



USHURU

SACCO SOCIETY LIMITED

Huduma Maradufu

SUSTAINING THE MOMENTUM

2018 EDUCATION TEXT



Huduma Maradufu!

'High Quality Services to Members Since 1970'



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BOARD OF DIRECTORS



Isaac Kiprop
National Chairman



Frank Robert
National Hon. Secretary



Onesmus Nzuki
National Vice Chairman



Samuel Wachiuri
National Treasurer



Oliver Sikuku
Director



Patrick Chelule
Director



Boaz Chimasia
Director



Edwin Talel
Director



Emily Obonyo
Director



William Pudha
Chief Executive Officer



SUPERVISORY COMMITTEE



William Ndiritu
Chairman Supervisory Committee



Martin Obara
Secretary Supervisory Committee



Christopher Ngilu
Member Supervisory Committee



MESSAGE FROM THE NATIONAL CHAIRMAN

I welcome you all to this year's Members Education program. I encourage you to internalize this edition with keen interest.

The Society remains dedicated to streamlining its processes, upgrading its infrastructure and maintaining exceptional service delivery to our members. This continues to be our driving principle despite the numerous challenges we continue to face in our quest to become a world leading Sacco as enshrined in our Vision statement.

The protracted political tension following the disputed general elections coupled with a growing public debt has significantly affected the Cooperative Sector. The impact of this situation has seen Saccos report deficits, low or no dividend payouts, and a record low interest on deposits. This has elicited mixed reactions amongst members prompting many to revise their financial plans, others opting to shelve their investment decisions while some have chosen to 'wait and see'. This state of uncertainty has bred skepticism amongst a majority of members whose levels of confidence and trust in the Co-operative bond seems to be dwindling by the day.

We are alive to these developments and we have initiated action plans to consolidate the gains we have realized without compromising on the milestones we want to achieve. That is why we are committed to sustaining the momentum and maintaining an upward growth trajectory in all our endeavors. We are poised to surmount the challenges we face as we progress towards the envisioned world class status.

In the same vein of sustaining the momentum, we have rolled out and embarked on implementing our Strategic Plan (2018-2022) in order to fast-track attainment of our goals. We have also embraced Performance Management to track and measure our progress. We have further changed the Society's logo, Vision and Mission statements all in a bid to rebrand and reposition the Society as a formidable force in the sector.

Our core values have equally been harmonized to reflect our growth agenda. Engagements are also underway to obtain a deposit taking license from SASRA (Sacco Societies Regulatory Authority) in order to revamp the present model to integrate FOSA (Front Offices Services Activity) in our operations. We envision that this strategic positioning will propel us to increase our share in the market, boost our revenues, consolidate our financial standing amongst other critical deliverables.

Let's keep our dreams alive and maintain the tempo of growth as a world class society of choice. Have a fruitful educational experience. Long live Ushuru!

Isaac Kiprop
National Chairman



MESSAGE FROM THE EDUCATION COMMITTEE CHAIRMAN

The dynamic nature of the cooperative sector not only calls for a shift in paradigms, but also roots for an overhaul of our present models, and revision of our strategic approach if we have to sustain the pace of growth we have set for ourselves. We have to pull our efforts together for us to secure an ideal stake for all members as we stretch our muscles to sustain the momentum of growth.

Prudence therefore demands that we proactively initiate steps to position Ushuru Sacco as a world class force. We have thus installed the necessary infrastructure including construction of the Ushuru Sacco Centre office block, we are soon rolling out FOSA and reengineering various products amongst other initiatives in an effort to strategically position our Society for better performance.

In this regard we are focusing on the following amongst others to deliver on the 'Ushuru promise' of 'Huduma Maradufu':

1. Strategic plan
2. FOSA
3. Ushuru Sacco Centre
4. Collateral Based Lending
5. New Logo
6. Ushuru Investment Co-operative status update

Strategic Plan 2018- 2022

We have officially rolled out the Strategic Plan 2018-2022 to help us sustain the growth momentum we aspire to maintain for the next 5 years. The plan is anchored on four strategic pillars namely; People(staff), Processes, Customers and the Financial pillar.

