

**2022**

**TRANS NATIONAL TIMES DEPOSIT  
TAKING SACCO LTD**



**BY LAWS**

**PRINTED 2022**

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**BY –LAWS OF THE TRANS NATIONAL TIMES SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD**  
**BY-LAW 1: NAME AND AREA OF OPERATION**

The society shall be called TRANS NATIONAL TIMES SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD hereinafter referred to in these By-Laws as the “TNT DT SACCO” and its area of operation shall be within and without the republic of Kenya.

**BY-LAW 2: REGISTERED OFFICE/POSTAL ADDRESS**

The registered office of the “TNT DTSACCO” shall be at TRANS - NZOIA TEACHERS PLAZA, Kitale town. Its postal address shall be Post Office Box Number 2274-30200-KITALE.

Telephone: 0712-585874 Email: [info@tntsaco.co.ke](mailto:info@tntsaco.co.ke) OR [tntsacco@yahoo.com](mailto:tntsacco@yahoo.com), Web address: [www.tntsacco.co.ke](http://www.tntsacco.co.ke)

The Society shall seek a written approval from the Authority to open a new branch or relocate a branch. Notice of change of the Postal address of the Sacco Society shall be given to the Commissioner for Co-operative Development (hereinafter referred to as the Commissioner) and Sacco Societies Regulatory Authority (hereinafter referred to as ‘SASRA’) as well as to all the members of the SACCO Society through their last known address.

Provided that the TNT DTSACCO shall not change or relocate its place of business/physical address unless by way of written approval of the Authority.

**BY-LAW 3: DEFINITIONS/INTERPRETATIONS**

In these By-laws, unless the context otherwise provides words or phrases, shall be defined and interpreted in accordance with the Co-operative Societies Act and the Rules made there under, the Sacco societies Act No. 14 of 2008 and the Regulations made there under hereinafter to as “the Act”, “the Rules” and the “Regulations” respectively.

- 1) “The regulations refer to the Sacco Societies {Deposit-Taking Sacco Business} Regulations, 2010 published by the minister on 18<sup>th</sup> June 2010 vide legal notice No. 95 under section 68 of the Sacco Societies Act”
- 2) “Tribunal” means the co-operative Tribunal established under section 77 (1) of the Act to hear and determine disputes under the Act and Rules.
- 3) “ADM” means an Annual Delegates Meeting: which in accordance with the Act, Rules and these By-laws refers to an annual general meeting attended by the society’s members whose main agenda is to receive and consider the preceding years audited final accounts.
- 4) “SDM” means a Special Delegates Meeting: which in accordance with the Act, Rules and these By-Laws refers to a special general meeting attended by the society’s members to address a specific agenda not covered during the ADM.
- 5) “Member” means a person whose name appears in the register of the Sacco.
- 6) “Authority” shall mean the Sacco Societies Regulatory Authority.
- 7) “Commissioner” means the Commissioner for Co-operative Development delinquent loan” – means any loan which the principal and/or interest remain unpaid after the due date.
- 8) “Equity”- is the difference between assets and liabilities, or the total of institutional capital and other capital accounts.
- 9) “Foreclosed assets”- means real estate and assets of material value that are transferred to the Sacco Society because of non-repayment of a loan.
- 10) “Illiquid assets” – are assets that cannot be readily converted into cash due to the nature of the asset or the condition of the market.

- 11) "Institutional capital" – means disclosed reserves, retained earnings, grants and donations of all which are not meant to be expanded unless on liquidation of the Sacco Society.
- 12) "Non-earning assets" are those assets that do not generate income.
- 13) "Off balance sheet items" – means items not shown on the balance sheet but which constitute a risk to the Sacco society.
- 14) "Officer" – means a director or any other person by whatever name or title he may be called or described, who carries out or is empowered to carry out functions relating to the overall directions of a deposit taking Sacco society to take part in the general management thereof.
- 15) "Statutory management" – is a procedure whereby the Authority takes immediate possession and control of a Sacco society's business due to unsafe and unsound practices.
- 16) "Supplementary capital" means general provisions which are held against future and presently unidentified losses that are freely available to meet losses which subsequently materialize, 25% asset revaluation reserves as approved by the Authority, subordinated debt, hybrid capital instruments or any other form of capital as may be determined by the Authority from time to time.
- 17) "Core capital" means the fully paid up members' shares capital issued, disclosed reserves, retained earnings, grants and donations all of which are not meant to be expended unless on liquidation of the Sacco Society.
- 18) "Share capital" Means members' equity in the form of issued and fully paid-up shares of common stock.
- 19) "Member in good standing" means a member who is current on the repayment of his/her loan payments due to society and who is current on making his/her required contributions and has not in any way acted in a manner which is potentially damaging to the society and has fully complied with the policies and rules set by the society.
- 20) "Board of directors" has the meaning assigned thereto in the Sacco Societies Regulations 2010. Refers to non-executive directors elected by the Delegates and confirmed in an Annual Delegates meeting in accordance with the Act, Rules, Regulations and these By-laws.
- 21) "Minors" shall mean persons who are below 18 years of age but who benefit from some of the services of the Sacco.
- 22) "Allowance for loan losses" means an account set aside in the statement of financial position (Balance sheet) to recognize probable loan losses so that the rule value of the loan portfolio is fairly stated.
- 23) "Members of the immediate family". When used in these By-Laws, "Members of the immediate family" includes, but is not limited to, the spouse, parents and children of each person eligible to be a member of the society whether or not residing in the same household. The same term also includes any other relative of a person or of the spouse of the eligible person if the relative resides in the same household as the person.
- 24) "FOSA" is an acronym for Front Office Saving Activity (Deposit-Taking Sacco Business) that offers withdraw-able/demand deposit services including other counter services otherwise also referred to as "banking" services.
- 25) "Withdraw-able/Demand Deposits" these are cash savings kept in a FOSA. Such savings can be withdrawn on demand or through notice of up to 7 days.
- 26) "Fixed deposits" – these are deposits kept for a fixed period of say three months, six months, 12 months, 18 months etc and are payable on maturity.
- 27) "Long-term deposits" means the cumulative members' monthly contribution less the common stock. Long-term deposits can only be withdrawn when one ceases to be a member.

28) “Defaulter” means that a member who has failed to pay his/her loan as per the loan contract except where the employer has failed to remit the deductions.

Any questions or dispute concerning the interpretation of these by-laws or any matters not provided for herein, errors and omissions, shall be referred to the Tribunal.

29) “Active Member” means has consecutively subscribed for share and deposits for the last 6 months proceeding to elections.

#### **BY-LAW 4: OBJECTIVES OF THE SOCIETY**

##### **VISION**

To be a world class financial service provider

##### **MISSION**

To promote a savings culture and responsible credit use for economic empowerment of members.

##### **CORE VALUES**

The TNT DT SACCO will be guided by the following core values among others:-

- Integrity
- Team Work
- Customer focus
- Competence and Professionalism
- Equity
- Innovation

##### **SACCO MOTTO: “Tujitegemeekiuchumi”**

The Board of Directors and Management shall endeavor to provide timely information, promote cooperation and understanding amongst members and with other co-operative institutions locally, nationally and internationally

#### **4) OBJECTIVES**

The objects for which the society is established are:

1. To promote thrift among its members by affording them an opportunity for accumulating their savings and deposits to create thereby a source of funds from which loans can be made available to them for purposes of providence or production or both at a fair and reasonable rate of interest.
2. To provide an opportunity for each of its members to improve his/her respective economic and social conditions.
3. To offer the members complementary savings and credit services and other financial products such as front office service or withdraw-able savings/deposits accounts as may be required from time to time.
4. To offer other services to members and their immediate community with a view to promote their social-economic welfare and also improve their operational environment.
5. To ensure safety and soundness of the members funds through risk management program or any other appropriate insurance scheme.
6. To ensure progress of its members by educating them continuously on proper use of credit.
7. To perform all those functions and exercise those powers designated for savings and Credit Co-operative Societies under the applicable law for the benefit of members.
8. To cooperate with other Co-operatives in order to promote members’ interest and in furtherance of this object, the Society may affiliate in National Co-operative Organizations such as KUSCCO and Co-operative Alliance of Kenya.

9. To perform within the relevant law (The Act, the Rules and the Regulations) and these By-laws, all those acts, deeds and things necessary to further enhance, promote or encourage any or all of the foregoing purposes and objects provided that such acts, and things are approved by the Annual Delegates Meeting.

#### **BY-LAW 5: CO-OPERATIVE PRINCIPLES**

Co-operatives reflect these values by applying the following principles as general guidelines in their activities.

1. Voluntary and open membership- Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial or religious discrimination.
2. Democratic Member Control – Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies. Men and women serving as elected representatives are accountable to the membership; all members have equal voting rights: One member, one vote.
3. Economic participation by members – Members contribute equitable to and democratically control the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a consideration for membership. Members allocate surpluses for any of the following purposes. Developing their benefiting members in proportion to their transactions with the cooperative, and supporting other activities approved by the membership.
4. Education, Training and Information – Co-operatives provide education program for their members, their elected leaders and employees, so they can teach and learn from each other in understanding and carrying out their respective roles. Co-operatives have a responsibility to inform the general public, particularly young people and opinion leaders, about the nature and benefits of the Co-operative Movement.
5. Co-operation among Co-operatives – In order to best serve the interest of their members and their communities, Co-operatives actively cooperate in every practical way with other Co-operatives locally, nationally and internationally.
6. Autonomy and Independence– Co-operatives are autonomous, mutual-help organization controlled by their members. If they enter into agreement with governments and other organizations, they do so freely, on mutually acceptable terms that ensure their autonomy.
7. Concern for Community in General - Co-operatives is concerned about the communities in which they exist. While focusing on members' needs, they strive for the sustainable development of those communities through policies that are respectful of the environment and acceptable to the membership.

#### **BY-LAW6: MEMBERSHIPS, PARTNERSHIPS AND SUBSIDIARIES**

- a. The Society may become a member of any national or international organization that may best serve the interest of the Society.
- b. The Society may enter into partnerships with organizations, institutions and such other service providers approved by the Board of Directors.
- c. The Society may form or participate in such subsidiaries as may be of benefit to the Society.
- d. The Society shall recognize the fact that such membership and partnerships are vital for the safety of its transactions and in the interest of its Members. In accordance with the principles of co-operation among Co-operatives the society shall build a strong SACCO System nationally and



internationally

#### **BY-LAW 7: MEMBERSHIP ELIGIBILITY**

A person of either sex shall be eligible for membership if he or she possesses either of the following qualifications.

