

**UNITED NATIONS STAFF COOPERATIVE SAVINGS
AND CREDIT SOCIETY LIMITED (UNS-SACCO)**

BYELAWS

REGISTERED No. 9020/RCS



**P.O.BOX 21412
Kampala-Uganda**

Revised August 2020

UNS-SACCO (United Nations Staff Cooperative Savings and Credit Society Limited)

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SCHEDULE FORM 1

THE COOPERATIVE SOCIETIES REGULATIONS

TO THE REGISTRAR OF COOPERATIVE SOCIETIES

P.O. BOX 7103, KAMPALA

APPLICATION FOR REGISTRATION OF A COOPERATIVE SOCIETY

We, the undersigned, hereby apply that the society, the particulars of which are set out hereunder, be registered as a cooperative society under The Cooperative Societies Act 1991.

1) Name of Society: **UNITED NATIONS STAFF COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED (UNS-SACCO).**

2) Address of the Society for purposes of registration: **P.O. BOX 21412, KAMPALA.**

Notice of any change of address shall be given to the Registrar of Cooperative Societies hereinafter referred to as "Registrar" and to all members of the Society.

3) Area of operation: **UGANDA**

4) Type of Society: **SAVINGS AND CREDIT COOPERATIVE**

5) Whether limited or unlimited liability: **LIMITED**

6) Language and character in which the books and accounts of the Society will be kept: **ENGLISH**

7) Name of person appointed to be the secretary of the Society pending 1st Annual General Meeting; **PAUL KAJUBI.**

We attach true copies of the proposed Byelaws of the Society in English, duly signed:

	NAME SIGNATURE	AGE	TITLE	ADDRESS
1.	Mr. David Sengonzi	Adult	member	UNWFP
2.	Ms. Dorcas Tusubira	Adult	member	UNDP
3.	Ms. Justine Kabirizi	Adult	member	UNDP
4.	Mr. Paul Kajubi	Adult	member	UNDP
5.	Mr. David Olucha	Adult	member	OCHA
6.	Ms. Lindi Bageya	Adult	member	UNFPA

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7.	Mr. Gad Byoruganda	Adult	member	UNWFP
8.	Ms. Lilian Mutesi	Adult	member	UNAIDS
9.	Ms. Beatrice Lakot	Adult	member	OCHA
10.	Mr. Wilson Kwamya	Adult	member	UNDP
11.	Ms. Celia Namyalo	Adult	member	UNDP
12.	Mr. Brian Kironde	Adult	member	UNFPA
13.	Mr. Collins Nyeko	Adult	member	UNWFP
14.	Mr. Samuel Mutebi	Adult	member	UNFPA
15.	Ms. Maluusi Nsubuga	Adult	member	UNDP
16.	Ms. Teddy Mukasa	Adult	member	UNDP
17.	Ms. Rose Ssebatindira	Adult	member	UNDP
18.	Ms. Pauline Onen	Adult	member	UNFPA
19.	Mr. Andrew Oluka	Adult	member	UNOCHA
20.	Ms. Florence Ibanda	Adult	member	UNOCHA
21.	Ms. Dorothy Nabiwemba	Adult	member	UNWFP
22.	Mr. Elvis Odeke	Adult	member	UNWFP
23.	Mr. Immaculate Nsubuga	Adult	member	UNWFP
24.	Anthony Sabiti	Adult	member	UNWFP
25.	Alice Kabahweza	Adult	member	UNAIDS
26.	George Bossa	Adult	member	UNWFP
27.	Susan Weyre	Adult	member	UNWFP
28.	Allan-Charles Eledu	Adult	member	UNWFP
29.	Samuel Ibanda	Adult	member	UNDP
30.	Geoffrey Kabaale	Adult	member	UNWFP

Key on

Abbreviations

UNAIDS The Joint United Nations Programme on HIV/AIDS

UNDP United Nations Development Programme

UNS-SACCO (United Nations Staff Cooperative Savings and Credit Society Limited)

UNFPA United Nations Fund for Population Activities

UNOCHA United -Nations Office for the Coordination of Humanitarian Activities

UNWFP United Nations World Food Programme

Dated this..... day of 2020

Preamble

The Operations Management Team (OMT) recognized the problems faced by UN Staff in accessing financial services from banks due to the rigidity, unfavorable terms and conditions set by banks, micro finance, and other money lending institutions.

The July-2007 OMT meeting recommended establishment of a UNS-SACCO in Uganda similar to the one in Kenya, to address problems faced by staff in accessing manageable credit facilities.

The Society membership shall be open to all national and international staff of all agencies of the United Nations operating in Uganda.



Future Benefits of the UNS-SACCO

- 1) UNS-SACCO shall have substantial cash resources invested so as to realize optimal returns. These shall be availed to members for increased mutual benefit. It will also have suitable facilities ready for business without further capital investment.
- 2) As a Corporate Customer, UNS-SACCO shall have the capacity to negotiate cheaper banking services for the benefit of its members. These may be in form of low interest rates and favorable credit terms.
- 3) It shall offer new flexible banking products at competitive rates.
- 4) Maximum benefit for members in terms of cost savings and convenience.
- 5) Optimal use of UNS-SACCO facilities and resources.
- 6) Increased return on members' investments.

Vision

"A leading SACCO promoting member prosperity for generations."

Mission

"To mobilize resources and provide affordable financial services to members".

