

2024

SUNYANI AREA TEACHERS COOPERATIVE CREDIT UNION (SATCCU)



SATCCU

2/1/2024

OPERATIONAL POLICIES

MISSION STATEMENT

Sunyani Area Teachers' Co-operative Credit Union Limited is a financial co-operative institution made up of teachers and non-teachers within Sunyani area. It seeks to provide savings and credit facilities to its members within Sunyani and other towns in Brong Ahafo Region. The Union offers competitive financial services by inculcating the habit of savings and provides loans at a reasonable and fair interest rate to its members.

The ultimate aim of the Union is to improve upon the living standard of its members within Sunyani and other towns.

PREAMBLE

Sunyani Area Teachers' Co-operative Credit Union Ltd shall maintain and use such policies that enhance effectiveness and efficiency in her operation. The policies will cover the union's varied areas of operations such as membership, shares, savings, loans, investment and counseling and appointment of committees.

ADMINISTRATION OF THE POLICIES

The policies shall be administered by the Board of Directors who shall reserve the right to amend any of the clauses stated herein from time to time.

OBJECTIVES OF THE POLICIES

The objectives of the policies are to guide members to work accordingly to enhance smooth business transactions. It is also to ensure compliance to the rules and regulations and to foster fairness among members.

POLICIES OF THE CREDIT UNION

The policies are the guidelines that regulate the main areas of operation of the Credit Union. These areas of operation could be described as the various components or the makeup of the Credit Union. They include the following:

- Membership Policy
- Shares Policy
- Savings Policy
- Loans Policy
- Investment Policy
- Financial Counseling

1. MEMBERSHIP POLICY

PREAMBLE

Membership is open to all educational workers and their spouses and other members of Sunyani and other towns irrespective of their occupational, tribal, political or religious background.

ADMISSION

Before a person is considered for admission as a member of SATCCU Ltd, he/she might have completed a membership application form and paid the required entrance fee and minimum share.

MEMBERSHIP RIGHTS

All members shall enjoy equal rights and privileges except in the case of minors who shall have special membership treatment. All members shall be entitled to one vote at Annual General Meetings. They will be given equal attention and hearing during such official meeting.

TERMINATION OF MEMBERSHIP

A membership can be terminated under the following circumstances:

- If a member's behaviour becomes detrimental to the business of the Credit Union.
- When a member becomes dormant contributor for 12 calendar months
- As soon as a member is declared dead.
- Voluntary withdrawal of membership is permitted.

RESTRICTIONS

- No member shall be allowed to withdraw his/ her membership unless one's loan is paid in full.
- Such a member will also have to satisfy the union that all loans guaranteed have been paid in full or the balance does not exceed the savings of the members whose loans were guaranteed.

With the exception of the conditions under number 1 and 3 a member can reapply for new admission.

2. SHARES POLICY

PREAMBLE

To comply with the co-operative law (Act 252) which states that “before a person is accepted as a member of any co-operative venture he/she might have paid the required entrance fees, and at least the minimum required share(s)” the document herein called THE SHARE POLICY seeks to regulate the shareholding of members.

OBJECTIVES

- To regulate the shareholding of members
- To determine the level of acquisition of shares in the Credit Union
- To ensure equitable distribution of dividends.

PURPOSE OF SHARES

- To become a co-owner of the Credit Union and able to participate in the democratic process.
- To build a sound capital base for the Credit Union.
- Share also serves as a risk capital; a member's liability is limited to the minimum required amount of capital he/she owns.
- Shares improve upon the liquidity situation of the Credit Union.
- Shares serve as funds for specific project and capital investment.

VALUE OF SHARE

The value of the minimum required share of the Credit Union at any given point in time shall be determined by the Board of Directors.

LEVEL OF SHAREHOLDINGS

- Every member of SATCCU Ltd shall be required to own at least the minimum shares in compliance with the Co-operative Decree 252 of 1968.
- A member is allowed to own or buy more than the minimum share.
- The Board of Directors may review the minimum share when necessary.
- Shares subscribed shall be evidenced by issuance of a passbook. In the absence of a passbook, share certificate shall be issued.
- Shares can be paid in by installment with one becoming a qualified member after the full payment.
- Members shall pay towards their shares and savings simultaneously.
- A member shall fully subscribe to the minimum share before he/she qualifies for a loan.
- Shares of deceased member shall be paid to the beneficiary when the notice and identification is declared.
- A member whose membership is terminated from the Credit Union shall have his/her shares paid after deducting all liabilities within one month.
- No member shall be allowed to hold more than 20% of the total shares to the Credit Union at any given time.
- A register of members with full shares shall be maintained at all times.

SHARE DIVIDENDS

Dividends on shares shall be paid to shareholders at the end of the financial year if surplus is declared.

The rate of dividends shall be proposed by the management.

Share dividends, when proposed and approved shall be credited to individual members' shares accounts.