- i. Is within the field of membership consisting of employees of Teachers Service Commission, as category A members.
- ii. Public Service Commission, Ministry of Education officers, Members of disciplined forces (Regular police, Administration and KDF), Kenya Prison Service Wardens, Knut employees, TNT Sacco Staff, TNT Sister Organizations, and Diaspora Civil Servants or any other acceptable organization as may be admitted by the board from time to time; as category B1 members.
- iii. Security guards, E.C.D teachers, Private School Teachers/Other organizations, Subordinate staff and Retirees (i.e., Pensioners below 66 years) as category B members.
- iv. Business entrepreneurs, women groups, Youth groups, Casual labor/students as category C members.
- v. Is not less than 18 years of age;
- vi. Is of good character and of sound mind;
- vii. Is a resident and in employment or business within the republic of Kenya;
- viii. Is not a member of another SACCO with similar objectives within the Republic of Kenya,
- ix. Is not directly, a money lender or carrying out such activities detrimental to the objectives of the Society
- x. Has not been convicted of a criminal offence involving fraud and or dishonesty
- xi. Has regular income from employment, business or trade
- xii. Is an employee of the society or a subsidiary of the society
- xiii. Is in employment, occupation or profession which falls within the category or description of those in the energy and allied sectors,
- xiv. Is a member of the immediate family of a member admitted into membership subject to the terms and conditions set by the Board of Directors
- xv. Is a nominee and approved into membership by the Board
- xvi. Pays the prescribed entrance fee and prescribed minimum shares.
- xvii. Accepts the objectives of the society, the obligations of members and other conditions as stated in these By-laws and
- xviii. Any other person who will be qualified and admitted according to these by laws.

Provided an employee of the Society may become a member of the Society but shall not be a delegate or member of the Board except as specifically provided in these by-laws.

#### **BY-LAW 8: MEMBERSHIP APPLICATION FORM**

- a. Every applicant for membership shall complete an "application for membership" form
- b. The completed form upon receipt and admission shall be given a membership number, filed in the members personal file and the number given shall be entered in the member's register.

#### **BY-LAW 9: MEMBERSHIP ADMISSION**

- a. An applicant shall be admitted to membership on approval of the Board of Directors, but shall not qualify for the rights and privileges of membership until he has paid an entrance fee as may be prescribed in the Membership Policy and paid in full the prescribed minimum shares.
- b. There shall be Four classes of membership. The Category A membership shall be the original members and those falling within the composition of membership under the By-law 7 (ii), (iii) and (iv).

#### **BY-LAW 10: REFUSAL OF MEMBERSHIP**

- a. The Board of Directors may refuse membership to any applicant by giving him/her reason for the

refusal in writing, provided the person whose membership has been refused, if aggrieved by the decision, shall have the right to appeal to the next Annual Delegates Meeting through an existing delegate.

- b. Any such appeal must be supported by at least 20 (Twenty) delegates and upon payment of a fee as may be prescribed in the Membership Policy. The decision of the Delegates Meeting on the matter shall be final.

#### **BY-LAW 11: MEMBERSHIP RIGHTS**

Subject to these By-laws, policies, standards, values and procedures, all members shall have the right to use the Society's Services and exercise the rights established by the Act, the Rules and By-laws, the members are entitled but not limited to: -

- a. Receive, periodically and regularly, or upon request, and at least once a Year, a Statement of Accounts containing the individualized record of his/her credit and debit transactions.
- b. Attend and participate in elections within the electoral zone.
- c. Elect or be elected as Officer of the TNT DT SACCO unless otherwise prohibited by any other Law or these By-laws.
- d. Use the TNT DT SACCO Services according to the Policies and Procedures approved by the Board of Directors.
- e. Submit projects or initiative to the Board of Directors, for the improvement of the Society Services.
- f. Appoint a nominee
- g. Share in surpluses
- h. Access all legitimate information relating to the society, including Internal Regulations, registers, minutes of the Delegates Meetings, Supervisory Committee, Reports, Annual Accounts and Inventories, Investigation Reports, at the registered office of the society subject to the SACCO policy and regulations for the time being in force.
- i. Vote on all matters put before Delegates meeting.
- j. All other rights as prescribed by the Act and Rules

#### **BY-LAW 12: MEMBERS OBLIGATIONS**

In accordance with the Act, members of the Society are obliged to: -

- a. Be faithful and honest in all their dealings with the society.
- b. Observe the law, the rules and these by-laws whenever transacting any business with the society.
- c. Observe the code of conduct and ethics for cooperative societies and in particular desist from any corrupt practices in all dealings with the society.
- d. Refrain from engaging in the business of money lending in competition with the society.
- e. Protect the image of the society and avoid unnecessary publicity, incitement or careless talk that can injure the reputation of the society.
- f. Inform the Chief Executive Officer in writing of change of their electoral zone whenever they so change.
- g. Pay their debt obligations to the society without fail and save regularly with the society to mobilize funds for lending to the members.
- h. Seek cooperative education to improve membership awareness and enlightenment.
- i. Support issues put forth that improve the sustainability of the Society and promote the goodwill of all members
- j. Buy and pay for shares and make any other payments provided in the By- laws of the Society
- k. Attend meetings and education forum and take part in decision-making.
- l. Notify non-members and encourage them to join the Society,
- m. Bring out problems affecting the Society and look for solutions,

- n. Participate in the Society projects both physically and financially
- o. Make use of the services of the Society as stated in the objects of the society,
- p. Comply with these By-laws, the Co-operative Societies Act, SACCO Act, Rules and Regulations and **Annual Delegates Meeting Resolutions**.

#### **BY-LAW 13: MEMBER PERSONAL ACCOUNTS**

The Society shall provide a periodic "Statement of Accounts" containing a record of the members' transactions with the Society.

#### **BY-LAW 14: PENALTIES AND FINES**

- a. Any member who willfully acts in violation of these By-laws or regulations made there under shall be liable to a fine not exceeding twenty thousand shillings (Kshs.20,000) for each offence notwithstanding any other action that may be taken against him in accordance with the Act, Rules, these By-laws or any other law.
- b. The Board of Directors of the Society shall have powers to hear and determine matters relating to any alleged violation of By-laws by members. Any member aggrieved by the decision of Board of Directors may appeal to the Delegates meeting whose decision shall be final. Provided this provision should not prejudice a members' right to refer the matter to the Tribunal, if the issue constitutes a dispute.

#### **BY-LAW 15: APPOINTMENT OF A NOMINEE (S)**

- a. Every member may nominate in writing one or more persons in order of priority to whom upon his death, his shares deposits or any other interest shall be transferred. Appointment of a nominee by a member shall be in writing and signed by the member in the presence of two attesting witnesses.
- b. The name(s) of the nominee(s) shall be entered in the member's file. A member shall have the right to change his nominee(s) but any such change or alteration must be in writing and signed by the member in the presences of two attesting witnesses.
- c. The records of nominee(s) shall be transferred in to the members register and verified by the Chief Executive Officer.
- d. Disputes regarding shares, deposits or any other interests of a deceased member shall be referred to the tribunal.

#### **BY-LAW 16: PAYMENT TO UN-ADMITTED NOMINEE**

On the notification to the society of the death of a member, the nominee(s) or in his absence, the legally appointed personal representative, shall be paid the value of the deceased member's shares or interest within reasonable time subject to:-

- a. Submission of the deceased member's burial permit, original and copy of death certificate, copy of national identification from the employer where applicable
- b. Recovery of all outstanding debts not covered under any insurance programme.
- c. In cases where there are more than two beneficiaries, the member should specify payments per beneficiary and in the event a dispute emergence then the matter should be forwarded to the public trust.

#### **BY-LAW 17: VOLUNTARY WITHDRAWAL**

- a. Members with no liability or outstanding obligations on their Accounts and no outstanding collateral's or guarantees for other member's loan may withdraw from Membership at any time, without losing vested rights.
- b. In spite of losing their status as members, individuals who have withdrawn from membership but still have outstanding loan balances or outstanding guarantee for other members' loans shall continue being responsible for their respective obligation unless alternative arrangement, acceptable to the Society is made.

#### **BY-LAW 18: NOTICE OF VOLUNTARY WITHDRAWAL**

- a. A member may at any time withdraw from the Society by giving 60 days' written notice to the Society during which time the Society will settle the member's Accounts and refund the member's deposits if he/she has no outstanding liability with the Society.
- b. A member who is withdrawing shall pay to the society an amount out of his/her deposits as may be prescribed in the Membership Policy.

#### **BY-LAW 19: CESSATION OF MEMBERSHIP**

Membership in the Society shall be terminated upon: -

- a. Voluntary resignation by the member.
- b. Death of the member.
- c. Expulsion from membership.
- d. Becoming certifiably insane and confirmed by a doctor
- e. Acting contrary to the relevant provisions of the Co-operative Act, Rules and By-laws.
- f. Withdrawing all his deposits and transferring his shares.
- g. Being declared bankrupt by a court of law
- h. Ceasing to hold the qualifications for membership stated in these By-laws.

#### **BY-LAW 20: SUSPENSION AND EXPULSION**

The Board of Directors may suspend a member subject to expulsion by the Delegates Meeting who: -

- a. Fails to meet the requirements stated in of the Co-operative Societies Rules
- b. Willfully fails to comply or refuses to comply with the Society's By-laws, policies and contracts and persists in such refusal or failure.
- c. Willfully defaults in the repayment of loans due or part of loans or advances due for a period exceeding six months.
- d. Fails to save regularly.
- e. Is found to have willfully furnished false particulars in his application for membership to the society
- f. Acts in any way detrimental or prejudicial to the society's interests or for other just cause
- g. Is convicted in court of a criminal offence involving dishonesty or imprisonment for any other offence for three months or more.
- h. For any other reason approved by the Delegates Meeting and/or as may be contained in the Society's code of ethics.

#### **BY-LAW 21: SUSPENSION AND EXPULSION PROCEDURE**

- a. Upon formal and written announcement and proof that a member has committed a violation punishable by expulsion, the Board of Directors shall provide written notice to the member stating the reason(s) for the suspension and proposed expulsion, and grant the member 15 days for the member to prepare a defense if any.
- b. Upon expiry of the 15 days and taking into consideration the member's defense, the Board shall initiate an administrative Inquiry and take a decision on its findings within 15 days.
- c. A member so expelled by the Board of Directors shall have the right to appeal at the next Delegates Meeting provided the notice and grounds of such appeal have been filed with the Chief Executive Officer no less than 20 days before the date of the meeting.
- d. A member so suspended or expelled loses voting rights and cannot attend Society Meetings unless invited by the Chief Executive Officer in writing.

The decision of the Delegates Meeting on such expulsion shall be final. Provided such a member shall have the right to appeal to the Tribunal if the issue constitutes a dispute.

