replaced in its draw-string bag and put back in the cash-box</li> </ul>
3. Share-purchase/ savings	<ul style="list-style-type: none"> <li>• The Chairperson announces that VSLAs will now buy shares</li> <li>• The Record-keeper calls each VSLA's Representatives to the front by their VSLA number, reminding them of the share value</li> <li>• The Representative (one of the two) comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and presenting their passbook to the Record-keeper</li> <li>• The Money-counters count the money, place it in the Money-counting bowl and announce the number of shares that have been purchased by the VSLA</li> <li>• The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks. The Record-keeper notes down the total number of shares bought by the VSLA in the notebook (See Annex 8.1)</li> <li>• The Representatives then check that the number of new stamps in the passbook is correct. The passbook is retained by the Representatives as evidence of payment</li> <li>• The Chairperson instructs the Money-counters to combine the money in the Fines bowl and the Money-counting bowl</li> <li>• The Money-counters count the money in the Money-counting bowl and the Record-keeper announces the amount to the VSLF</li> <li>• The Record-keeper then tells the VSLF that this money constitutes their Loan Fund</li> <li>• The Record-keeper records this amount in the notebook (See Annex 8.3)</li> <li>• The Money-counters place the Loan Fund in its draw-string bag and put it in the cash-box</li> </ul>

Meeting step	First savings meeting – Procedures
4. Closing balances	<ul style="list-style-type: none"> <li>The Chairperson takes the notebook from the Record-keeper and announces the total cash balance in the Insurance/Expenses Fund and the total cash balance in the Loan Fund, instructing members to remember these amounts for the next meeting</li> <li>The Key-holders are called by the Chairperson to lock the box</li> </ul>
5. Closing	<ul style="list-style-type: none"> <li>The Chairperson invites Representatives to discuss any other subject that may be of interest</li> <li>The Chairperson announces the date and time of the next meeting and reminds everyone to come with their VSLA's Insurance/Expenses Fund contribution and share-purchase money</li> <li>The Chairperson tells the Representatives that they will be able to request a loan at the first loan meeting, four weeks from the date of this meeting and must bring a loan application form, (See Annex 6).</li> <li>The Representatives are reminded that no VSLA can borrow more than 50% of the value of their last cycle's share-out and that loans to VSLAs can be for 3 or 6 months</li> <li>The Chairperson instructs the Money-counters to count this amount from the money-counting bowl and give it to the two Representatives to the VSLF</li> <li>Once discussion is complete, the Chairperson closes the meeting</li> </ul>

The Record-keeper enters the following data in his/her notebook at the end of every meeting:

Table 10: Monthly (four-weekly) record of balances - Example

<i>Date</i>	<i>Cash in Insurance/Expenses Fund bag</i>	<i>Cash in Loan Fund bag</i>
<i>4/1/24</i>	<i>GH¢ 550</i>	<i>GH¢ 2,250</i>

## Module 5: First VSLF loan meeting

### Purpose of the meeting

This meeting takes place 4 weeks after the first savings meeting. The FO tells the Representatives that this meeting will be the first chance that VSLAs have to borrow, once Insurance/Expenses Fund and share-purchase activities are completed. (S)he also tells them that from now on, loans can be taken and repaid at every meeting.

### What is covered in this meeting?

- Procedures for the first VSLF loan disbursement meeting

### First disbursement of loans

The FO supervises the first loan disbursement, following the procedures outlined below.

Table 11: Procedures for first VSLF loan disbursement meeting

Meeting step	First loan meeting – Procedures
1. Meeting opening	<ul style="list-style-type: none"> <li>• The Chairperson calls the meeting to order</li> <li>• The Record-keeper performs a roll call</li> <li>• The Key-holders open the box, which remains in front of the Box-keeper</li> <li>• The Fines bowl is placed in front of the Chairperson, so that fines can be collected during the meeting</li> </ul>
2. Insurance/Expenses Fund	<ul style="list-style-type: none"> <li>• The Chairperson asks the Representatives to recall the balance of the Insurance/Expenses Fund from the previous meeting</li> <li>• The Money-counters then remove the money from the Insurance/Expenses Fund bag, place it in the Money-counting bowl, count it and announce the amount to the Representatives</li> <li>• The Chairperson announces that contributions will be made to the Insurance/Expenses Fund</li> <li>• The Record-keeper calls each VSLA, by number, to give their Insurance/Expenses Fund contribution to the Money-counters</li> <li>• When the Representative (one of the two) comes forward, they give their Insurance/Expenses Fund contribution to the Money-counters</li> <li>• The Money-counters confirm that the Representative has given the right contribution and place it in the Money-counting bowl</li> <li>• The Record-keeper notes the payment made in the passbook, in the form of a checkmark</li> <li>• The Record-keeper then asks if any VSLA needs a grant from the Insurance/Expenses Fund to cover loan losses arising from a death. Representatives of VSLAs in need make their request to the VSLF.</li> <li>• If a majority of the Representatives approve the grant, the money is provided to the Representative according to the Constitution</li> <li>• The Money-counters count the total amount remaining in the Money-counting bowl and announce this to the Representatives</li> <li>• The Record-keeper says that everyone should remember this amount for the next meeting</li> <li>• The Record-keeper records this amount in the notebook</li> <li>• The Insurance/Expenses Fund money is then replaced in its draw-string bag and put back in the cash-box</li> </ul>

Meeting step	First loan meeting – Procedures
3. Share-purchase/savings	<ul style="list-style-type: none"> <li>• The Chairperson announces that VSLAs will now buy shares. The Record-keeper asks the Representatives to recall the balance of the Loan Fund from the previous meeting</li> <li>• The Money-counters then remove the Loan Fund from its bag and count it, announcing the amount to the Representatives</li> <li>• Once it is agreed that the amount remembered and the amount counted are the same, the money is placed in the Money-counting bowl</li> <li>• The Chairperson announces that VSLAs will now buy shares</li> <li>• The Record-keeper calls each VSLA's Representatives to the front by their VSLA number, reminding them of the share value</li> <li>• The Representative (one of the two) comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and presenting their passbook to the Record-keeper</li> <li>• The Money-counters count the money, place it in the Money-counting bowl and announce the number of shares that have been purchased by the VSLA</li> <li>• The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks. The Record-keeper notes down the total number of shares bought by the VSLA in the notebook</li> <li>• The Representatives then check that the number of new stamps in the passbook is correct. The passbook is retained by the Representatives as evidence of payment</li> <li>• (If a VSLA needs to make a withdrawal, their designated Representative will ask for it instead of buying shares and must present a written request from the VSLA concerned, signed by the VSLA Chairperson and Record-keeper and two members<sup>5</sup>. When a withdrawal is needed, the Record-keeper will cross out the number of shares from the Representative's VSLA passbook that corresponds to the value of the withdrawal and the Money-counters will give the money from the Money-counting bowl. The value of a share paid back to the Representative will be equal to its original purchase price.)</li> <li>• The Chairperson instructs the Money-counters to combine the money in the Fines bowl and the Money-counting bowl</li> <li>• The Money-counters count the money in the Money-counting bowl and the Record-keeper announces the amount to the VSLF</li> <li>• The Record-keeper then tells the VSLF that this is the money available for lending in this meeting</li> </ul>

