

Intermediating Associations (IMAs)



IMA Field Officer Training Guide

Version 1.00
February 2014

Plan Tanzania in cooperation with Hugh Allen



Table of contents

Preface	3
List of acronyms.....	4
Introduction for the Field Officer	5
Part 1 What are IMAs?	6
Part 2 Schedule of operations	8
Part 3 Preparatory meetings with VSLAs.....	9
Meeting A: Introducing the concept of IMAs to a cluster of VSLAs	10
Meeting B: VSLAs trained in additional procedures needed to Participate in an IMA	15
Part 4 IMA training modules 1 - 7	19
Module 1: IMA structure, and election of Central and Economic and Planning Committees (EPC	20
Module 2: Development of EPC product policies and rules	26
Module 3: Development of IMA Constitution, incorporating IMA product policies and rules	28
Module 4: First IMA savings meeting.....	29
Module 5: First IMA loan meeting.....	33
Module 6: First IMA loan repayment meeting	37
Module 7: Annual dividend payment to member VSLAs	43
Annexes	46
1 Revised Constitution framework for VSLAs participating in an IMA	46
2 Constitution framework for an IMA	52
3 Estimating the price of an IMA share.....	57
4 The kit	58
5 Use of IMA passbooks	59
6 Collecting data for the SAVIX MIS.....	65

Preface

The purpose of this manual

This manual is to be used by Field Officers (FOs) who are in charge of creating IMAs. FOs are paid employees of Plan's partner organisations, in Tanzania, who create, train and supervise IMAs until they are able to operate independently

We have developed the manual in order to provide straightforward guidance to FOs on how to train IMAs, reduced to the essentials.

Intermediating Associations (IMAs) were first created about 10 years ago in Tanzania, originally in Magu, by CARE and were called Input Marketing Associations. As their name suggested then, they were conceived as community-based organisations that were expected to engage in the commercial supply of inputs to members and also to play a role in marketing of agricultural produce. This purpose was never effectively fulfilled, but new life was breathed into the idea of IMAs as apexes of VSLAs when Plan started its Village Savings and Loan (VSL) projects. This led to their re-naming as Intermediating Associations as their basic focus now is on financial intermediation.

While VSL was (and remains) very popular, a limitation of the approach is that the annual share-out de-capitalises the VSLA, sharply reducing access to loan capital for several months in the subsequent cycle and, at the same time, preventing the possibility of longer-term lending. The IMAs, operating as apexes of VSLAs, work as financial intermediaries, able to mobilise additional capital (from member VSLAs), which can be lent to those that are short of loan capital at critical times (usually early) in the annual cycle.

Over the years IMAs have been more consistently structured, with a common set of objectives that go beyond the simple intermediation of capital, to encompass group-based farming, loan insurance and support to orphans and vulnerable children. In addition, they are designed to provide technical support to members, in areas where they have special competence, normally in agriculture. Thus, IMAs are seen as performing multiple functions, many of which are social in origin, but built around a basic financial intermediation role in which participating VSLAs contribute to an IMA-managed Loan Fund from which they can borrow at concessional interest rates, as needed, to augment their VSLA Loan Funds and meet seasonal upswings in demand for additional capital.

This manual is designed to provide to Plan Tanzania partner organisations a detailed guide to setting up, supervising and graduating independent IMAs as financial intermediaries over a period not exceeding two years, after which they are expected to operate independently and evolve into multi-faceted institutions, based on operational and administrative principles that ensure the safety and security of VSLA investments and a clear separation of management functions

Plan Tanzania and Hugh Allen
January 2014

List of acronyms

AGM	Annual General Meeting
CARE.....	Cooperative for Assistance and Relief Everywhere
EPC	Economic and Planning Committee
FA.....	Facilitating Agency Trains and finances Implementing Organisations (partners)
FO	Field Officer
IMA	Input Marketing Association; the original term coined by CARE
IMA	Intermediating Association; the term currently used by Plan
MFI	Microfinance Institution
NGO	Non-Governmental Organisation
TShs	Tanzania Shillings
VA.....	Village Agent
VSL.....	Village Savings and Loan
VSLA or 'Association'	Village Savings and Loan Association

Introduction for the Field Officer

Congratulations on being selected as a Field Officer (FO) to train and support Input Marketing Associations (IMAs)

The FO is a paid employee who starts by working directly to create IMAs and should be able to take on a training caseload of between 10 and 20 at any one time. The FO is given this responsibility because the first IMAs created in a community will set an example and it is important that they should be successful and operate in the correct way.

Creating an IMA is a more complex challenge than creating VSLAs because it is necessary, first of all, to be working where there are many well-established VSLAs that have been operating independently for at least a year. If these VSLAs are to become the members of an IMA, they need to be thoroughly competent and successful in managing their VSLAs and ready to broaden their horizons by creating an IMA as an apex organisation.

This is not as simple as it sounds, because, while VSLAs are easy to create and members quickly become expert managers, an IMA, as an apex, is a quasi-external organisation in which transactions that affect the VSLAs are carried out by Representatives of the VSLA and not under the eye of all of the members. This is made possible by modelling the transactions of an IMA on those of a VSLA, so that everyone who represents a VSLA at an IMA meeting is immediately familiar with the way in which meetings are conducted and is able to carry back reports to their own VSLAs that everyone will understand.

Because an IMA is an organisation that only has part of the VSLA membership present at its meetings, it is essential for the FO to ensure that procedures are fully understood and rigorously implemented in a standardised way and that the members present, who represent individual VSLAs, are clear about their roles not just as meeting participants, but as effective reporters, able to ensure that the other members of their VSLAs feel informed and in support of the IMAs goals and activities.

1 What are IMAs?

An Intermediating Association (IMA) is an apex institution composed of between 5 and 20 VSLAs. IMAs allow VSLAs to save to an IMA Loan Fund, from which individual VSLAs can borrow, in order to increase the capitalisation of their VSLA Loan Funds. It also provides an insurance fund that covers the risk of individual default, operates an education fund and finances technical visits by external agencies, mainly related to agriculture.

IMAs are member-managed. Programme staff (FOs) will train IMAs and member VSLAs, but will never manage the IMA, write in the record-books, touch money belonging to the IMA or request any form of financial or material support.

Member VSLAs must be established in a limited geographical area. The principal criteria for inclusion are that most of the constituent VSLA members are known to each other, to ensure mutual accountability.

IMAs meet every four weeks.

An IMA is managed by a five-person Central Committee. The Central committee is elected by the General Assembly and its savings and loan activities are managed by an Economic Committee, which is subordinate to the Central Committee.

IMAs develop a Constitution. This describes its system of governance and its Social Fund, Share-purchase and Loan policies. Each member VSLA has one vote in electing the Central Committee and developing the Constitution.

Unlike a VSLA an IMA does not have an annual cycle, after which all its capital is liquidated and returned to its members. An IMA cannot provide VSLAs with supplementary loan support if it, too, is regularly de-capitalised. It is essential that it builds its independent capital base over time, and to do so must remain in operation indefinitely, but with regular annual meetings at which financial reports are made available to all members and profit-sharing is conducted

Members save through the purchase of between 1 – 5 shares at every meeting. The share-value is decided by the IMA. At each meeting all VSLA members have the right to buy between 1-5 shares. The contribution to the IMA is made from each VSLA's Loan Fund.

The share value is the same for all member VSLAs. It must be agreed upon during the second training module (Development of EPC product policies and rules). The share value can only change by agreement at the AGM and, if the share value is changed, all old shares must be re-denominated in new amounts.

All IMAs have a Social Fund, in addition to a Loan Fund. This is to cover loan losses, provide for training expenses and technical visits by external experts. It is unrelated to the Social Funds of individual VSLAs.

The Social Fund contribution is the same for all member VSLAs. The Social Fund contribution may be increased or decreased at any time as the IMA

The Loan Fund is comprised of money contributed in the form of shares and loan profits (from service charges).

All member VSLAs have the right to borrow up to a maximum of 3 times the value of their shares.

Loans are taken and repaid once every 4 weeks. All loans should be repaid within a maximum of 1 year. The VSLA borrower is free to pay in whatever amounts it wishes at each loan meeting, but must repay the total sum owing within the agreed-upon period.

The monthly service charge for loans is determined by the Economic committee members at the beginning of the cycle. The interest rate is expressed in the form of a percentage value. It

cannot be changed during the cycle and is charged on the declining balance of loan principal outstanding

All IMA transactions are performed at meetings in front of all the members. To ensure that transactions do not take place outside IMA meetings, cash and summary records are locked in a cash-box, secured with three padlocks, while VSLA Representatives maintain ownership of the passbook. The three keys are held by three members, none of whom is a member of the Management Committee.

All VSLAs have an individual passbook. The passbook is laid out in exactly the same way as VSLA member passbooks, except for the cover page on which the name of the VSLA is registered as a member. Share purchases are recorded in the first half of the passbook using a rubber stamp. Loans are recorded in the back of the passbook. Loan Fund and Social Fund balances are noted by the Record-keeper in a notebook and memorised by all VSLA members at each meeting.

Summary records remain locked in the box between meetings. This is very important, to prevent tampering with the records of shares purchased by the members, or alteration of loan records. Passbooks remain with the Representatives of member VSLAs

At the end of every annual cycle, the IMA calculates its profits, decides upon a dividend payment to member VSLAs and pays each member VSLA what it is due. Profits are calculated using a simple formula in which savings, property and debts are subtracted from total assets. The IMA then decides on how much of this will be paid to member VSLAs as dividends and how much will be retained for other uses.

IMAs are trained by Field Officers (salaried programme staff). Field Officers are paid project staff whose role is to:

- mobilise VSLAs and prepare them in the procedures necessary to become IMA members
- facilitate the creation of an IMA by ensuring that:
 - its goals are clear and its plans are regularly reviewed and updated
 - it is properly constituted, with representative leadership;
 - it is able to conduct fully transparent standardised savings, loan and insurance transactions;
 - it is able to record all financial transactions and
 - it pays all benefits due to the VSLA membership annually at an AGM
- ensure that IMAs are fully autonomous within a two-year period

2 Schedule of operations

IMAs are trained and supervised by FOs over a period of 2 years according to the schedule below.