#### **BY-LAW 22: PAYMENTS RESULTING FROM WITHDRAWAL, TERMINATION OR EXPULSION FROM MEMBERSHIP**

The following are the conditions that must be observed by members who withdraw from the society and wish to rejoin later.

- a. Where a member wishes to withdraw from the society, he will be required to give the society a written notice of up to 60 days of his intention to withdraw.
- b. No member shall be allowed to withdraw from the society unless his outstanding loan is repaid in

full or the loan balance can be fully offset against his deposits, such a member will also have to satisfy the society that all the loans guaranteed have been paid in full.

- c. A member who withdraws will be required to clear all his outstanding loans and provide alternative guarantors for loans guaranteed.
- d. A member who has withdrawn from the Society may be accepted to rejoin.
- e. A rejoining fee may be charged on the rejoining member in addition to the normal entrance fee and as may be prescribed in the Membership Policy.

#### **BY-LAW 23: ENTRANCE FEES**

- a. A member shall pay an entrance fee as may be provided for in the Membership Policy or as may be determined by the Board of Directors from time to time.
- b. The entrance fee is not refundable and shall not carry any interest.

#### **BY-LAW 24: SHARES**

- a. The nominal value of each share shall be Kshs.1/= and every member shall hold the prescribed minimum shares in the Society, but no member shall hold more than one-fifth of the total shares in the Society.
- b. Any amount may be accepted towards the purchase of shares provided however, that the Board of Directors may fix a minimum amount that may be paid by a member at any one time.
- c. With the approval of the Board of Directors a member may at any time transfer his shares to another member. Such transfers must be in writing and at nominal value and to a member who is yet to raise the maximum share capital.
- d. All transfers must be registered with the Chief Executive Officer, and no transfer shall be valid unless so registered. A transfer fee to be determined by the Board of Directors shall be paid to the Society by the transferee.
- e. The Society shall maintain capital adequacy as required by the Regulations.
- f. The nominal value of each share shall be Kshs.1/=(One shilling) only and every member shall hold at least 182(one eighty two) shares in the society, but no member shall hold more than one fifth of the total shares of the SACCO.
- g. Every member shall contribute on monthly basis 1(one) shares and any amount may be accepted towards the purchase of shares, provided, however, that the board of directors may fix minimum amount that may be paid in by a member at any one time.
- h. With the approval of the board of directors, a member at any time may transfer his/her shares to another member but not to any other person. Such transfers must be in writing at nominal value.

#### **BY-LAW 25: NON-WITHDRAWABLE DEPOSITS**

- a. The Society shall have a written Savings policy
- b. The amount accumulated in the non-withdraw-able deposit accounts may be used as collateral against borrowings and shall be refunded only when a member withdraws from membership provided the member has fully repaid all his debts and obligations, and is free from any guarantee.
- c. A member may be refunded the amount saved in his non-withdraw-able deposit account within 60 days after giving a written notification.
- d. Non-withdraw-able deposits shall attract interest at a rate to be determined by the Society and as dictated by external market forces or internal funding needs.

#### **BY-LAW 26: LIABILITY OF MEMBERS**

- a. The liability of a member shall be limited to the nominal value of the shares held by the member.
- b. In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by the members, the funds shall be distributed pro rata among the shareholders according to the amount of shares held by each.
- c. The estate of a deceased member shall be liable for the debts of the society, as they existed at the time of his/her death unless otherwise covered under any other existing insurance scheme in

the society.

#### **BY-LAW 27: SOCIETY FUNDS**

The funds of the Society shall consist of: -

- a. Entrance Fee as may be provided for in the Membership Policy.
- b. An unlimited number of Shares to the value of Kshs.1/= each or as the Board of Directors may determine from time to time.
- c. Deposits from members or non-members.
- d. A Reserve Fund as required by the Act and such other Reserves as may be established with the approval of the Board of Directors.
- e. Any deposits, grants or gifts from other bodies, organizations or individuals
- f. Any surplus resulting from operations of the Society.
- g. Funds obtained from other lawful miscellaneous sources

#### **BY-LAW 28: APPLICATION OF SOCIETY'S FUNDS**

The funds of the society shall be applied for the attainment of the stated objects in accordance with the Act, Rules, Regulations and these by-laws, and, in particular:-

- 1) TNT DTSACCO shall not invest non-earning assets or property and equipment in excess of 10% of the total assets; of which land and buildings shall not exceed 5% unless a waiver to that effect has been obtained from the authority. Provided donated assets and foreclosed assets are excluded in arriving at this percentage.
- 2) Unless by due approval by the authority TNT DTSACCO shall be required to dispose of the investment in property acquired for the purpose of future expansion, if the property remains unutilized for two years from the date of acquisition.
- 3) A Sacco shall not make financial investments in non-government securities in excess of 40% of its core capital or 5% of its total deposits liabilities.
- 4) For the purposes of these regulations, financial investment mean investments in government securities, shares and stocks, deposits in institutions licensed under the banking Act, and licensed Sacco societies.

#### **BY-LAW 29 WITHDRAW-ABLE DEPOSITS**

- 1) TNT DTSACCO shall establish a savings policy which shall at a minimum prescribe terms and conditions of opening, operating closing accounts; interest rate calculations and payments, penalties and other charges.
- 2) All withdraw-able deposits (Savings and term deposits) shall attract interest at a rate prescribed in the terms and conditions of the deposit.
- 3) Interest on withdraw-able deposits shall accrue on a pro-rata basis.

#### **Deposits return.**

TNT DTSACCO shall submit to the Authority a statement of deposit on its non-withdraw-able and withdraw-able deposits at the end of every month to be received on or before the 15th day of the following month out in Form 3 in annex II to these regulations.

#### **Record keeping**

- 1) A Sacco society shall maintain an account for each of its members through which deposit transactions with the member shall be recorded.
- 2) Term deposit accounts shall be evidenced by a receipt or statement which clearly states the member's name, the certificate and account number, the date of the deposit, the amount of the deposit, the term of the deposit, the interest rate, and dates of interest payments and penalties for early withdrawal.

#### **Savings disclosure Requirements**

- 1) TNT DTSACCO shall disclose to its members and potential members the terms and conditions for operating each account and obligations attached thereto.
- 2) An advertisement in respect of terms and obligations attached to an account offered by the Sacco shall not be misleading or inaccurate and shall not misrepresent TNT DTSACCO account contract. An advertisement shall state the following information to the extent applicable, clearly and conspicuously:
  - a) The minimum amount required to open an account and the minimum balance to maintain it
  - b) The minimum interest-bearing balance;
  - c) Type of interest rate and fees applicable;
  - d) The maturity of a term account.
- 3) For a joint account, disclosures made to any one of the members shall be sufficient.

#### **Dormant accounts**

- 1) TNT DTSACCO shall deem an account as dormant if no transactions have been made therein for a period of 6 months. The TNT DTSACCO must maintain a separate accounting record of all such accounts.
- 2) Savings, deposits and other sums due to a member may be deemed abandoned if the member or his nominee has not contacted the TNT DTSACCO in person or in writing within a period of five years, or has otherwise not indicated an interest in the funds.
- 3) Where funds have been deemed abandoned, the board of TNT DTSACCO shall give a 90 days notice to the member or nominee at the last known address of its intention to close the account and transfer the abandoned monies to the public trustee.
- 4) The board of directors may transfer the abandoned funds to a nominee who has been identified.
- 5) Where the member or nominee cannot be traced, the board of directors with approval of the Annual Delegates meeting may transfer the funds to the public trustee. The member or other interested party shall be informed by way of notice of the above action taken using the last known address, Telephone, Cell phones, and E-mails.

#### **BY-LAW 30: POWERS TO BORROW**

- a) Loans may be obtained from members and non-members, subject to the maximum approved by the Delegates meeting, provided the amount does not exceed 25% of the total assets unless otherwise permitted by the Authority.
- b) For the necessary securing of any loans accepted by the society under paragraph (a) above, the society may grant a charge over the assets of the society. The authority to grant a charge shall be reserved to the Delegates meeting subject to approval by the commissioner and of the Sacco Society Regulatory Authority.

Provided that loans obtained for purposes of on lending to members shall be advanced to members at the rate of not less than 2% above the interest rate at which the loan was obtained.

#### **BY-LAW 31: CAPITAL ADEQUANCY REQUIREMENTS**

- 1) The society shall at all times maintain:

A core capital of not less than ten million shillings.

A core capital of not less than ten percent of total assets.

Institutional capital of not less than eight percent of total assets.

Core capital of not less than eight percent of total deposits.

In addition to the society complying to the above capital adequacy requirements, it shall also comply with the following:

- 2) The board of directors shall be responsible for formulating, reviewing and adjusting the liquidity policy of the Sacco Societies on an annual basis.
- 3) TNT DTSACCO shall maintain 10% of its savings deposits and short-term liabilities in liquid assets.
- 4) The board of directors shall put in place a contingency plan to handle liquidity crises. The plan should include procedures for making up liquidity shortfalls in emergency situations and back-up liquidity strategy for circumstances in which the normal approach to funding operations are disrupted.

#### **BY-LAW 32: RECEIPTING FOR MONEY**

- 1) Money paid in and out on account of shares, deposits, loans interest, fees or fines shall be evidences by an entry in the passbook or other form or receipt approved by the board of directors. Every person receiving or paying out any money on behalf of the society shall be identified on the receipt.
- 2) Should the passbook or other receipt given to the member by the society be lost or destroyed, immediate notice of such fact shall be given by the member of the Treasurer who may be authorized by the board of directors to issue a duplicate passbook or a duplicate receipt. The board may also require payment to the society of a reasonable charge to cover the cost of issuing the duplicate passbook.

#### **BY-LAW 33: EXPENDITURE**

The Board of Directors may re-allocate funds from one vote to another but shall spend within the approved limits of the Delegates meeting of the society.

#### **BY-LAW 34: LIQUIDITY MANAGEMENT**

- a. The Board of Directors shall formulate the Liquidity Policy for the Society.
- b. The Board shall put in place a contingency plan to handle liquidity matters. The plan shall include procedures for making up liquidity shortfalls in emergency situations and back-up liquidity strategy for circumstances in which the normal approach to funding operations are disrupted.
- c. The Society shall maintain adequate liquidity as required by law.

#### **BY-LAW 35: RESERVES**

- a. Subject to the provisions of Section 47 of the Co-operative Act, and approval of the Board, the Society shall pay one-fifth (20%) of its net surplus resulting from the operations during the financial year to the Reserve Fund.
- b. The Reserve Fund of the Society shall be invested or deposited in the manner provided for in Section 45 of the Co-operative Act and the Rules.
- c. The Reserve Fund shall be indivisible and no member shall be entitled to claim a specified share of it.
- d. On dissolution of the Society, the Reserve Fund shall be applied for in the manner provided for in the Act and Rules.