<sup>5</sup> See Annex 7, page 52, for savings withdrawal application form

Meeting step	First loan meeting – Procedures
4. Loan taking	<ul style="list-style-type: none"> <li>• The Chairperson invites loan requests, reminding Representatives of the maximum loan term and loan amount (three times the savings of the VSLA and no more than half the value of their last share-out)</li> <li>• Each Representative whose VSLA wants a loan then makes a request out loud to the VSLF, announcing the amount requested, the purpose of the loan and over what period of time they expect to repay. The Representative also presents a loan application form (see Annex 6) to the Record-keeper</li> <li>• The Record-keeper checks in the borrower's passbook to confirm that each borrowing VSLA is eligible for the amount requested and then makes a total of the requests from all of the VSLAs. This amount is then announced</li> <li>• If the total value of loans requested is more than the money available in the Loan Fund, the VSLF must discuss adjustments to the individual VSLA loan amounts until all Representatives are satisfied</li> <li>• Once it is decided how much each VSLA borrower will receive, the Record-keeper calls the two Representatives of the recipient VSLA to the front in order of their VSLA's number</li> <li>• The Record-keeper then enters the loan number, loan amount and service charge due in the borrower VSLA's passbook</li> <li>• The Record-keeper instructs the Money-counters to give the Representative the loan amount from the Money-counting bowl</li> <li>• The borrower VSLA's Representative then counts the money, and signs the passbook</li> <li>• The passbook is returned to the Representative</li> <li>• The Record-keeper then enters the sum outstanding in the notebook (See Annex 7.3)</li> <li>• The Record-keeper then instructs the borrower VSLA's Representative to announce out loud the total amount due and the date it is due</li> <li>• This process is repeated until all loans have been issued</li> <li>• The Money-counters then count the money remaining in the Money-counting bowl and announce the amount to the VSLF</li> <li>• The Record-keeper then tells the VSLF that this money constitutes their Loan Fund</li> <li>• The Record-keeper records this amount in the notebook</li> <li>• The Money-counters then place the cash remaining unused in the Loan Fund in its draw-string bag and put it in the cash-box</li> </ul>
5. Closing balances	<ul style="list-style-type: none"> <li>• The Chairperson takes the notebook from the Record-keeper and announces the total cash balance in the Insurance/Expenses Fund and the total cash balance in the Loan Fund, instructing members to remember these amounts for the next meeting</li> <li>• The Key-holders are called by the Chairperson to lock the box</li> </ul>
6. Closing	<ul style="list-style-type: none"> <li>• The Chairperson invites Representatives to discuss any other subject that may be of interest</li> <li>• The Chairperson announces the date and time of the next meeting and reminds everyone to come with their VSLA's Insurance/Expenses Fund contribution and share-purchase money</li> <li>• The Representatives are reminded that any loans taken in this meeting can start to be reimbursed in the next meeting</li> <li>• Once discussion is complete, the Chairperson closes the meeting</li> </ul>

## Module 6: First VSLF loan repayment meeting

### Purpose of the meeting

This meeting takes place 4 weeks after the first loan disbursement. The FO tells the members that this will be the first time that the VSLF will be able to receive loan repayments and that (s)he will guide them through the steps.

### What is covered in this meeting?

- Procedures for the first VSLF loan repayment meeting

### First repayment of loans

The FO uses Table 12 to facilitate the meeting, which involves loan repayments received for the first time, and refers to Annex 5 to help the VSLA understand the loan record-keeping system.

Table 12: Procedures for a loan meeting with first loan repayments

Meeting step	First loan repayment meeting – Procedures
1. Meeting opening	<ul style="list-style-type: none"> <li>• The Chairperson calls the meeting to order</li> <li>• The Record-keeper performs a roll call</li> <li>• The Key-holders open the box, which remains in front of the Box-keeper</li> <li>• The Fines bowl is placed in front of the Chairperson, so that fines can be collected during the meeting</li> </ul>
2. Insurance/ Expenses Fund	<ul style="list-style-type: none"> <li>• The Chairperson asks the Representatives to recall the balance of the Insurance/Expenses Fund from the previous meeting</li> <li>• The Money-counters then remove the money from the Insurance/Expenses Fund bag, place it in the Money-counting bowl, count it and announce the amount to the Representatives</li> <li>• The Chairperson announces that contributions will be made to the Insurance/Expenses Fund</li> <li>• The Record-keeper calls each VSLA, by number, to give their Insurance/Expenses Fund contribution to the Money-counters</li> <li>• When the Representative (one of the two) comes forward, they give their Insurance/Expenses Fund contribution to the Money-counters</li> <li>• The Money-counters confirm that the Representative has given the right contribution and place it in the Money-counting bowl</li> <li>• The Record-keeper notes the payment made in the passbook, in the form of a checkmark</li> <li>• The Record-keeper then asks if any VSLA needs a grant from the Insurance/Expenses Fund to cover loan losses arising from a death. Representatives of VSLAs in need make their request to the VSLF.</li> <li>• If a majority of the Representatives approve the grant, the money is provided to the Representative according to the Constitution</li> <li>• The Money-counters count the total amount remaining in the Money-counting bowl and announce this to the Representatives</li> <li>• The Record-keeper says that everyone should remember this amount for the next meeting</li> <li>• The Record-keeper records this amount in the notebook</li> <li>• The Insurance/Expenses Fund money is then replaced in its draw-string bag and put back in the cash-box</li> </ul>