CHAPTER ONE

Applicable Law, Name, Purpose, Domicile

ARTICLE 1: APPLICABLE LAW, NAME AND DOMICILE

- (i) These Byelaws are made under the overriding authority of The Cooperative Societies Act hereinafter called the "Act" and The Cooperative Societies Regulations hereinafter called "Regulations" to which reference shall be made in case of doubt.
- (ii) The Society shall be called: **United Nations Staff Cooperative Savings and Credit Society Limited (UNS-SACCO)**.
- (iii) Domicile: **Kampala, Uganda**.

However, by decision of the Committee, the Savings and Credit Cooperative Society may open branch offices in any other location in Uganda, whenever economically justifiable, provided such a decision shall be ratified by the members at their General Meeting.



ARTICLE 2: OBJECTIVES

Under the general principles of financial safety and soundness, the purpose of the Savings and Credit Cooperative Society is to provide its members with the following:

- (i) Provide members with savings and credit services with the other financial products as may be required by members.
- (ii) Provide members with credit facilities for purposes of development through acquisition of assets.
- (iii) Provide an opportunity for members to improve their respective economic, social and financial conditions.
- (iv) Encourage and develop a savings culture among members so as to develop a wide capital base for accessing external sources of funds at fair and reasonable interest rates.
- (v) Provide savings, deposits and related services earning competitive rates of interest while minimizing financial risks on such savings.
- (vi) Provide loan services at cost allowing the SACCO to cover its costs including legal reserves, reserves for loans and other required reserves.

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- (vii) Minimize the risk of loan defaulters through efficient and effective loan recovery mechanisms.
- (viii) Provide members with financial and investment literacy continuous training programmes.
- (ix) Professionally manage the SACCO to ensure operational and financial sustainability.
- (x) Provide any other necessary, legally authorized and economically feasible financial services demanded by its members.

To fulfil these objectives, the Society may develop loans and other financial services and products, promote and implement the following activities:

- (a) Savings mobilization programmes.
- (b) Credit programmes and services based on the borrowers' repayment capacity.
- (c) Individual as well as joint financial programmes and services with other entities with similar objectives.
- (d) Information, Education and Communication (IEC) programmes in line with UNS SACCO Objectives.
- (e) Do all acts and things that are permissible under the Constitution, Cooperative Societies Act, the Regulations and these Byelaws.
- (f) Branding & marketing campaigns.



CHAPTER TWO

Capital, Share Certificates, Economic Resources

ARTICLE 3: NETWORTH: SHARE CAPITAL AND INSTITUTIONAL CAPITAL

The net worth of the Society shall be made up of:

- (a) Share capital: The nominal value of shares issued to the members at their par value, which is currently equivalent to Shillings 10,000/= per share.
- (b) Institutional capital: The legal and voluntary surplus reserves, which shall remain undistributed.

ARTICLE 4: RESTRICTION TO SHARE HOLDING

No member shall hold more than one third (1/3) of the total share capital.

ARTICLE 5: SCALE DOWN AND REINTEGRATION OF THE SHARE VALUE

With the prior knowledge of either annual or special General Meeting of members, the value of individual members shall be reduced when the Society's real assets value becomes lower than the aggregate liabilities. The loss shall be proportionately shared among all individual share certificates. Successive surpluses shall justify reversing the reduction process, only to the extent of the reduction.

ARTICLE 6: OTHER ECONOMIC RESOURCES

To meet its economic purpose, the Society shall rely on financial resources, such as:

- a) Each member will initially be given 10 shares with a nominal value of Ugx 10,000 per share and an extra Ugx 10,000 as non-refundable entrance fee.
- b) Staff Association's current loans serviced by members who will directly be transferred to the UNS-SACCO.
- c) Additional funds shall be raised through sale of additional shares to members who will be willing to increase their shareholding above the initial allocation.
- d) Shares shall be sold to all UN Staff who are non-members of UNS SACCO plus their spouses and children from 12 years of age.
- e) Other sources of funding shall be through donations, grants and other income generating activities that may be set up from time to time.
- f) Through collective bargaining, the UNS-SACCO shall negotiate better deals for the benefit of its members.



Other resources:

- (a) Deposits by members.
- (b) External loans obtained in accordance with the Act and the Regulations.
- (c) Unconditional reserves approved by the General Meeting of members.
- (d) Any funds that lack an express condition of destination by the should become part of the institutional capital and therefore shall remain undistributed.

CHAPTER THREE

Membership, Admission and Withdrawal from Membership, Rights and Liabilities

ARTICLE 7: ELIGIBILITY

(a) The following persons are eligible for SACCO membership:

Individuals who are:

- (i) Of good character.
- (ii) Meeting the membership profile as defined by the SACCO Committee.
- (iii) Any legal person, or similar association, whose membership is made up primarily of individuals who also meet the eligibility requirements for the SACCO's membership.

(b) Every applicant shall fill an application form for membership which when admitted will form part of the membership register of the SACCO.

(c) An applicant shall purchase at least 10 (ten) shares in order to be admitted as a member and UGX 50,000= being a non-refundable entrance fee.

(d) Subject to the regulations under these Byelaws, a spouse, or family member of UN employees may also become a member of the SACCO under the same terms and conditions as all members.

ARTICLE 8: MEMBERSHIP RIGHTS AND RESPONSIBILITIES

Categories of members shall include:

- (a) Ordinary members - Members already subscribing to the UNDP/UN WFP/FPA staff association and those wishing to subscribe from other UN agencies/institutions/organizations.
- (b) Corporate members - being a group of persons/Association subscribing to the UNS-SACCO.