LIABILITY

Should there be any liquidation of the Credit Union, all debts incurred by the union shall be defrayed with members' shareholdings only. This means that the liability of a member shall be limited to his/her shareholdings only and SHALL NOT INCLUDE his/her savings and other entitlements should there be any of such other entitlements.

VOTING RIGHTS

All shareholding members have equal voting rights. New members who have not paid up to 100% of their minimum shares shall not have right to vote at the Annual General Meeting of the Credit Union.

WITHDRAWAL OF SHARES

Share shall not be withdrawn below the minimum shares except in the event of resignation, where the member shall be required to give 90(ninety) days written notice.

3. SAVINGS POLICY

The policy on savings and its related operation shall be known as the "THE SAVINGS POLICY".

TYPES OF SAVINGS

The Credit Union operates the following savings accounts.

- Member Savings
- Youth Savings
- Special Deposit
- Mobile Banking Savings

OBJECTIVES

- To mobilize savings from members with the purpose of ensuring that members build up capital for a better standard of living both now and in future.
- To reduce financial dependency of members through small saving mobilization.
- To pay back savings on demand to members with interest at competitive rate.
- To invest the mobilized savings prudently and profitably in risk free investment areas only.

SCOPE OF SAVINGS

The policy shall cover the following areas:

- Savings mobilization
- Interest on savings
- Savings Withdrawal

MOBILIZATION OF SAVINGS

The union shall mobilize regular savings from its members only at an agreed value on daily, weekly or monthly basis. Such value shall be determined by the management and be reviewed from time to time. The management may at its own discretion accept bulk savings from members at agreed terms.

ACCUMULATED SAVINGS

The union shall receive and accumulate savings such that any individual's savings shall not exceed 20% of the Credit Union's total assets.

INTEREST ON SAVINGS

Interest shall be paid on members' savings at a rate to be determined by the management. The rate of interest shall be competitive and not be less than the prevailing market rate at the time of calculation.

MODE OF INTEREST PAYMENT

Interest shall be calculated quarterly, half a year or yearly depending on the circumstances and credited to the individual member savings account.

SAVING WITHDRAWAL

Members shall be encouraged to maintain their savings with the Union as long as they remain members. They may however withdraw whole or part of their savings under the following condition:

- If a member leaves or intends to leave our area of operations he/she may withdraw his/her accumulated savings plus interest accrued to the savings so far as the member is not indebted to the Credit Union or that any portion of the savings has not been used to guarantee somebody's loan.
- Where a member is indebted to the Credit Union, his/her savings cannot be withdrawn in as far as the savings serve as a collateral security.
- Where the indebtedness is such that a portion of the savings pledged as security has been released, only that portion plus interest accrued to it can be withdrawn.
- Savings which are frozen to guarantee a loan cannot be withdrawn as long as they remain frozen.

SAVINGS INSURANCE

SATCCU shall insure all member savings against death and permanent disability. The insurance company pays to the injured person or the beneficiary (ies) of the deceased member benefits equal to the savings in the member's saving account if it does not exceed amount determined by CUA. The premium for this insurance is paid by the Credit Union on behalf of the member. That is the higher the savings the higher the benefits.

YOUTH SAVINGS

PREAMBLE

This is a product designed for children and all SATCCU members as well as other potential members. It aims at inculcating the habit of saving in the children.

- Members and other potential members of SATCCU Ltd can open accounts for their children in the name of their children below 18 years.
- The minimum deposit of the account shall be determined by Management from time to time.
- This account will attract interest every 3 calendar months. However, the minor shall not be allowed to contract any loan.
- The parent/guardian who opened account shall have the mandate to withdraw from the account on behalf of the child.
- The parent may come along with the child to save if possible, to inculcate the habit of saving in the child.
- The child shall have the option to take charge of the account when he/she attains 18 year.

SPECIAL DEPOSIT

Special Deposit is an investment account. Members who want to enjoy good and attractive returns on their savings may opt for the special deposit whose interest is competitive against the Bank of Ghana Treasury bill rate. It has ninety-one days, one hundred and eighty-two days and three hundred and sixty-five days maturity periods. It is, however, subject to renewal after maturity. Also, it can be rediscounted even before maturity. But in this case, all or part of the expected interest shall be forfeited depending on the time of the rediscounting. Special deposits are not to be used as collateral for loans

4. LOANS POLICY

SATCCU shall grant loans to its members for any worthwhile purpose.

1a. QUALIFICATION

A member eligible for loan must satisfy the following conditions:

- He / She must not owe the society.
- He / She must have completed four (4) months' probation period.
- He / She has fully subscribed to the minimum shares.
- Notwithstanding the first condition, he/she must have paid at least 75% of his / her last loan contracted from the society and on condition that others have been served and funds are available.

b. ABILITY TO PAY

Members who are found creditworthy and reliable in fulfillment of their financial obligations shall be granted loans more than twice their savings.

2. PROCEDURE

A member wishing to seek loan from the society must:

- Obtain an application form from the Manager and complete it.
- Attach his/her current pay-slip (where applicable) to the completed application form.
- Submit the completed application form to the Manager within one (1) month before the loan is granted.

