



*With you we achieve...*

# **KENYA ACHIEVAS SACCO SOCIETY LTD**

## **SACCO BRIEF**

### **VISION**

To be a market leader in the provision of financial services in the Republic of Kenya.

### **MISSION**

To provide efficient quality financial services.

### **CORE VALUES**

Honesty, Integrity, Democracy, Confidentiality, Transparency, Effectiveness,  
Teamwork and Professionalism.

**Kenya Achievas Building**

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## HISTORICAL BACKGROUND

Kenya Achievas Sacco Society Limited is a Co-operative Society Incorporated and situated in Kenya with the principle activity being that of receiving deposits and disbursing loans to its membership in the larger Kisii and Nyamira Counties.

It was issued with the New Registration Certificate [CS 8843] on the 29th October, 2013 under the Co-operative Societies Act Cap. 490 section 6 (3) laws of Kenya. Prior to this new name registration the Sacco operated initially as Bobasi Tea Growers Rural Sacco Society Ltd in the years 2001 forward; it then later changed its by-laws that necessitated it to change its name to Irianyi Savings and Credit Co-operative Society Ltd; a name which it has used until late 2013 when it finally changed it to the current name.

The Sacco is now 17 years old, with a membership of 30,854. As at 31/12/2015 it had Total Assets of 310,132,321, Members Deposit of 132,143,972 and Share Capital of 75,006,697. From this statistics Kenya Achievas SACCO emerges as the BEST option to increase the accessibility to financial services to the rural people in Kisii County.

The Sacco has since grown to obtain license from SASRA to operate FOSA and Micro Finance in addition to its Back Office Sacco Activity. Other products now available to its membership have been tailored to suit their individual cash flow realities such that no one is left behind and they include;

Other products now available to its membership have been tailored to suit their individual cash flow realities such that no one is left behind and they include; M-SACCO, Mobile Payment, ATM through Sacco link by Cooperative Bank and the SACCO Pay points.

The decision making organ of the Society is the Board of Directors (BOD).It has the task of providing guidance and direction on all operational and financial program me and activities as implemented by the Society.

The implementation of routine, operational & financial activities of the society are managed and coordinated through a team of management headed by the CEO, HODs and Branch managers.

Currently the Sacco has Five (5) branches across the region and five (5) pay points and It is now sixteen years old. The BOD has put in place strong Internal Control Structures in line with the SASRA regulations including an internal audit function. The Sacco Operations are computerized and uses MS DYNAMICS NAVISION 2015 as its software.

## GOVERNANCE

The society is governed through delegate system. Currently our delegates are elected from all Sacco coverage areas. To be elected as a delegate you must own shares in the Sacco and the member's shareholding from your area or buying center where you come from should own a minimum shareholding of Kshs. 500,000. Currently we have 64 delegates and 9 Directors who come from 64 delegates. Sacco directors are elected by delegates.

### THE BOARD

The society has nine Board members elected from the general membership of the society. One third of the Board members retire on rotational basis but are eligible for re-election, in accordance with the provisions of the Co-operative Societies Act and Rules. The Management Board is required to ensure that the business of the Society is conducted in accordance with the relevant Co-operative laws, the By-laws of the Society and resolutions of the members in every Annual General Meeting.

#### SACCO BOARD

	Name	Board Members Position
1.	Evans Obonyo	Chairman
2.	Charles Binyanya	Vice Chairman
3.	Richard Manyara	Treasurer
4.	Johnson Kiyaka	Hon. Secretary
5.	Evans Onchieku	Member
6.	Kenedy Gekombe	Member
7.	Samson Mogaka	Member
8.	Joash Manyoni	Member
9.	Zablon Nyakundi	Member

The Board has nine members and a Chief Executive Officer (CEO) as an ex-officio. The separate roles of the Chairman and the CEO are practiced and are clearly defined in the by-laws that are regularly revised to be in line with legislation and statutes. The Board meets quarterly to deliberate on the Society's financial performance and discuss reports from each committee and deal with any strategic issues and opportunities for the Sacco.