- Preparatory phase:** This provides general information to prospective VSLAs and trains them in procedures related to IMA participation
- Year 1:** 12 months. It starts off with 4 training visits in the first month until savings starts and then reverts to monthly meetings. The FO is present at all meetings. In months 2 and 3 there are additional training meetings
- Year 2:** 12 months. This is preceded by an evaluation of IMA quality by the FO's Supervisor to see if it is ready to operate independently. The rest of the year has the FO visiting less frequently

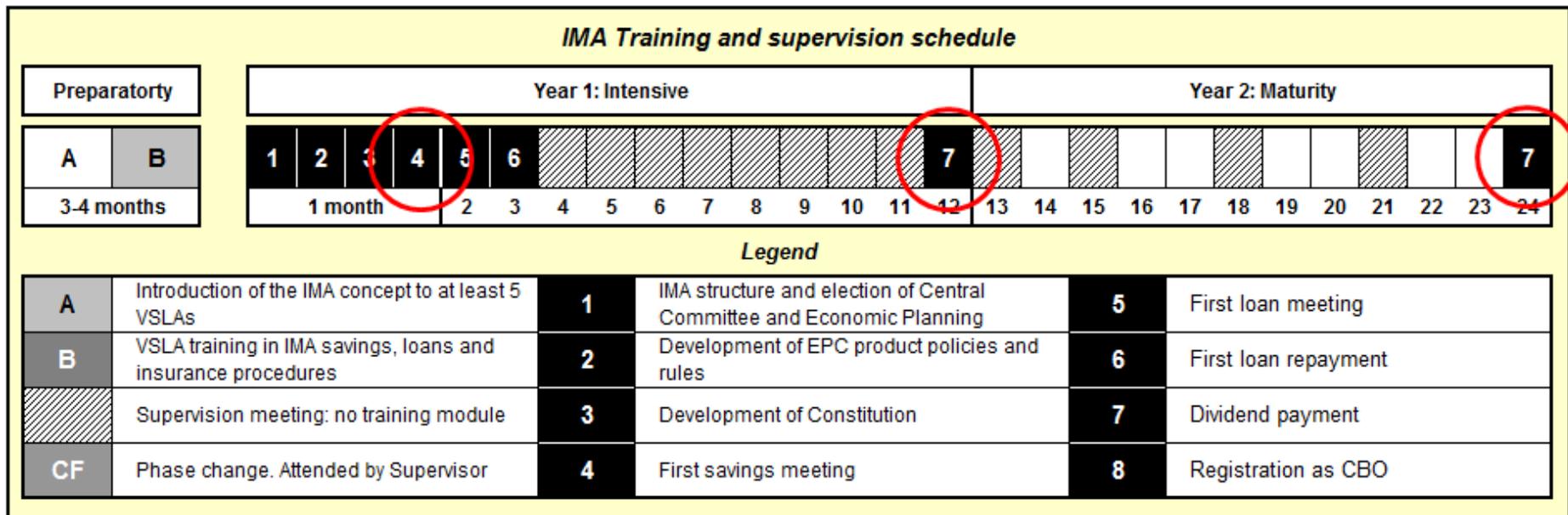


Figure 1: IMA training and supervision schedule

Note: The red circles indicate the Supervisor's attendance at: the first savings meeting; at the end of year 1 phase changes/dividend payment;

3 Preparatory meetings with VSLAs

The Preparatory Phase has two purposes:

- To propose membership in an IMA to a cluster of VSLAs in reasonably close geographical proximity
- To provide a detailed description of how an IMA works; what VSLAs have to do to participate and what the FO promises to do

Table 1 below lays out the order in which these meetings take place and the content

Table 1: Preparatory Meetings

<i>Type of meeting</i>	<p align="center"><u>Meeting A</u></p> <p align="center"><i>Introducing the concept of IMAs to a cluster of at least 5 VSLAs</i></p>	<p align="center"><u>Meeting B</u></p> <p align="center"><i>FO trains groups in additional procedures needed to participate in an IMA</i></p>
<i>Content</i>	<ul style="list-style-type: none"> • What is an IMA and what are its principal functions related to savings, credit and social support • The advantages to VSLAs • What additional costs VSLAs will incur in terms of contributions and time 	<ul style="list-style-type: none"> • Election of Representatives • Modification of Constitution to reflect IMA membership • Training in savings mobilisation for IMAs • Training in loan application, repayment and record-keeping process • Training in Social Fund activities
<i>Comments</i>	<p>Meetings will take place with individual VSLAs that have been operating successfully and independently for at least a year, until at least 5 VSLAs have been contacted and agree to participate. They must be of a similar economic status to participate.</p>	<p>Carried out only with VSLAs that have agreed to participate in an IMA.</p>

Meeting A: Introducing the concept of IMAs to a cluster of VSLAs

Purpose of the meeting

The purpose of the meeting is to:

- Introduce the purpose of an IMA to VSLAs that may have an interest in joining a member-owned and managed apex organisation
- Explain the advantages and disadvantages of membership in an IMA
- List the obligations of the VSLA to the IMA and of the IMA to the VSLA
- Outline the changes that would be needed in the way the VSLA procedures and systems in order to participate
- Take a vote on whether or not to join an IMA

Who participates?

- The FO and VA(s).¹ The meeting can only take place after VAs have been trained on the operations of member VSLAs as described in Meeting B
- A cluster of VSLAs, usually at Village or Ward level.

What is covered in this meeting?

- Description and purpose of an IMA
- Advantages and disadvantages of being affiliated to an IMA
- Obligations of the IMA to VSLAs and obligation of the VSLAs to the IMA

What is an IMA and what is its purpose?

- In many cases IMAs will already exist and the concept is well-understood. In places where IMAs are a newly introduced and are not well-known, the FO explains that an IMA is a second-level (apex) organisation, made up of a number of VSLAs (between 5 and 15), each one represented by two elected Representatives.
- Its purpose at the outset (and for the longer-term) is to act as an institution that can:
 - mobilise additional member savings that can earn interest;
 - allow a VSLA to save in varying amounts through the purchase of IMA shares, which will be set at a higher value than VSLA shares, and represent an investment by the VSLA as a whole
 - offer low-interest loans (at about half the normal average VSLA interest rate) to individual member VSLAs in order to increase the size of their Loan Fund. This enables participating VSLAs to on-lend to their individual members at times of the year when there is a heavy demand for loans that cannot be satisfied from the internal VSLA Loan Fund. It will also make it possible for VSLAs to offer longer-term loans to their members. It is important to stress that the IMA will not be offering loans to specific individuals within a VSLA, based on a loan application form that lists the names of specific borrowers, but will be offering a loan to the VSLA, which will be co-mingled with existing member savings in the Loan Fund. This will allow member VSLAs to continue to offer useful loans at the start of their annual cycles and will no longer limit access to IMA loans to a limited sub-group of VSLA members
 - make loans available to a VSLA for a minimum of 6 months and a maximum no longer than the remaining time in the annual cycle of the VSLA

¹ The meeting can only take place after VAs have been trained on the operations of member VSLAs as described in Meeting B

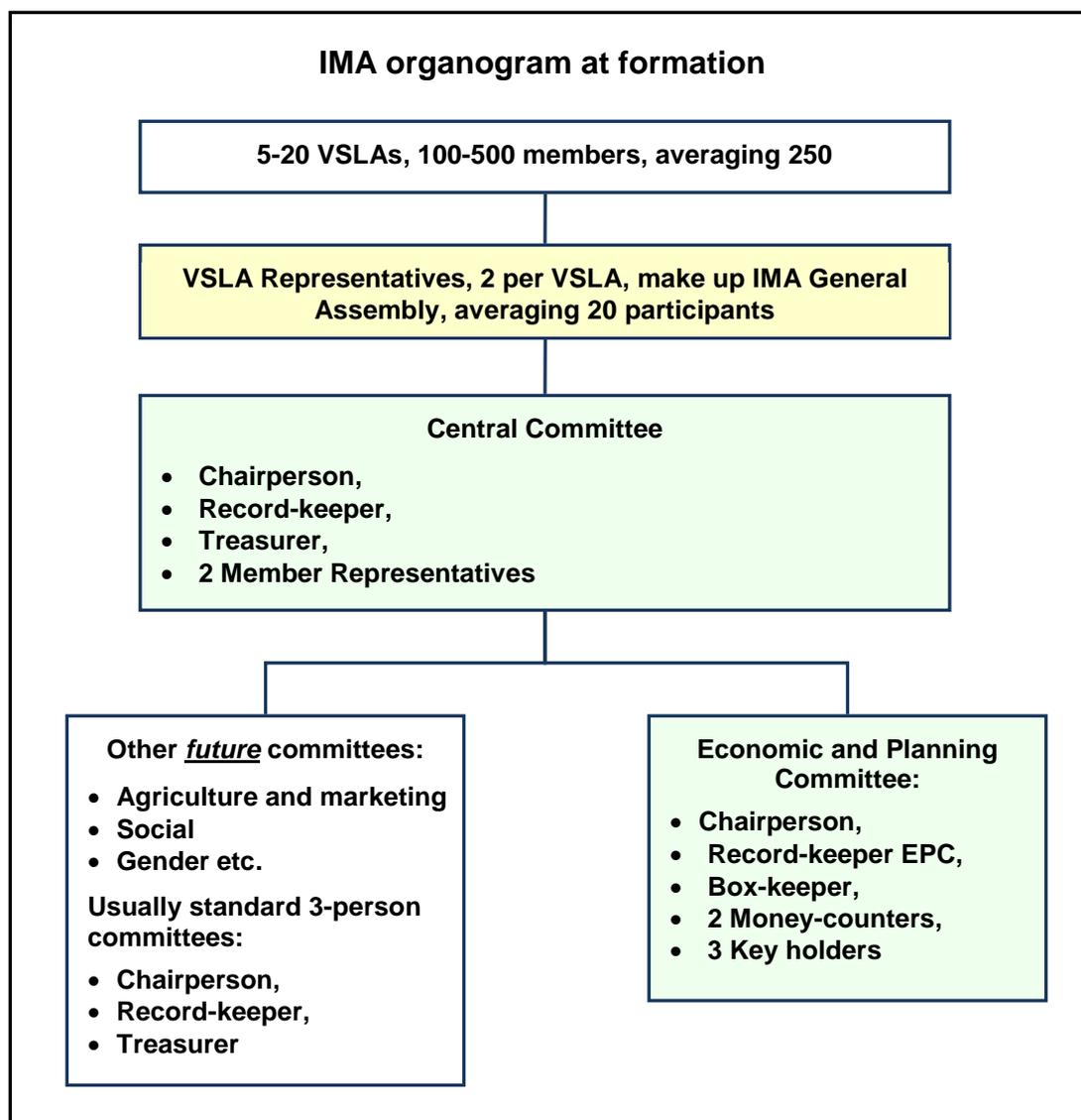
- offer individual loan insurance facilities to VSLAs to cover the risk of a member's death, incapacitation or abandonment of his/her VSLA
- provide access to technical knowledge that is useful to members (principally in agriculture)
- enable payment for technical services to be made to outside TA providers
- In the longer term an IMA may undertake to establish Health and gender-based activities, support to OVCs and Agricultural and marketing activities, each of which will call for the establishment of specialised sub-committees, each with their own plans and budgets, for which they will be accountable. At the outset, the IMA will focus on creating and managing a savings facility and a Loan Fund. The Loan Fund will allow individual VSLAs to borrow in order to increase the scale of their internal Loan Funds at important times of the annual cycle. Only when this activity is running smoothly will the IMA consider a broader range of activities.
- Like VSLAs, an IMA is managed by its member VSLAs (through elected Representatives) and can operate informally, although it can also seek formal recognition as a Community-based Organisation (CBO) should it wish to do so
- Unlike a VSLA an IMA does not share out its capital at the end of an annual cycle, but calculates profits and agrees among the member VSLAs how much of this profit will be retained by the IMA and how much will be paid as a dividend to the participating VSLAs. Having the IMA retain the capital rather than share it out annually, in the manner of VSLAs, is necessary so that loans can be made available at any time of the year for any VSLA
- Member VSLAs can withdraw any or part of their investment with the IMA at any time so long as they do not have a loan outstanding. This point is likely to provoke debate, but the right of member VSLAs to access their capital at any time (at the cost of lost interest) must be permitted.