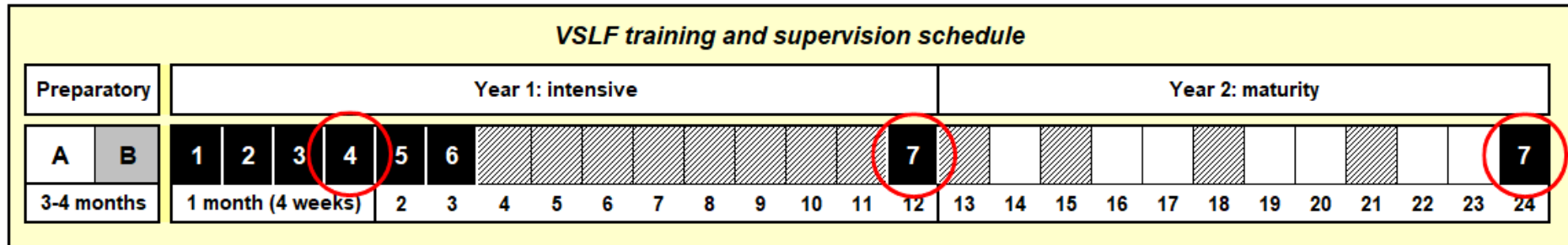
Meeting step	First loan repayment meeting – Procedures
3. Share-purchase/savings	<ul style="list-style-type: none"> <li>• The Chairperson announces that VSLAs will now buy shares. The Record-keeper asks the Representatives to recall the balance of the Loan Fund from the previous meeting</li> <li>• The Money-counters then remove the Loan Fund from its bag and count it, announcing the amount to the Representatives</li> <li>• Once it is agreed that the amount remembered and the amount counted are the same, the money is placed in the Money-counting bowl</li> <li>• The Chairperson announces that VSLAs will now buy shares</li> <li>• The Record-keeper calls each VSLA's Representatives to the front by their VSLA number, reminding them of the share value</li> <li>• The Representative (one of the two) comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and presenting their passbook to the Record-keeper</li> <li>• The Money-counters count the money, place it in the Money-counting bowl and announce the number of shares that have been purchased by the VSLA</li> <li>• The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks. The Record-keeper notes down the total number of shares bought by the VSLA in the notebook</li> <li>• The Representatives then check that the number of new stamps in the passbook is correct. The passbook is retained by the Representatives as evidence of payment</li> <li>• (If a VSLA needs to make a withdrawal, their designated Representative will ask for it instead of buying shares and must present a written request from the VSLA concerned (See Annex 7). When a withdrawal is needed, the Record-keeper will cross out the number of shares from the Representative's VSLA passbook that corresponds to the value of the withdrawal and the Money-counters will give the money from the Money-counting bowl. The value of a share paid back to the Representative will be equal to its original purchase price.)</li> </ul>
4. Loan repayment	<ul style="list-style-type: none"> <li>• The Chairperson asks borrower VSLAs to identify themselves</li> <li>• By referring to the notebook, the Record-keeper confirms the identity of the borrower VSLAs and the amount due</li> <li>• Each borrower VSLA's Representative is then called to the front to give the VSLA's loan instalment to the Money-counters.</li> <li>• The Money-counters count the payment, announce the amount and place it in the Money-counting bowl</li> <li>• The Record-keeper enters the payment amount in the member VSLA's passbook in the 'Paid' box</li> <li>• The Record-keeper then calculates the remaining balance due and enters it in the 'Balance' box in the member's passbook</li> <li>• If a balance is remaining, the borrowing VSLA's Representative then signs in the space provided</li> <li>• If the remaining balance due is zero, the Record-keeper signs the passbook and announces that the loan is repaid, cancelling the loan with a diagonal red line drawn through the page. The balance of the loan is then reduced to zero in the notebook</li> <li>• The Money-counters combine the money in the Fines bowl and the Money-counting bowl</li> <li>• The Money-counters count the money in the Money-counting bowl and the Record-keeper announces the amount</li> <li>• The Record-keeper then tells the VSLF that this is the money available for lending in this meeting</li> </ul>

Meeting step	First loan repayment meeting – Procedures
5. Loan taking	<ul style="list-style-type: none"> <li>• The Chairperson invites loan requests, reminding Representatives of the maximum loan term and loan amount (three times the savings of the VSLA and no more than half the value of their last share-out)</li> <li>• Each Representative whose VSLA wants a loan then makes a request out loud to the VSLF, announcing the amount requested, the purpose of the loan and over what period of time they expect to repay. The Representative also presents a loan application form (see Annex 6) to the Record-keeper</li> <li>• The Record-keeper checks in the borrower's passbook to confirm that each borrowing VSLA is eligible for the amount requested and then makes a total of the requests from all of the VSLAs- This amount is then announced</li> <li>• If the total value of loans requested is more than the money available in the Loan Fund, the VSLF must discuss adjustments to the individual VSLA loan amounts until all Representatives are satisfied</li> <li>• Once it is decided how much each VSLA borrower will receive, the Record-keeper calls the two Representatives of the recipient VSLA to the front in order of their VSLA's number</li> <li>• The Record-keeper then enters the loan number, loan amount and service charge due in the borrower VSLA's passbook</li> <li>• The Record-keeper instructs the Money-counters to give the Representative the loan amount from the Money-counting bowl</li> <li>• The borrower VSLA's Representative then counts the money, and signs the passbook</li> <li>• The passbook is returned to the Representative</li> <li>• The Record-keeper then enters the sum outstanding in the notebook (See Annex 7.3)</li> <li>• The Record-keeper then instructs the borrower VSLA's Representative to announce out loud the total amount due and the date it is due</li> <li>• This process is repeated until all loans have been issued</li> <li>• The Money-counters then count the money remaining in the Money-counting bowl and announce the amount to the VSLF</li> <li>• The Record-keeper then tells the VSLF that this money constitutes their Loan Fund</li> <li>• The Record-keeper records this amount in the notebook</li> <li>• The Money-counters then place the cash remaining unused in the Loan Fund in its draw-string bag and put it in the cash-box</li> </ul>
6. Closing balances	<ul style="list-style-type: none"> <li>• The Chairperson takes the notebook from the Record-keeper and announces the total cash balance in the Insurance/Expenses Fund and the total cash balance in the Loan Fund, instructing members to remember these amounts for the next meeting</li> <li>• The Key-holders are called by the Chairperson to lock the box</li> </ul>
7. Closing	<ul style="list-style-type: none"> <li>• The Chairperson invites Representatives to discuss any other subject that may be of interest</li> <li>• The Chairperson announces the date and time of the next meeting and reminds everyone to come with their VSLA's Insurance/Expenses Fund contribution and share-purchase money</li> <li>• Once discussion is complete, the Chairperson closes the meeting</li> </ul>

In all meetings from now on, the FO uses Table 12 as the procedures guide for all VSLF meetings. This should be laminated in plastic and always carried in the field by the FO.