## BOARD COMMITTEES

The Society had the following committees in place during the year with terms of reference clearly defined in the by-laws to facilitate decision making of the Management Board in the execution of its powers, duties and authorities.

1. Finance and Administration Committee
2. Credit Committee
3. Education & Marketing Committee
4. Audit & Risk Management Committee

The above Committees meet quarterly to deliberate issues that fall under their mandate.

## ADMINISTRATION

The day to day running of the society is vested in the Administration, consisting of the CEO and all the employees of the Society, under the overall supervision of the Board.

Administrative and operational functions of the society are grouped in departments each with its set of distinct functions.

The board, through the current strategic plan and this business plan intends to reorganize the society operations, specifically the human resource and IT department functions in line with its growth plan and to ensure compliance with and ultimately to ensure efficient service delivery and maximum utilization of the society's resources for maximum benefit to the members.

## SACCO MANAGEMENT

The society is currently run by 44 members of staff. The management staff comprise of the following;

	Name	Position
1.	Mr. Robert Oichoe Ntabo	Chief Executive Officer
2.	Mr. Daniel Ntabo	Dep. Chief Executive Officer
3.	Mr. Victor Okemwa	Sacco Accountant
4.	Mr. Daniel Ombongi	Marketing Manager
5.	Mr. James Nyang'acha	Micro Finance Manager
6.	Mr. Andrew Nyagero	ICT Manager
7.	Mr. James Nyaisu	Credit Manager
8.	Mr. Victor Mogusu	Internal Auditor

## OUR CLIENT BASE

The client base of Kenya Achievas Sacco is drawn from FARMERS, SMALL SCALE BUSINESSES, SALARIED PEOPLE, LEARNING INSTITUTIONS, CHURCHES AND MICROFINANCE GROUPS.

## PRODUCTS AND SERVICES:

In its effort to satisfy the needs of the members/customers, the society offers various front office, micro finance and back office products and services that include:

NO.	PRODUCT/ SERVICE	DESCRIPTION OF PRODUCT/SERVICE FEATURES
1.	<b>Savings and Deposit A/C</b>	Majani chai A/C, Salary Account, Coffee A/C, Call & Fixed Deposit A/C, Junior A/C, Personal Savings A/C, Group A/C etc.
2.	<b>Loan Products</b>	Normal Loan, Crop Advance, Salary Advance, Ushirika Advance, Coffee Advance and Bonus Advance.
3.	<b>Microfinance Products</b>	Microfinance A/C, Muungano Loan & Jiendeleze Loan.
4.	<b>Other Services</b>	M-Pesa, Mobile Payments, Free Education to the Members, Cheque Clearing, Payment on behalf of factories, Bank Transfers M-banking, Bankers Cheques, M-sacco, Agency Banking & Salary Processing.
5.	<b>Funeral Rider</b>	Used to accord members decent burials. <ul style="list-style-type: none"><li>• For a member to be eligible he/she MUST have contributed the funeral rider contribution fee of Kshs. 136 per annum.</li><li>• Ensure ALL loans given are being paid regularly.</li><li>• Be a member of the Sacco.</li><li>• Payment of funeral expenses of Khs 10,000</li></ul>
6.	<b>Benefits</b>	Dividend on shares, interest on deposit, loans at affordable rate, ownership and control, free financial advisory services and fast and efficient services.

## STATUS

Currently the Sacco fully operates its; FOSA, BOSA and MICRO-FINANCE sections with the following figures as at 31st December 2015;

<b>Members deposits</b>	<b>132,143,972</b>
<b>Total assets</b>	<b>310,132,321</b>
<b>Housing shares</b>	<b>18,300,985</b>
<b>Total investments</b>	<b>20,726,715</b>
<b>Core capital</b>	<b>96,594,243</b>
<b>Loans disbursement</b>	<b>102,362,885</b>

### EQUITY

<b>Retained earnings</b>	<b>13,981,466</b>
<b>Statutory reserve</b>	<b>5,894,831</b>
<b>Other reserves</b>	<b>18,410,189</b>

## INTEREST AND DIVIDENDS

The Board of Directors is pleased to recommend to the members for approval a payment of interest of 4.0 % on deposits and a dividend of 1.50 % on the paid up share capital.