Organisational structure

The organisational structure of the IMAS and its constituent committees is explained, using Figure 2, modified as needed to fit specific cases. Figure 2 makes it clear that the ownership of an IMA is vested in the members of its constituent VSLA. It also makes it clear that VSLA Representatives, act as a governing body that is empowered to create committee structures that carry out the IMA's mission. The most important of these is the Central Committee, which acts as a managing Board. The Central Committee:

- Develops strategies that enable it to carry out the wishes of the member VSLAs, through the development of plans and structures that allow the IMA to implement its programme
- Authorises and oversees the creation of operational sub-committees that implement specific programmes. The first (and principal sub-committee is the Economic and Planning Committee
- Calls Annual AGMs at which financial and operational reports are made on the activities of the IMA as a whole and the specific results of the work undertaken by sub-committees

Figure 2: Initial IMA organisational structure



Advantages and disadvantages of IMA membership

- The advantages of VSLA membership in an IMA are explained by the FO as follows:
 - The ability of VSLAs to invest their savings in an interest-earning instrument, over which they have control.
 - The ability of their VSLAs to obtain additional loan capital from their IMAs, allowing individual VSLA members to access larger loans, potentially offered over a longer term, though their VSLAs and to minimise the time they must spend in a loan 'queue'
 - The ability of member VSLAs to increase their profitability through being able to manage a larger Loan Fund, and benefiting from an interest rate spread in which the cost of borrowing from the IMA is about half their internal loan fund interest rate.
 - Individuals also benefit from earning interest on their internal savings and also their investments in the IMA, which distributes profits to VSLAs annually.
 - The IMA loan fund permits the optimal use of capital as it can be deployed from VSLAs that have no need of external capital to IMAs that do.
 - The ability of the IMA to provide, over time, collateral services related to asset purchase, access to technical assistance/training, loan insurance and support to OVCs etc.

- The ability of VSLAs, over time and once VSLA loan demand is satisfied, to participate in larger, long-term commercial investments made by the IMA
- Challenges related to creating and managing an IMA are as follows:
 - Reduced transparency, since only a few VSLA members will be present as Representatives
 - Exposure to the risk that other VSLAs will not repay their loans to the IMA, thus putting the VSLA's investment in the IMA at risk
 - Exposure to the risk that investments made by IMAs in other commercial activities, such as a farm or a shop may lose money
 - More complex procedures at the VSLA and IMA levels, since IMA shares and Social Fund contributions will have to be separately mobilised once a month at VSLA meetings

Mutual obligations between an IMA and its VSLAs

- Obligations of the VSLA to the IMA are explained
 - Regular purchase of IMA share(s) every four weeks throughout the year
 - Regular, equal contribution to the IMA Social Fund
 - Reimbursement of the IMA loan/line of credit
 - Modification of its Constitution in order to acknowledge its membership in the IMA and to provide a copy of the modified constitution to the IMA
 - Full participation of designated Representatives in the activities of the Central Committee and the Economic Committee and regular attendance at meetings
 - Participation of all members in the annual general meeting of the IMA.
- Obligations of the IMA to the VSLA are explained
 - The IMA must provide a copy of its constitution to all member VSLAs, which must be signed by all VSLA representatives
 - The IMA will treat all VSLA groups as equal members in all decision-making and as recipients of IMA services
 - The IMA will conduct annual elections for membership of the Central Committee and ensure that the same applies to all other committees
 - The IMA will convene regular meetings every 4 weeks, to which all Representatives of the member VSLAs will be invited and should attend
 - The IMA Economic and Planning Committee will be responsible for the safe-keeping of VSLA contributions to the Loan Fund and the Social Fund and for the security of any cash on hand or held in a financial institution
 - The IMA Central Committee will be responsible for ensuring that the Economic and Planning Committee
 - mobilises savings from member VSLAs;
 - disburses loans to members VSLAs in a ratio of savings to loans that does not exceed 1:3
 - ensures on-time loan reimbursement;
 - manages the activities of the IMA Social Fund

The IMA Central Committee will create other committees (in addition to the Economic and Planning committees), as the member VSLA Representatives agree, ensuring that proper financial and administrative systems are in place for all committees. It will also carry out quarterly reviews of their records

 - The IMA will initially have as its principal responsibility the establishment of an Economic Committee to manage all savings and loan activities
 - The IMA will ensure that an AGM is called, at which all members of all VSLAs are invited and at which dividends are paid

- The FO then takes questions and asks for feedback.
- The VSLAs then decides, by consensus, if they wish to become part of an IMA
- The FO notes down the decision and informs the VSLAs that they will be contacted for a training to prepare them for membership once the IMA they want to join has agreed to accept their applications, or, when the FO (and subsequently the IMA Economic and Planning Committee) has mobilised a sufficient number of VSLAs in the vicinity to form a new IMA.

Meeting B: VSLAs trained in additional procedures needed to participate in an IMA

Purpose of the meeting

The purpose of the meeting is to:

- Train and prepare individual VSLAs to participate in IMA membership

Who participates?

- The FO or Village Agent
- Single VSLA.

What is covered in this meeting?

The key topics covered are:

- Selection of IMA Representatives
- Definition of IMA financial products:
- Supplementary meeting procedures related to IMA membership

A. Selection of IMA Representatives

Qualities and responsibilities

- The FO first says that each VSLA will elect two Representatives to form part of the General Assembly of the IMA. (S)he lists the role of Representatives. These may be summarised as:
 - Receiving VSLA contributions to the IMA Loan Fund and Social Fund, ensuring their safe passage to the monthly IMA meeting, ensuring that these contributions are entered into the IMA passbook and that the passbook is brought back to the VSLA and the entries displayed to all of the VSLA members
 - Receiving VSLA loan disbursements from the IMA, ensuring their safe passage to the VSLA, receiving loan repayments and ensuring their safe passage to the monthly IMA meeting, ensuring that these contributions are entered into the IMA passbook and that the passbook loan entries are displayed to all VSLA members
 - If elected, being ready to serve on the IMA Central Committee and the IMA Economic Committee, or other committees as are created thereafter
- The FO stresses that the IMA is an institution made up of many VSLAs, and it cannot be known, ahead of time, what role the other VSLA Representatives to the IMA will elect the VSLA Representatives to play. It will therefore be important to select people that are able to perform as committee members in the Central Committee and the Economic Committee, which will certainly call for basic literacy, numeracy and social skills. Table 2 below provides a list of the qualities and potential responsibilities of Representatives.

Table 2: Common qualities and responsibilities of VSLA Representatives to an IMA

Qualities	Potential responsibilities
<ul style="list-style-type: none"> • Reliable and with time at his/her disposal to travel to IMA meetings and undertake tasks that he/she may be assigned • Displays a genuine awareness of the views of other people and carefully considers all point of view: does not impose his/her own agenda and views • Literate and highly numerate. Used to maintaining or examining VSLA financial records • Respected in the community at large and well-known • Experienced as a manager in any field, or has long and successful experience as a VSLA committee member or member of any other type of committee in his/her community • A good planner • Diligent • Scrupulously honest • A good public speaker 	<ul style="list-style-type: none"> • To serve principally as a member of the IMA's General Assembly • To act as a committee member of the Central Committee or the Economic Committee • To spend time at IMA meetings and at such extra committee meetings as the IMA may need to call • To plan the short and long-term activities of the IMA, including IMA investments and the management of such investments

Election of VSLA Representatives to the IMA

The VSLA will elect 2 people as Representatives of the VSLA to the General Assembly of the IMA: The FO says that Representatives must not be drawn exclusively from the Management Committee of the VSLA and that at least one of the two Representatives must be a member of the VSLA's General Assembly

The FO brings four bags to the Group meeting, each in a different colour (S)he also provides one small stone or metal token for each member to be used in voting.

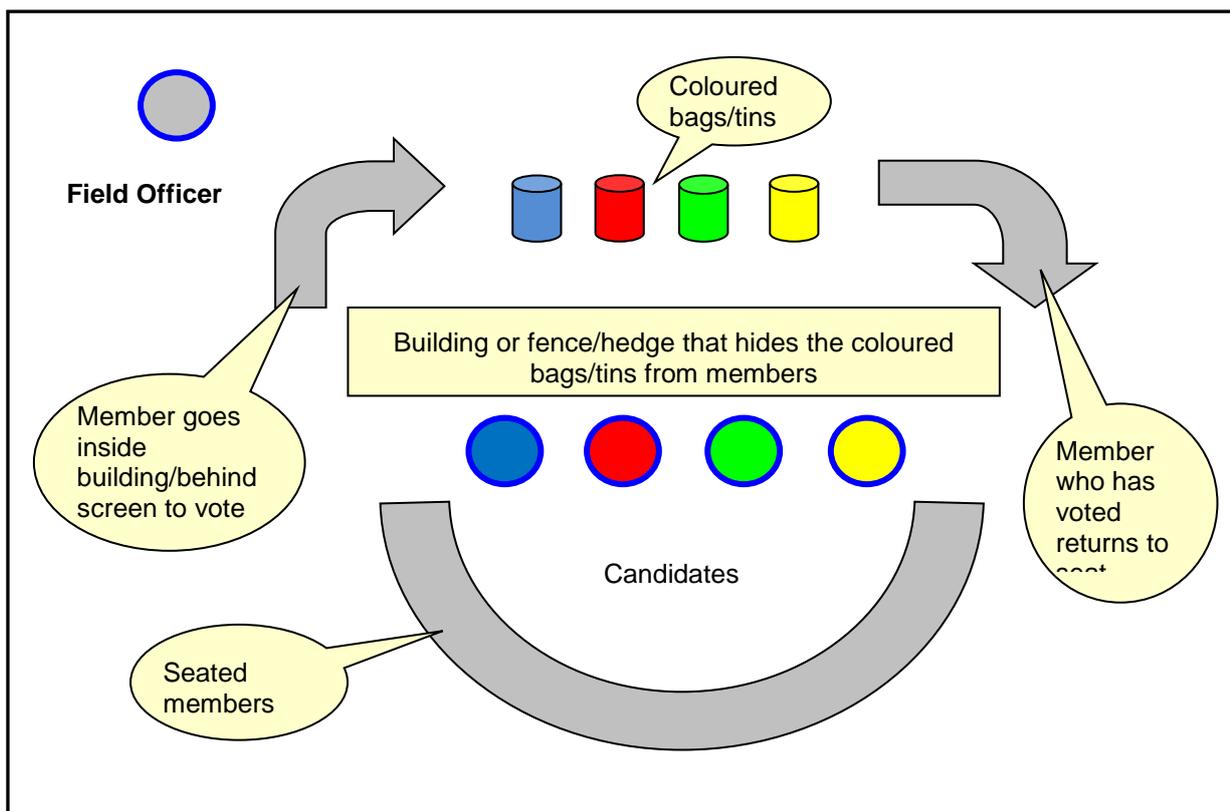
Each of up to four candidates (there must be at least 3 for the two positions) is given a coloured card. The coloured bags are placed behind a screen (or inside a building) some distance from the gathering and sheltered from view of members and passers-by. Each member in turn goes behind the screen (or into the building) and, hidden from the members but under the eye of the FO, deposits a token/stone in the bag of his/her choice.