Financially we anticipate to increase our total assets to 5.5billion, grow our total revenue to Kshs 600M and increase our core capital to Kshs 650M by the year 2022. We hope to hire and retain a highly competent professional staff that will execute and implement the identified deliverables. This will be realized through capacity building and performance management to enhance efficiency.

Further we also plan to maintain our loan turnaround time at 48hours and ensure we minimize delinquency at below 1%. We also look forward to automating the loan application process and mode of guarantee in due course. Our products and services will also be aligned to address member needs and preferences besides enhancing feedback mechanisms.

This will necessitate collaborations with strategic partners in order to streamline our operations and enhance members' convenience in as far as facilitating their transactions is concerned. This will offer a convenient platform for Automated Teller Machines and Point of Sales Systems to our members.



Front Office Services Activity (FOSA)

Our present service framework is premised on the BOSA (Back Office Services Activity) model. The conventional BOSA model allows monthly remittance of savings which can only be withdrawn upon quitting membership.

FOSA on the other hand refers to the bank-like services provided by Saccos. It is an innovative service model that will enhance members' convenience and boost the Society's financial leverage. FOSA deposits are flexible in nature and can be used to offset loans or boost the ordinary share savings. It will open an avenue for unlimited withdrawals and deposits over the counter.

A number of our services like the Investment savings account, Msacco and Mpoa loans are already deemed to fall under FOSA. This has therefore prompted us to seek a legal mandate to carry on with these products and services within the framework of the law. As a deposit taking entity, the law stipulates that we obtain an operating license from SASRA (Sacco Societies Regulatory Authority) which is tasked to regulate such operations within a Sacco set up.

With this hybrid combination of BOSA and FOSA models we will essentially create a platform for new frontiers in our core business including execution of standing orders, short-term Advances, Salary Processing amongst other transactions. This will significantly increase our market niche and open up the bond further.

Our surplus is equally expected to improve owing to the transaction income and fees that will be generated from FOSA operations.

Ushuru Sacco Centre

The Society has registered tremendous growth including the development of the necessary infrastructure to facilitate attainment of our objectives as a cohesive team. It is through your support and effort that we have finally been able to complete the state of the art office block at Wood avenue in Kilimani. The ultra-modern eight-storey Ushuru Sacco Centre has been completed and the secretariat will consequently be operating from there.

Two floors are specifically reserved for the Sacco office whereas the remaining floors will be sublet for tenancy. This will significantly diversify our income streams besides offering convenient space for staff whose capacity has equally grown. We hope to officially launch the Centre on an ideal date that will be communicated you. Please do find at the tail-end of the text, a location map to Wood Avenue, Ushuru Sacco Centre.

Collateral Based Lending

We are aware of the rigorous process members undergo in getting guarantors. We have explored a number of options to address this hassle. We have adopted a collateral based lending approach to address guarantor related concerns.

The collateral policy in place allows members to secure their loan applications with either logbooks or title deeds. The collateral to be charged will undergo perfection and will remain in the Society's custody for the loan duration until the undertaken loan is fully cleared.



This lending approach will consequently affect loan turnaround time because of the perfection process and involve outsourcing of some services to other stakeholders like valuers, and lawyers. Members should take note of the costs that they will bear for valuation lawyers fees. In case a member defaults in repaying their loan, the Society can proceed to repossess their asset and dispose it to recover the loan. However collateral based lending will significantly address challenges related to guarantor sourcing and to a great extent, it will diversify financing options for our esteemed members.

New Logo



Old Logo

New Logo

We have changed our logo as a brand symbolism that best reflects the path we want to take going forward. The new logo is in line with our strategic objective of enhancing our corporate outlook.

The bird that is perched on top is a Superb Starling. It is an East African species that personifies our African descent and originality. This serves to project the pride of our African Heritage. The species is known to flock together in dozens towards sunset and exemplifies the quality of provision in its nature.