#### **BY-LAW 36: INVESTMENTS**

- a. The Society shall have a written Investments policy consistent with the relevant provisions of the Co-operative Act, Rules, the SACCO Act, Regulations and any other applicable laws.
- b. The Society shall only invest in non-earning assets or property and equipments, real estate and financial investments to the extent permitted by the Rules and Regulations.

#### **BY-LAW 37: DISPOSAL OF SURPLUS**

Subject to the Act and Rules, and approval by the members, the Net Surplus resulting from the operations of the Society during any Financial Year shall be disposed of as follows: -

- a. Not less than 20% shall be credited to the Statutory Reserve Fund
- b. The balance may be disposed of as decided at the Delegates Meeting:-
  - (i) Paying dividends on shares at a rate determined by the Board of Directors and approved by the Delegates Meeting



- (ii) Paying interest on deposits to members on record at close of the financial year at rate determined from time to time by the Board of Directors.
- (iii) Paying into the institutional capital to which no member has a claim
- (iii) Being carried forward to an Education Fund or other funds of the society, including the appropriation accounts
- (iv) An amount not exceeding 10% of the remaining net balance may be paid to any charitable purpose.
- (v) Paying a gratuity or honoraria, bonuses, allowances and other commissions to Board of Directors or employees of the society as determined by the Annual Delegates meeting.
- (vi) In any other way approved by the Delegates Meeting.
- c. The detailed Policies and Procedures shall be provided for by the Board of Directors in the Dividends Policy.
- d. Computation of Interest on deposits shall be paid based on the terms and conditions provided in the Savings and deposits policy.
- e. Honorarium to Board members and bonus to staff shall not exceed 10% of the total surplus unless otherwise reviewed by the Delegates Meeting.

### **BY-LAW 38: GOVERNANCE STRUCTURE**

- a. The Governance structure of the Society shall comprise of the Annual Delegates Meeting that has the overall control of the Society, Board and management staff, appointed representatives.
- b. The members of electoral center shall elect their representatives to the Delegates Meeting of the Society and the delegates shall constitute the Delegates Meeting. Provided that in the interest of maintaining the operations of the Society, the Board of Directors may delegate authority or appoint the representatives.

### **BY-LAW 39: ELECTIONS**

#### **Nomination and Electoral Process**

- i. The society's general elections shall be conducted annually in the respective electoral areas where they fall due. The conduct of the elections shall entail the nomination and the election processes;
- ii. The society shall elect a maximum of 328 delegates of all categories.
- iii. There shall be one voting center per cluster for the purpose of delegates' elections. The voting center shall be identified by the board of directors from time to time.

#### **Provided that,**

- a. Elections shall be conducted at the electoral areas as stipulated in these By-laws
- b. The Society shall comply with the regulations and guidelines from the Authority and the Board Charter in respect to the electoral process.

### **2. Nomination Committee**

There shall be a Nomination Committee comprising of a maximum of thirteen persons as follows;

- i. The County Cooperative Officer -Chairman
- ii. The Chief Executive Officer -Secretary
- iii. All Supervisory members not retiring in an election
- iv. All board members not retiring in an election

### **3. Duties of the Nomination Panel**

- i. To receive duly filled nomination forms.
- ii. To examine the duly filled nomination forms.
- iii. To accept/reject the nomination request based on the By- laws.

- iv. To issue the nomination certificate which shall be for a specific post (either Board or Supervisory Committee) within a given electoral area.
- v. To keep a record of its deliberations.

#### 4. Election Process

The elections shall be conducted by a returning officer who shall be the County Cooperative officer or other authorized official from the Ministry in charge of Co-operatives, whose duties shall be to:

- Declare the seat vacant.
- Initiate the process of filling the vacant seat.
- Receive the nomination certificate(s) from the nominated candidate(s).
- Ensure smooth conduct of the election.
- Declare the winner and ensure the acceptance form is signed.

#### In all the society's elections: -

- i. Nomination of candidates shall be from successful vetted applicants who should apply 14 days from the day of election.
- ii. All elections shall be by secret ballot by delegates.
- iii. A member will be eligible to vote for a delegate upon fulfilling the following requirements:
  - a. Must have paid fully share capital prescribed for the respective class of membership;
  - b. Must have been an active member for the last 6 consecutive months;
  - c. Must not have defaulted any loan repayments for the last 6 consecutive months.
- iv. No member shall be entitled to vote by proxy, however, one can be elected in absentia.
- v. Irrespective of the number of shares held by him, no member shall have more than one vote.
- vi. The elections results will be announced immediately by the presiding officer on the floor.
- vii. Within 14 days of their election, the names and addresses of all persons elected to the office shall be forwarded by the Hon secretary to the Commissioner and the Authority
- viii. Election petition shall be filed to the returning officers 48 hours from the date of election.

#### 5. Electoral Areas, Clusters and Voting centers

The electoral areas, clusters and voting centers shall be based on divisions and clusters namely:

<b>DIVISION</b>	<b>CLUSTER</b>	<b>CLUSTER</b>
1. CHERENGANI	1. Kachibora 2. Chepsiro 3. Elgeyo Marakwet 4. Baringo 5. Laikipia	6. Samburu 7. Isiolo
2. CENTRAL	1. Central 2. Waitaluk 3. Kakamega 4. Vihiga	6. Migori 7. Kisii 8. Nyamira
3. ENDEBESS	1. Chepchoina 2. Endebess 3. Meru 4. Embu	6. Makueni 7. Machakos

	5. Tharaka Nithi	
4. KIMININI	1. Sikhendu 2. Kiminini 3. Bungoma 4. Busia	5. Siaya 6. Kisumu 7. Kirinyaga
5. KWANZA	1. Kaisagat 2. Kapomboi 3. Kwanza 4. Namanjalala 5. West Pokot	6. Turkana 7. Marsabit 8. Mandera 9. Wajir
6. KAPLAMAI	1. Nzoia 2. Ngonyek 3. Makutano 4. Kipsaina 5. Uasin Gishu	6. Nandi 7. Nakuru 8. Kitui 9. Tana River
7. SABOTI	1. Kinyoro 2. Saboti 3. Bomet 4. Kericho	5. Kajiado 6. Narok 7. Homabay
8. MUNICIPALITY	1. Milimani 2. Bondeni 3. Nairobi 4. Kiambu 5. Nyeri 6. Muranga 7. Nyandarua	8. Mombasa 9. Kilifi 7. Kwale 8. Lamu 9. Taitaveta

**BY-LAW 40: DELEGATES ELECTION**

- a) The delegates shall be elected for a term of three years and may be eligible for re-election.
- b) No member shall be eligible or qualified to be elected as a Delegate if he/she:
  - i. Is not a member of the Society
  - ii. Is un-discharged bankrupt.
  - iii. Is of unsound mind.
  - iv. Is an employee of the Society or its subsidiary.
  - v. Has not attained shares and deposits above Ksh.300,000/= (Three hundred thousand only) by January 1<sup>st</sup>2021.
  - vi. Has not attained a minimum form four Level of education or its recognized equivalent.
  - vii. Has been a defaulter for three months consecutively 3 years prior to elections

By Elections

A by-election for a delegate shall be occasioned by: -

- i. Death

- ii. Attainment of age 60 years except for retirees
- iii. Insanity
- iv. Defaulting
- v. Conviction for criminal offence for more than (6) months
- vi. Cessation of membership
- vii. Resignation as delegate except for a transfer of a delegate.

**BY-LAW 41: DELEGATES REPRESENTATION STRUCTURE**

**a. Endebess Division**  
Delegates - 34

**b. Kiminini Division**  
Delegates - 42

**c. Central Division**  
Delegates - 35

**d. Cherangani Division**  
Delegates - 35

**e. Municipality Division**  
Delegates - 31

**f. Saboti Division**  
Delegates - 34

**g. Kwanza Division**  
Delegates - 60

**h. Kaplamai Division**  
Delegates - 57

**TOTAL DELEGATES = 328**

**BY –LAW 42: BOARD OF DIRECTORS ELECTION.**

The changes were as follows:

- a. The directors shall be elected by delegates subject to 1/3 rule for a term of three years and may be eligible for re-election.
- b. Directors shall be elected at divisional level by delegates clustered as follows:

<b>SNO.</b>	<b>DIVISION</b>	
1	SABOTI	1
2	KWANZA/WEST	1
	POKOT/TURKANA	
3	CHERENGANI/ELGEYO	1
	MARAKWET	
4	BIDII/MILIMANI	1
5	BONDENI/GRASSLAND	1
6	KIMININI/BUNGOMA	1
7	CENTRAL/KAKAMEGA	1
8	ENDEBESS	1
9	KAPLAMAI/UASIN	1
	GISHU/NANDI	
	<b>TOTAL</b>	<b>9</b>

- c. All delegates are legible to be elected as members of the board in any of the divisions.
  - d. No delegate shall be eligible or qualified to be elected as a Director if he/she has been a delegate of the society for the immediate 24 months preceding his becoming a Board of Director.
1. Is un-discharged bankrupt.
  2. Is of unsound mind.
  3. Is an employee of the Society or its subsidiary.
  4. Has not attained shares and deposits above Ksh. 600,000/= (six hundred thousand only) by January 1<sup>st</sup> 2021 progressively
  5. Has not attained a minimum of form four Level of education or
    - a. Its recognized equivalent.
  6. Has been a defaulter for three months or more within a period of 3 years prior to elections.
  7. Has not attained certification in cooperative matters from a recognized institution by January 2021.
  8. Is not a member of the Society;
  9. Is under 18 years of age;
  10. Receives any remuneration, salary or other payment from the Society ;
  11. Is a Board member in another Salary based SACCO society;
  12. Is a member of a society with similar objectives as Trans-National Times Sacco,
  13. Lends money on his own account;
  14. Has been adversely named by the Commissioner or Authority in an inquiry report adopted by a general meeting for mismanagement or corrupt practices while a member of the Board of Directors;
  15. Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
  16. Has been convicted of any offence under the Act or Rules;
  17. Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the Act
  18. Is a member of an existing Board of Directors and, becomes delinquent and does not make good the default within a period of 90 days.
  19. Has not within thirty (30) days of being appointed, declared his wealth to the commissioner in the prescribed manner;
  20. Fails to file an indemnity determined by the Delegates meeting and which shall be lodged with the commissioner within fourteen (14) days of his elections to the committee;
  21. Does not conform to minimum qualification standards established by the Board from time to time.
- e. The elected Board members shall be required to undergo a ‘fit and proper’ test with the Authority and to declare wealth and provide indemnity within two weeks of his election
  - f. The elected Board members shall comply with the Board Charter
  - g. which shall define roles and functions of the board, conduct, qualifications and experience of members of the board and Board committees
  - h. If a Member of the Board of Directors fails to attend three consecutive Meetings without acceptable reasons or otherwise fails to perform his duties in his position as a Board member, the member shall be suspended for a maximum of 3months, upon which the board will give a verdict for reinstatement or recommendation for expulsion.
  - i. Where a member of the Board is out of station for a period exceeding 6 months and is therefore unable to perform his duties, his position may be declared vacant.
  - j. A person elected into a Board of a Co-operative Union or Apex Society on the basis of his elected position shall cease to be a member of the Apex Society or Union upon ceasing to be a Board

member of the society

- k. The election to the Board of Directors is gender sensitive but these by-laws emphasize democracy where competition will be the baseline.