When all of the members have voted, the FO counts out the votes in front of the members by removing the stones from each bag. (S)he ensures that no additional stones have been put in the bags – the total should equal the number of members voting.

When the Representatives are elected, the VSLA Record-keeper notes down the election result in the VSLA's notebook. This is signed by the VSLA Chairperson and can be produced in evidence if the authenticity of the Representative is questioned by the IMA.

Similar procedures are used to elect each of the various IMA Committees (see module 1), but with a reduced minimum number of candidates (2).

Figure 2: Diagram of election procedures



B Definition of IMA Financial products

A VSLA that wants to join an IMA can take advantage of IMA services, but, while being able to participate in IMA decisions regarding financial products, is bound by those decisions and cannot change them without the agreement of the IMA.

The items related to IMA financial products are that need to be enshrined in the Constitution of the VSLA are:

Savings

- The value of an IMA share must be specified
- The frequency of a VSLA's contribution (every 4 weeks) must be specified
- The VSLA's contribution to the IMA Loan Fund is taken from the balance of the Loan Fund at the start of the VSLA meeting immediately preceding the IMA meeting (i.e. before loan disbursements are made)

Loans

- The first time a VSLA can borrow from an IMA, it can do so for a maximum period of 6 months, but in taking additional loans, can extend this to a period equal to the remaining length of the VSLA's cycle, to the time of share-out
- The VSLA can borrow a maximum amount that is equal to 50% of the last cycle's share out, as recorded in the Record-keeper's notebook. It is understood that this depends on the availability of funds and, at the start, some loan 'rationing' may be necessary
- Loans provided to the VSLA by the IMA will be contributed to the internal Loan Fund of the VSLA
- All loans taken from the VSLA Loan Fund that has received IMA finance will be offered to VSLA members under exactly the same terms and conditions as any other loan taken from the VSLA's Loan Fund (i.e. there will be no 'VSLA' loans and 'IMA' loans). They will be

leveraged at the same 3:1 rate,² be subject to the standard VSLA length of loan term and attract the same rate of interest.

- The interest rate chargeable by the IMA to the VSLA must be specified
- No new loan will be offered to the VSLA until the preceding loan and interest due has been fully repaid to the IMA

Social Fund

- An IMA Social Fund is different to the VSLA Social Fund and is operated for entirely different purposes. These are:
 - To cover loan losses incurred by VSLAs in the case of members whose loans have had to be written-off owing to death
 - To provide funds for external trainers who provide non-financial services to the IMA
 - To finance learning opportunities for IMAs, mainly in agricultural technology

In order to understand the processes that are needed to select IMA Representatives and define the terms of IMA financial products offered to the VSLA, a revised version of the constitutional framework used in creating VSLAs is used to adjust the VSLAs Constitution. Once this is done it must be signed by all members. The framework for the Revised VSLA Constitution is shown in Annex 1 (Revised Constitution framework for VSLAs participating in an IMA), with Part 3: IMA membership added

C Supplementary meeting procedures related to IMA membership

Meetings of a VSLA will be conducted as normal, but at every fourth meeting, shortly before the IMA meeting, the following procedures will be added. These will take place immediately after loans have been disbursed (if any) and immediately prior to calculating the Loan Fund balance. Table 3 starts at step 4 in the normal procedures table, following share purchase.

Table 3: Modified Expenses section in the standard VSLA procedures

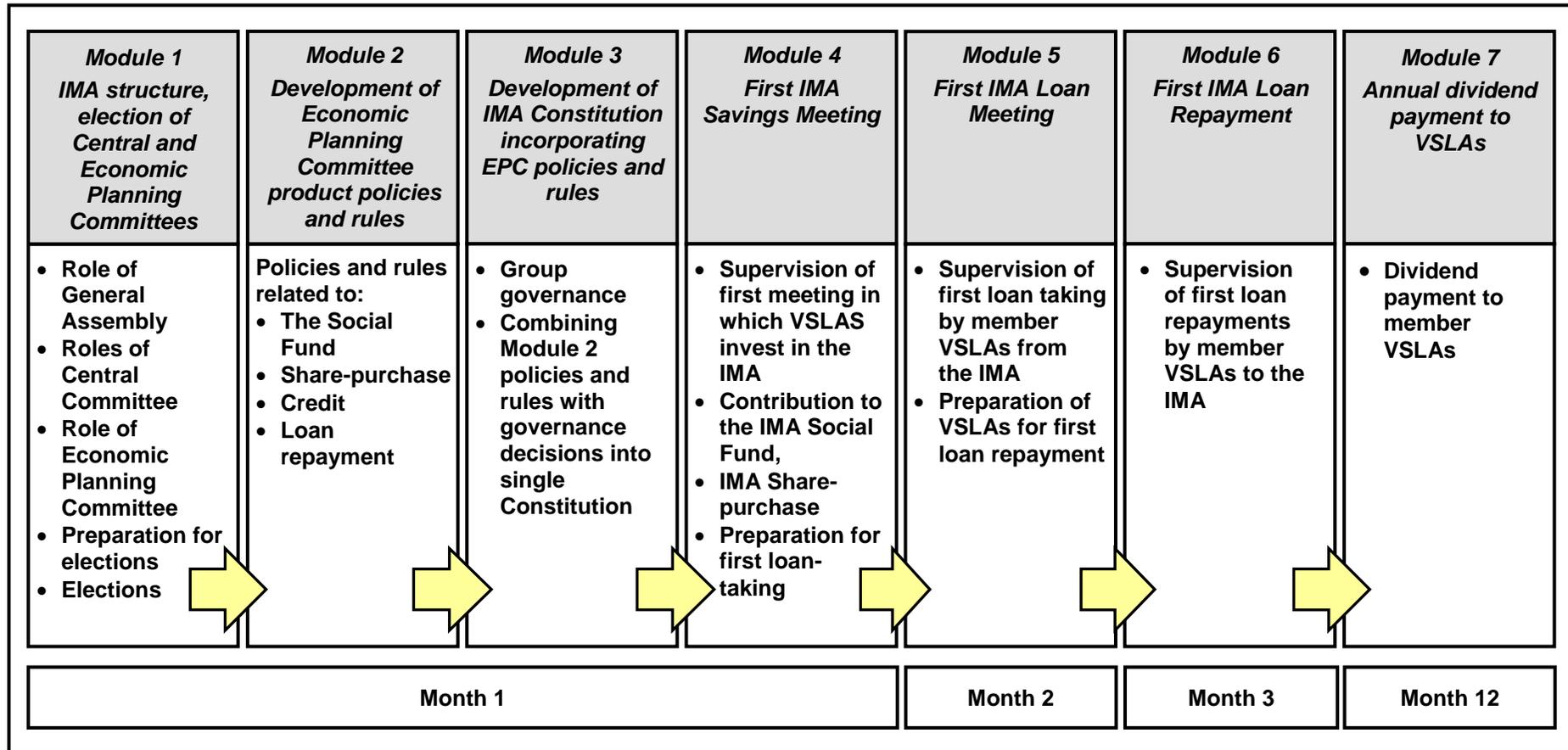
Meeting step	Procedures
4. Expenses	<ul style="list-style-type: none"> • If any money was given for expenses in the previous meeting, the person who made the expenditure gives an account and returns any change to the Money-counters, who place it in the Money-counting bowl • The Chairperson asks the Record-keeper if there will be any expenses before the next meeting, including monthly contributions to the IMA Loan Fund and Social Fund. The number of shares to be bought every 4 weeks in the IMA needs to be discussed and approved by the members • If any expenses are approved by all of the members, the Chairperson instructs the Money-counters to remove the amount needed from the Money-counting bowl and give it to the member who is responsible for paying the expense

Because contributions to the IMA Loan Fund and to the IMA Social Fund will be taken from the VSLA Loan Fund, the standard share value may need to be increased in order to cover the nominal value of the IMA share purchase. This should be done at the beginning of the next cycle, because share values cannot be changed in the middle of a VSLA operating cycle.

² If VSLAs are able to access useful loans at the start of the annual VSLA cycle, individual VSLAs will have to encourage members to ‘roll-over’ some of their share-out money into the next cycle in order to benefit from the availability of external funds. Some liberalisation of the leverage ratio from 3:1 to 4:1 is also appropriate, but should be approached with prudence,

4 IMA training modules 1 - 7

Table 2: Diagram of training schedule



Module 1: IMA structure, election of Central and Economic Planning Committees

Purpose of the meeting

The FO explains that the purpose of the meeting is to give the IMA a name and to elect leaders to the Central Committee and Economic Planning Committee, appointed for a year and eligible for annual re-election for a maximum period of three consecutive terms. (S)he explains that elections will be facilitated by the FO for the first two years, but that future elections will be run by the IMA's Central Committee.

Who participates?

- The FO, in this and all subsequent training meetings
- The General Assembly of the IMA, made up of the Representatives elected by VSLAs

What is covered in this meeting?

The following are the key topics covered:

- Discussion of the role of the General Assembly, the Central Committee and the Economic and Planning Committee
- Elections to the Central Committee and the Economic and Planning Committees

Role of the General Assembly

The FO explains that the General Assembly of the IMA is, in effect, all the members of the VSLAs who constitute the current membership. (S)he explains that because an IMA is an apex of many VSLAs it is not practical for meetings to include all members, and thus Representatives that have already been elected and are present in this meeting form the de facto General Assembly, while remaining accountable to their individual VSLAs.

No decisions can be taken by the Central Committee of the IMA that are not endorsed by a 2/3 majority of the Representatives who form the IMA General Assembly.

The General Assembly has the following responsibilities:

- To elect the Central Committee on the basis of one vote per VSLA (agreed between the two members from each VSLA when both are present)
- To elect the Economic Planning Committee (EPC) and all other sub-committees that it may wish create in the future, but focussing at the start on the EPC and the IMAs role as an intermediating of member VSLA savings in the IMA
- To participate in the development of long-term IMA strategies and operational plans
- To represent the interests of their individual VSLAs
- To report to their own VSLAs all of the proceedings of the IMA meetings and to report to the IMA any issues that their VSLAs may want to raise
- To bring share purchase and loan repayments to IMA meetings and to observe all records entered into the IMA records and their own passbooks
- To bring a fixed Social Fund contribution to all meetings
- To vote on resolutions and IMA investments proposed by any Representative or Committee, including replacement of any Committee member
- To authorise committee budgets
- To authorise the establishment of bank accounts
- To authorise the application of the IMA for official registration as a Community-based Organisation (CBO), if the Central Committee proposes this

Role of the Central Committee

The FO explains that the IMA will be managed by a Central Committee, elected from amongst the Representatives. The principal tasks of the committee will be to:

- Facilitate the creation of other committees and oversee their elections
- Supervise their activities, ensuring that regular reports are presented to the General Assembly
- Facilitate discussion about new projects and activities
- Ensure that budgets, management structures and administrative (particularly financial) systems are set up for all projects managed by all committees
- Supervise other committees
- Call and manage the IMA AGM
- Resolve conflicts between member VSLAs and their Representatives

All IMA meetings are started by the Central Committee, which then delegates to other committees, when there is business to transact that involves the whole membership.