At its beak is a coin drop that portrays Ushuru Sacco as a provider of financial services. It projects our desire to soar high in the sector as we grow into a world class Society. We remain committed to safeguarding member’s interests as we offer superior financial services in the market.

We also endeavor to continue exploiting new frontiers that will thrust us into the coveted future we long for.

Ushuru Investment Co-operative (UIC) Status update

UIC which is the investment wing of our Society is on a stable course. We have registered commendable strides in membership growth and project undertakings. In the year 2017 we successfully purchased and disposed the Kisumu/Kanyawegi plots which attracted an overwhelming subscription. The transaction was expedited and titles were processed to the land owners in record time.

Currently we are transacting to acquire and dispose a number of plots including Mtwapa in Mombasa and negotiations are underway for the Ngeria plots in Eldoret. We are also finalizing the disposal of the just acquired land in Kitengela with the objective of acquiring others. We anticipate to register significant growth and venture into other lucrative projects that will appeal to members going forward.



The Supervisory Committee and Board of Directors

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Our abiding commitment as the secretariat has been to maximize shareholders' value and wealth. We have endeavored to continuously improve the quality of our members' experience by constantly reviewing and redesigning our internal models in order to deliver desired outcomes.

We have increased staff capacity and installed measures to retain a highly competent and a professional workforce that will ensure we not only meet members' expectations but we empower them as well. We have consequently revised our organizational structure and adopted staff performance contracts to further optimize our performance and stimulate our core competencies with a view of amplifying our growth prospects.

Risk Management Fund-RMF

This is a mandatory Benevolent fund which levies a minimum contribution of Ksh. 300 per month from all Society members. The fund is meant to cover premiums for Loan Guard Insurance and acts as a funeral rider that benefits the bereaved family of a principal member who is deceased. The fund covers burial expenses for one spouse (KSh. 40,000) and (KSh. 10,000) for the loss a child.



Where a member applies for a loan facility of Ksh. 500,000 and above, they will incur an extra 3% premium of sums borrowed above the cap.

Refund of accumulated deposits is half of RMF in case one withdraws voluntarily from the Society. Members are urged to keep their family records information updated so as to streamline claims.

Share Capital

This is a mandatory and an agreed sum contributed by bonafide members of the Society as ratified during an ADM (Annual Delegates Meeting). The share capital is therefore subject to change from time to time as deemed fit by a Delegates resolution in a properly constituted sitting. Presently the share capital amount for all members is a minimum of **Ksh. 30,000**.

Share capital earns member's dividends at a predetermined rate. It represents a member's stake of ownership in the Society. One cannot enjoy any services/products if they have not accumulated this sum.

Unlike the share deposits, share capital is only transferable and not withdrawable upon quitting membership. Members are urged to take note of this to avoid misunderstanding.

Members on Cash Payments

Previously we have allowed cash members to remit their contributions and payments via standing orders where they instruct their respective banks to send payments to the Society at monthly intervals. We are working on a functional modality of Direct Debits instead where members will grant us express authority to collect money directly from their bank accounts whenever their Sacco payments fall due.

This step is informed by the worrying trend where members have failed to honor their financial obligations with the Society. This will act as a temporal precursor to the FOSA model which is expected to adequately address this. We will have more leverage to vary members' obligations and the intervals of collections without further authorization from the member and we will automatically be notified by the Direct Debit system of any cancellations or failures to curb such cases.

Online guarantorship and Signatures

We are pilot-testing on actualizing online guarantor-ship to help address the hassle of scouting for guarantors. In the meantime, we still have to comply with the specimen signatures in place until this is fully actualized.

There has been a growing tendency of loan applicants forging guarantor details and signatures. This is tantamount to violation of policy and is an admissible offence by law. We therefore wish to urge our members to desist from such malpractices which may compromise their good standing.

Family Records and Next of Kin Forms

We have also noted with concern issues emerging on member's records as regards their next of kin details. There is need that members frequently update their family records from time to time. The said beneficiaries should preferably be relatives drawn from their nuclear family. Members are advised to apportion the respective allocations wisely to avoid hitches upon claiming. The trusted beneficiaries should be informed about member's stake in the SACCO to ease on transactions in case of demise.