Subject to the Act, Regulations, the registered Byelaws, policies, standards and procedures, a member:

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- (a) Shall have the right to the use of the Society's services and exercise his/her rights.
- (b) Shall receive periodic and request statements of account.
- (c) Attend and participate in General Meetings, at which each member shall have one vote irrespective of the shareholding.
- (d) Elect or be elected as a committee member of the Society.
- (e) Submit projects or initiatives to the committee for the improvement of the Society's services.
- (f) A member shall have the following responsibilities subject to the registered Laws, policies, standards and procedures:
 - (i) Abide by the Act, Regulations, the registered Byelaws, and the relevant approved policies.
 - (ii) Abide by the Resolutions of the members passed at the General Meeting irrespective of having been absent from such a meeting or having dissented or abstained on such resolutions.
 - (iii) Patronize the Society.
 - (iv) Meet his/her responsibilities (financial or otherwise) whenever they fall due.
 - (v) Exercise decency and respect while dealing with fellow members and officers of the SACCO.
 - (vi) Be economically active in the SACCO through making voluntary periodic savings.



ARTICLE 9: LIABILITY

The liability of a member shall be limited to the nominal value of the shares held by the member.

ARTICLE 10: CESSATION OF MEMBERSHIP

Membership shall cease if:

- (i) A member whose share balance falls below the par value of the share, provided such a member is notified and allowed 90 calendar days within which to make good of the share balance, failure of which membership shall be terminated.
- (ii) A member voluntarily withdraws from the SACCO.
- (iii) A member dies.
- (iv) Such a member is dismissed from the SACCO.

ARTICLE 11: VOLUNTARY WITHDRAWAL

Members with a positive balance, outstanding obligations on their accounts and no outstanding collateral or guarantees for other members' loans may withdraw from membership, at anytime, without losing vested rights. Such a member shall be refunded

to the tune of shares held with the SACCO after his/her shares have been sold and after settling his/her outstanding obligations.

In spite of losing their status as members, individuals who have withdrawn from membership but still have outstanding loan balances or outstanding guarantees for other members' loans shall continue being responsible for their respective obligations.

ARTICLE 12: SUSPENSION

- (i) The committee may suspend a member who:
 - (a) Acts in any way contrary to the interests of the Society.
 - (b) Fails to pay contributions or debts due from him/her to the Society.
 - (c) Violates the Byelaws, policies and procedures of the Society.
- (ii) The said member shall be allowed to present his/her defense and taking into consideration the member's defense the committee shall initiate an administrative inquiry and take a decision on its findings within 15 days.
- (iii) The committee shall report on any member suspended by it to the next General Meeting, which shall have power to expel or reinstate the member.

ARTICLE 13: SUSPENSION PROCEDURE

Upon formal and written announcement and proof that a member has committed a violation punishable by suspension, the committee shall provide written notice to the member setting forth the reason for the proposed suspension and grant 30 days for the member to take action on his/her defense.

ARTICLE 14: PAYMENTS RESULTING FROM WITHDRAWAL, TERMINATION OR EXPULSION FROM MEMBERSHIP

- (i) Withdrawal, expulsion, or termination will not exonerate a member from any personal or membership liability.
- (ii) The SACCO will reimburse the withdrawing member the difference between the credit and debit account balances, subject to availability of funds and the financial results of the fiscal year before the withdrawal, termination or expulsion from membership.
- (iii) In the case of a member withdrawing voluntarily, such a member shall give notice of 90 calendar days within which refund of his/her net balance in his/her favor shall be made. If the member is time barred and cannot observe the 90 calendar days' notice, payment in lieu of 30% of shares value will be charged accordingly.

(iv) When membership is terminated, the SACCO shall recover all balances in its favor from the said member.

CHAPTER FOUR

Management of the SACCO

ARTICLE 15: SAVINGS AND CREDIT COOPERATIVE SOCIETY'S STRUCTURE

Subject to the powers and responsibilities established by the Act and by the Byelaws, the Society's business shall be run by:

- (a) The General Meeting of Members (Annual General Meeting)
- (b) The Committee (Executive Committee)
- (c) The Supervisory Committee (Trustees)
- (d) The Manager (Management Committee)

ARTICLE 16: GENERAL MEETING

Subject to the Act, Regulations and Byelaws, the General Meeting is the SACCO's main governing body with the most comprehensive powers to address the SACCO's business.

There shall be the Annual General Meeting (AGM) and Special meetings of members. The notice for the Annual General Meetings shall clearly specify all the issues to be discussed while the Special meetings shall deal exclusively with the issues for which they were convened.

ARTICLE 17: NOTICE OF MEETING

- (i) The committee shall call a general or special meeting of members through the media channel most accessible to the SACCO's members at least fourteen (14) calendar days before the meeting date. Such notice shall specify the date, time, place and the items to be on the agenda to be considered.
- (ii) In case of the Annual General Meeting the notice shall state that the financial reports for the fiscal year have been made available at the SACCO's notice board for members' information. Where appropriate, the financial reports shall be distributed to members before or during the meeting.
- (iii) The Annual General Meeting shall be convened within sixty (60) calendar days following the closing of each financial year.

- (iv) Except when convened by the Registrar, a General Meeting's quorum shall be established with the attendance of 10% of the eligible members, OR by 100 members present, whichever is less.
- (v) In the event that the required quorum has not assembled on the meeting day, a second notice of the meeting shall be published for fourteen (14) days later. In such an event the meeting shall be validly held irrespective of the number of members in attendance.
- (vi) The Annual General Meeting may be held as:
 - a) A physical meeting at such a place as the Board shall determine.
 - b) A virtual meeting using electronic means (including video-conferencing and tele-conferencing)
 - c) A hybrid meeting comprising partly physical meeting and partly virtual meeting as set out in paragraph a) and b) above.