## Phases in a VSLF's development

Figure 5: Transition to the Maturity Phase



At the outset the FO should schedule a visit by his/her Supervisor at the meetings circled in red. The first of these scheduled attendances by the Supervisor in training session 4 will not be necessary once the Supervisor is satisfied that the FO is able to conduct the first savings meeting of the VSLF without difficulty.

Unlike the normal VSLA schedule, there is no Development Phase, but a transition from an Intensive phase to a Maturity phase: In the Intensive phase, the FO is required to attend all meetings, every 4 weeks for the first year. This is done not so much to confirm that proper procedure is followed (because all participants will be quickly familiar with procedures that are mainly the same as for their VSLAs), but to ensure that records are accurately maintained and that disputes are resolved (disputes are more likely in VSLFs, where members are less well-known each other).

After the first year, and with the authorisation of the FO's Supervisor, the second year needs only quarterly visits by the FO, so long as things proceed smoothly.

The FO will only need to increase his/her visits to assist in the establishment of other committees as the group decides. Additional committees will not be created for at least two years after formation. No such additional committees should be created unless there is a clear set of management, administrative and financial systems created for a clearly-defined activity.

MIS information should also be gathered quarterly, starting with data from the first loan meeting at the end of month 2.

## Module 7: Annual General Meeting: dividend payment to member VSLAs

### Purpose of the meeting

This meeting takes place 12 months after the establishment of the VSLF and every 12 months thereafter at the Annual General Meeting of the VSLF. Its purpose is to wind up the year's activities by the Management Committee and to pay dividends to member VSLAs.

### Who participates?

- All Representatives of all VSLAs
- Any members of VSLAs linked to the VSLF

### What is covered in this meeting?

- Method of Profit calculation
- Distribution of profits between member VSLAs and the VSLF
- Procedures for the distribution of profit

### Method of profit calculation

The payment of dividends takes place once a year at the Annual General Meeting of the VSLF. It is fundamentally different to traditional share-out meetings, because instead of sharing out all of their money, VSLAs will be paid only the profits on the VSLF's activities and then only that part of profits that the members all agree on.

Profits are not calculated using a standard set of financial records, because the VSLF depends on passbooks and cash and bank balance records to track assets and liabilities. In conformity with this system, profits are estimated using the following formula:

Total assets - Total liabilities - Paid in capital - property at start (if any) = Profit

This is quite simple in practice as illustrated in the example below. It is calculated at the time of the annual dividend payment, when all loans have been repaid.<sup>6</sup>

Figure 6: Imputed profit calculation

VSLA annual dividend payment meeting: profit calculation	
Value of loans outstanding	28,500
Plus: Loan fund cash in box	12,000
Plus: Bank balance	0
Plus: Property Now	10,000
Minus: Value of Savings this Cycle	39,550
Minus: Property at Start of Cycle	0
Minus: External debts	0
Equals: Profit (or loss) to date	10,950

The amount available to be shared among the VSLAs must only be taken from profits. If more than this sum is paid out, it will reduce the VSLF share value below its purchase price. In this example, where the VSLF made a profit of GH¢ 10,950, the assembly agreed to pay out GH¢ 8,000 as a dividend, to be shared among all member VSLAs in proportion to their savings, retaining 2,950 in the VSLF Loan Fund. Note that they had GH¢ 12,000 cash on hand, so they were able to make the payment

<sup>6</sup> In some cases, there may be loans which have not been repaid. If this happens, the amount is subtracted from the member VSLA's shares at original purchase price of the shares.

Figure 7: Dividend per VSLA, Pay-out calculation

VSLA No,	Shares per VSLA		Dividend per share		Payout to each VSLA
1	98	x	10.11378	=	991
2	67	x		=	677
3	60	x		=	606
4	54	x		=	546
5	47	x		=	475
6	87	x		=	879
7	92	x		=	930
8	56	x		=	566
9	99	x		=	1,001
10	55	x		=	556
11	46	x		=	465
12	30	x		=	303
		x		=	
		x		=	
Total shares			Round down value		1
Dividend to be shared			Total shared out		7,995
Dividend per share			Balance remaining		5

First, the Record-keeper calculates the value of a dividend per share by dividing the total number of shares into the total dividend to be paid out ( $8,000 \div 791 = 10,11378$ )

Once this amount is known it is entered in the 'Dividend per share) column of the flip chart (illustrated above as Figure 7).

This amount is multiplied by the number of shares owned by the VSLA in the VSLF and the result is rounded down to the nearest whole unit of currency (in this case 1.0 GH¢).

The amount left over should tally with the amount in the 'Balance remaining' cell (GH¢ 5).

## Dividend payment procedures

The Management Committee prepares for this meeting by estimating the expected profit of the VSLF in the month prior to the meeting, assisted by the FO, using Figure 6 as a guide. They then ensure that they have sufficient cash on hand, close to the value of the projected profit, so that when profit distribution is made to member VSLAs, they will be able to pay what is owed to each VSLA, in suitable denominations. This may involve a bank withdrawal and should be anticipated.

Table 13 on the following page explains the procedures for this meeting, in which blank charts as per Figures 6 and 7 are pre-prepared.