Role of the Economic and Planning Committee (EPC)

In practice, during the first year, the main activity of the IMA will focus on savings, lending and Social Fund services that the IMAs will offer their members. It will not be responsible for the economic investments that may be made by other IMA committees. The EPC role is central to the whole functioning of the IMA and the services on offer will likely remain the most important for the long-term.

The FO explains that the EPC has the following functions

- To facilitate agreement among member VSLAs as to the terms and conditions of savings, lending and Social Fund activities.
- To manage savings and credit meetings
- To provide Social Fund benefits to VSLAs as needed
- If requested, to ensure that member VSLAs receive their share-out at the end of the VSLA cycle, including a pre-determined return on their investment

The FO uses the generic organogram (Figure 2, page 11) to explain how the relationship between VSLAs and the IMA works and illustrates the internal structure of the IMA.

Elections to the Central Committee

- The General Assembly chooses a name for the IMA, which is noted down by the FO. The FO does not give the IMA a number until the MIS has automatically generated a number after the first data entry. This number will never change
- The FO explains:
 - All members have the same rights
 - No-one can serve on both the Central Committee and the Economic and Planning Committee as Chairperson, Record-keeper or Treasurer/Box-keeper
 - The Central Committee is elected by the members, who can also dismiss it for poor performance
 - The Central Committee serves for one year, after which elections must be held.
- (S)he then reviews the qualities needed for each position and the work that each person chosen needs to do, using the tables below:

Table 3: Qualities and responsibilities of the Central Committee Chairperson

Qualities	Responsibilities
<ul style="list-style-type: none"> • Respected and well-known throughout the communities in which the member VSLAs are established, and beyond • Confident and calm when speaking in front of others • Literate and numerate • Experienced as a Chairperson in other community groups/organisations • Treats everyone impartially and objectively and is known for fairness • Listens to others and asks for opinions • Organised • Always on time 	<ul style="list-style-type: none"> • To call the meetings to order, announce the agenda and lead discussions • To ensure that the meetings follow proper procedure and that the Constitution is followed and respected • To maintain discipline and charge fines as needed • To facilitate discussions and to ensure that everyone's views are listened to • To resolve conflicts • To represent the Group to outsiders and non-members, including local government officials. • To ensure that

Table 4: Qualities and responsibilities of the Central Committee Record-keeper

Qualities	Responsibilities
<ul style="list-style-type: none"> • Literate and numerate and accustomed to keeping high-quality VSLA financial records • Writes neatly • Has a reputation for trustworthiness • Always on time • Willing to work extra hours to train with the FO if needed 	<ul style="list-style-type: none"> • Ensures that all transactions for the Social Fund, share-purchase and lending take place according to procedure, and that all rules are followed • Makes all passbook entries for shares and loans • Reads the Social Fund and Loan Fund cash balances out loud at every meeting

Table 5: Qualities and responsibilities of the Central Committee Member Representatives

Qualities	Responsibilities
<ul style="list-style-type: none"> • Respected by the other Representatives in the IMA • Confident and calm when speaking in front of others • Has a reputation for intelligence and for being thoughtful • Treats everyone impartially and objectively and is known for fairness • Listens to others and asks for opinions 	<ul style="list-style-type: none"> • Participates in all discussions and decisions of the Central Committee • Reflects the views of the General Assembly in Committee discussions

The FO stresses that the only criteria that counts for nominating and electing a committee member is their ability to carry out their allotted responsibilities – not because they have a high social status in the community.³ The FO then organises the election of the officials, starting

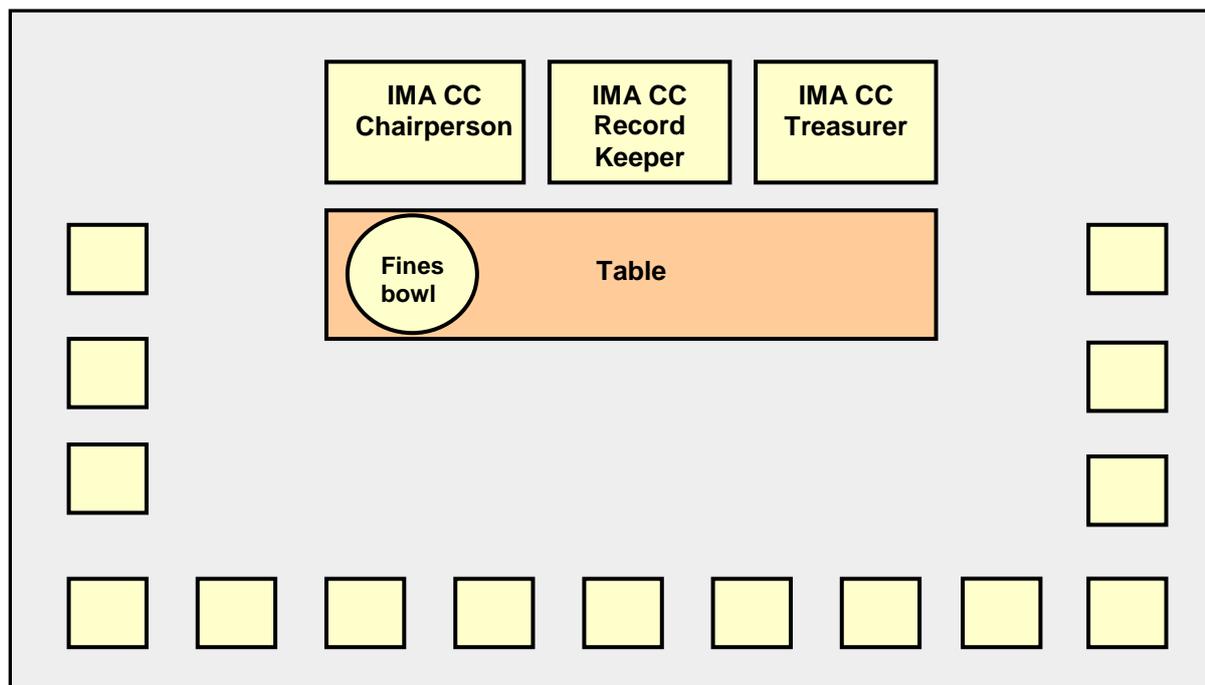
³ It has been a very common experience in VSL programmes worldwide that Chairpersons are usually selected because they have a position of traditional leadership in the community and those who

with the Chairperson. (S)he uses the standard procedures shown in Figure 2 and accompanying text on pages 14 and 15, only reducing the minimum number of candidates from 4 to 2.

Once the elections to the Central Committee are completed the members take their place at the Committee table and preside over the election of the Economic and Planning Committee.

The seating arrangements of the IMA Central Committee are as follows:

Figure 3: IMA Central Committee seating arrangements



Since no financial transactions are conducted by the Central Committee and there is no administrative activity, beyond calling the roll, members are free to sit as they please. The FO then facilitates the elections to the Economic and Planning Committee (EPC). Once these are completed (S)he seats the EPC as shown in Figure 4.

vote for them are often influenced by this when elections take place. This has frequently led to the leadership of the meeting passing informally into the hands of the Record-keeper and for meeting procedures quickly to diverge from standard practice. It is largely for this reason that the Chairperson is physically placed to one side of the Committee, but it is far better if FOs are able to facilitate elections in which the importance of having the right competencies matched to the role is stressed and becomes understood.

Elections to the Economic and Planning Committee

The Economic and Development Committee is run in almost exactly the same way as a normal VSLA Committee. Thus, it is normal (and recommended) that people who are nominated for these roles already have experience in performing the same service for their VSLAs.

Table 6: Qualities and responsibilities of the Economic and Planning Committee Chairperson

Qualities	Responsibilities
<ul style="list-style-type: none"> • Respected • Confident and calm when speaking in front of others • Treats everyone equally • Listens to others and asks for opinions • Organised • Always on time 	<ul style="list-style-type: none"> • To call the meetings to order, announce the agenda and lead discussions • To ensure that the meetings follow proper procedure and that the Constitution is followed and respected • To maintain discipline and charge fines as needed • To facilitate discussions and to ensure that everyone's views are listened to • To resolve conflicts • To represent the Group to outsiders and non-members, including local government officials.

Table 7: Qualities and responsibilities of the Economic and Planning Committee Record-keeper

Qualities	Responsibilities
<ul style="list-style-type: none"> • Good with numbers • Writes neatly • Has a reputation for trustworthiness • Always on time • Willing to work extra hours to train with the FO if needed 	<ul style="list-style-type: none"> • Ensures that all transactions for the Social Fund, share-purchase and lending take place according to procedure, and that all rules are followed • Makes all passbook entries for shares and loans • Reads the Social Fund and Loan Fund cash balances out loud at every meeting

Table 8: Qualities and responsibilities of the Economic and Planning Committee Box-keeper

Qualities	Responsibilities
<ul style="list-style-type: none"> • Trustworthy • From a household that has a good reputation (no one in that household should be considered unreliable) • Lives in a house with good security • Always on time 	<ul style="list-style-type: none"> • Keeps the Group box safe in between meetings • Ensures that (s)he is accompanied to/from meetings as necessary • Brings the box to the meetings on time