ARTICLE 18: REQUIRED MAJORITY

Subject to the provisions of the Act, a $\frac{2}{3}$ (two-thirds) majority of the members present at the General Meeting shall approve liquidation, split, mergers, decision reducing the total assets of the SACCO by at least 5% and amendments of the Byelaws.

Any other motion shall be approved by a simple majority of votes.

ARTICLE 19: ENFORCEMENT OF DECISIONS

- (i) Any decision taken by the General Meeting shall be binding on all members present, absent and dissidents.
- (ii) However, members may exercise their rights of objection and separation, about decisions related to the Society's conversion into a different organization or merger.

ARTICLE 20: CONDUCTING OF MEETINGS

- (i) The Chairperson of the SACCO or, in his/her absence, the Vice Chairperson shall preside at all General Meetings and at all meetings of the committee except when convened by the Registrar or his representative. He/she shall perform such duties as he/she may be directed to perform by the committee, not inconsistent with the provisions of the Act, Regulations and these Byelaws.
- (ii) Where both the Chairperson and Vice chairperson are absent, the committee shall appoint from within itself a Chairperson who will preside over that meeting.
- (iii) The committee may make standing orders for proper conduct of business.

ARTICLE 21: VETTING COMMITTEE

AUTHORITY AND COMPOSITION

- i) In pursuance of the Registrar's prerogative to define the qualifications of SACCO officials, the SACCO shall put in place a Vetting Committee to ensure that all members aspiring for leadership positions are vetted prior to being allowed as eligible for elections. Members aspiring for leadership positions in the SACCO must declare their interest and lodge their applications to the vetting committee well in advance. Such applications shall define the experience and skills that the applicant is bringing to the SACCO together with a written proposal of the strategies for the development of the cooperative. The vetting committee will provide the society with a well-researched, independent and impartial review and approval of candidate members aspiring for leadership positions in the SACCO.
- ii) Composition: The General Meeting shall elect three members to this committee comprising of cooperators of integrity. The Chief Executive Officer (CEO) of the SACCO and the District Cooperative / Commercial Officer (DCO) of the area shall be ex officio members of this committee and their role shall be advisory only, rather than decision making. Where need arises, the composition shall be as the Registrar shall from time to time prescribe.
- iii) The Vetting Committee shall be appointed for a term of two years but shall be eligible for re-election subject to performance.



ELECTION GUIDELINES AND CONDITIONS

- i) Qualifications: To ensure integrity of the process those elected on the vetting committee must abide by the following guidelines:
- a) They must be active members of good standing in the society with a clean record.
- b) They must conduct themselves in a manner that ensures transparent, popular and participatory decision making.

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- c) The members of the vetting committee will themselves not be aspiring candidates for the elective positions.
- d) The members of the vetting committee shall not be outgoing members of the committee.
- e) They must conduct themselves in a manner that does not conflict with the SACCO's vision, mission, policies, procedures, principles and standards.
- ii). The work on this committee is voluntary and shall not attract any allowance whatsoever.
- iii) Upon election the vetting committee shall commence its work with the next election.
- iv) The Vetting Committee can coopt any neutral official.

ROLES AND RESPONSIBILITY

The Vetting Committee will provide verification that candidates meet or otherwise the criteria for leadership positions. At a minimum the Vetting Committee members will be asked to:

- i) Approve prospective applicants becoming candidates.
- ii) Utilize the Bylaws, the Cooperative Societies Act CAP 112, the Cooperative Societies Regulations, the SACCO's policies, procedures and standards to review and gauge the leadership candidates' proposed strategies for rendering positive leadership to the SACCO.
- iii) Accept and adhere to the SACCO's policies and other operational guidelines.
- iv) To give a report to the next General Meeting.

NOMINATION



The Chairperson Vetting Committee shall call for nominations from the floor.

ARTICLE 22: VOTING

Voting shall be by secret ballot, and on a simple majority subject to Article 18 of these Byelaws.

However, by simple majority of members present at a General Meeting an alternative method may be used.

An organization having membership in the SACCO may be represented and have its vote cast by the designated member or shareholder of the organization.

ARTICLE 23: POWERS AND DUTIES OF THE GENERAL MEETING

The General Meeting has both the right and responsibility:

- (a) To receive and consider the reports of the committee and the supervisory committee.
- (b) To receive and consider management financial statements, opinion of the supervisory committee and/or external audits regarding such statements.
- (c) To consider work plans, income and expenditure budgets presented by the committee.
- (d) Give direction to the committee.
- (e) To decide on committee recommendations regarding appropriation of surplus or losses.
- (f) To confirm removal of committee members from office, denial of admission and expulsion of members.
- (g) To decide on any other matters, than the supervisory committee.
- (h) To approve the maximum liability which the SACCO may incur.
- (i) To decide on any other matters, than those reserved for Special General Meetings of members by the Act.
- (j) To approve the sale of any fixed asset of the Society whose value is at least 2% of the total assets of the society.

- (k) To choose an auditor for the Society as provided under the Act.
- (l) Other powers and duties as provided under Article 8 and 20 of these Byelaws.