Table 13: Procedures for share-out at the end of the cycle

Meeting step	AGM meeting: share out procedures and ending the financial year
1. Share-out	<ul style="list-style-type: none"> <li>• The Chairperson opens the meeting and announces the agenda: <ul style="list-style-type: none"> <li>• to calculate profits of the VSLF</li> <li>• to decide on how the profits will be used, divided between payments to member VSLAs and money retained by the VSLF</li> <li>• to distribute what is agreed to member VSLAs as dividends</li> <li>• to conduct new elections and a review of the Constitution</li> <li>• AOB</li> </ul> </li> <li>• The Record-keeper then announces if any VSLA is in default on a loan to the VSLF</li> <li>• If payment is not immediately forthcoming, the Record-keeper cancels shares in the defaulting VSLAs passbook equal to the value of the sum that has not been recovered</li> <li>• The Record-keeper then uses a flip chart to calculate VSLF profits as illustrated in Figure 7</li> <li>• The Chairperson facilitates a discussion as to the uses to which these profit can be put, including how much will be used for VSLF investments and how much will be used as dividend payments to member VSLAs</li> <li>• Once it has been decided how much money will be paid to member VSLAs, the Money-counters count out this sum from the Loan Fund bag and place it in the Money-counting bowl, returning the balance to the Loan Fund bag, which is returned to the box and the balance recorded in the notebook.</li> <li>• While the Money-counters are counting, the Record-keeper takes the member VSLA passbooks and counts the total number of shares</li> <li>• The Record-keeper then divides the total money available for pay-out by the total number of shares currently owned by all of the VSLAs. This will give a value of the dividend payable on a single share</li> <li>• The Record-keeper then multiplies the value of the dividend payable by the number of uncanceled shares in the VSLA member passbooks and writes the results on the flip chart for each VSLA member as shown in Figure 7</li> <li>• The Money-counters then count out the amount to be paid, rounding down to the nearest whole unit of currency and place the money in the VSLA members' passbooks</li> <li>• <u>All passbooks are treated in the same way before anyone receives any money.</u> Once the process is complete, there will be a small amount of money remaining due to rounding down, but there should not be a shortfall. If there is a shortfall, the process is repeated until the amounts are correct. Any small amount remaining is put back in the Loan Fund bag</li> <li>• All VSLA Representatives are given their passbooks with all the dividend money Once this process is completed and the dividends are paid, each VSLA has the right to withdraw up to a maximum of 75% of their total savings to date. Leaving 25% of their savings in the VSLF means that there is a useful amount of capital available for borrowing at the start of the new cycle. Only if the VSLA decides to quit the VSLF can it receive the full value of its current shares at original purchase price</li> <li>• The VSLA members then take their dividend and savings withdrawal money back to their VSLA, to be included in the Loan Fund</li> </ul>



Meeting step	AGM meeting: share out procedures and ending the financial year
2. Ending the financial year and preparing for the new financial year	<ul style="list-style-type: none"><li>• The Chairperson announces that the next steps needed to start the new financial year will be to:<ul style="list-style-type: none"><li>• Conduct new elections to the Management committee</li><li>• Review the Constitution</li></ul></li><li>• The Chairperson says that this will be the agenda of the next VSLF meeting, and that interested members will be welcome to observe. They note that because there will be a review of the share value, interest rates on loans and benefits paid by the Insurance/Education fund, these should be discussed by every VSLA before the next VSLF meeting, so that their views can be known to the Representatives.</li><li>• After this the Chairperson asks if there is any other business</li><li>• The meeting is then closed with an announcement of the date of the next meeting</li></ul>

## **Annex 1: Part 3 of a VSLA Constitution framework for VSLAs participating in a VSLF**

---

### **Part 3: VSLF membership**

#### **I. MEMBERSHIP IN A VSLF**

- All members must approve membership of the VSLA in a VSLF
- The group can join a VSLF only after it has completed 12 months of independent operation and is no longer regularly supervised by a Field Officer or Village Agent

#### **II. SAVINGS IN A VSLF**

- VSLF meetings take place every 4 weeks
- VSLF shares are bought at every meeting
- The purchase price of a VSLF share is: \_\_\_\_\_
- The number of shares to be bought must be approved by all of the members of the VSLA, but cannot be more than 5
- The money for VSLF share-purchase is taken from the VSLA Loan Fund

#### **III. BORROWING FROM A VSLF**

- The maximum amount that the VSLA can borrow is three times the value of its savings in the VSLF and no more than 50% of the value of its last share-out.
- The first loan to be taken from a VSLF can be held for 3 months or 6 months
- Any loan from a VSLF cannot have a maturity that is longer than the remaining time in the VSLA's annual cycle
- The group must repay a VSLF loan before it can take another
- The VSLA is free to pay as much, or as little of an outstanding loan as it chooses
- The service charge to be charged by the VSLF every four weeks is: \_\_\_\_\_%

#### **IV. THE VSLF INSURANCE/EXPENSES FUND**

- The contribution to the VSLF Insurance/Expenses Fund every 4 weeks will be: \_\_\_\_\_ per individual member of all VSLAs
- Applications for support from the VSLF Insurance/Expenses Fund can be made in the following cases:
  - Reimbursement to the VSLA for losses incurred when a loan cannot be recovered from a member through death
  - Expenses incurred in making technical visits in accordance with VSLF criteria

#### **V. REPRESENTATION OF THE VSLA TO THE VSLF**

- The VSLA will elect 2 members to represent it at the VSLF
- At least one Representative to the VSLF must be a non-Committee member of a VSLA
- Elections to the post of VSLF Representative must be held annually
- At least 3 candidates to the post of VSLF Representative must be nominated and the nominations accepted

## Annex 2: Constitution framework for a VSLF

---

### Part 1: VSLF governance

#### I. BASIC INFORMATION ON THE VSLF

- Name of the VSLF \_\_\_\_\_
- Address: \_\_\_\_\_
- The VSLF was formed on: \_\_\_\_\_
- Date of official registration (if any): \_\_\_\_\_

#### II. OBJECTIVE OF THE VSLF

- The purpose of the VSLF is to be an independent, profitable provider of financial services to member VSLAs
- The services the VSLF provides to its VSLA members in order to achieve this objective are:

---

---

#### III. WHO MAY BE A MEMBER OF THE VSLF?

- VSLAs' location/s: \_\_\_\_\_
- VSLAs operating independently (without training and supervision) for at least 12 months
- Other common circumstances \_\_\_\_\_

---

#### IV. COMPOSITION OF THE COMMITTEE

- Chairperson
- Record-keeper
- Box-keeper
- 2 Money-counters

#### V. ELECTION PROCEDURES

- Elections must be held annually for all Management Committee positions
- The minimum number of people that must stand for each position is 2
- A Representative can only serve for a maximum of three consecutive terms
- The minimum number of Representatives needed to hold an election is: \_\_\_\_\_
- The election procedure will use a system that allows everyone's vote to be secret
- A candidate for any position must be proposed by another Representative

**VI. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS**

- Any Representative of the VSLF may, at any time, request a vote of no confidence against a member of the Management Committee
- The Committee member must resign if the majority of Representatives decide to remove him/her
- An election is required to fill the vacant position

**VII. MEETINGS**

- To allow member VSLAs to buy shares, the VSLF will meet every 4 weeks
- Share-purchase and loan disbursements and repayments will be conducted at every meeting.
- The VSLF will conduct an Annual General Meeting (AGM) at which all of the VSLA members that are affiliated to the VSLF will be invited (not just the Representatives). All of the VSLA members present have voting rights at the AGM

**VIII. VSLAs LEAVING THE VSLF**

If a VSLA leaves before the cycle is finished, the money they have used to purchase shares will be returned to them, minus any loan and service charge they owe

**IX. EXPULSION FROM THE VSLF**

The reasons for which a VSLA should be expelled from the VSLF are:

---

---

**X. FINES**

The following table lists the fines that will be charged.