- e. By Elections

A by-election for a director shall be occasioned by: -

- i. Death
- ii. Retirement
- iii. Insanity
- iv. Defaulting
- v. Cessation of membership
- vi. Conviction for criminal offence for more than (6) months

#### **BY-LAW 43: DUTIES AND RESPONSIBILITIES OF DELEGATES**

It shall be the responsibility of every delegate to:

- a. Attend delegates Meetings when convened, in order to exercise their democratic rights and those of the members they represent.
- b. Attend education forums organized by the Society for members or delegates.
- c. Notify the headquarters on issues related to deceased members.
- d. Educate members about the Society matters in general.
- e. Recommend and forward membership withdrawal cases to the Society for processing.
- f. Advise the members on proper loan utilization and the importance of loan repayments.
- g. Act as a liaison person between the Society and the members.
- h. Elect committed and visionary leaders as officials of the Society.
- i. Market the Society activities and enhance its corporate image.
- a. Perform such other duties and responsibilities as may be directed by the Board of Directors from time to time.

#### **BY-LAW 44: ANNUAL DELEGATES MEETING**

The Supreme authority of the society shall be vested in the Annual Delegates Meeting elected in the manner prescribed in these By-laws, where Members shall have the right to attend, participate and vote on all matters through their Delegates. Such a meeting shall be held in the manner prescribed in the Act as follows: -

- a. The Annual Delegates Meeting shall be held within four months of the close of the financial year to undertake such other businesses as laid down in the Act and such other as shall appear in the notice convening the meeting.
- b. The Delegates Meeting of the Society shall be convened by giving at least fifteen (15) days written notice to the Members
- c. The Chief Executive Officer shall take all possible and usual steps, such as announcements at public meetings, posting a notice on the Society's notice board or boards, an advertisement in the local newspaper or newsletter, to inform all members of the date and main business of the meeting. All written notices shall include a statement of the business to be dealt with.
- d. Members in a Delegates Meeting must conduct themselves with decorum.

#### **BY-LAW 45: SPECIAL DELEGATES MEETING**

Authorization to sign documents;

- a. When convened by the Board of Directors or the Commissioner or
- b. Within 15 days on receipt of a written demand from at least one third of the total registered members or delegates of the Society or as may be determined by the Delegates Meeting from time to time.
- c. Any business not completed at the Annual Delegates Meetings may be taken up at a subsequent Special Delegates Meeting, or at the next Annual Delegates Meeting.

For a Special Delegates Meeting requested by the members, the request must state the object of the meeting being called, and be signed by the requesters. The request shall be deposited in the registered office of the Society.

#### **BY-LAW 46: QUORUM**

Except when convened by the Commissioner, the presence of at least 1/3 of the total number of delegates or **104** delegates, whichever is less, shall constitute a quorum for the conduct of business at a Delegates Meeting. When a quorum is not attained, the Chairman shall adjourn the meeting, which shall be advertised as prescribed in the By-laws. If at such a meeting, a quorum is again not attained, the Chairman shall declare the meeting open with those present, one-half hour after the advertised time of the meeting.

#### **BY-LAW 47: REQUIRED MAJORITY**

- a. A motion to remove a member of the Board whose term of office has not expired as a result of a vote of no confidence must be supported by at least three quarters of the total number of delegates in the Society.
- b. Amendments of these By-laws shall be made by a resolution of majority of delegates present or voting at the Delegates Meeting.
- c. A resolution to charge any property of the society shall be supported by a two-thirds majority of the delegates present at the meeting
- d. Any other motion shall be approved by simple majority of votes.

#### **BY-LAW 48: ENFORCEMENT OF DECISION**

A decision taken by the Delegates Meeting shall be binding to all delegates and members and delegates present, absent and objecting.

#### **BY-LAW 49: CHAIRMAN AT MEETINGS**

The Chairman or in his absence, the Vice-Chairman shall preside at every delegate Meeting. In their absence, any Board member may preside failing which any member elected by a majority of those present shall preside.

#### **BY-LAW 50: IDENTIFICATION OF DELEGATES**

- a. Before they may attend or vote at a delegate Meeting, delegates shall be required to produce evidence of their membership and eligibility as members.
- b. Any member who is disorderly and disrupts business of the Delegates Meeting may be denied entrance or ejected from the meeting.

#### **BY-LAW 51: POWERS AND DUTIES OF ANNUAL DELEGATES MEETING**

The Supreme Authority shall vest in the Annual Delegates Meeting which shall be constituted by members. The Annual Delegates Meeting shall have the powers and duties prescribed in section 27(5) of the Act. At the Delegates meeting, delegates shall: -

- a. Consider the minutes of the previous meeting and consider matters arising there from.
- b. Confirm Board of Directors and Supervisory Committee members elected in their respective electoral zones for the ensuing year as provided in the Co-operative Act.
- c. Receive Reports and decide upon other matters as may be necessary for the conduct of the Society's business.
- d. Consider the Annual reports and accounts and the auditor's report on the activities of the Society during the past financial year.
- e. Subject to these By- laws, decide the disposal of the net surplus resulting from operations of the Society during the past financial year.
- f. Confirm or otherwise, actions taken by the Board of Directors and give directions to the new

Board of Directors where necessary.

- g. Consider appeals against the expulsion of members and refusals of membership by the Board of Directors;
- h. Elect, suspend or remove members of the Board of Directors and the Supervisory Committee provided that proper notice and the purpose of the meeting has been given in advance.
- i. Fix the maximum liability, which the Society may incur in loans (maximum borrowing powers).
- j. Appoint Society's Auditors, Bankers and Advocates.
- k. Approve the estimates of expenditure for the next financial year following the Board's Annual delegates Meeting.
- j. Receive the inspection notes of the Commissioner and the Authority, if any.
- k. Fix the honoraria, bonuses and other allowances, if any, for Board of Directors or the employees.
- l. Transact any other business of the Society for which 7 days' notice shall have been given prior to the meeting.

Provided that the new Board of Directors may not take office until items (a) to (k) above have been dealt with.

#### **BY-LAW 52: MINUTES**

- a. All business discussed at a Delegates Meeting shall be recorded in a Minute Book which, within one week of the meeting, shall be signed by the chairman of the meeting and at least one other Board member who was present at the meeting to verify that in their opinion the minutes are a true and complete record of all important matters which were discussed or decided at the meeting.
- b. At the next meeting, after approving any alterations or variations, which shall be written immediately below the above signatures and not as alterations to the original record, the meeting shall by resolution, authorize its chairman to sign and date the final record.

#### **BY-LAW 53: COMPOSITION AND MEETINGSBOARD OF DIRECTORS AND COMMITTEES**

- a. The Board of Directors shall be elected by and from the delegates and shall comprise of a minimum of five (5) and a maximum of nine (9) members including the Chairman.
- b. The members of the Board shall be elected for a term of three years and shall be eligible for re-election.
- c. Subject to the By-laws, one third of the members of the Board shall retire annually by rotation.
- d. The Finance and Administration committee shall include the Chairman, Vice Chairman, Treasurer and Honorary Secretary, all of whom shall be elected from the amongst the members of the Board.
- e. The Chief Executive Officer or his/her appointee shall be an ex-officio member of the Board of Directors and any Board Committee of the society.
- f. The board may appoint ad hoc committees with specific terms of reference and time frames to address specific issues and such committees shall be entitled to allowances at the prevailing rate.
- g. The Board of Directors shall meet not more than twelve times in a financial year and not more than two months shall lapse between the date of one meeting and the date of the next meeting.
- h. The Board of Directors shall deliberate and be informed about the condition of the Society in order to provide oversight guidance and policy direction to the management.
- i. A member of the Board who fails to attend three consecutive meetings, without reasons acceptable to the Board, may be suspended according to these By-laws.
- j. The Quorum shall be five (5) members. In case the Chairman and the Vice Chairman are absent, a chairman for the meeting shall be elected among those present.
- k. In case of equal votes in the Board the Chairman shall have a casting vote.



#### **BY-LAW 54: CONDUCT OF BUSINESS**

The Board of Directors may make such rules not inconsistent with these by-laws, as they may deem necessary for the conduct of the society's business. Any such regulations shall be recorded in the minute book and shall be posted on the society's notice board, and shall come into force when and as determined by the Board.

#### **BY-LAW 55: FUNCTIONS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

The Board of Directors shall be the governing authority and subject to any directions from the Delegates Meeting and it shall direct the affairs for the Society. Its procedures, powers and duties shall be as prescribed in the Act and Rules, and in particular, it shall:

- a. Observe in all its activities the Act, Rules and these By-laws.
- b. Generally direct and monitor the affairs of the Society.
- c. Act upon all applications for membership unless a Membership officer is appointed to do so.
- d. Establish appropriate policies including but not limited to human resource policy, credit policy, investment policy, savings policy, liquidity policy, pricing policy, information preservation policy, dividend policy and risk management policy.
- e. Ensure that true and accurate records and accounts are kept of the Society's money, and its properties, capital reserves, liabilities, income and expenses.
- f. Decide the amount and kind of surety, bond or other security, which shall be required of the Chief Executive Officer and any other officer or employee having the custody of, or handling funds or property of the Society.
- g. Cause Annual returns to be filed with the Commissioner.
- h. Cause monthly returns for remittances to be submitted to SASRA.
- i. Cause to be prepared estimates of the Society's income and expenditure including recurrent and capital expenditure for approval by the Delegates Meeting at least three (3) months before the end of the preceding financial year.
- j. Cause to be kept proper books of accounts prepared in accordance with International Financial Reporting Standards.
- k. Display audited accounts in a conspicuous place at the registered office and branches at least two (2) weeks before presentation of the accounts to members at the Delegates Meeting.
- l. Ensure that the Society makes adequate provisions for known and probable losses likely to occur as required by the regulations.
- m. Ensure that the Society maintains a positive image within the industry and the economy as a whole.
- n. Draft or cause to be drafted the Internal Regulations which shall include all matters which have not been taken care of in these By-laws which all for specific enactment to ensure smooth functioning of the Society.
- o. Determine from time to time the interest rates on loans (subject to the maximum permitted by-laws) the maximum maturities and terms of payment or amortization of loans to member; and the maximum amount they may be loaned with or without security to any member. When, by action of the Board, the interest rates on future loans are reduced, similar action may be taken with regard to interest rates on unpaid balance of existing loans.
- p. Lay before the Annual Delegates Meeting a Balance Sheet and Final Accounts and Budget for the following year.
- q. Recommend to the Annual delegates Meeting the Dividend Rate to be paid on Shares.
- r. Fill vacancies occurring in the **Board and Board committees**.
- s. Determine the Society electoral zones and Branches
- t. Authorize investments of the Society and make capital expenditure.
- u. Authorize the conveyance of property of the society.
- v. Authorize borrowing and lending operations of the Society in accordance with the Act, Rules and

Regulations.