ARTICLE 24: SPECIAL GENERAL MEETING

- (i) Subject to the provisions of Regulation 21, members, committee, or Registrar may cause a special General Meeting to consider and resolve the following matters, which pertain exclusively to its field of competence:
 - (a) Amendment of Byelaws.
 - (b) Liquidation of the SACCO.
 - (c) Reducing or increasing the value of the share certificates.
 - (d) Conversion or merger with other Savings and Credit Cooperative Societies.
 - (e) Any other business identified and agreed upon as an item of the day's agenda.
- (ii) A Special General Meeting shall be convened by the committee on receipt of a demand of such a meeting signed by 100 members.
- (iii) If within 14 days following the receipt of demand for the meeting, the committee fails to convene the meeting, such members may convene the meeting giving 7 days' notice, giving reasons for the meeting and highlighting the fact that the committee has failed to convene the meeting.



CHAPTER FIVE

The Committee (Executive Committee)

ARTICLE 25: AUTHORITY - CONSTITUTION NORMS

The committee shall be responsible for overall direction of the society and determination of its policies. The committee shall consist of 9 members, who shall include a Chairperson, a Vice Chairperson, Treasurer and 6 other committee members elected by majority of members voting at a General Meeting. The Committee of a registered Society shall appoint a Secretary to the Society who shall be a member. The Secretary shall be elected from among the Committee Members. The committee's main functions are to formulate, direct and implement operative and financial policies to ensure the Society members do not lose money, and

receive a competitive interest rate that increases the purchasing power of their savings.

ARTICLE 26: GENERAL FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE

The following are the committee's functions and responsibilities:

- 1) Abide by and ensure that the Society abides by the legal, regulatory and Byelaws provisions, as well as the General Meeting resolutions.
- 2) To decide on the entrance fee to be paid by new members.
- 3) To call General and Special Meetings.
- 4) To review policies, guidelines, and operational manuals, financial statements, annual planning and budgeting, and the salary policies, provided financial statements and budgets shall be ratified or approved by the General Meeting of members.
- 5) To exercise and execute policies regarding the hiring and removal of the SACCO's Senior Management.
- 6) To fix remunerations and prescribe the duties of the Chief Executive Officer (CEO) and such other employees as may be necessary to carry out the business of the Society.
- 7) To submit to the General Meeting:
 - (i) A report containing at least activities carried out during the financial year, results from plans and budgets, and findings of the supervisory committee on financial statements.
 - (ii) A proposal for the disposal of surpluses.
- 8) Subject to Article 23 of these Byelaws, to transact and obtain loans and finances from banking and financial institutions, individuals or corporations; to secure loan operations by means of collaterals, mortgages, pledges of properties, and to transact any other operation with banking, commercial and insurance organizations.
- 9) To appoint a credit sub-committee and other specific sub-committees or commissions as deemed necessary; to prepare or have prepared internal regulations or standard procedures for such committees, to determine and define their functions; to appoint or remove officers representing the credit sub-

committee
in other organizations.

- 10) To examine periodically financial statements and appoint and empower under the manager's recommendation authorized persons to handle banking accounts for the Society.
- 11) To move a motion or file the proposal, in conjunction with the supervisory committee, to the General Meeting or to the Registrar to liquidate the Society whenever deemed necessary.
- 12) To ensure that the Society undertakes an external audit each year.
- 13) Propose, establish and update all the Society's policies.
- 14) To keep detailed minutes of all its meetings containing the discussions held, the resolutions taken, and the record of the voting.
- 15) To be the only body granting authority to use any society's assets as collateral for any external loan, subject to the statutory and regulatory provisions regarding maximum liability of the Society.
- 16) To make an annual return to the Registrar in form III set out under the Regulations.
- 17) To authorize loans to the Society, which are equal or more than 2% of fixed assets and 5% of the net institutional capital of the society.
- 18) To perform any other functions not specifically provided in the previous articles which are to be construed as not restrictive in nature and which may arise out of the scope of its functions.



ARTICLE 27: SPECIFIC FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE

The committee shall be responsible for performing the following specific functions:

- 1) Responsible for maintaining the supervisory committee trained and up to date with the Society's policies and processes.
- 2) To evaluate independently or with a supervisory committee, the performance of the Society against specific financial indicators developed for the Savings and

Credit Cooperative Society's system.

- 3) To approve, review and evaluate annually policies regarding:
 - (i) Asset and liability management
 - (ii) Investments
 - (iii) Cash management and liquidity
 - (iv) Shares, surplus and reserve management
 - (v) Loans
 - (vi) Control of delinquency and loan collection
 - (vii) Marketing and business planning
 - (viii) Suspension of members
 - (ix) Personnel management
- 4) To generate and review reports related to policies listed in item 3 above.
- 5) To keep informed of or decide upon the loan applications of members internally-linked to the Society, i.e. loans officers, committee members, financial society employees and their immediate family members.
- 6) To supervise permanently and with management the functions and responsibilities of loans officers.



ARTICLE 28: COMMITTEE MEETINGS

- (i) The committee shall meet at least once a quarter, on the day and time set by written resolution.
- (ii) The committee may also meet regularly at the request of any of the committee members by a written notice of the meeting notified at least 5 days in advance.
- (iii) Any committee member who misses meetings for three consecutive times and the committee is of the view that there was no reason; such a member may be suspended from the committee.

ARTICLE 29: QUORUM

5 committee members shall be required as a quorum for the committee meetings.

ARTICLE 30: LEGAL REPRESENTATION

The Chairperson shall legally represent the Society, or, with express approval of the committee, such representation may be delegated to a Senior Manager or other committee member who shall have power to perform the corresponding duties.