Offence	Amount
Failure to attend a meeting	
Late to a meeting	
Not remembering VSLF rules	
Loss of Representative number card	
Forgetting key	
Chatting through the proceedings	
Showing disrespect to a fellow Representative	
Not remembering decisions or balances from the preceding meeting	
Failure of a Management Committee member to perform their duties	
(other)	
(other)	

**XI. AMENDMENTS TO THE CONSTITUTION**

- 2/3 of the Representatives must agree before the VSLF Constitution can be changed
- Any Representative can propose an amendment to the Constitution

## **Part 2: Services offered by the VSLF**

### **I. SAVINGS**

- Member VSLAs may buy 1 – 5 shares in each meeting and must buy at least 1
- The purchase price of a share will be: \_\_\_\_\_
- Excepting as listed in the following clause, a member VSLA's savings can be withdrawn on demand at any meeting of the VSLF and will be paid as soon as funds are enough. No profits shall be paid on savings withdrawn from the VSLF before the end of the VSLF's AGM
- Member VSLA savings cannot be withdrawn from the VSLF on demand until any outstanding loan liabilities have been cleared

### **II. LENDING**

- Loans will be disbursed by the VSLF to VSLAs for investment in their loan portfolios, which will operate in the normal way. Loans will not be classified as VSLF and VSLA loans. All loans to VSLA members will be VSLA loans
- The VSLF will not require VSLAs to provide information on their internal loan portfolio of borrowers
- The maximum amount that any VSLA can borrow is three times the value of its savings in the VSLF and no more than 50% of the value of its last share-out.
- The maximum length of a loan term is 6 months during the first year of the VSLF's operation but may thereafter be greater as the AGM of the VSLF may agree.
- A VSLF loan to a VSLA must never exceed the remaining length of time in a VSLA's annual cycle
- A member VSLA must repay a loan before it can take another
- A VSLA is free to pay as much, or as little of an outstanding loan as it chooses.
- The monthly VSLF service charge, applied in multiples of a single month for the full length of the loan is: \_\_\_\_\_%

### **III. INSURANCE/EXPENSES FUND**

- The Insurance/Expenses Fund is for grants only. No loans will be made from the Insurance/Expenses Fund. The following contingencies will be covered:
  - Reimbursement to the VSLA for losses incurred when a loan to a member is declared irrecoverable by reason of the death of the borrower
  - Expenses incurred in receiving external technical assistance in accordance with VSLF criteria. Such a claim must be accompanied by evidence that the payment was made
  - Expenses incurred in making technical visits in accordance with VSLF criteria. Such a claim must be accompanied by evidence that the payment was made
- The contribution to the VSLF Insurance/Expenses Fund is calculated per member of each VSLA and is paid monthly. The amount per member will be \_\_\_\_\_

VSLA Name	Signature of Representative
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____
Name: _____	Signature: _____

## **Annex 3: The Kit**

---

The Kit consists of:

- Strong, well-made lockable metal cash box, able to be closed with 3 locks
- Three good quality padlocks, each with two keys
- 12 passbooks
- 1 notebook
- Rubber stamp for marking shares
- Ink pad and spare bottle of ink
- Ruler
- Two ball point pens: one black or blue, the other red
- Good quality calculator
- 2 plastic bowls in different colours, at least 30 cm in diameter and at least 15 cm deep (one for fines and one for money-counting)
- 2 fabric money-bags, with draw strings: one in one colour for the Insurance/Expenses Fund and one in another colour for the Loan Fund



VSLF money-counting in Tanzania. Each bill is worth \$US 3.67

## Annex 4: Use of passbooks

### Savings

VSLAs save in their VSLFs in the form of shares, which are stamped in the front section of the passbook, as shown in Figure 5.

Price of a share		GH¢ 50	
Starting number of shares this page		0	
Shares bought at each meeting			
→			
→	→		
→	→	→	
→	→	→	
→	→		
Ending number of shares this page			

**Figure 5: Passbook with 11 shares stamped in**

*Explanation:* The illustration shows that there have been five meetings and that the VSLA has bought eleven shares at a price of GH¢ 50 each.

When VSLAs make their contribution, the Record-keeper stamps in each passbook the number of shares purchased, and the member confirms that the amount is correct.

On each line, the unused spaces are marked through with a diagonal line to prevent fraudulent entry of shares at a later date.

The value of shares purchased is  $11 \times \text{GH¢ } 50 = \text{GH¢ } 550$

**Figure 6: Passbook showing the sale of three shares**

Price of a share		GH¢ 50	
Starting number of shares this page		0	
Shares bought at each meeting			
→			
→	→		
→	→	→	
→	→	→	
→	→		
→	→		
Ending number of shares this page			

*Explanation:* Two meetings later, in the seventh meeting, the VSLA was unable to save. To show that it did not save anything at this meeting, the row for meeting 7 is cancelled by the Record-keeper, with blank cells crossed out.

In addition, the VSLA asked to sell three shares, thus receiving GH¢ 1,500 ( $\text{GH¢ } 500 \times 3 = \text{GH¢ } 1,500$ ).

The three shares bought in meetings 5 and 6 are deleted, using a red pen, and the money is paid to the VSLA's Representative.

The possibility of selling shares allows VSLAs to access their savings, but all VSLAs must understand that they will lose future earnings when profits are distributed. Once sold, the shares cannot be replaced.

Note: if a member VSLA's Representatives are not present at the meeting, their absence and blank entries will be made at



## Loans

Loans are recorded in the back of the passbook. They are not shown in the form of stamps but are written as numbers.