3. COLLATERAL SECURITY

- Loans shall be secured by the borrower's own savings and the savings of the one (1) or more guarantors when the loan to be applied for exceeds the savings of the borrower.
- A loan above ten thousand Ghana Cedis (GH₵ 10,000) shall be secured by a lease, immovable property (e.g. house etc.)
- Every member is entitled to a loan twice his/her savings. Thirty thousand Ghana Cedis (GH₵ 30,000) shall be the maximum ceiling for loans. However, if the member has contributed thirty thousand Ghana Cedis (GH₵ 30,000) the person shall be given a loan not more than 50% of his/her savings added to any amount above GH₵30,000.

4. DURATION FOR LOAN REPAYMENTS

The amount and period of loan to be repaid are as follows:

- Up to GH₵ 100.00 2 months
- GH₵ 100.00 to GH₵ 200.00 5 months
- GH₵ 300.00 to GH₵ 500.00 12 months
- GH₵ 500.00 to GH₵ 1,000.00 18 months
- Above GH₵ 1,000.00 24 months

NB: Members should note that they can decide to pay their loans earlier than the stipulated time above.

5a. **EMERGENCY LOAN**

The under-mentioned events constitute emergency situations for which loans may be granted:

- Hospitality
- Funerals
- Disasters

The Loans Committee shall approve the emergency loans granted.

b. **IMPREST**

The Manager shall operate with a loan imprest of one thousand Ghana cedis (GH₵1,000.00) every month for soft loans.

c. **LOANS FOR ADMISSION TO TERTIARY INSTITUTIONS**

- Members who apply for study leave and those whose wards sit for Basic Education Certificate, College of Education, Nursing Training and Police Training Examinations etc. and have the intention of seeking loans from the Union must apply for the loans in two (2) months advance so that they may not be disappointed when they are offered admission.
- Nevertheless, the granting of this loan shall be subject to clause (1) of the Loans Policy.

6. **INTEREST ON LOANS**

Members shall be charged interest on loans at a rate of four (4) percent through the Controller and Accountant General's Department in Accra or three (3) percent by cash on unpaid balance.

7. REFINANCING ON LOANS

There may be valid reasons for a loan to be refinanced provided the member has the ability to repay. In such cases the existing loan balance is deducted from the loan.

8. WITHDRAWAL OF SAVINGS

- Members who withdraw part of their savings shall be qualified for loans equivalent to their savings.
- Members who withdraw a small percentage of their savings shall be qualified for loans twice their savings.
- Withdrawals shall only be allowed once.
- Notice of one (1) month shall be given to the manager before withdrawal can be granted to applicant.
- Any member who has received a loan and the loan is in the process of repayment shall not be allowed to withdraw part of his/her savings until the loan is paid. The savings serve as a security.
- A member's savings cannot be used to offset his/her existing loan unless he/she is on retirement or transfer.

9. PENALTY ON LOAN DEFAULT

- In case payment is not made at maturity, penalty not exceeding five percent of the amount payable at the end of the month shall be charged after each month of default.
- After three (3) months of persistent default, the said member shall be expelled from the Union. The savings of the defaulter and that of the guarantor shall be used to defray the loan outstanding.

10. LOANS APPROVAL

- Loans more than twice the member's savings shall be referred to the Board of Directors.
- All loans applied for by members must be approved by both the Manager and the Loans Committee.
- All loans applied by members of the Loans Committee shall be approved by the Board of Directors.
- Payments of loans may be done whenever funds are available.

11. MISCELLANEOUS POLICIES:

- Any member who wishes to withdraw his/her membership shall be liable to pay a fee of ten Ghana cedis (GH₵ 10.00). The said member shall return all documents belonging to the Union to the Manager.
- Members are advised to call at the office periodically to check their savings and loan deductions.

5. INVESTMENT POLICY

PREAMBLE

All monies not needed for the day-to-day business of the Credit Union shall be invested in any safe manner.

MANAGEMENT OF INVESTMENTS

The Management shall have authority as well as the discretion to invest surplus funds of the Union in a manner that will ensure maximum yield at risk-free investment only. The investment of the Credit Union at any given time shall be 18% minimum of total assets. Where it becomes necessary to invest in a long term venture, the Board of Directors shall form a committee for that purpose.

OBJECTIVES

- To invest all surplus funds of the Union to increase profitability.
- To build a strong financial base for the Union.
- To ensure that all surplus funds of the Union are put to productive use.

INVESTMENT PORTFOLIO

The Union may invest in the following areas:

- Bank of Ghana Treasury Bills
- CUA Central Finance Facility (CFF)
- Fixed Deposits/Investment in other registered financial institutions

INVESTMENT REGISTER

Management shall keep and update investment register at all times.

6. FINANCIAL COUNSELLING

SATCCU shall render counseling services to both members and non-members with regard to:

- Members Savings
- Members Loans
- Clients' investment

**ISSUED BY:
BOARD OF DIRECTORS
JULY 2013**