ARTICLE 31: LIABILITY OF THE COMMITTEE

In conduct of the affairs of the SACCO, the committee and every member thereof shall exercise prudence and diligence jointly and severally, and shall be responsible for the loss sustained by the SACCO through any act which is contrary to the law and Byelaws of the Society or direction of any General Meeting.

ARTICLE 32: TERM OF OFFICE

i) Subject to the provisions of the Act and the Regulations, the Committee shall hold office for a two-year term. The outgoing Committee Members are eligible for re-election provided that no Committee Member shall serve for more than 2 consecutive terms subject to sub section (iii) of this Article.

ii) However, once a period equal to the time already served has elapsed, they may be elected again. A Committee member may be removed from office before the expiry of his term of office under Regulation 25 and for any act contrary to these Bylaws.

iii) In order to ensure continuity in leadership, a third of the committee members shall be maintained at the end of every 2nd term and elections shall be held to fill such vacancies as they occur accordingly subject to sub section (i) of this Article.

ARTICLE 33: QUALIFICATIONS FOR BECOMING A COMMITTEE MEMBER

Subject to provisions of Regulations, no person shall be eligible for membership to a committee of the SACCO or remain a member thereon if:

- (i) He/she is under 18 years of age.

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- (ii) He/she is not a registered member of the SACCO, or if he/she is not a member in good standing.
- (iii) He/she receives any remuneration, salary or other payment from the SACCO which has not been lawfully approved by resolution of the General Meeting.
- (iv) He/she is in a business competing with that of the SACCO.
- (v) He/she is un-discharged bankrupt.
- (vi) He/she is of unsound mind.
- (vii) He/she has been convicted in court of any offence involving dishonesty or she/he is a dismissed employee of any cooperative society.
- (viii) He/she has been removed from the committee of a society by the Registrar under q1`

ARTICLE 34: IMPEDIMENTS AND PROHIBITIONS

To hold office as a committee member, a person must be free of the following impediments and prohibitions:

- (a) Blood-relation, up to the 2nd degree and marriage relation, up to the 2nd degree, with any of the Savings and Credit Cooperative Society employees.
- (b) After completing 4 years of service in the committee or supervisory committee, a person shall not be re-elected for any position (on the committee or supervisory committee) not until 4 years have elapsed.
- (c) Commission of illegal acts or any other act that may reflect negatively on the reputation of the Savings and Credit Cooperative Society.
- (d) Delinquency to the payment of the contractual obligations with the Savings and Credit Cooperative Society.

ARTICLE 35: CONFLICT OF INTEREST - DISCLOSURE AND EXCUSE

1) Any committee member having a potential interest or benefit, directly or indirectly, by association, partnership or family relation in any contract or matter involving the Society shall disclose in writing, the existence of such interest, and shall excuse himself/herself from participating in the deliberations, negotiation and execution of such a contract.

2) Failure to disclose shall result in the removal of such a committee member from office.

ARTICLE 36: SUSPENSION FROM THE COMMITTEE

Subject to the provisions of the Act and the Regulations, the committee shall suspend any of its members if such a committee is satisfied that the member has:

- (a) Persistently violated the provisions of the Act, Regulations or these Byelaws.
- (b) Engaged in business competitive to that of the Society.
- (c) Missed three consecutive committee meetings as provided under Article 28 of these Byelaws.
- (d) Lost any of the qualifications or/and is affected by any of the impediments and prohibitions as provided under Article 32 – 34 of these Byelaws.

ARTICLE 37: PAYMENT FOR SERVICES, STIPENDS

1) Members of the committee and the supervisory committee shall not receive any salary for services to the SACCO; however, they may receive refund of expenses incurred while performing work for the society consistent with Section 77 of the Act.



2) The committee shall propose to the General Meeting which shall approve the maximum amount of such expense.

ARTICLE 38: VACANCIES

Until a member is appointed on the committee or Vetting committee at the next General Meeting, the committee or supervisory committee shall appoint a member of the Society who meets the qualifications to fill any vacancy occurring on the committee or Vetting committee within 30 days by vote of a simple majority of the remaining committee members. The committee or Vetting committee shall appoint these members independently.

ARTICLE 39: RESTRICTIONS ON GUARANTEES

While in office or work relationship, no committee member or SACCO employee may guarantee or co-sign other members' loan agreements, except in case of immediate family members.

CHAPTER SIX

Supervisory Committee (To act as trustees for the UNS-SACCO)

ARTICLE 40: AUTHORITY

- (i) Without intervening in the administrative function subject to its control and supervision, the supervisory committee is permanently responsible for the Society's compliance and internal control and oversight.
- (ii) It is also responsible for the truth and accuracy of the Society's financial condition and for making sure that the Society's administrative practices and procedures are adequate to safeguard the members' and institution's rights and interests.
- (iii) The supervisory committee is answerable to the General Meeting.

ARTICLE 41: ELECTIONS AND CONDITIONS

- (i) The Annual General Meeting shall elect the supervisory committee consisting of 3 members.
- (ii) Conditions regarding its structure, terms of office, qualifications, re-election, and filling of vacancies shall be the same as those applicable to the committee.
- (iii) Impediments and prohibitions provided for under Article 34 of these Byelaws shall likewise apply to the supervisory committee.
- (iv) The required quorum to conduct the supervisory committee meeting shall be 2 members.