**Figure 8: Member loan record (1)**

Loans to VSLA from Federation			
Date of loan disbursement		29/02/2024	
Date by which the loan must be repaid		29/08/2024	
Date	Item	Amount	Signature
29/02/24	Loan amount	2,500	Petronella
	Service charge	450	
	Total due	2,950	
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

*Explanation:* The example on the left is a VSLA's first loan. The VSLA borrows GH¢ 2,500. The starting date is shown, and a date exactly 6 months later is entered as the final day for repayment.

The service charge is GH¢ 4,500 because the VSLF charges 3% of the loan amount every month ( $2,500 \times 0.03 \times 6$ ). This amount is calculated from Table 14 on page 52. This is a table showing service charges for loans provided for 6 months. (It enables the Record-keeper quickly to calculate the service charge, avoiding calculation errors)

Petronella is the Representative of this VSLA and signs to show that she understands that her VSLA owes GH¢ 2,950 in total, which must be repaid before the 29<sup>th</sup> August 2024.

**Figure 9: Member loan record (2)**

Loans to VSLA from Federation			
Date of loan disbursement		29/02/2024	
Date by which the loan must be repaid		29/08/2024	
Date	Item	Amount	Signature
29/02/24	Loan amount	2,500	Petronella
	Service charge	450	
	Total due	2,950	
28/3	Paid	1,000	Petronella
	Balance	1,950	
	Paid		Petronella
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

*Explanation:* At the next loan meeting, four weeks later, Petronella brings GH¢ 1,000. The next entry in her passbook appeared as in Figure 9.

This shows that after paying GH¢ 1,000, her VSLA still owes GH¢ 1,950 (GH¢ 2,950 minus the amount paid GH¢ 1,000).

Figure 10: Member loan record (3)

Loans to VSLA from Federation			
Date of loan disbursement		29/02/2024	
Date by which the loan must be repaid		29/08/2024	
Date	Item	Amount	Signature
29/02/24	Loan amount	2,500	Petronella
	Service charge	450	
	Total due	2,950	
28/3	Paid	1,000	Petronella
	Balance	1,950	
25/4	Paid	1,000	Petronella
	Balance	950	
23-5	Paid	0	Petronella
	Balance	950	
20-6	Paid	450	Petronella
	Balance	500	
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		
	Paid		
	Balance		

*Explanation:* Over the next 12 weeks, there were three loan repayment opportunities for this VSLA, and repayments were made on two occasions:

- one of GH¢ 1,000 on the 25<sup>th</sup> April
- one of GH¢ 0 (23<sup>rd</sup>. May)
- One of 450 (20<sup>th</sup> June), reducing the remaining balance to GH¢ 450.

Figure 11: Member loan record (4)

Loans to VSLA from Federation			
Date of loan disbursement		29/02/2024	
Date by which the loan must be repaid		29/08/2024	
Date	Item	Amount	Signature
29/02/24	Loan amount	2,500	Petronella
	Service charge	450	
	Total due	2,950	
28/3	Paid	1,000	Petronella
	Balance	1,950	
25/4	Paid	1,000	Petronella
	Balance	950	
23-5	Paid	0	Petronella
	Balance	950	
20-6	Paid	450	Petronella
	Balance	500	
18/7	Paid	200	Petronella
	Balance	300	
15/8	Paid	300	Mary
	Balance	0	
	Paid		
	Balance		
	Paid		
	Balance		

*Explanation:* Figure 11 on the left shows that at the next meeting on the 18<sup>th</sup> July the VSLA pays GH¢ 200 and on the 20<sup>th</sup> June the full GH¢ 300 owing. The Record-keeper (Mary) enters GH¢ 300 in the 'Paid' row, reduces the balance to zero and signs the entry.

Once the loan is fully paid, she draws a red line through the whole loan record. This confirms that the loan has been completely repaid.

*Note:* the number of entries will depend on the number of times the member makes a payment. In principle the number of repayments should not exceed 6. The passbook leaves two extra meeting spaces available in the case of late payment

## Annex 5: Service charge calculation tables

Table 14: Service charges for 6-month loans

	Monthly service charge rates for 6 month loan			
	2.0%	2.5%	3.0%	5.0%

Loan amount	Total service charge for a 6 month loan			
500	60	75	90	150
1,000	120	150	180	300
1,500	180	225	270	450
2,000	240	300	360	600
2,500	300	375	450	750
3,000	360	450	540	900
3,500	420	525	630	1,050
4,000	480	600	720	1,200
4,500	540	675	810	1,350
5,000	600	750	900	1,500
6,000	720	900	1,080	1,800
7,000	840	1,050	1,260	2,100
8,000	960	1,200	1,440	2,400
9,000	1,080	1,350	1,620	2,700
10,000	1,200	1,500	1,800	3,000
11,000	1,320	1,650	1,980	3,300
12,000	1,440	1,800	2,160	3,600
13,000	1,560	1,950	2,340	3,900
14,000	1,680	2,100	2,520	4,200
15,000	1,800	2,250	2,700	4,500
16,000	1,920	2,400	2,880	4,800
17,000	2,040	2,550	3,060	5,100
18,000	2,160	2,700	3,240	5,400
19,000	2,280	2,850	3,420	5,700
20,000	2,400	3,000	3,600	6,000
21,000	2,520	3,150	3,780	6,300
22,000	2,640	3,300	3,960	6,600
23,000	2,760	3,450	4,140	6,900
24,000	2,880	3,600	4,320	7,200
25,000	3,000	3,750	4,500	7,500

Note. VSLFs should only offer 3-month and 6-month loans to VSLAs. This keeps things simple and easy to administer and because it is unlikely that a VSLA will be able to make effective use of a VSLF loan in its internal loan fund in any shorter time than three months.

In this manual the tables show 3-month, and 6-month service charges for different loan sizes.

The example shown here illustrates how the service charge is calculated, for the case already shown in Figures 8 – 11, the VSLA borrowed GH¢ 2,500 at a rate of 3% per month for 6 months (in effect, 18%). The user goes to the 3% column and goes down till the figure in the left-hand column is GH¢ 2,500. At the intersection of the column and the row, this shows that the service charge to be added to the loan is **GH¢ 450**.

Once this is done, no other service charges are added to this loan in the future

Note: These tables may need to be created differently for different currencies. This is because some currencies use very high denominations (such as Tanzanian Shillings [GH¢], which are over 2,300 to the \$US, while, at this time, Ghanaian Cedis, are only 15). Creation of country-specific tables can be done upon request to VSL Associates, at no cost.