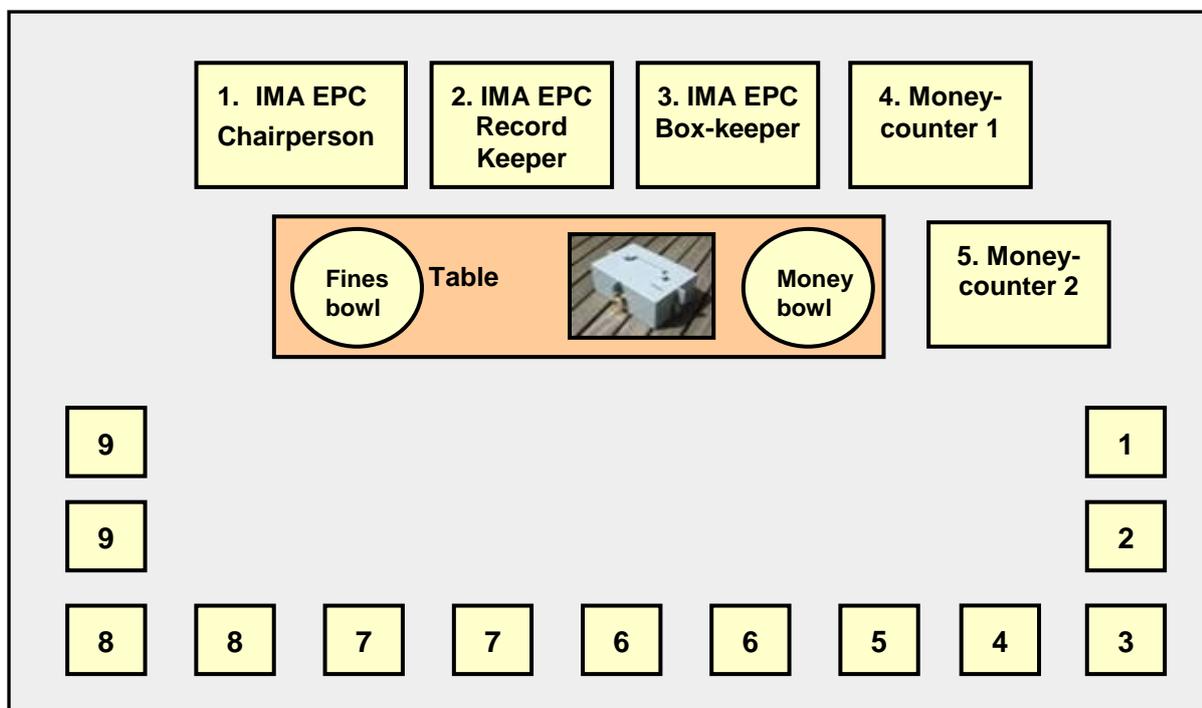
Table 9: Qualities and responsibilities of the Group Money-counters

Qualities	Responsibilities
<ul style="list-style-type: none"> • Able to count quickly and accurately • Trustworthy • Calm and organised • Always on time 	<ul style="list-style-type: none"> • Counts all amounts paid to, or taken from the VSLA • Informs the Record-keeper of the correct amount to be recorded in the passbook

Key Holders are appointed by open discussion and must be selected from members of the General Assembly. Once the elections are completed, the FO concludes by saying that in the next meeting training will be focused on creating the EPC Social Fund, share-purchase and credit policies.

The seating arrangements for all EPC meetings are as follows:

Figure 4: IMA Economic and Planning Committee and VSLA Representative seating arrangements



It will be seen that in this case, there are two Money Counters, the addition of a money-counting bowl and the presence of a 3-lock box. It will also be seen that each Representative has a number that is assigned to them for the duration of the EPC meeting and that their position will always be the same during these meetings. The numbers given to the Representatives are the numbers of the VSLA that they represent. It will be seen that the Committee members partner Representatives are seated consecutively after seating the Committee

Note: The rest of the modules in this manual relate only to the functioning of the Economic and Planning Committee.

Module 2: Development of the EPC Social Fund, share-purchase and credit policies

Purpose of the meeting

The FO says that the purpose of the meeting is to develop a set of rules related to the functioning of the EPC concerning how the VSLAs that are IMA members will buy shares, how they will take out loans and pay them back, and how they will operate their Social Fund.

What is covered in this meeting?

- Development of policies related to the IMA Social Fund
- Development of policies related to the IMA Savings and Credit fund

Seating arrangements

The diagram on the previous page shows how members are seated in a meeting of the EPC. This seating arrangement is important for two reasons:

- It allows all members to see clearly what is happening and, facing each other, reinforce a bond
- It ensures that all members transact in order, which reinforces a sense of organisation and discipline

The diagram shows an IMA with 18 members, made up of 9 VSLAs, which is quite typical. The number can, however, be as few as 10 or as many as 40.

The FO starts the meeting by seating the members according to this arrangement, saying that while normal meetings will start with the Central Committee presiding, until the first savings meeting it will be necessary to focus on the activities of the EPC.

Social Fund

The FO says that the IMA will create a Social Fund, but, unlike the VSLA Social Fund has limited and specific uses. These are:

- Loan insurance that is paid to a member VSLA to recover the losses that may be incurred when a member who has a loan with the VSLA die. This reduces the risk of major losses to an individual VSLA and shares the burden of such losses across a much larger group
- Payment of training and educational costs for the IMA.

The IMA then decides what the amount of regular contributions to the Social Fund should be. The FO says that:

- This amount should be based on what the previous experience of loan losses has been, and the costs that are likely to be incurred in supporting training events
- The Social Fund is kept separately from the Loan Fund, in its own bag, although excess liquidity in this fund can be deposited to a regulated financial institution
- The Social Fund pays benefits in the form of grants, not loans
- The Social Fund is not returned to member VSLAs except in the case of the IMA ceasing to operate, in which case the amount returned will be in proportion to the VSLA's contribution, relative to other VSLAs

Share-purchase rules

The FO says that VSLAs save in an IMA by buying shares in exactly the same way that individuals buy shares in their own VSLA, but that the value of a share will be jointly decided and will be the same value for all member VSLAs. At each meeting, each member has the

opportunity to purchase between 1 to 5 shares. (S)he asks what the value of a share should be. (S)he then explains that:

- the amount is too big if the poorest VSLAs will have trouble regularly saving at least one share;
- account needs to be taken of the lean period of the year, and the value set at a level that will always permit a VSLA to buy at least one share;
- there is no set formula for calculating the value of an IMA share, but it should be based on a target value to be achieved after 12 months, in which the IMA will be self-sufficient in capital and able to satisfy all of its members' needs. Since IMA share values will be the same across all VSLAs and since larger VSLAs will be able to buy more shares than smaller VSLAs, the value of a share bought in the IMA is likely to cost in the range of 5-10 times the value of the average VSLA. See Annex 3 (for a simple explanation of the logic that supports this ratio). The FO mentions this range as a norm (but not a rule) and facilitates a discussion in which the Representatives agree on the value of an IMA share.

Lending rules

All meetings of an IMA are both savings and lending meetings

The Group is then asked for what purposes loans will be given. The FO says that members should not take out loans that they cannot repay easily

The FO says that the amount borrowed by any VSLA cannot be more than 50% of the value of the applicant VSLAs last share-out rather than being based on specific member loan applications. This is to ensure that a VSLA does not borrow more than it has proven it can successfully manage and also to maintain motivation for members in a VSLA to save, and, in particular, to roll over a significant proportion of their personal savings/capital from one VSLA cycle to the next.⁴

The Group is then asked for how long members should be allowed to take out loans. The maximum loan duration should not be more than 3 months. Once the Group has decided on the longest time that members can take out loans, the FO writes this down.

The FO explains that when VSLAs take out loans they have to pay a service charge every 4 weeks, in just the same way that individuals do in their VSLAs. The service charge should be set at a level that is half the average service charge of individual VSLAs. Thus, if the average service charge among VSLAs that make up an IMA is 10%, the IMA should charge 5%. Likewise, if the average service charge of individual VSLAs is 5%, the IMA should charge 2.5%, or a figure that is convenient to calculate, close to half the average member VSLA service charges. Setting the IMA interest rate at half that of a VSLA ensures that while the IMA can earn income, so, too, can the member VSLAs, so that they have an incentive to manage the IMA loan with caution and efficiency.

Safety of Group funds

The FO hands over the Group kit (See Annex 4), which is exactly similar to that of a VSLA and is paid in full by the IMA at this time, based on a special contribution of all member VSLAs.

VSL programmes must use lockable boxes. The reason for using three locks is to keep member money and records safe and to make sure that transactions cannot take place privately between meetings.

⁴ The most likely demand for IMA funds will be at the start of a cycle, but if members have retained none of their savings in their VSLA, they will not be able to benefit from the injection of external loan capital. Plan Tanzania should therefore encourage VSLA members to re-invest as much as they can after the share-out, at the start of their new cycle. Plan may also experiment with increasing the leverage ratio between savings and loans for individual members of groups that have received an IMA loan.

Module 3: Development of IMA Constitution

Before going to this meeting, the FO goes to Annex 2 (Constitution framework for an IMA) and makes a copy of the blank Constitution form. The FO takes this with him/her to the meeting.

The blank Constitution form in Annex 2 allows the FO to write down IMA decisions. Part of it is already fixed, because experience has shown that some things should be common to all IMAs. Decisions that the IMA needs to make for itself are shown as underlined blank spaces.

The FO explains that the rules developed in the previous meeting will be included in the Constitution, but that this meeting will concentrate on the rules that help the IMA govern itself, including the decisions already made about the Social Fund, share purchase and loans.

The FO goes through the blank form, item by item and helps the members to reach agreement on each clause. The FO then helps them to fill in the blank spaces. The FO should never think that (s)he knows what the IMA will decide and fill out the form before going to the meeting.

Once the form is filled, all the members will then sign the Constitution to show that they agree.

The IMA should not rush these discussions or feel pressured to get this done in one meeting. Experience has shown that sometime this session can take more than one meeting to finish.

Module 4: First IMA savings meeting

Purpose of the meeting

The FO tells the members that this meeting will be the first chance they have to buy shares and that (s)he will guide them through the steps. *The FO then explains that from now on the training will be focused on the work of the Economic and Planning Committee, which is now in charge of meetings.*

What is covered in this meeting?

- Security of IMA funds
- Procedures for managing the first IMA savings meeting

Security of IMA funds

Unlike a VSLA, an IMA does not share out its loan capital at the end of an annual cycle, but distributes profits to its member VSLAs. As such, over time, it is likely to be handling very large sums of money, as loans are repaid; as investments yield income from commercial activities and as cash flow becomes very unpredictable. For this reason it is essential that the IMA opens an account in the nearest regulated financial institution (not necessarily an MFI). While a bank or cooperative may not be conveniently to hand, this step must be taken and the FO promises to work with the IMA to identify the nearest financial institution able to take deposits from an IMA (which may not be formally registered)

Procedures for managing the first IMA savings meeting

The FO explains that the savings and lending procedures of an IMA are based on those of VSLAs. The main difference is that while VSLAs may decide to save every week and lend every month, all IMA meetings, except the first are savings and loan management meeting. The following procedures framework for the first of these meetings is shown as Table 10 on the following page, and is used by the FO to guide the IMA in its first savings and loan meeting.