ARTICLE 42: FUNCTIONS AND RESPONSIBILITIES

The following are the powers and duties of the supervisory committee:

- (i) To make sure the Society complies with the Act, Regulations, these Byelaws and the Annual General Meeting resolutions and policies of the committee.
- (ii) To oversee the performance of the committee and the Chief Executive Officer (CEO).
- (iii) To examine the SACCO's operations as frequently as necessary, at least once a quarter, and submit reports of its findings and recommendations to the committee.
- (iv) To present at the Annual General Meeting its opinion on the financial statements presented by the committee.

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- (v) To request the committee to propose to the General Meeting contracting professional external audit services subject to the Registrar's approval, or to propose that the Registrar performs such services, and to make sure that the auditors' recommendations are implemented.
- (vi) To evaluate internal operations and controls (policies and procedures) at least once a month and make accounting and procedural recommendations regarding such internal controls.
- (vii) To examine ledgers, documents, accounts, statements, passbooks, perform cash audits, requests for trial balances and verify securities, any time it deems so necessary.
- (viii) To evaluate independently or together with the committee and/or with the management, the financial performance of the Society against specific indicators developed by the system.
- (ix) To take care of and process all verbal and written complaints filed by the members and inform the results of its findings to the committee and concerned parties.
- (x) To monitor and evaluate the performance of interest rates on savings and loans.
- (xi) To submit to the General Meeting a report on the committee's activities.
- (xii) To make with the committee a joint suggestion to the Annual General Meeting or the Registrar to liquidate the SACCO when deemed necessary.



ARTICLE 43: LIABILITY OF THE SUPERVISORY COMMITTEE

- (i) In spite of its independence from the SACCO's administration, the supervisory committee members are jointly liable with them; the non-performance of duties, whether resulting from the lack of supervision or negligence in noticing illegal and fraudulent act.
- (ii) The liability of the supervisory committee shall be the same extent as for the committee, as stipulated under Article 31.

CHAPTER SEVEN

Procedure for the Removal of Committee Members: Administrative Inquest

ARTICLE 44: ADMINISTRATIVE INQUEST

Ex-officio or written verbal announcement against acts of a committee member presented by any member to the supervisory committee shall be referred to an administrative inquest commission in charge of organizing the appropriate administrative inquest. Such commission shall be made up of a member of a

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committee, the supervisory committee, and an active Society member, all appointed by the committee and seconded by membership.

ARTICLE 45: PROCEDURE

The supervisory committee will immediately submit their allegation, with the background information, to the committee for the corresponding constitution of the administrative inquest commission. The commission shall then proceed to summon the committee member with the allegation, giving him/her a 20-day term to submit his/her defense. In addition, the commission will organize the inquest and findings/report to substantiate the evidence found and establish whether they are good grounds or not to proceed against the committee member for his/her removal.

ARTICLE 46: CRIMINAL OFFENCES

Should the allegation involve any criminal offences, the administrative inquest commission, independently from initiating the removal procedures, shall also inform the Registrar for the corresponding legal action.

ARTICLE 47: APPEAL

The motion of appeal, together with its written bases, may be filed with the following General Meeting.



CHAPTER EIGHT

Management (The Management Committee)

ARTICLE 48: MANAGERIAL AUTHORITY

The committee members shall appoint a Chief Executive Officer (CEO) who shall be the SACCO's main administrative officer and will be in charge of the SACCO's day-to-day operations. The Chief Executive Officer (CEO) shall perform these functions by delegation of the committee and under its direction, control and supervision.

To hold office as a Chief Executive Officer (CEO), the person shall be free from impediments and prohibitions as provided under Article 34 of these Byelaws.

ARTICLE 49: MANAGERIAL FUNCTIONS

Subject to the authority given and the restrictions imposed on the position, the Chief Executive Officer (CEO) shall:

- (a) Carry out and implement all policies.
- (b) Prepare and propose to the committee policies and policy changes, internal

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practices and administrative procedures.

(c) Prepare a business plan and budget, making sure that they are carried out and in case of any change or modifications thereto, inform the committee and request the respective approval.

(d) Represent the SACCO in business transactions and in any other transactions delegated by the committee.

(e) Prepare and present to the committee evaluation reports on financial performance and budget compliance, as well as monthly, quarterly and annual reports, as requested in terms of manner, issue and opportunity.

(f) Authorize and effect budgeted expenditures, and sign all SACCO notes, cheques and orders for the disbursement of the SACCO's funds.

(g) Prepare and maintain full records of all assets and liabilities, funds and securities, and meet the requirements for their insurance coverage.

(h) Prepare and forward to the Registrar such reports as may be required and keep SACCO books and records according to Generally Accepted Accounting Principles (GAAPs) and required statutory provisions.

(i) Manage SACCO personnel according to approved policies, plans and budgets, as well as labor legislation, and participate in hiring and supervising other employees.

(j) Implement the Annual General Meeting decisions, as well as the recommendations made by the supervisory committee, external auditors and the Registrar.

(k) Direct and supervise the administration and processing of the loan applications by the loans officers.

(l) According to Article 48, management will establish a pricing strategy for products and services.

The interest rate structure shall seek a balance between loans available to the members and the long-term viability for this purpose, SACCO management shall consider the following:

(a) Administrative costs, allowances for loan losses, and cost of funds.

(b) The capital reserves that are essential for the Society's long-term viability and future growth which have an effect over the loan portfolio's efficiency and pricing.

(c) The competition's pricing structure, given the competitive nature of the financial market.

(m) Perform any function consistent with the Act, Regulations, written policies, these Byelaws and those assigned by the committee or present them through the administration of the Society.

The ultimate responsibility for the overall proper and business-like direction of the affairs of the SACCO remains collectively with the committee.