## INTERNAL CONTROLS

The Society has systems and processes to ensure that requisite controls, physical security of assets and reporting of accurate and up-to date information with a comprehensive accounting system is in place.

## STATISTICAL INFORMATION/ GROWTH FUNDAMENTALS

### 2009 - 2015 STATISTICAL INFORMATION

<b>Year</b>	<b>No. of Members</b>	<b>Members Deposits, Savings &amp; Shares Capital</b>	<b>Turnover</b>	<b>Total Assets</b>
2009	18,000	70,224,541	31,835,603	143,175,655
2010	25,000	91,564,649	41,555,580	160,462,945
2011	25,000	120,132,308	62,630,688	257,451,842
2012	26,257	130,272,659	79,983,336	306,109,291
2013	27,104	212,666,320	83,287,907	315,227,537
2014	28,023	192,421,324	84,052,324	283,930,325
2015	30,854	207,150,669	94,966,896	310,132,321

## **SACCO'S ACHIEVEMENTS (SUCCESS FACTORS)**

- \* Political goodwill / stakeholder goodwill.
- \* Establishment of 10 Fosa branches.
- \* Establishment of a Micro finance business unit.
- \* Completion of Sacco Building in Nyamache which houses our FOSA.
- \* Accumulated members savings deposits.
- \* Wide Increase in membership base of 3,000 from 1999 to 30,854 in 2015.
- \* Recruitment of well-trained, qualified and experienced staff.
- \* Increased modernization of SACCO'S Operations.
- \* Improved marketing of SACCO products.
- \* Capable and dedicated leaders.
- \* Improved image which has created member/customer confidence.
- \* Common values and democratic decision making.
- \* Competent advisers.
- \* Creation of a Marketing department and increase in field Marketing.
- \* Improvement in Corporate Governance within the SACCO.
- \* Opening the common bond, rebranding and affordable products to our members.

## **CHALLENGES FACING THE SACCO**

The following Challenges were identified to enable the SACCO focus on key Strategic issues and policy choices. The following are Major challenges currently facing the SACCO, which it has to address:

- \* Poor Savings Culture among Sacco members.
- \* High Cost of Funds.
- \* Limited Education and Information/Awareness on Corporative Matters.
- \* Competition from Greenland fedha, other Sacco's and Banks.
- \* Unstable Money Market.
- \* High Inflation Rates that leads to fluctuations of tea and coffee prices.
- \* Unstable tea market.

## AWARDS AND RECOGNITION

- The best sacco stand ASK Kisii Show on 12/07/2012
- The highest micro-finance lender in Kisii County 2013 (by County Cooperative Commissioner)
- Highest shareholding rural Sacco the year 2013 (by KUSCCO LTD)
- The best micro-finance institutions stand on 12/07/2013 (by ASK Kisii Show)
- The best financial institution other than bank on 12/07/2013 (by ASK Kisii Show)
- The best micro-finance institution stand on 12/07/2013 (by ASK Kisii Show).
- The best capitalized Sacco countrywide on 7/07/2014 during the international cooperatives day 2014.
- Ushirika day celebrations as the best managed Sacco Kisii County 2012-2013.
- CIC Insurance group limited as the best Sacco in Risk management Western Region.
- Kisii ASK Show award 2013 for the best micro-finance institutions (1) 2013.
- Highest shareholding Sacco in relation to membership (1st position) by KUSCCO on 15/05/2015.

## FUTURE PROSPECTS

The Sacco has reviewed its strategic plan and business plan to take its business forward by way of expansion, modernization, product innovation, diversification and technology advancement. This will enable the Sacco to achieve its objectives and enhance the Sacco's business by encouraging;

- \* Growth and diversification of Sacco products and services.
- \* Increase of loan portfolio and mobilize more savings from members and Non members.
- \* Innovation of new products and services.
- \* Introduction of mobile banking, M-Sacco and agency banking.
- \* Increased marketing of Sacco products and services.



## MEMBERS' RIGHTS AND OBLIGATIONS

The ownership of Kenya Achievas Savings and Credit Co-operative Society Limited lies with the members who own shares and deposits. They are expected to exercise supreme authority as far as decisions are concerned.