Table 10: Procedures for first IMA savings meeting

Meeting step	First savings meeting – Procedures
1. Meeting opening	<ul style="list-style-type: none"> • The Chairperson of the Central Committee calls the meeting to order • The Secretary of the Central Committee announces the agenda. The agenda will always have the savings and lending activities of the Economic and Planning Committee as the first agenda item • The Chairperson of the Central Committee then hands over the meeting to the Chairperson of the Economic and Planning Committee (Chairperson EPC) • The Chairperson EPC announces that the IMA will undertake savings and credit activities and calls on the Record-keeper Of the Economic and Planning Committee (Record-keeper EPC) to perform a roll-call • The Record-keeper EPC performs a roll call • The Key-holders open the box, which remains in front of the Box-keeper • The Fines bowl is placed in front of the Chairperson EPC, so that fines can be collected during the meeting • The Record-keeper EPC calls both Representatives for each VSLA forward • The Record-keeper EPC writes their VSLA name and number (given to it by the IMA) on a passbook but does not give the passbook to the Representatives
2. Social Fund	<ul style="list-style-type: none"> • The Chairperson EPC announces that contributions will be made to the Social Fund • The Record-keeper EPC calls each VSLA, by number, for one of its Representatives to give its Social Fund contributions to the Money-counters • When the designated Representative (one of the two) comes forward, they give their VSLAs Social Fund contribution to the money-counters and are given their VSLAs passbook • The Money-counters confirm that the designated Representative has given the right contribution and place it in the Money-counting bowl • Once all contributions have been made, the money counters count the total amount in the Money-counting bowl and announce this to the Representatives • The Record keeper says that everyone should remember this amount for the next meeting • The Record keeper records this amount in the note book • The Social Fund money is then replaced in its draw-string bag and put back in the cash-box

Meeting step	First savings meeting – Procedures
<p>3. Share-purchase/savings</p>	<ul style="list-style-type: none"> • The Chairperson EPC announces that VSLAs will now buy shares • The Record-keeper EPC calls each VSLA's designated Representative to the front by their number • The designated Representative from each VSLA comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper EPC • The Money-counters count the money, place it in the Money-counting bowl and announce the number of shares that have been purchased by the VSLA • The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks • The Representative then checks that the number of new stamps in the passbook is correct: <u><i>the passbook remains with the Record-keeper EPC for the rest of the meeting</i></u>
<p>4. Expenses</p>	<ul style="list-style-type: none"> • The Chairperson EPC asks the Record-keeper EPC if there will be any necessary expenses before the next meeting. If any expenses are approved by all of the members, the Chairperson instructs the Money-counters to remove the amount needed from the Money-counting bowl and give it to the Representative who is responsible for paying the expense.
<p>5. Calculating the Loan Fund balance</p>	<ul style="list-style-type: none"> • The Money-counters combine the money in the Fines bowl and the Money-counting bowl • The Money-counters count the money and the Record-keeper EPC announces the total to the Group • The Record-keeper EPC then tells the IMA that this money constitutes their Loan Fund • The Record keeper records this amount in the note book • The Money-counters place the Loan Fund in its draw-string bag and put it in the cash-box
<p>6. Closing balances</p>	<ul style="list-style-type: none"> • The Record-keeper EPC announces the total of the Social Fund once again, and the Chairperson EPC instructs all Representatives to memorise the Social Fund balance for the next meeting • The Record-keeper EPC announces the total of the Loan Fund once again, and the Chairperson EPC instructs all Representatives to memorise the balance of the Loan Fund for the next meeting • The Record keeper then returns the IMA passbooks to each of the designated VSLA Representatives, requesting them to once again review and confirm the accuracy of the new entries • The Key-holders are called by the Chairperson EPC to lock the box

Meeting step	First savings meeting – Procedures
7. Closing	<ul style="list-style-type: none"> • The Chairperson EPC invites Representatives to discuss any other subject that may be of interest • The Chairperson EPC announces the date and time of the next meeting and reminds everyone to come with their VSLA’s Social Fund contributions and share-purchase money • The Chairperson EPC tells the Representatives that they will be able to request a loan at the first loan meeting, four weeks from the date of this meeting and must bring a loan application form, signed by the Chairperson and Record-keeper EPC of their VSLA. The Representatives are reminded that no VSLA can borrow more than 50% of the value of their last cycle’s share-out at any one time and that loans to VSLAs will be issued in the first year of the IMA’s operations for no longer than 6 months. The ability of a VSLA to receive the full amount of its loan request will depend on the availability of funds • Once discussion is complete, the Chairperson of the Economic and Planning Committee then hands over the meeting to the Chairperson of the Central Committee who then proceeds with other agenda items

The Record-keeper EPC enters the following data in his/her notebook at the end of every meeting:

Table 11: Monthly (four-weekly) record of balances - Example

<i>Date</i>	<i>Cash in Social Fund bag</i>	<i>Cash in Loan Fund bag</i>
4/1/14	TShs 80,000	TShs 1,320,000

Module 5: First IMA loan meeting

Purpose of the meeting

This meeting takes place 4 weeks after the first savings meeting. The FO tells the Representatives that this meeting will be the first chance they have to borrow, once Social Fund and share purchase activities are completed.

What is covered in this meeting?

- Savings withdrawal
- Procedures for the first IMA loan disbursement meeting

Savings withdrawal

The FO tells the Representatives that all VSLAs can have access to their savings in the IMA at any time, although usually this will be done at the time of the VSLA's annual share-out. The VSLA will have access to its savings under the following conditions:

- Only if it does not have any loan with the IMA.
- Only if a member VSLA's Representative presents a letter signed by all of the members of the member VSLA's Management Committee formally requesting the withdrawal and authorising the Representatives to make the withdrawal

Procedures for the first IMA loan disbursement meeting

The FO says that loans will be taken and repaid thereafter every four weeks and supervises the first loan disbursement using the procedures outlined below.

Table 12: Procedures for first IMA loan disbursement meeting

Meeting step	First loan meeting – Procedures
<p>1. Meeting opening</p>	<ul style="list-style-type: none"> • The Chairperson of the Central Committee calls the meeting to order • The Secretary of the Central Committee announces the agenda. • The Chairperson of the Central Committee then hands over the meeting to the Chairperson of the Economic and Planning Committee (Chairperson EPC) • The Chairperson EPC announces that the IMA will undertake savings and credit activities and calls on the Record-keeper EPC to perform a roll-call • The Record-keeper EPC performs a roll call • The Key-holders open the box, which remains in front of the Box-keeper • The Fines bowl is placed in front of the Chairperson EPC, so that fines can be collected during the meeting
<p>2. Social Fund</p>	<ul style="list-style-type: none"> • The Record-keeper EPC asks the Representatives to recall the balance of the Social Fund from the previous meeting • The Money-counters then remove the money from the Social Fund bag, place it in the Money-counting bowl, count it, and announce the amount to the Representatives • The Chairperson EPC announces that contributions will be made to the Social Fund • The Record-keeper EPC calls each designated Representative, by number, to give their Social Fund contribution to the Money-counters • When the Representative comes forward, they give their Social Fund contribution to the Money-counters and are given their passbook • The Money-counters confirm that each Representative has given the right contribution and place it in the Money-counting bowl • The Record-keeper EPC then asks if any Representative has missed a payment to the Social Fund in the last meeting. If so, they are asked to pay it now. • The Record-keeper EPC then asks if any VSLA needs a grant from the Social Fund, to cover a death-related write off, or for funding an educational expense. Representatives of VSLAs in need make their request to the IMA. • If a majority of the Representatives approve the grant, the money is provided to the Representative according to the Constitution • The Money-counters count the total amount remaining in the Money-counting bowl and announce this to the Representatives • The Record-keeper EPC says that everyone should remember this amount for the next meeting • The Record-keeper EPC records this amount in the note book • The Social Fund money is then replaced in its draw-string bag and put back in the cash-box

Meeting step	First loan meeting – Procedures
<p>3. Share-purchase/savings</p>	<ul style="list-style-type: none"> • The Record-keeper EPC asks the Representatives to recall the balance of the Loan Fund from the previous meeting • The Money-counters then remove the Loan Fund from its bag and count it, announcing the amount to the Representatives • Once it is agreed that the amount remembered and the amount counted are the same, the money is placed in the Money-counting bowl • The Chairperson EPC announces that VSLA Representatives will now buy shares • The Record-keeper EPC calls each Representative to the front by their number • Each Representative comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper EPC • The Money-counters count the money, place it in the Money-counting bowl and announce the number of shares that have just been purchased by the Representative • The Record-keeper EPC stamps the correct number of shares into the passbook and crosses out any unused blocks • The Representative then checks that the number of new stamps in the passbook is correct: <u>the passbook remains with the Record-keeper EPC for the rest of the meeting</u> • If, instead of making a deposit a withdrawal is needed, the Record-keeper EPC will cross out the number of shares from the Representative's VSLA passbook that corresponds to the value of the withdrawal and the Money-counters will give the money from the Money-counting bowl. The value of a share paid back to the Representative will be equal to its original purchase price.
<p>4. Expenses</p>	<ul style="list-style-type: none"> • If any money was given for expenses in the previous meeting, the person who made the expenditure gives an account and returns any change to the Money-counters, who place it in the Money-counting bowl • The Chairperson EPC asks the Record-keeper EPC if there will be any necessary expenses before the next meeting. If any expenses are approved by all of the Representatives, the Chairperson EPC instructs the Money-counters to remove the amount needed from the Money-counting bowl and give it to the Representative who is responsible for paying the expense.
<p>5. Calculating the new Loan Fund balance</p>	<ul style="list-style-type: none"> • The Money-counters combine the money in the Fines bowl and the Money-counting bowl • The Money-counters count the money in the Money-counting bowl and the Record-keeper EPC announces the amount to the IMA • The Record-keeper EPC then tells the IMA that this is the money available for lending in this meeting

Meeting step	First loan meeting – Procedures
6. Loan taking	<ul style="list-style-type: none"> • The Chairperson EPC invites loan requests, reminding Representatives of the maximum loan term and loan amount (three times the Representative's savings) • Each Representative whose VSLA wants a loan then makes a request out loud to the IMA, announcing the amount requested, the purpose of the loan and over what period of time they expect to repay. The Representative also presents the loan application form to the Record-keeper EPC • The Record-keeper EPC then calculates the total value of the requests and announces it • If the total value of loans requested is more than the money available in the Loan Fund, the IMA must discuss adjustments to the individual VSLA loan amounts until all Representatives are satisfied • Once it is decided how much each VSLA borrower will receive, the Record-keeper EPC calls the two Representatives of the recipient VSLA to the front in order of their number • The Record-keeper EPC then enters the loan number, loan amount and service charge due in the borrower VSLA's passbook • The Record-keeper EPC instructs the Money-counters to give the Representative the loan amount from the Money-counting bowl • The borrower VSLA's Representative then counts the money, and signs the passbook • The Record-keeper EPC then instructs the borrower VSLA's Representative to announce out loud the total amount due and the date it is due • This process is repeated until all loans have been issued • The Money-counters then count the money remaining in the Money-counting bowl and announce the amount to the IMA • The Record-keeper EPC then tells the IMA that this money constitutes their Loan Fund • The Record keeper records this amount in the note book • The Money-counters then place the Loan Fund in its draw-string bag and put it in the cash-box
7. Closing balances	<ul style="list-style-type: none"> • The Record-keeper EPC announces the total of the Social Fund once again, and the Chairperson EPC instructs all Representatives to memorise the Social Fund balance for the next meeting • The Record-keeper EPC announces the total of the Loan Fund once again, and the Chairperson EPC instructs all Representatives to memorise the balance of the Loan Fund for the next meeting • The Record keeper then returns the IMA passbooks to each of the designated VSLA Representatives, requesting them to once again review and confirm the accuracy of the new entries • The Key-holders are called by the Chairperson EPC to lock the box
8. Closing	<ul style="list-style-type: none"> • The Chairperson EPC invites Representatives to discuss any other subject that may be of interest • The Chairperson EPC announces the date and time of the next meeting and reminds everyone to come with their VSLA's Social Fund contributions and share-purchase money • Once discussion is complete, the Chairperson of the Economic and Planning Committee then hands over the meeting to the Chairperson of the Central Committee who then proceeds with other agenda items

Module 6: First IMA loan repayment meeting

Purpose of the meeting

This meeting takes place 4 weeks after the first loan disbursement. The FO tells the members that this meeting will be the first time that the IMA will receive loan repayments and (s)he will guide them through the steps.