ARTICLE 50: REMUNERATION

The committee shall authorize remuneration of the Chief Executive Officer (CEO) and other employees, which shall be established in the budget and shall be subject to labour standards, cost-

benefit analysis and SACCO's capabilities.

On the advice of the Chief Executive Officer (CEO), the committee shall decide the terms of employment for the employees.

CHAPTER NINE

Financial Year, Results and Application of Operations

ARTICLE 51: FINANCIAL YEAR

The SACCO's financial and accounting period will close on 31st December of each calendar year.



ARTICLE 52: BOOKS, RECORDS AND ACCOUNTING

The SACCO's transactions, methods, practices, including accounting books and record keeping shall comply with Generally Accepted Accounting Principles (GAAPs).

Documents regarding the SACCO's financial conditions and performance shall be fairly disclosed.

ARTICLE 53: ALLOWANCES, CHARGE OFFS AND COLLECTIONS

The SACCO shall set up, up-to-date monthly loan loss reserves. Such reserves shall be based on 35% of loans delinquent from 1-12 month 100% of loans delinquent more than 12 months, based on the remaining balance of the loans (or the committee shall adopt any more prudent industry practice). Loans delinquent for more than 12 months should be charged off at least quarterly. Nevertheless, the SACCO shall continue with debt collection until the obligations have been paid or all means of collection have been exhausted. The allowance for loan losses shall be used only for its intended purpose.

ARTICLE 54: GENERAL RESERVES

The SACCO shall maintain or replace as appropriate a general institutional capital reserve equal to 10% of its total assets. Such reserves cannot be in any way distributed, except in the case of the SACCO's dissolution.

ARTICLE 55: DEPOSIT OF FUNDS

The SACCO's funds shall be deposited in banks, financial organizations or institutions approved, controlled and supervised by the state, consistent with the investment policies approved by the committee.

ARTICLE 56: INTEREST RATES ON LOANS

The SACCO shall keep members informed of the effective annual interest rates charged on loans. All SACCO-supporting documentation shall reflect (as closely as possible) the final cost for the borrower, so as to allow members make an educated decision and assume a well-defined obligation.

ARTICLE 57: INTEREST RATES ON DEPOSITS

The SACCO shall keep members informed of the effective interest rates payable to different savings and deposit transactions allowing members to make educated decisions.



CHAPTER TEN

Dissolution and Liquidation

ARTICLE 58: DISSOLUTION AND LIQUIDATION

The SACCO shall be dissolved or liquidated for any of the causes set forth in Section 56 –58 of the Act and following the procedures mandated by those provisions regarding this matter, and/or by the decision of the General Meeting of the members, where upon notice shall be given to the Registrar within 14 days.

CHAPTER ELEVEN

General Provisions

ARTICLE 59: CONFIDENTIALITY

(a) Employees, committee members and members of the sub-committees shall keep confidential the information regarding the members' transactions with the SACCO as well as all information regarding SACCO's interests.

Such information may be disclosed only through the channels authorized by the Act,

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Regulations and these Byelaws.

(b) The exchange of information between the SACCO and financial institutions regarding the member's credit history, whether through regulatory or professional agencies authorized to handle such information is not subject to the above-mentioned provision.

(c) In case of breach of confidentiality, besides the resulting action for the resulting damages, the concerned party shall be removed from office or his/her employment terminated.

ARTICLE 60: FIDELITY BOND COVERAGE

Within SACCO's possibilities, any employee responsible for the careful and diligent handling of the SACCO's property, collection and disbursement of money or having custody of the SACCO property, shall be bonded as required by the Act or by the committee policy.



ARTICLE 61: POLITICAL AND RELIGIOUS NEUTRALITY

Political or religious issues shall not be topics of discussion at the SACCO nor shall funds be used for campaigns of such, or similar nature.

ARTICLE 62: VESTED RIGHTS

Should the committee in any way modify the share certificate par value, those members having paid a share for an amount less than the new par value shall not be required to pay in as long as those persons meet the membership criteria.

ARTICLE 63: FINES

For any breach of these Byelaws, policies and procedures, such a member shall be fined an amount not exceeding Uganda Shillings 1,000,000 (one million) for each offence subject to provisions of Section 32 of the Act.

ARTICLE 64: COMMON SEAL

The SACCO shall adopt and maintain a common seal bearing the words; Seal of United Nations Staff Cooperative Savings and Credit Society Uganda Limited (UNS-SACCO), number 9020/RCS.

ARTICLE 65: RESOLVING DISPUTES

ARTICLE 66: AMENDMENTS

These Byelaws shall only be amended in accordance with Regulation 8.

ARTICLE 67: INTERPRETATION OF THE BYELAWS

(a) Any discrepancy in the interpretation of these Byelaws shall be resolved jointly by the majority vote of the Executive Committee and Supervisory Committee and shall take into account SACCO legislation and doctrine.

(b) In the event that no agreement can be reached, the SACCO shall call upon the Registrar's ruling.



RECOMMENDATION FOR REGISTRATION

Godfrey Mugenyi
DISTRICT COOPERATIVE/COMMERCIAL OFFICER

I certify that the above Byelaws of United Nations Staff Cooperative Savings and Credit Society Uganda Limited are not contrary to provisions of the Cooperative Societies Act 1991 or the Regulations made thereunder and hereby register the society.

Registered No: *9020/ACS*



Date:

16/9/2021

Robert Bariyo Bariye
REGISTRAR OF COOPERATIVE SOCIETIE