- w. Designate a Depository, or Depositories, for the Funds of the Society.
- x. Submitting Proposals to the Delegates Meetings and provide information necessary to enable the members deliberate and take actions.
- y. Employ, terminate and fix compensation of staff in accordance with terms and conditions of service approved by the Commissioner.
- z. Impose fines on errant members.
- aa. Approve transfer of shares between members.
- bb. Determine the Interest rates, which shall be paid on deposits.
- cc. Review monthly delinquency reports and supervise the collection of loans to members and authorize the write-offs of uncollectible accounts.
- dd. Where appropriate, affiliate and maintain liaison with the National and International Apex Organizations.
- ee. Elect the members to represent the Society in a National Co-operative Organizations or International Co-operative Organization other Apex Society of which this Society is a member,
- ff. Perform such other duties as are necessary to preserve the sound management of the Society and authorize any action consistent with the Act, Rules and these By-laws, unless specifically reserved for the Delegates Meeting.

Provided, the Board's sole official communication to the operational organization, its achievements and conduct shall be through the Chief Executive Officer. The Chief Executive Officer shall only officially pass decisions of the Board. Individual Board member requests that are outside Board meeting shall not be considered as binding.

All authority and accountability of staff, as far as the Board is concerned, shall be considered the authority and accountability of the Chief Executive Officer.

#### **BY-LAW 56: LEGAL STANDARDS OF CARE, INDEMNITY AND DECLARATION OF WEALTH**

- a. In the conduct of the affairs of the Society, the Members of the **Board of Directors** shall exercise the prudence and diligence of ordinary men of business and shall be held, jointly and severally liable for any losses sustained through any of their acts which are contrary to the Act, Rules and the By-laws of the Society or the directions of any Delegates Meeting of the Society or any other applicable law.
- b. Every **Board** member shall, pursuant to section 27(b) of the Act, file an indemnity, whose amount the Delegates Meeting shall determine and which shall be lodged with the Board within fourteen (14) days of his election to the committee.
- c. The Board of Directors shall indemnify the society to the extent of **0.03%** the total assets
- d. Every Board member and other officers of the Society shall within thirty (30) days of being appointed, declare their wealth to the Commissioner.

#### **BY-LAW 57: CODE OF CONDUCT**

- a. Every officer of the Society shall comply with governance rules as prescribed by the Ethics Commission for Co-operative Societies.
- b. The Society shall prepare a Code of Conduct as set out in the regulations to be approved by the Authority.
- c. Any officer who violates the Society's Code of conduct commits an offence and the Board shall take the necessary action in line with the provisions of the Regulations.

#### **BY-LAW 58: CONFLICT OF INTEREST**

- a. Every Board member and employee of the Society shall be required, before taking part in any business transaction which the Society may be about to discuss, or initiate to disclose any personal interest in the matter and shall not take part in any discussion or vote upon that item of business.
- b. The Board member or employee shall physically absent himself/herself from the discussion

unless it is determined that the individual has relevant information to provide. Failure to divulge this information shall result in removal from Office or Termination of Employment.

- c. No person or member shall serve as a committee member or/and a delegate of the society as well as in a sister organization with common interest or which is having a dispute with the society. Such affected members shall be given one month from the date of the Delegates meeting or from the date of the appointment /election to decide whether to serve and notify the society of such decisions in writing, failure to which it shall be deemed he/she has ceased being a committee member or/and delegate of the society.

#### **BY-LAW 59: CONFIDENTIALITY BY OFFICERS OF THE SOCIETY**

- a. The Executive Officer, members of the Board of Directors and Employees of the Society shall hold in the strictest confidence all transactions of the Society, with its members, and all information respecting their personal affairs, except to the extent deemed necessary by the Board of Directors in connection with the loans and the collection thereof.
- b. In case of breach of confidentiality, besides the resulting action for damages, the responsible party shall be removed from the office or their employment terminated.
- c. No Executive Officer, Board member, or employee of the Society shall in any manner participate in the deliberations upon, or determination of any issue affecting his/her own financial or personal interest. In the event of disqualification of any such Executive Officer, Board of Director or employee, he/she shall withdraw from such deliberation or determination, and the remaining qualified Board members present at the meeting, if constituting a quorum, may exercise with respect to the matter, all the powers of the **Board of Directors**.

#### **BY-LAW 60: DELEGATION OF DUTIES**

- a. The Board of Directors may delegate in writing to an officer, Board committee or employee of the Society such of its duties, as it may deem necessary.
- b. Nothing in (a) above shall absolve the Board of Directors from its responsibility of running the affairs of the Society in proper and businesslike manner. The Board of Directors must ensure full control.

#### **BY-LAW 61: RECORDS OF BOARD OF DIRECTORS MEETINGS**

- a. All Business discussed or decided at Board of Directors meetings shall be recorded in Minute Book which, within one week of the Meeting, shall be signed by the chairman of the meeting, and at least one other Board Member who was present at the meeting to verify that in their opinion, the minutes are a true and complete record of all important matters which were discussed or decided at the Meeting.
- b. At the next meeting, after approving any alterations or variations, which may be written immediately below the above signatures and not as alterations to the original record, the meeting shall authorize the chairman to sign and date the final record.

#### **BY-LAW 62: BOARD COMMITTEES**

- a. The Board of Directors may delegate to the Board Committees such of its powers and duties under these By-laws, as it deems fit and proper, provided that the Board remains responsible. The Board Committees shall consist of persons drawn from among its members.
- b. The Board of Directors may appoint Committees as it may deem reasonably necessary. The Committees shall consist of persons drawn from among its members
- c. The Quorum of the Board Committee meetings shall be two thirds of the members of the Board Committee, provided that out of necessity the Management staff who attends the Board committee meetings may be considered for purposes of attaining a quorum.
- d. The Chief Executive Officer shall sit in all Board and Board committee meetings together with other Management staff as may be appointed to facilitate effective deliberations.

#### **BY-LAW 63: VACATION OF THE OFFICE BY BOARD MEMBER**

- i) A member of the Board of Directors or any other Board committee shall cease to hold office if he:
  - a. Ceases to be a member of the society or
  - b. Is delinquent for three months or
  - c. When the term of office of the Board that appointed it expires
  - d. Becomes ineligible for any other reason(s)
  - e. Resignation
- ii) Unless as a result of force majeure, all Board members shall automatically lose their seats in the next Annual Delegates Meeting of the society if they fail to cause the accounts of the society in respect of the society's business for the previous year to be audited within four (4) months of the close of the financial year.

#### **BY-LAW 64: REMOVAL FROM OFFICE**

- a. The Board of Directors may by majority vote remove any Board member who violates the Act or Rules made there under, these by-laws or for any other good or sufficient cause. No person may be removed by this by-law until the person has been informed by writing of the reason for his proposed removal and has been given the opportunity to appear before the board of directors to rebut the allegations made against him.
- b. The Board of Directors shall by a majority vote of the board members then holding office appoint a member of the Society to fill the vacancy occurring on the board. Appointments under this section shall be valid only until the next general meeting of the society where, the members shall confirm or elect a board member to serve for the balance of the unexpired term.

#### **BY-LAW 65: FINANCE & ADMINISTRATION**

- a. The Chairman, Vice-Chairman, Honorary Secretary and Treasurer shall be termed "**Finance & Administration**".
- b. The Finance & Administration shall be **elected** at a meeting of the Board and confirmed at the Annual Delegates Meeting.
- c. The Finance & Administration shall be elected at a Meeting of the Board of Directors, in accordance with these By-laws.
- d. The Chairman of the Society shall also be Chairman of the Finance and Administration committee
- e. The Chief Executive Officer, and in his absence, the deputy, shall be ex-officio members without voting rights.
- f. The basic responsibility of the Finance & Administration is to act on behalf of the full Board of Directors between Board meetings and when the Board is not in session. The Committee members shall exercise their business judgment to act in what they reasonably believe to be in the best interests of the Society and its members.
- g. In discharging its obligation, members may rely on the honesty and integrity of the Society's senior executives and its outside advisors and auditors, to the fullest extent permitted by law.

#### **BY-LAW 66: CHAIRMAN AND VICE-CHAIRMAN**

- a. The Chairman shall preside at all Meetings of the Members, and at Meetings of the Board of Directors. He shall perform such other duties as the Board of Directors, not inconsistent with the provisions of the Act, Rules and these By-laws, may direct him/her.
- b. The Vice-Chairman shall perform the duties of the Chairman during his absence, and shall perform such other duties as the Board of Directors may direct him/her to.

#### **BY-LAW 67: TREASURER**

The Treasurer shall have financial management background. The powers and duties of the Treasurer shall be to: -

- a. Generally to cause to be managed the financial affairs of the Society in a competent and efficient manner.
- b. Cause to be maintained full and complete records of all assets, liabilities, income and expenses of the Society.
- c. Ensure the safekeeping of the Society's money, securities and Books of Accounts.
- d. Ensure that all payments and expenditures are duly authorized.
- e. Ensure compliance with all directives of the Board.

Provided that within 20 days after the close of each month, the treasurer shall cause the preparation and submission to the Board of Directors financial statements showing the position of the society at the end of each such month.