Table 15: Service charges for 3-month loans

	Monthly service charge rates for 3 month loan			
	2.0%	2.5%	3.0%	5.0%
Loan amount	Total service charge for a 3 month loan			
500	30	38	45	75
1,000	60	75	90	150
1,500	90	113	135	225
2,000	120	150	180	300
2,500	150	188	225	375
3,000	180	225	270	450
3,500	210	263	315	525
4,000	240	300	360	600
4,500	270	338	405	675
5,000	300	375	450	750
6,000	360	450	540	900
7,000	420	525	630	1,050
8,000	480	600	720	1,200
9,000	540	675	810	1,350
10,000	600	750	900	1,500
11,000	660	825	990	1,650
12,000	720	900	1,080	1,800
13,000	780	975	1,170	1,950
14,000	840	1,050	1,260	2,100
15,000	900	1,125	1,350	2,250
16,000	960	1,200	1,440	2,400
17,000	1,020	1,275	1,530	2,550
18,000	1,080	1,350	1,620	2,700
19,000	1,140	1,425	1,710	2,850
20,000	1,200	1,500	1,800	3,000
21,000	1,260	1,575	1,890	3,150
22,000	1,320	1,650	1,980	3,300
23,000	1,380	1,725	2,070	3,450
24,000	1,440	1,800	2,160	3,600
25,000	1,500	1,875	2,250	3,750

*Note:* It will be seen that a loan of the same amount, at the same service-charge rate is half the amount (GH¢ 225) compared to the 6-month loan (GH¢ 450)

## **Annex 6: VSLF loan application form**

---

Date of application: \_\_\_\_\_

Name of the VSLA: \_\_\_\_\_

Address of the VSLA: \_\_\_\_\_

Total number of shares invested in the VSLF (including on the date of application): \_\_\_\_\_

Total amount in cash shared out at the end of the last cycle: \_\_\_\_\_

Total amount requested as a loan from the VSLF: \_\_\_\_\_

How many months will the loan run (3 or 6 months): \_\_\_\_\_

We, the undersigned declare that this application is agreed to by all the members of the VSLA and that the funds will be used to invest only in the VSLA's Loan Fund.

Signed (Chairperson): \_\_\_\_\_

Name: \_\_\_\_\_

Signed (Record-keeper) \_\_\_\_\_

Name: \_\_\_\_\_

Signed (Box-keeper): \_\_\_\_\_

Name: \_\_\_\_\_

Signed (Member): \_\_\_\_\_

Name: \_\_\_\_\_

Signed (Member): \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

(Record-keeper of the VSLF initials as appropriate, as voted by the VSLF Representatives)

## **Annex 7: VSLF savings withdrawal application form**

---

Date of application: \_\_\_\_\_

Name of the VSLA: \_\_\_\_\_

Address of the VSLA: \_\_\_\_\_

How to calculate the maximum amount that can be withdrawn	
a. Total number of shares owned by the VSLA in the Federation	
b. Price of one share (how much was paid for one share)	
c. Total savings in the Federation (VSLF) (a x b)	
d. Multiply total savings by 75%	0.75
e. Maximum amount that can be withdrawn by the VSLA (c x d)	

Amount of savings withdrawal requested from the VSL Federation: \_\_\_\_\_

We, the undersigned, declare that this application is agreed to by all the members of our VSLA and that the withdrawal we receive will be returned to our VSLA's Loan Fund.

We, the undersigned, declare that we have no loans outstanding with the Federation

Signed (VSLA Chairperson): \_\_\_\_\_

Name: \_\_\_\_\_

Signed (VSLA Record-keeper) \_\_\_\_\_

Name: \_\_\_\_\_

Signed (VSLA Member): \_\_\_\_\_

Name: \_\_\_\_\_

Signed (VSLA Member): \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## **Annex 8: Use of notebook: supplemental cash, savings and loan records**

---

Supplemental records are kept in a notebook, which is maintained by the Record-keeper and locked in the Cash-box between meetings. A notebook (in addition to VSLA passbooks) is needed because, unlike in a VSLA, the passbooks remain with the Representatives to carry back to their VSLAs as evidence that savings and loan records are correct. Because there is a risk that a member VSLA's Representative may lose or forget to bring their passbook, the VSLF Record-keeper maintains a simple set of accounts that record VSLA cash balances, savings records and records of the Loans outstanding from each VSLA.

56

Record of savings, page 2					Share price			
VSLA No.	Carried forward	Total shares	New shares	Total shares	New shares	Total shares	New shares	Total shares
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
Total shares								
Total saved								

## 8.2 Record of loans outstanding by each VSLA

Records on this page are taken from the balance line of each VSLA's loan passbook. It records the balance remaining and NOT the value of the loan disbursed. The balance remaining will incorporate the service charge.

*Record of loans outstanding, Page 1*

	29/2/24	28/3/24	25/4/24	23/5/24	20/6/24			
No.	Loan balance (including service charge)							
1	3,540	3,000	2,000	2,000	0			
2								
3	2,950	1,950	950	950	500			
4			2,360	2,000	2,000			
5								
6								
7			2,950	2,500	2,000			
8								
9		1,180	1,180	0				
10				1,750	1,500			
11								
12								
13								
14								
15								
Total	6,490	6,130	9,440	9,200	6,000			

*Record of loans outstanding, page 2*

<b>No.</b>	<b>Loan balance (including application fee)</b>				
<b>1</b>					
<b>2</b>					
<b>3</b>					
<b>4</b>					
<b>5</b>					
<b>6</b>					
<b>7</b>					
<b>8</b>					
<b>9</b>					
<b>10</b>					
<b>11</b>					
<b>12</b>					
<b>13</b>					
<b>14</b>					
<b>15</b>					
<b>Total</b>					

### 8.3 Record of cash balances

*Cash balances*

<i>Date</i>	<i>Cash in Expenses/ Insurance Fund bag</i>	<i>Cash in the Loan Fund bag</i>
<i>4/1/24</i>	<i>550</i>	<i>2,250</i>
<i>1/2/24</i>	<i>1,100</i>	<i>4,550</i>
<i>29/2/24</i>	<i>1,650</i>	<i>1,600</i>
<i>28/3/24</i>	<i>2,200</i>	<i>2,900</i>
<i>25/4/24</i>	<i>1,750</i>	<i>350</i>
<i>23/5/24</i>	<i>2,300</i>	<i>250</i>
<i>20/6/24</i>	<i>2,850</i>	<i>3,900</i>