### MEMBERS' RIGHTS

Members of Kenya Achievas Savings and Credit Co-operative Society Limited shall enjoy the following rights:

- \* Right to attend and participate in all meetings
- \* Right to be elected to all organs of the Society
- \* Right to access all information relating to the society, including registers, minutes and reports
- \* Right to be educated in matters pertaining to operations of the society
- \* Right to enjoy the use of all facilities and services of the Sacco
- \* Right to share in the surpluses realized in the Sacco.
- \* Right to propose amendments in the by- laws
- \* Right to approve or reject the budgets and audited accounts.
- \* Right to expel errant members in accordance with the by- laws.

### MEMBERS' OBLIGATIONS

Its member's obligations is to:

- \* Observe and comply with the Society's by-laws and decisions
- \* Buy and pay up for shares or make any other payments due from them
- \* Meet the debts of the Society in case of bankruptcy
- \* Pay membership fees and buy at least one share and make regular contributions (deposits) as per the society by –laws.
- \* Patronize (do business with) the Sacco in order to promote and strengthen it.
- \* Set objectives of the Sacco.

### QUALIFICATION FOR MEMBERSHIP

To qualify for membership one;

- \* Must be eighteen years of age except in the case of a minor heir of a deceased member.
- \* Must be within the field of membership comprising the following common bond [Tea Farmers, Employees of Kenya Achievas and other related bodies including public officers or any other persons who in the considered opinion of the B.O.D, qualifies under the by-laws].
- \* Must be of good character.

### APPLICATION FOR MEMBERSHIP

Every applicant for membership shall complete an "application for membership" form. This form shall be drawn to show all the information required for the purpose of registration of a member.

## **ADMISSION INTO MEMBERSHIP**

An applicant shall be admitted to membership on application upon payment of an entrance fee of Kshs 200 and purchase of minimum shares as shall be fixed by the General meeting from time to time.

- \* Upon admission the member's name shall be entered in the membership register and a membership number issued.
- \* Members shall be admitted by the board subject to confirmation by the next general meeting.
- \* The member shall pay for a copy of the society's by-laws at its actual cost to the society.

## **SHARES**

Every member shall hold minimum shares as shall be fixed by the General Meeting. However, no member shall hold more than one-fifth of the total shares of the Sacco Society.

## **TRANSFER OF SHARES.**

With the approval of the board, a member may at any time transfer shares to another member but not to any other person. Such transfers must be in writing and at nominal value.

All transfers of shares shall be registered with the Sacco Society and no transfer shall be valid unless so registered. A fee of Kshs 250 shall be payable by the transferee for each such transfer.

- \* Must be a resident within or occupies land within the Society's area of operations
- \* Must not be a member of another Savings and Credit Co-operatives Society having same or similar objects
- \* Must not be directly or indirectly a money lender or carrying out such activities to the objectives of the Society.

## **MEMBER'S LOAN ELIGIBILITY**

Members of the SACCO wishing to borrow money must meet the following initial requirements:

- \* Must have been a member of the Society for a minimum period of SIX months.
- \* Take part in major policy decisions.
- \* Settle all dues or fees payable to the Society promptly.
- \* Participate in all social and economic activities of the Sacco in order to enhance service delivery.
- \* Prospective borrowers must apply for loans by completing the Society's prescribed loan forms.

- \* The loan amount applied for should be considered on the amount of shares held in the Society.
- \* At least two other members must guarantee the loan amount.
- \* The guarantors total shares plus that of the borrower must be equal to or more than the amount being applied.
- \* All deductions towards repayment must not exceed 2/3 of the member's net take home.

### LOAN REPAYMENT PERIOD

The repayment period shall vary with the types of products as follows:

	Loan Type	Maximum Repayment Period
1.	Normal Loan	12 months
2.	Ushirika Advance	6 months
3.	Crop Advance	6 months
4.	Salary Advance	3 months
5.	Coffee Advance	12 months
6.	Bonus Advance	During bonus payment
7.	Muongano Loan	12 months
8.	Jiendeleze Loan	24 months

**N/B Any financial commitments nearing completion or starting in the near future that may affect the member's ability to repay will be considered.**

### LOAN REPAYMENT PROGRAMME

The SACCO shall prepare a Loan repayment schedule for each loan to record the repayments installments and monitor any arrears. All subsequent entries i.e. loan repayment, interest charged will be posted to the loan account until the loan is fully redeemed.