#### **BY-LAW 68: HONORARY SECRETARY**

Duties of the honorary secretary are to:-

- a. Ensure the proper record of minutes of the Board of Directors meetings and delegates Meetings.
- b. Ensure the communication of notices of meetings.
- c. Display the audited accounts in a conspicuous place at the head office and branches at least two weeks before presentation to the members in the Delegates meeting.
- d. Perform such other duties as may from time to time be assigned by the Board of Directors

#### **BY-LAW 69: FINANCE & ADMINISTRATION**

Composition: Four board members

Ex-official: Chief Executive Officer and Finance Manager

Secretary: Chief Executive Officer

Meetings: Once a month.

Reports to: Board Trans-National Times Sacco Ltd.

##### **a. Administration**

- i. Execute the administrative functions for and on behalf of the Board.
- ii. Research, Guide and advice on corporate governance plus ethical standards for the organization.

##### **b. Strategic Direction**

- i. Follow up on the strategic plan and direction for the organization and ensure sustained focus and direction.
- ii. Research on the strategy and development initiatives.
- iii. Review, assess and advise on the Sacco short and middle term business strategy as set out in the Sacco annual Financial Plan and submit it for approval by the board;
- iv. Monitor the implementation of the Sacco strategy as approved by the Board;
- iv Identify and advise management on new business opportunities outside the Sacco current activities;
- v. To work closely with and provide advice to the Board and CEO on matters of corporate activity relating to the Sacco or its competitors;
- vi. To monitor information disclosure on issues related to strategy; and
- vii. To review the annual "SWOT" analysis of the Sacco.

##### **c. Finance**

- i. Periodically review the financial position of the Sacco and advise the Board accordingly.
- ii. Receive, analyze and advise the board on the Sacco liquidity position accordingly
- iii. Come up with proposals on financial investments and other dealings as dictated by the market trends.
- iv. Review and make recommendations to the board on the financial plans of the Society ensuring its adequacy and soundness in providing for the Society current operations and long term stability.
- v. Review periodic financial statements for the Society before submission to the board.
- vi. Consider and advice the board on investments and borrowings.
- vii. Monitor the management's adherence to the procurement plans approved by the board.

- viii. Review and make recommendations on Finance related policies including investments, capital adequacy and financial performance monitoring.
- ix. Ensure the Society has liquidity management policies as prescribed in the regulations.
- x. Review loan interest rates and other levies proposed by the management and make recommendations to the board for approval.

### **Human Capital Development**

- i. Come up with strategies to grow, develop and sustain a strong team to drive the Sacco forward.
- ii. Review and recommend to the board people management structures and frameworks for growth and sustainability.
- iii. Review policies and procedures on people development and advise the board accordingly.
- iv. Ensure appropriate compliance with any legal or regulatory requirements such as labour related laws, regulation or guidelines.
- v. Confirm or defer staffs on probation.
- vi. Review and make recommendations on appropriate human resource policies.
- vii. Ensure that periodic reviews of staff performance are conducted
- viii. Examine and recommend human resource expenditure for approval by the board.

### **BY-LAW 70: CREDIT COMMITTEE**

Composition: Four Board Members

Ex-official: 1. Credit Officer  
2. Savings manager  
3. Finance Manager

Secretary: Finance Manager

Reports to: The Board Trans-National Times Sacco Ltd

#### **a. Lending and recoveries**

- i. Come up with strategies and activities to grow and maintain a healthy loan portfolio.
- ii. Review and advise the board on strategies and structures on lending in line with Sacco strategy.
- iii. Create and maintain an enabling environment for both granting and collection of loans.
- iv. Periodically review the lending policies and advise the board accordingly.
- v. Advise the board on emerging trends in lending and position the Sacco accordingly.
- vi. Compliance to credit administration on Sacco regulations and it prudential standards.
- viii. Review loan cases within the board limits before they are approved by the board.
- ix. Ensure establishment and review of appropriate credit policy consistent with the relevant provisions of the regulations and the by-laws.
- x. Review periodic credit and loan portfolio reports of the Society before submission to the board.

### **BY-LAW 71: EDUCATION COMMITTEE**

Composition: 3 Board members

Ex-official: Senior Officer II Business Development Officer

#### **a. Marketing**

- i. Organize member education programs.
- ii. Deliberate on proposed marketing, promotions and awareness campaigns to existing and potential members.
- iii. Review and advise the board on marketing policies & structures in line with the Sacco strategy.
- iv. Ensure appropriate compliance with any legal or regulatory requirements.
- v. Come up with strategies and activities to position and present the Sacco as a brand.

#### **b. Business Development**

- i. Come up with deposits growth strategies.
- ii. Identify new markets and strategies of entering them.
- iii. Identify positive linkages, networks and structures that may assist grow the business for the Sacco.
- iv. Communicate to the board on business development activities such product development, R&D and brand concept branding.

#### **c. Member Services**

- i. Come up with strategies and practices to ensure proper member services create standards and benchmarks for member service.
- ii. Create a framework of gathering and acting upon member feedback as applicable.
- iii. Review periodically the member service delivery channels and advise/propose changes as applicable.
- iv. Research on and advise the society on corporate social responsibility initiatives and activities.
- v. Keep minutes of their meetings.
- vi. Identification and Determination of education needs of the members, the Board of Directors and of the potential members, in the principles and techniques of cooperatives, both economic and democratic.
- vii. Create good relations between the Board of Directors, staff, members, other co-operative suppliers, business and public at large for increased productivity of the organization.
- viii. Acquire literature on behalf of the society, with a view to setting up well stocked library. This could comprise of the cooperative Act, Rules and By-laws, policies, cooperative texts and journals.
- ix. Arrange for education and tours in liaison with other members of the Board of Directors.
- x. Ensuring that adequate funds have been allocated for education purposes and utilized properly, for the benefit of the whole society.

#### **BY-LAW 72: AUDIT AND COMPLIANCE**

Composition: Three Members of Board

Ex-official: Internal Auditor

Secretary: Internal Auditor

Reports to: The Board Trans-National Times Sacco Ltd

Duties & Responsibilities

The primary responsibility of the Audit and Risk Management Committee shall include but not limited to the following:-

- i. Ensuring that internal controls are established and effectively maintained to achieve a Society's financial reporting objectives;
- ii. Reviewing internal controls including the scope of the internal audit program, the internal audit findings, and recommend action to be taken by management.
- iii. Reviewing internal audit reports and their overall effectiveness, the scope and depth of audit coverage, reports on internal control and any recommendations and confirm that appropriate action has been taken;
- iv. Ensuring that accounting records and financial reports are promptly prepared to accurately reflect operations and results;
- v. Reviewing Co-ordination between the internal and external audit functions as well as monitor the external auditor's independence and objectively taking into consideration relevant professional and regulatory requirements;
- vi. Nominating names of external auditors by the SACCO Societies Regulatory Authority for appointment by the Annual Delegates Meeting;
- vii. Reviewing with external auditors the scope of their annual audit plan, systems of internal audit reports, assistance given by management to the auditors and any finding and actions taken, and recommend the auditor's remuneration to the board;
- viii. Reviewing management reports and reports from the internal and external auditors concerning deviations and weaknesses in accounting and operational controls;
- ix. Reviewing the Society's internal audit plan, with specific reference to the procedures for identifying regulatory risks and controlling their impacts on the Society;
- x. Monitoring the ethical conduct of the Society and consider the development of ethical standards and requirements, including effectiveness of procedures for handling and reporting complaints;
- xi. Reviewing any related party transactions that may arise within the Society, that is transactions that may arise from a Boars or Staff member with a relative;
- xii. Ensuring that relevant plans, policies, and control procedures are established and properly administered;
- xiii. Ensuring that policies and control procedures are sufficient to safeguard error, carelessness, conflict of interest, self-dealing and fraud;
- xiv. Investigating members' complaints;

xv. Keeping minutes of their work;

xvi. Considering any matter of significance raised at the Annual Delegates Meeting.

The Audit and Risk management Committee may delegate any of its functions to a designee but shall ultimately bear the responsibility. The Audit and Risk Management Committee shall report to the Society Board of Directors on measures taken to implement recommendations and corruptions of findings reported.

### **BY-LAW 73: SUPERVISORY COMMITTEE**

- a. There shall be a Supervisory Committee consisting of three (3) members who must not be employees of the SACCO or serving on the Board or any other Committee of the Society. The Supervisory Committee shall be directly answerable to the Delegates Meeting, to which it shall report.
- b. The Supervisory committee shall be elected by the delegates at the specified divisional levels. The supervisory committee shall consist of three members all of whom shall;
  - i. Not be employees of the society, members of the board or any Board committee
  - ii. Shall have some experience in audit, accounting or general management
- c. The term of the committee members will initially be three (3) years with a 1/3 of them retiring yearly on rotational basis.
- d. The minimum qualification standards and duties and responsibilities of the Supervisory committee shall be as prescribed in the Board of Directors Charter.
- e. The Supervisory Committee members shall choose among their number Chairman, Secretary and a member.
- f. Without intervening in the administrative functions subject to its control and supervision, the Supervisory committee shall be responsible for SACCO compliance and internal Control and oversight.

Supervisory Committee shall not perform the duties or exercise any of the powers of the Board of Directors of the Society.

### **Powers and Duties of Supervisory committee**

The Supervisory Committee shall exercise the following powers:-

- i. Evaluate programmes of the Society
- ii. Check minutes of the Management Committee and General Meetings for policy matters following the stated objectives.
- iii. Ensure proper interpretation of loan policies, By Laws, Co-operative Societies Act and Rules, Annual delegates resolutions policies of the Management Committee and their implementations.
- iv. Confirm cash regularly and reconciles with records.
- v. Check Bank Accounts and Bank Reconciliation Statements monthly.
- vi. Check balance sheet income and expenditures statements.
- vii. Check loans applications and note exceptions if any.
- viii. Cause delegates meetings when this is not done by the Management Committee within the true limits of the Society's By-laws.
- ix. Recommend the suspension of officers who they feel have failed to do their duties or have committed acts which indicate they have violated the Society's By-laws and policies.
- x. Establish procedures by which members of Supervisory Committee may be informed of all complaints made against Committees.
- xi. Ensure that at least, annually one complete audit is carried out on the Financial/Administration activities of the Society.
- xii. Monitor the employee promotion appraisal.

### **The committee shall Not:-**

- a. Participate directly in any of the activities or operations of the Board of Directors.
- b. Undermine or assume the roles of the board.
- c. Judge the operations and decisions taken by the Board of Directors on personal criteria. Any evaluation should be done on the basis of the Act, Rules, By-laws and the internal policy of the Society.
- d. Witch-hunt



- e. Be compromised in the event of performing their duties.
- f. Ambush the board.
- g. Directly correct any employees of the Society observed making errors in their work. The Supervisory committee should report such errors to the Board of Directors or Treasurer where the by-laws specify.
- h. Interfere with the management-staffs' functions
- i. Create antagonism or dissention among Board, Supervisory committee members and employees.
- j. Incite the delegates or general membership
- k. Reveal the contents of their reports or make public its report before the Board of Directors knows it.
- l. Make report on the basis of rumours or imprecise information.