There is a next of kin form downloadable from the Society's website. The next of kin form is a mandatory requirement under Section 39 of the Co-operative Societies Act (Cap 490A) laws of Kenya. Members ought to be aware that the list of beneficiaries provided is what is used to execute claims upon the demise of a principal member. This therefore calls for caution and prudence on the part of a member nominating beneficiaries and giving allocations.

Member Statements

We encourage our members to update their email addresses to enable us furnish them with their statements annually. The same addresses come in handy when we want to make a communication at their ease and comfort. The statements can easily be accessed via the web portal on real time apart from other user required documents.

Cut-Off Dates for Check Off

We urge all our members to observe the set deadlines for executing all check-off instructions for smooth transactions with their respective employers. We therefore wish to stipulate that the set cutoff date for the Society is the 4th day of every month. Any late submissions will be rolled over for consideration to the subsequent month.

Share Boosting

We wish to commend members to keep increasing their share standing in the SACCO in order to maximize their stake in the Society. However, such lump sum deposits should not be with intention to fast track loan application. The 3-month waiting period shall still hold. In case of a special need arising, this should be captured in writing and addressed to the Board for consideration.



Nairobi Branch CSR 2017



Ushuru Sacco Staff

MEMBER SERVICE CHARTER

	SERVICE	REQUIREMENTS	DURATION EXPECTED TO TAKE	DEPT
1	Email and written correspondence		<ul style="list-style-type: none"> • Reply within 24 hrs 	Administration
2	Telephone call		<ul style="list-style-type: none"> • Immediately 	All
3	General enquiries at desk		<ul style="list-style-type: none"> • 5 minutes 	All
4	Membership application	<ul style="list-style-type: none"> • Duly filled membership forms • Copy of National ID and Colored passport photo 	<ul style="list-style-type: none"> • Confirm receipt within 48 hrs • Board approval within 30 days 	Administration
5	Social media comments & inquiries		<ul style="list-style-type: none"> • Response within 1 hour 	Marketing
6	Requests for Marketing visit		<ul style="list-style-type: none"> • Confirmation within 24 hrs 	“
7	Almasi loan processing	<ul style="list-style-type: none"> • Duly filled loan application form • Signed by a witness 	<ul style="list-style-type: none"> • Maximum 30 minutes 	Credit



8	Normal, Refinance, Emergency, School fees, Jongea, Tiba and Shujaa loan	<ul style="list-style-type: none"> • Duly filled loan application form • Signed by guarantors • Copies of two latest pay slips • Copy of National ID • Loan form endorsed by employer • Signed by witness 	<ul style="list-style-type: none"> • Within 48 hrs 	“
9	Mpoa Loan	<ul style="list-style-type: none"> • Msacco registered members 	<ul style="list-style-type: none"> • Within 2 minutes 	IT
10	Refund deductions from payroll	<ul style="list-style-type: none"> • Attached relevant evidentiary documents 	<ul style="list-style-type: none"> • Within 24 hrs 	Credit
11	M-Sacco registration(walk ins)	<ul style="list-style-type: none"> • Duly filled M-Sacco registration form • Copy of National ID 	<ul style="list-style-type: none"> • 5 minutes 	IT
12	M-Sacco registration (via email)	<ul style="list-style-type: none"> • Duly filled M-Sacco registration form • Copy of National ID 	<ul style="list-style-type: none"> • Within 12 hrs 	“
13	Live chat responses		<ul style="list-style-type: none"> • 2 minutes 	“
14	M-Sacco pin resets	<ul style="list-style-type: none"> • Phone call or written request 	<ul style="list-style-type: none"> • 5 minutes 	“
15	Portal password requests	<ul style="list-style-type: none"> • Phone call or written request 	<ul style="list-style-type: none"> • 10 minutes 	“
16	Receipting deposit slips(walk ins)	<ul style="list-style-type: none"> • Deposit slip 	<ul style="list-style-type: none"> • 5 minutes 	Finance
17	Receipting deposit slips (via email)	<ul style="list-style-type: none"> • Deposit slip 	<ul style="list-style-type: none"> • Within 12 hrs 	“
18	Receipting standing orders	<ul style="list-style-type: none"> • Standing order 	<ul style="list-style-type: none"> • Within 20 minutes 	“
19	Cash payments	<ul style="list-style-type: none"> • Copy of National ID 	<ul style="list-style-type: none"> • Within 10 minutes 	“
20	Loan encashment	<ul style="list-style-type: none"> • Copy of National ID 	<ul style="list-style-type: none"> • Within 10 minutes 	“
21	Preparation of cheques	<ul style="list-style-type: none"> • Copy of National ID 	<ul style="list-style-type: none"> • Within 48 hrs 	“
22	Investment withdrawal	<ul style="list-style-type: none"> • Duly filled investment withdrawal form • Copy of National ID 	<ul style="list-style-type: none"> • Within 30 minutes 	“
23	Membership withdrawal	<ul style="list-style-type: none"> • Duly filled membership Withdrawal form • Duly executed guarantor substitution forms 	<ul style="list-style-type: none"> • Within 2 months 	“