Where applicable institute a Standing order Instruction to take care of the loan repayment.

### CREDIT REFERENCE BUREAU

The Sacco joined Credit Reference Bureau from January 2016 and a notice was issued to all sacco members that all loan defaulters risked being listed for not servicing their loans in time. Credit Reference Bureau Limited (CRB) is an information solutions company.

It help lenders make faster and more accurate credit decisions. They collect, manage and disseminate customer information to lenders within a provided regulatory framework and assist in making credit accessible to more people, and enabling lenders and businesses reduce risk of default and fraudulent loans by customers.

## INVESTMENT SHARES

Owning Achievas Sacco shares means you are a member, as well as an owner; with equal rights and a voice in how the society is ran democratically. Achievas investment shares are available to any adult (18 years and above) Kenyan willing to join or invest in the Sacco upon positive identification to the satisfaction of a member care officer.

Each member shall purchase at least fifty shares of Ksh. 60 each. Shares are not refundable or assignable as collateral for a loan. Shares may earn dividends paid from net surplus at the end of a financial year.

## FEATURES.

- Minimum shares Ksh. 3000.
- No maximum investment shares.

## SACCO DEPOSITS

- \* These deposits may be used as collateral against borrowings from the Society and shall only be refunded when a member withdraws from membership and provided the member has fully repaid all his debts and is free from guarantee.
- \* Deposits may however be transferable from one deposit account to another provided the transaction does not contravene the Savings policy.

## ADMITTING NEW MEMBERS INTO THE SACCO

Admission of a new member Conditions

- A valid and acceptable identification e.g. National ID, Passport, Driving License, introduction by an existing shareholder/account holder, etc.
- Two passport size photographs of the applicant to be attached to the specimen signature card and application form.
- A specimen signature on a signature card or biometric i.e. thumb.
- Must be 18 years of age and above.
- Fill membership application form.
- Payment of an entrance fee of Kshs. 200.
- Purchase immediately or gradually minimum shares according to the following classes;

\* CLASS A - 3,000 SHARES AND ABOVE.

\* CLASS B - 1000 UPTO 3,000 SHARES.

\* CLASS C - 100 UPTO 1,000 SHARES.

System generated membership number issued.

## MEMBER TERMINATION/CLOSURE

- \* The member writes a letter or fills in a form requesting for closure.
- \* The system checks whether the member has guaranteed any active loans.
- \* After confirming that the member is not guaranteeing any loans, the User changes the Member Status to withdrawal and enters the reason for withdrawal and the date when the member applied for withdrawal.

## FAQS (FREQUENCY ASKED QUESTIONS)

### [a] WHO IS ELIGIBLE TO ACCESS ACHIEVAS SACCO CREDIT FACILITIES?

- Members admitted in accordance with the membership policy

### [b] WHEN DOES A MEMBER BECOME ELIGIBLE FOR A LOAN?

- A member becomes eligible after a minimum membership period of three months and on fulfilling all requirements of a specific loan product. Members who transfer their deposits from another Sacco are exempted from the waiting period.

### HOW IS A LOAN APPLICATION MADE?

- A loan application must be done in writing on prescribed forms which must be fully filled. The applicant must attaché all relevant documents. Alteration will not be allowed.

### [c] WHAT IS THE DIFFERENCE BETWEEN SHARES, DEPOSITS AND SAVINGS?

#### Shares:

- The amount representing a member's portion in the equity of the society as a co-owner.
- No member other than a Cooperative Society shall hold more than one-fifth (1/5) of the total shares
- Shares are not used to determine the eligibility of a borrower or a guarantor.
- Shares are not withdraw able but are transferable.

