

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

BY-LAWS

Registered No.....

P.O. Box 7184
Kampala - Uganda

August 2009

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SCHEDULE FORM 1

THE COOPERATIVE SOCIETIES REGULATIONS 1992

**TO THE REGISTRAR OF COOPERATIVE SOCIETIES
P.O. BOX 7103, KAMPALA**

Dear Sir,

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 Statute 1991.

- 1) Name of Society: **UNITED NATIONS STAFF SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED (UNS-SACCO).**
- 2) Address of the Society for purposes of registration: **P.O. BOX 7184, 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 By-Laws of the Society in English, duly signed:

	Name	Age	Title	Address	Signature
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	
7.	Mr. Gad Byoruganda	Adult	Member	UNWFP	
8.	Ms. Lilian Mutesi	Adult	Member	UNAIDS	
9.	Ms. Beatrice Lakot	Adult	Member	OCHA	

UNS-SACCO (United Nations, Staff savings and Credit Cooperative Society Limited), Uganda

Name	Age	Title	Address	Signature
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 Nabweba	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
- UNFPA United Nations Fund for Population Activities
- UNOCHA United Nations Office for the Coordination of Humanitarian Activities
- UNWFP United Nations World Food Programme

Dated thisday of August 2009.

Preamble

The Operations Management Team (OMT) recognised the problems faced by UN Staff in accessing financial services from banks due to the rigidity, unfavourable 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 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 favourable 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 prosperity of members through enhanced savings and access to convenient credit.”

Mission

“To mobilise financial resources and provide services to members through competent and professional human resources, appropriate technology and management practices in the dynamic competitive environment ensuring efficiency and sustainability”.

CHAPTER ONE

Applicable Law, Name, Purpose, Domicile

ARTICLE 1: APPLICABLE LAW, NAME AND DOMICILE

- (i) These By-Laws are made under the overriding authority of The Cooperative Statute 1991 hereinafter called the “Statute” and The Cooperative Societies Regulations 1992 hereinafter called “Regulations” to which reference shall be made in case of doubt.
- (ii) The Society shall be called: **United Nations Staff Savings and Credit Cooperative Society Limited (UNS-SACCO)**.
- (iii) Domicile and area of operation: 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) Offer members savings and credit services and other financial products as may be required by members from time to time.
- (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 as a result of enhanced bargaining power.
- (v) Offer savings, deposits and related services earning competitive rates of interest while minimising financial risks on such savings.
- (vi) Provide loan services at cost allowing the Society to cover its costs including legal reserves, reserves for loans and other required reserves.
- (vii) Minimise the risk of loan defaulters through efficient and effective loan recovery mechanisms.
- (viii) Facilitate members to set up development and/or investment projects through continuous training programmes on the proper use of credit.
- (ix) Professionally manage the SACCO to ensure operational and financial sustainability.
- (x) Any other necessary and 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 mobilisation programmes and branding campaigns.
- (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) Educational programmes on savings, their use and consumption, as well as consumer protection programmes regarding financial services and general cooperative issues.
- (e) For the attainment of the above objects, the Society may do all acts and things that are permissible under The Cooperative Statute, the Regulations and these By-Laws.

CHAPTER TWO

Capital, Share Certificates, Economic Resources

ARTICLE 3: NETWORTH: SHARE CAPITAL AND INSTITUTIONAL CAPITAL

The net worth of the Society is 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 100,000/= and, UGX 10,000/= being a non-refundable entrance fee.
- (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 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:

UNS-SACCO (United Nations, Staff savings and Credit Cooperative Society Limited), Uganda

- a) Initial capital shall be raised through issuing of shares to existing staff association members against the current loan funds.
- b) Staff Association's current loans serviced by members who will directly be transferred to the UNS-SACCO.
- c) Each member will be given 10 shares with a total nominal value of UGX 100,000/= and an extra UGX 10,000/= as non-refundable entrance fee.
- d) Members intending to terminate their membership from the SACCO will do so after serving a grace period of one year and a refund of UGX 100,000/= shall be made to such members provided the members' shares have been sold and they have no outstanding obligations to the SACCO.
- e) Additional funds shall be raised through sale of additional shares to members who will be willing to increase their shareholding above the initial allocation.
- f) Shares shall also be sold to other members from other agencies who are not currently subscribing to the UNDP/FPA/UNWFP staff association.
- g) Other sources of funding shall be through donations, grants and other income generating activities that may be set up from time to time.
- h) Subsequently, the initial loan capital shall be raised through sale of shares to new members and external sources like development banks, government, donors et cetera.
- i) 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 Statute and the Regulations.
- (c) Unconditional reserves approved by the general meeting of members.
- (d) Any funds that lack an express condition or specified destination by the donors 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 Society membership:

Individuals who are:

- (i) Of good character.
- (ii) Meeting the membership profile as defined by the Society Committee.