2018 Annual Delegates Meeting-Acacia Premier Hotel,Kisumu

RESOLUTIONS IN THE YEAR 2018

The 32nd Annual Delegates Meeting discussed and passed the following as resolutions for implementation: -

1. That Dividends on paid-up Share capital for the period ending 31st December 2017 be paid to members as re-capitalization at 11% (less withholding tax) in the month of April 2018.
2. That Interest on Members' deposits for the period ending 31st December 2017 be paid to members at 10.5% on weighted average basis (less withholding tax and CAK fees) in the month of April 2018. This will apply to deposits held with the Society as at 31st December, 2017 on active members.
3. That Interest on Members' Investment product for the period ending 31st December 2017 be paid to members at 9% on weighted average basis (less withholding tax) in the month of May 2018. This will apply to Investment deposits held as at 31st December, 2017.
4. That Honorarium at prescribed rates be paid to the Management Board, Supervisory Committee members and Branch officials. The Staff also be paid a bonus as prescribed.
5. That the Society's borrowing power is maintained at Kshs Fifty (50) million for the purpose of furthering the objectives of the Society.
6. That Kitale and Moyale stations will have resident delegates effective the year 2019. Further, the Board to review electoral boundaries with a view of covering additional employer stations.
7. That the term of delegates be retained at one year.
8. That the minimum share deposit requirement for office holders be revised as at 31st December, 2018 shown below:



- a.) Delegate: KShs 500,000
- b.) Branch Official: KShs 700,000
- c.) Supervisory Committee Member: KShs 1,000,000
- d.) Directors (Board Member): KShs 1,000,000

9. That minimum monthly contribution be revised from KShs 2,000 or 5% of basic salary to KShs 3,000 or 5% of basic salary with effect from 1st July, 2018.
10. That members applying for loans from KShs 2 million and above maintain a minimum monthly contribution of at least KShs 5,000 p.m.
11. That Ushuru Sacco obtains Deposit Taking license and put necessary arrangements to engage in Deposit Taking (FOSA) activities.
12. That revised By-laws be adopted for registration with the Commissioner of Cooperatives as the Approved Society's By-Laws subject to corrections, noticed grammatical and or statutory requirement.

General information.

1. We wish to remind membership that members' education shall be conducted in the months of May /June 2018, schedule to be released shortly. Members are encouraged to plan and attend these important sessions where issues of the Society shall be deliberated.
2. The Society wishes to remind membership of the partnership with CIC insurance on negotiate insurance covers at 4%. Those interested are advised to get in touch with the office on 020 271 9660.
3. The Society has since completed construction of the office block, UShuru Sacco Centre, located at Wood Avenue, Kilimani area, where the head office will be relocated. The management endeavors to ensure minimal disruption of service during the relocation exercises. We shall notify members in due course when we are moving.
4. Thirteen (13) plots at Kitengela are still available and interested members are encouraged to come forward and purchase. Further details can be got from the office.
5. In view of the challenge with the payslip balances, members are advised to obtain their accurate account balances at the Society's web portal. Login has been made easier by use of National Identity (ID) number. For more guidance please contact the office.