Any errors noted should be based on valuation of firsthand information.

#### **BY-LAW 74: SOCIETY EMPLOYEES**

- a. The Board of Directors shall have powers to appoint paid employee(s) to carry out such duties as may be required by the Board of Directors in accordance with the Terms and Conditions of Employment.
- b. All appointments shall be done in a transparent manner and in line with the Human Resource Policy.
- c. The Board of Directors may require all employees of the Society to provide such indemnity as and when deemed necessary.

#### **BY-LAW 75: SACCO SOCIETY CHIEF EXECUTIVE OFFICER**

The Society shall have a qualified Chief Executive Officer and Secretary to the Board of Directors. The Chief Executive Officer shall be responsible to the Board of Directors for the operation and administration of the Society on a day-to-day basis while paying attention to:-

- a. The implementation and adherence to the policies, procedures and standards.
- b. Systems that have been established to facilitate efficient operations and communication.
- c. The planning process that has been developed to facilitate achievement of targets and objectives.
- d. All staff matters, particularly human resource development and training.
- e. Adherence to the established code of conduct
- f. The Act, these regulations, rules, bylaws and any other applicable laws.

#### **BY-LAW 76: DUTIES AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer will be responsible for the development and growth of the Sacco capacities.

##### **Main purpose of the job**

1. Provide visionary leadership and direction to the Sacco and ensure the efficient management of staff and resources;
2. Develop and implement a robust business development strategy to drive the FOSA agenda.
3. Spearhead the formulation and implementation of best practice policies and procedures to enhance operational efficiency;
4. Foster a corporate culture that promotes high customer service standards, ethical practices and good corporate citizenship;
5. Continuously review the Sacco's long-term strategy and recommend appropriate changes in line with the dynamic business environment within which the Sacco operates;
6. Promote a risk awareness culture at the Sacco and enforce compliance to internal monitoring and control procedures;

7. Develop and nurture business relationships with the relevant stakeholders and institutions and leverage these to achieve organizational goals;
8. Manage the Sacco's funds prudently to ensure a healthy financial position and high return on investment as per the set budgets.
9. Ensure the Society's optimal performance by identifying and developing talent in the senior management team and create a conducive work environment for attracting, retaining and motivating employees;
10. Oversee all human resources related issues of the Sacco including staff performance management.
11. Any other duties which may be assigned to him from time to time.

#### **BY-LAW 77: BOARD PAPERS**

The Chief Executive Officer shall ensure that the Board of Directors is frequently and adequately appraised about the operations of the society through presentation of relevant Board papers as specified in the Regulations.

#### **BY-LAW 78: POLICIES AND PROCEDURES FOR THE SOCIETY**

- a. The Board shall lay down and regularly review policies and procedures for savings, credit and other services to ensure that they are always in conformity with financial regulations and the interest of the members.
- b. The Board of Directors shall establish appropriate policies and procedures including but not limited to Accounting and Finance Manual, FOSA Operations Manual, Human Resource Policy, Credit Policy and Procedures Manual, Investment Policy, Savings Policy, Asset Liability Management, Liquidity Policy, Information Preservation Policy, Capitalization, reserves and Dividends policy, Risk Management and Internal Control Policy, Board Charter and Code of Conduct Policy, Training Policy, Disaster Preparedness and Business Continuity Plan ,Marketing Plan, Procurement policy, Information Communication Technology Policy ,ATM Procedures, Branch expansion policy, Product and Process Innovation Policy.

#### **BY-LAW 79: BOOKS AND RECORDS**

The Society shall keep up-to-date and in a proper business-like manner such Books and records as the Act and Rules may require from time to time.

The following Books shall be kept by the Society: -

- a. A Register of Members showing in respect of each Member:-
  - i. The name, age, date of application for membership, address and occupation.
  - ii. The date on which he ceased to be a member.
  - iii. Particulars of his Nominee if any.
- b. Minute Book giving details of proceedings of the Board and Supervisory Committee.
- c. A Minute Book giving details of Proceedings at the Delegates Meeting.
- d. A Cash Book giving details of all monies received and all monies spent or paid out by the Society.
- e. A Ledger containing such accounts as are necessary to properly record the transactions of the business of the Society.
- f. A Personal Ledger for each member showing his transactions with the Society.
- g. A Stock Control Ledger.
- h. A Register of Charges showing in respect of every charge created by the Society the Amount of the charge and the Person entitled thereto.
- i. A Register of loans to members showing in respect of each loan the name of the borrower, the amount borrowed, and the purpose of the loan, the due date of repaying, and the date the repayment is made.
- j. A register for delinquent loans and aging.
- k. Such other books and records as the Board of Directors may decide or the Commissioner or Authority may prescribe.

#### **BY-LAW 80: PAYMENTS OF OFFICERS AND MEMBERS OF THE SOCIETY**

Executive officers or board members shall not receive from the society any payment, except for sitting ,

travelling ,subsistence or other allowances as may be prescribed while working on the society`s business or an honoraria from the net surplus as allowed by these by-laws or any other legal payment as determined by members at a delegates meeting of the society.

#### **BY-LAW 81: AUDITS**

- a. The Society shall forward to the Authority, for approval, three proposed names of external auditors, 30 days prior to the Annual Delegates Meeting that will select one Auditor to audit its books.
- b. The proposed names shall comply with Rule 16 (2) of the Co-operative Rules made under the Co-operative Societies Act. The auditor shall be appointed at the Delegates Meeting from a list of Auditors approved by the Commissioner or the SACCO Societies Regulatory Authority, in consultation with the Institute of Certified Public Accountants of Kenya.
- c. The Society shall submit to the Authority the selected names of the external Auditor within 30 days after the annual delegates meeting together with an extract of minutes appointing the external auditor;
- d. The Auditor shall submit audited accounts to the delegates meeting within four months after the end of the accounting period.
- e. The society shall pay such audit fees as the delegates Meeting may prescribe as fair and reasonable from time to time and supervision fees in accordance with the Act, Rules and Regulations.

#### **BY-LAW 82: DEPOSIT GUARANTEE FUND**

The Society shall pay the assessed annual premiums to the Deposit Guarantee Fund.

#### **BY-LAW 83: FINANCIAL YEAR**

The Financial Year of the Society shall be the same as the Calendar Year (from 1<sup>st</sup> January to 31<sup>st</sup> December).

#### **BY-LAW 84: SIGNATORIES FOR THE SOCIETY**

- a. The Chairman OrVice-Chairman, Hon. Secretary, Treasurer and Chief Executive Officer, such other signatories as may be authorized by the Board of the Society. The Internal Regulations shall detail which signatories are necessary for particular operations.
- b. The documents of the society shall be deemed official where they carry the official stamp and designated signatories referred to above.

#### **BY-LAW 85: COMMON SEAL**

- a. The Society may adopt and use a Common Seal bearing the words "TRANS-NATIONAL TIMES Sacco Society Limited" and shall be kept securely under lock and key by the Chief Executive Officer or duly designated officer for that purpose and shall be used only by, and in the presence of the officers authorized to sign documents on behalf of the Society.
- b. A Register of all sealed documents shall be maintained by the society.

#### **BY-LAW 86: INQUIRIES AND INSPECTION**

- a. The Authority may carry out inquiries and inspections into the affairs of the Society in accordance with the Sacco Act and the Regulations.
- b. All Books of Accounts and other records shall at all times be available to the members and the Board of the Society. A copy of the Co-operative Act, Sacco Act, Rules, Regulations, Registration Certificates, these By-laws and a list of its members excluding details of nominees, shareholdings and loans shall be available for inspection by any person free of charge at all reasonable times during business hours.
- c. Creditors may also inspect the register of charges without a fee.
- d. For every inspection made by the public, the Society shall follow the guidelines pursuant to the

Co-operative Act and Rules.

**BY-LAW 87: DISSOLUTION**

- a. The Society may be dissolved in accordance with the procedures set forth in the Act and the Rules made there under.
- b. In the event of liquidation, the assets of the Society shall be realized, all liabilities shall be paid, all savings shall be refunded to the members and any surplus or deficit thereafter shall be apportioned to each member in proportion to the value of each member's shares at the date of liquidation.

**BY-LAW 88: DISPUTES**

Any disputes arising out of these By-laws or concerning the business of the Society that cannot be settled by the Board of Directors or the delegates Meeting shall be referred to the Co-operative Tribunal established under the Act.

**BY-LAW 89: DEBT**

- a. In case of debts due to the society from a member or debts owing to a member or past member of the society , a delegates meeting of the society may at its discretion , issue such instruction to the board of directors for liquidation of the debts as may be necessary or refer the dispute to the tribunal.
- b. The society may request the commissioner to intervene in case the employers fail to remit deductions from members salary on expiry of seven days from the date of such deductions

**BY-LAW 90: AMALGAMATION**

The society may be amalgamated with any other society in accordance with the Co-operative Societies Act.

**BY-LAW 91: AMENDMENT OF BY-LAWS**

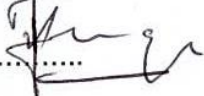
These By-laws may be amended in accordance with the procedures set forth in the Act, Rules and these By-laws, provided no amendment shall become effective until it is approved by the delegates meeting and registered by the Commissioner.

**BY-LAW 92: ACQUISITION OF BY-LAWS**

The society may make available upon request a certified copy of these By-laws from the registered office of the Society upon payment of a fee not exceeding its actual cost to the Society. For purposes of this provision, a copy of the By-laws shall be deemed duly certified provided it is endorsed in compliance with these By-laws.

**ACCEPTANCE**

We the undersigned officers of the SACCO Society named herein do hereby accept and adopt these By-laws for and on behalf of TRANS NATIONAL TIMES Savings and Credit Co-operative Society Limited together with any changes or alterations that have been initiated or signed by us.

	NAME	SIGNATURE
Chairman.....	EVANS SICHANGU	
Vice Chairman.....	FAMBA ISAAC	
Treasurer.....	JULIUS MATHANGA	
Hon. Secretary.....	MANOA ALICHULA	
Chief Executive Officer.....	GEORGE MALAVA	

Certified that the foregoing by-laws of the TRANS NATIONAL TIMES SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED have been approved by me and duly registered GIVEN UNDER MY HAND AT NAIROBI

THIS 2<sup>nd</sup>..... DAY OF MARCH 2022.....



**DAVID K. OBONYO**

.....  
**COMMISSIONER FOR CO-OPERATIVES**