UNS-SACCO (United Nations, Staff savings and Credit Cooperative Society Limited), Uganda

- (iii) Any legal person, or similar association, whose membership is made up primarily of individuals who also meet the eligibility requirements for the Society's membership.
- (b) Every applicant shall fill an application form for membership which when admitted will form part of the membership register of the Society.
- (c) An applicant shall purchase at least 10 (ten) shares in order to be admitted as a member and UGX 10,000/= being a non-refundable entrance fee.
- (d) Subject to the regulations under these By-Laws, a spouse, or family member of UN employees may also become a member of the Society 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/UNWFP/FPA staff association and those wishing to subscribe from other UN agencies/institutions/organisations.
- (b) Corporate members – being a group of persons/Association subscribing to the UNS-SACCO.

Subject to the Statute, Regulations, the registered By-Laws, policies, standards and procedures, a member:

- (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 share holding.
- (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 By-Laws, policies, standards and procedures:
 - (i) Abide by the Statute, Regulations, the registered By-Laws, 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) Patronise the Society.

ARTICLE 9: LIABILITY

The liability of a member shall be limited to 10 times 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 Society.
- (iii) A member dies.
- (iv) Such a member is dismissed from the Society.

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 any time, 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 By-Laws, policies and procedures of the Society.
- (ii) The said member shall be allowed to present his/her defence and taking into consideration the member's defence 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 defence.

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 Society 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 favour shall be made.
- (iv) When membership is terminated, the Society shall recover all balances in its favour from the said member.

CHAPTER FOUR

Management of the Society

ARTICLE 15: SAVINGS AND CREDIT COOPERATIVE SOCIETY'S STRUCTURE

Subject to the powers and responsibilities established by the Statute and by the By-Laws, 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 Statute, Regulations and By-Laws, the General Meeting is the Society's main governing body with the most comprehensive powers to address the Society's business.

There shall be the annual general meeting (AGM) and ad hoc meetings of members. The notice for the annual general meetings shall clearly specify all the issues to be discussed while the ad hoc 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 Society'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 Society'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 30% of the eligible members, OR by 50 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.

ARTICLE 18: REQUIRED MAJORITY

Subject to the provisions of the Statute, 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 Society by at least 5% and amendments of the By-Laws.

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 organisation or merger.

ARTICLE 20: CONDUCTING OF MEETINGS

- (i) The Chairperson of the Society's 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 may be directed to perform by the committee, not inconsistent with the provisions of the Statute, Regulations and these By-Laws.
- (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: NOMINATION

The Chairperson shall call for nominations from the floor.

ARTICLE 22: VOTING

Voting shall be by secret ballot, and on a simple majority subject to Article 20 of these By-Laws.

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

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

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 Society may incur.
- (i) To decide on any other matters, than those reserved for special general meetings of members by the Statute.
- (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 Statute.
- (l) Other powers and duties as provided under Article 8 and 22 of these By-Laws.

ARTICLE 24: AD HOC 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 By-Laws.
 - (b) Liquidation of the Society.
 - (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 50 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, General Secretary and 5 other committee members elected by majority of members voting at a general meeting.

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 By-Laws 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 approve policies, guidelines, and operational manuals, financial statements, annual planning and budgeting, and the salary policies, provided financial statements and budgets shall be ratified by the general meeting of members.
- 5) To exercise and execute policies regarding the hiring and removal of the Society's manager.
- 6) To fix remunerations and prescribe the duties of the manager 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 By-Laws, 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 organisations.
- 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 organisations.
- 10) To examine periodically financial statements and appoint and empower under the manager's recommendation authorised 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 authorise 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 for 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 month, 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 clear 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 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 Society, the committee and every member thereof shall exercise prudence and diligence jointly and severally, and shall be responsible for the loss

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sustained by the Society through any act which is contrary to the law and By-Laws of the Society or direction of any general meeting.

ARTICLE 32: TERMS OF OFFICE

- (i) Subject to the provisions of the Statute and the regulations, the committee shall hold office for a two years' term; the outgoing committee members shall be eligible for re-election provided that no committee member shall serve for more than 2 consecutive terms.
- (ii) However, once a period equal to the time already served (4 years) has elapsed, they may be elected again.

A committee member may be removed from office before the expiry of his/her term of office under Regulation 25 and for any act contrary to these By-Laws.

ARTICLE 33: QUALIFICATIONS FOR BECOMING A COMMITTEE MEMBER

Subject to provisions of Regulations of 1992, no person shall be eligible for membership to a committee of the Society or remain a member thereon if:

- (i) He/she is under 18 years of age.
- (ii) He/she is not a registered member of the Society, or if he/she is not a member in good standing.
- (iii) He/she receives any remuneration, salary or other payment from the Society which has not been lawfully approved by resolution of the General Meeting.
- (iv) He/she is in a business competing with that of the Society.
- (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 Section 51(5) of the Statute.

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 Statute 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 Statute, Regulations or these By-Laws.
- (b) Engaged in business competitive to that of the Society.
- (c) Missed three consecutive committee meetings as provided under Article 28 of these By-Laws.
- (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 By-Laws.

ARTICLE 37: PAYMENT FOR SERVICES, STIPENDS

- 1) Members of the committee and the supervisory committee shall not receive any salary for services to the Society; however, they may receive refund of expenses incurred while performing work for the Society, consistent with Section 76 of the Statute.
- 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 supervisory 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 supervisory committee within 30 days by vote of a simple majority of the remaining committee members. The committee or supervisory committee shall appoint these members independently.