Kisumu Branch CSR 2017

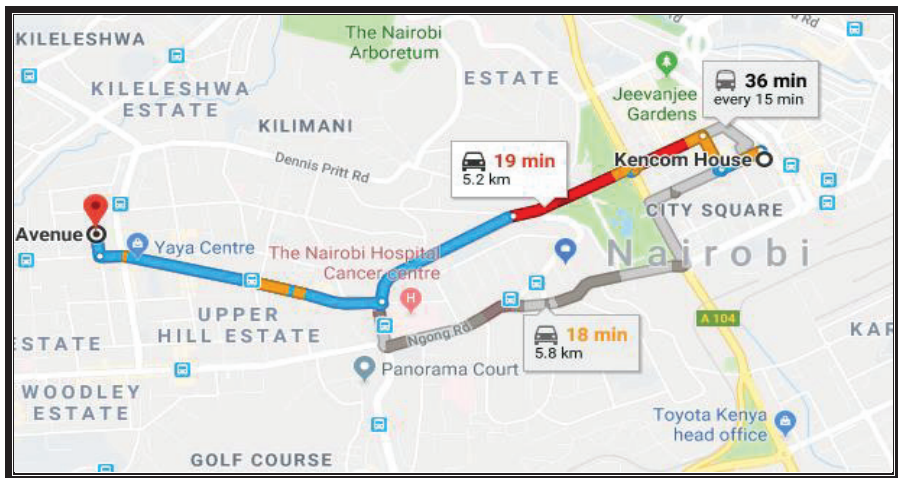


Financial Performance

The society has continued to record good performance as highlighted in the table below:

Year	Membership	Share /Deposits (Kshs) weighted	Loans To Members (Kshs)
2005	2189	402,058,600	436,039,400
2006	2335	491,550,100	538,962,800
2007	2568	610,556,600	668,836,100
2008	3056	731,420,700	800,435,700
2009	3424	866,126,490	966,506,200
2010	3568	1,044,271,903	1,047,172,700
2011	3781	1,227,971,411	1,199,996,600
2012	4000	1,446,103,014	1,526,762,808
2013	4298	1,659,169,217	1,632,784,028
2014	4405	1,832,003,951	1,738,645,750
2015	4817	2,096,594,617	2,153,121,256
2016	5390	2,501,944,562	2,435,313,623
2017	5946	2,746,532,142	2,680,471,466

MAP TO USHURU SACCO CENTER FROM KENCOM





BRANCH OFFICIALS

Nairobi Branch



Kevine Maina
Chairman



Dorcas Mwandoo
Treasurer



Susan Rita
Secretary

Mombasa Branch



Edward Talam
Chairman



Cecilia Mwamino
Treasurer



Charles Wanjohi
Secretary

Eldoret Branch



Brenda Mogiti
Chairman



Joseph Bett
Treasurer



Florence Masai
Secretary

Kisumu Branch



Julius Owuor
Chairman



Risper Mukiri
Treasurer



Rose Latenya
Secretary

OUR VISION

To be a world leading Sacco in empowering members for quality life.

OUR MISSION

To provide quality, efficient and affordable products and services while exploiting new technological frontiers.

OUR OBJECTIVE

To improve the economic lives of our members through provision of quality products and services.

MAIN-OFFICE

Ushuru Sacco Centre
Kilimani, Wood Avenue.
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MOMBASA - OFFICE

Custom House
(Ground Floor Rm No. 6).
P.O Box 96601, Mombasa
Tel: 020 - 2170661

ELDORET - OFFICE

Kiptagich House,
4th Floor (Rm No. 416).
P.O Box 402, Eldoret.
Tel: 053 - 8015853

KISUMU - OFFICE

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Ushuru Sacco Society Limited



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