#### Deposits

- Every member must make regular deposits towards sacco deposits in accordance with Savings and loans policies.
- They are not withdrawn in part or in full as long as a person is a member of the Sacco.
- These deposits may be used to determine the eligibility of a borrower or a guarantor.

#### Savings

In addition to shares and deposits a member may invest in a saving account. The Sacco provides the following savings products;

- Majani chai account.
- Salary account.
- Coffee account.
- Call & fixed deposit account.
- Junior account.
- Personal savings account.
- Group and Microfinance account.

**[d] DOES INTEREST CHARGED BY THE SACCO FLUCTUATE DURING THE TERM OF THE LOAN?**

- No; Any amendments on interest will affect new applications only.

**[e] WHO DECIDES ON WHAT INTEREST TO CHARGE?**

- Interests on loans are reviewed from time to time by the BOD on recommendation of Management.

**[f] CAN A MEMBER CAPITALIZE INTEREST REBATES OR DIVIDENDS TO BOOST ONES SHARES?**

- Yes, that is allowed. All that one needs to do is to instruct in writing.

**[g] CAN A MEMBER USE DIVIDENDS OR INTEREST REBATES TO CLEAR LOANS?**

- Yes by communicating the same in writing.

**[h] WHAT ARE THE ACCEPTABLE SECURITIES FOR A LOAN?**

- Guarantors
- Deposits in the SACCO
- Land
- Buildings.
- Bank guarantees
- Corporate guarantee
- Share certificates
- Vehicles
- Endowment Insurance policies

**[i] WHO IS ELIGIBLE TO BE A GUARANTOR?**

- Any active member in good standing is allowed to be a guarantor provided that one has not over guaranteed. A guarantor must be willing and able to repay the loan guaranteed if the loanees fails to pay

**[j] WHAT IS THE ROLE OF A GUARANTOR?**

- Guarantors are jointly (together) and severally (individually) liable for the repayment of a loan in the event of the borrower's default.

**[k] WHAT ARE THE RIGHTS OF A GUARANTOR?**

- The right to obtain a copy of the letter of guarantee or contract of guarantee and any other documents in relation to the loan transaction
- The right to the information on the outstanding balance of the account of the borrower with the Society subject to the borrowers consent.

- The right to call upon the borrower to pay off the loan to release him from all his liabilities under the guarantee. This right can be exercised at any time and even before the Society has called upon the borrower to pay the debt.
- The right to be indemnified by the borrower for any payment made to the Society. This means that he can sue the borrower for the amount that he has paid to the Sacco.

### **[j] WHAT DOES A BORROWER NEED TO KNOW ABOUT A THE LOAN THAT HE IS GUARANTEEING**

- Loan amount
- Repayment period
- Applicant source of income
- Applicants term of employment
- Applicants retirement date
- Applicants contact details
- Any other details relating to the applicants character

### **[m] WHAT ARE AVAILABLE LOAN DISBURSEMENT CHANNELS?**

- Cash withdrawal from the teller
- Mobile payment
- Cheque payment

### **[n] CAN ONE CLEAR A LOAN IN FULL BEFORE REPAYMENT IS OVER?**

- Yes, that is allowed and does not attract early clearance charge.

### **[o] WHO IS A NOMINEE?**

- A nominee is the person designated by a member to receive the proceeds of any payable funds upon the death of the member
- All members are required to provide details of nominee(s) upon registering as members.
- One can change and/or update his/her nominee information as when and need arises.

### **AFFILIATIONS TO OTHER BODIES**

- KUSCCO
- CO-OPERATIVE BANK
- CO-OPERATIVE ALLIANCE OF KENYA
- KERUSSU
- CO-OPERATIVE INSURANCE GROUP LIMITED
- MESPT
- SAFARICOM
- SASRA



## AUDITORS

Messers Omanwa & Associates  
Certified Public Accountants  
P.O BOX 3716-40200, KISII

## BRANCH NETWORK

The SACCO has five branches - Nyamache, Ogembo Kiamokama, Kenyerere and Nyacheki.

Five satellite offices - Kenyenia, Ikoba, igare, Kionyo and Itumbe with its Head Office located in Nyamache Kenya Achievas Building