ARTICLE 39: RESTRICTIONS ON GUARANTEES

While in office or work relationship, no committee member or Society 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 By-Laws 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 Statute, Regulations, these By-Laws and the annual general meeting resolutions and policies of the committee.
- (ii) To oversee the performance of the committee and the Society manager.
- (iii) To examine the Society's operations as frequently as necessary, at least once a month, and submit reports of its findings and recommendations to the committee.

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- (iv) To present at the annual general meeting its opinion on the financial statements presented by the committee.
- (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 Society when deemed necessary.

ARTICLE 43: LIABILITY OF THE SUPERVISORY COMMITTEE

- (i) In spite of its independence from the Society'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 organising the appropriate administrative inquest. Such commission shall be made up of a member of a 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 defence. In addition, the commission will organise 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 Management Committee shall be the Governing Authority and subject to any directions from a General Meeting, it also directs the affairs of the Society. Its procedure, powers and duties are prescribed in the Act and Rules.

The Management Committee is elected by and from the membership and consists of a minimum of five and not more than nine.

The committee members shall appoint a manager who shall be the Society's main administrative officer and will be in charge of the Society's day-to-day operations. The manager shall perform these functions by delegation of the committee and under its direction, control and supervision.

To hold office as a manager, the person shall be free from impediments and prohibitions as provided under Article 34 of these By-Laws.

ARTICLE 49: MANAGERIAL FUNCTIONS

Subject to the authority given and the restrictions imposed on the position, the manager shall:

- (a) Carry out and implement all policies.
- (b) Prepare and propose to the committee policies and policy changes, internal 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 Society 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) Authorise and effect budgeted expenditures, and sign all Society notes, cheques and orders for the disbursement of the Society'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 Society books and records according to Generally Accepted Accounting Principles (GAAPs), and required statutory provisions.
- (i) Manage Society personnel according to approved policies, plans and budgets, as well as labour 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 of the Society. For this purpose, Society 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 Statute, Regulations, written policies, these By-Laws 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 Society remains collectively with the committee.

ARTICLE 50: REMUNERATION

The committee shall authorise remuneration of the Society Manager and other employees, which shall be established in the budget and shall be subject to labour standards, cost-benefit analysis and Society's capabilities.

On the advice of the manager, 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 Society's financial and accounting period will close on 31st December of each calendar year.

ARTICLE 52: BOOKS, RECORDS AND ACCOUNTING

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

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

ARTICLE 53: ALLOWANCES, CHARGE-OFFS AND COLLECTIONS

The Society shall set up, up-to-date monthly loan loss reserves. Such reserves shall be based on 35% of loans delinquent from 1 – 12 months and 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 Society 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 Society 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 Society's dissolution.

ARTICLE 55: DEPOSIT OF FUNDS

The Society's funds shall be deposited in banks, financial organisations 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 Society shall keep members informed of the effective annual interest rates charged on loans. All Society-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 Society 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 Society shall be dissolved or liquidated for any of the causes set forth in Section 56 – 58 of the Statute 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 Society as well as all information regarding Society's interests.

Such information may be disclosed only through the channels authorised by the Statute, Regulations and these By-Laws.

- (b) The exchange of information between the Society and financial institutions regarding the member's credit history, whether through regulatory or professional agencies authorised 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 Society’s possibilities, any employee responsible for the careful and diligent handling of the Society’s property, collection and disbursement of money or having custody of the Society property, shall be bonded as required by the Statute or by the committee policy.

ARTICLE 61: POLITICAL AND RELIGIOUS NEUTRALITY

Political or religious issues shall not be topics of discussion at the Society 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 By-Laws, policies and procedures, such a member shall be fined an amount not exceeding Uganda Shillings 100,000 (one hundred thousand) for each offence subject to provisions of Section 31 of the Statute.

ARTICLE 64: COMMON SEAL

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

ARTICLE 65: RESOLVING DISPUTES

The Society shall resolve disputes in accordance with Article 44 – 47 of these By-Laws failure of which Section 72 of the Statue shall apply.

ARTICLE 66: AMENDMENTS

These By-Laws shall only be amended in accordance with Regulation 8 of Regulations of 1992.

ARTICLE 67: INTERPRETATION OF THE BY-LAWS

- (a) Any discrepancy in the interpretation of these By-Laws shall be resolved jointly by the majority vote of the Executive Committee and Supervisory Committee, and shall take into account Society legislation and doctrine.
- (b) In the event that no agreement can be reached, the Society shall call upon the Registrar’s ruling.

RECOMMENDATION FOR REGISTRATION

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DISTRICT COOPERATIVE/COMMERCIAL OFFICER

I certify that the above By-Laws of UN Staff Savings and Credit Cooperative Society Limited are not contrary to provisions of the Cooperative Societies Statute 1991 or the Regulations made thereunder and hereby register the society.

Registered No:

Date:

Fredrick Edward Mwesigye
REGISTRAR OF COOPERATIVE SOCIETIES

Stamp