What is covered in this meeting?

- Procedures for the first IMA loan repayment meeting

First repayment of loans

The FO uses Table 13 to facilitate the first meeting involving loan repayments and refers to Annex 5 (Use of IMA passbooks) to help the VSLA understand the loan record-keeping system.

Table 13: Procedures for a loan meeting with first loan repayments

Meeting step	First loan repayment meeting – Procedures
1. Meeting opening	<ul style="list-style-type: none"> • The Chairperson of the Central Committee calls the meeting to order • The Secretary of the Central Committee announces the agenda. • The Chairperson of the Central Committee then hands over the meeting to the Chairperson of the Economic and Planning Committee (Chairperson EPC) • The Chairperson EPC announces that the IMA will undertake savings and credit activities and calls on the Record-keeper EPC to perform a roll-call • The Record-keeper EPC of the Economic and Planning Committee performs a roll call • The Key-holders open the box, which remains in front of the Box-keeper • The Fines bowl is placed in front of the Chairperson EPC, so that fines can be collected during the meeting

Meeting step	First loan repayment meeting – Procedures
2. Social Fund	<ul style="list-style-type: none"> • The Record-keeper EPC asks the Representatives to recall the balance of the Social Fund from the previous meeting • The Money-counters then remove the money from the Social Fund bag, place it in the Money-counting bowl, count it, and announce the amount to the Representatives • The Chairperson EPC announces that contributions will be made to the Social Fund • The Record-keeper EPC calls each designated Representative, by number, to give their Social Fund contribution to the Money-counters • When the Representative comes forward, they give their Social Fund contribution to the Money-counters and are given their passbook • The Money-counters confirm that each Representative has given the right contribution and place it in the Money-counting bowl • The Record-keeper EPC then asks if any Representative has missed a payment to the Social Fund in the last meeting. If so, they are asked to pay it now. • The Record-keeper EPC then asks if any VSLA needs a grant from the Social Fund, to cover a death-related write off, or for funding an educational expense. Representatives of VSLAs in need make their request to the IMA. • If a majority of the Representatives approve the grant, the money is provided to the Representative according to the Constitution • The Money-counters count the total amount remaining in the Money-counting bowl and announce this to the Representatives • The Record-keeper EPC says that everyone should remember this amount for the next meeting • The Record-keeper EPC records this amount in the note book • The Social Fund money is then replaced in its draw-string bag and put back in the cash-box

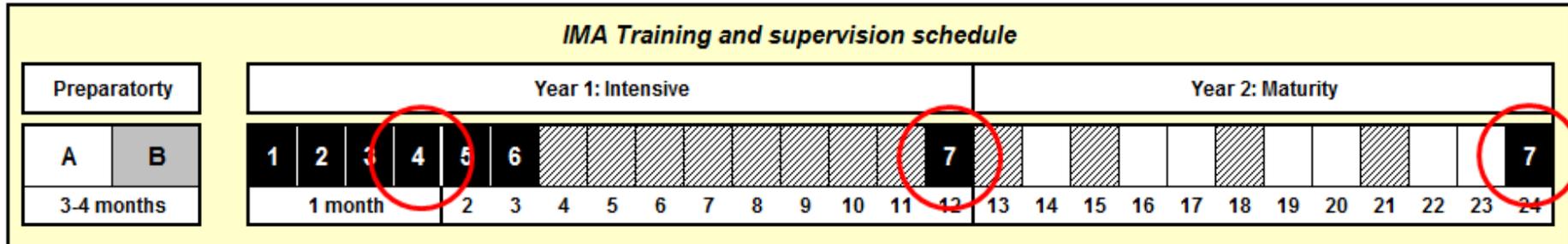
Meeting step	First loan repayment meeting – Procedures
<p>3. Share-purchase/savings</p>	<ul style="list-style-type: none"> • The Record-keeper EPC asks the Representatives to recall the balance of the Loan Fund from the previous meeting • The Money-counters then remove the Loan Fund from its bag and count it, announcing the amount to the Representatives • Once it is agreed that the amount remembered and the amount counted are the same, the money is placed in the Money-counting bowl • The Chairperson EPC announces that VSLA Representatives will now buy shares • The Record-keeper EPC calls each Representative to the front by their number • Each Representative comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper EPC • The Money-counters count the money, place it in the Money-counting bowl and announce the number of shares that have just been purchased by the Representative • The Record-keeper EPC stamps the correct number of shares into the passbook and crosses out any unused blocks • The Representative then checks that the number of new stamps in the passbook is correct: <u>the passbook remains with the Record-keeper EPC for the rest of the meeting</u> • If, instead of making a deposit a withdrawal is needed, the Record-keeper EPC will cross out the number of shares from the Representative's VSLA passbook that corresponds to the value of the withdrawal and the Money-counters will give the money from the Money-counting bowl. The value of a share paid back to the Representative will be equal to its original purchase price.
<p>4. Expenses</p>	<ul style="list-style-type: none"> • If any money was given for expenses in the previous meeting, the person who made the expenditure gives an account and returns any change to the Money-counters, who place it in the Money-counting bowl • The Chairperson EPC asks the Record-keeper EPC if there will be any necessary expenses before the next meeting. If any expenses are approved by all of the Representatives, the Chairperson EPC instructs the Money-counters to remove the amount needed from the Money-counting bowl and give it to the Representative who is responsible for paying the expense.

Meeting step	First loan repayment meeting – Procedures
<p>5. Loan repayment</p>	<ul style="list-style-type: none"> • The Chairperson EPC asks borrower VSLAs to identify themselves • By referring to the member passbooks, the Record-keeper EPC confirms the identity of the borrower VSLAs and the amount due • Each borrower VSLA’s Representative is then called to the front to give the VSLA’s loan installment to the Money-counters. It must not be less than the service charge due. • The Money-counters count the payment, announce the amount and place it in the Money-counting bowl • The Record-keeper EPC enters the payment amount in the member VSLA’s passbook in the ‘Paid’ box • The Record-keeper EPC then calculates the remaining balance due and enters it in the ‘Balance’ box in the member’s passbook • If the remaining balance due is zero, the Record-keeper EPC signs the passbook and announces that the loan is repaid, cancelling the loan with a diagonal red line drawn through the page • If a balance is remaining, the Record-keeper EPC then calculates the service charge due in the next meeting and enters it in the appropriate space. The borrower VSLA’s Representative then signs in the space provided.
<p>6. Calculating the new Loan Fund balance</p>	<ul style="list-style-type: none"> • The Money-counters combine the money in the Fines bowl and the Money-counting bowl • The Money-counters count the money in the Money-counting bowl and the Record-keeper EPC announces the amount to the IMA • The Record-keeper EPC then tells the IMA that this is the money available for lending in this meeting

Meeting step	First loan repayment meeting – Procedures
7. Loan taking	<ul style="list-style-type: none"> • The Chairperson EPC invites loan requests, reminding Representatives of the maximum loan term and loan amount (three times the Representative's savings) • Each Representative whose VSLA wants a loan then makes a request out loud to the IMA, announcing the amount requested, the purpose of the loan and over what period of time they expect to repay. The Representative also presents the loan application form to the Record-keeper EPC • The Record-keeper EPC then calculates the total value of the requests and announces it • If the total value of loans requested is more than the money available in the Loan Fund, the IMA must discuss adjustments to the individual VSLA loan amounts until all Representatives are satisfied • Once it is decided how much each VSLA borrower will receive, the Record-keeper EPC calls the two Representatives of the recipient VSLA to the front in order of their number • The Record-keeper EPC then enters the loan number, loan amount and service charge due in the borrower VSLA's passbook • The Record-keeper EPC instructs the Money-counters to give the Representative the loan amount from the Money-counting bowl • The borrower VSLA's Representative then counts the money, and signs the passbook • The Record-keeper EPC then instructs the borrower VSLA's Representative to announce out loud the total amount due and the date it is due • This process is repeated until all loans have been issued • The Money-counters then count the money remaining in the Money-counting bowl and announce the amount to the IMA • The Record-keeper EPC then tells the IMA that this money constitutes their Loan Fund • The Record keeper records this amount in the note book • The Money-counters then place the Loan Fund in its draw-string bag and put it in the cash-box
8. Closing balances	<ul style="list-style-type: none"> • The Record-keeper EPC announces the total of the Social Fund once again, and the Chairperson EPC instructs all Representatives to memorise the Social Fund balance for the next meeting • The Record-keeper EPC announces the total of the Loan Fund once again, and the Chairperson EPC instructs all Representatives to memorise the balance of the Loan Fund for the next meeting • The Record keeper then returns the IMA passbooks to each of the designated VSLA Representatives, requesting them to once again review and confirm the accuracy of the new entries • The Key-holders are called by the Chairperson EPC to lock the box
9. Closing	<ul style="list-style-type: none"> • The Chairperson EPC invites Representatives to discuss any other subject that may be of interest • The Chairperson EPC announces the date and time of the next meeting and reminds everyone to come with their VSLA's Social Fund contributions and share-purchase money • Once discussion is complete, the Chairperson of the Economic and Planning Committee then hands over the meeting to the Chairperson of the Central Committee who then proceeds with other agenda items

Phases in an IMA's development

Figure 5: Transition to the Development Phase



At the outset the FO should schedule a visit by his/her Supervisor at the meetings circled in red. The first of these scheduled attendances by the Supervisor in training session 4 will not be necessary once the Supervisor is satisfied that the FO is able to conduct the first savings meeting of the IMA without difficulty.

Unlike the normal VSLA schedule, there is no Development Phase: The FO is required to attend all meetings for the first year, not so much to ensure that proper procedure is followed (because all participants will be quickly familiar with procedures that are mainly the same as for their VSLAs), but to ensure that records are accurately maintained and that disputes are resolved (disputes are more likely than in VSLAs, where members have a closer relationship with each other).

After the first year, and with the authorisation of the FO's Supervisor, the second year need involve fewer visits by the FO, so long as things proceed smoothly.

The FO will also need to increase his/her visits to assist in the establishment of other committees as the group decides, but additional committees will not be created until after the first dividend payment meeting.

MIS information should also be gathered quarterly, starting with data from the first savings meeting at the end of month 1

Module 7: Annual dividend payment

Purpose of the meeting

This meeting takes place 12 months after the establishment of the IMA and every 12 months thereafter. Its purpose is to wind up the year's activities of the Economic and Planning Committee and to pay dividends to member VSLAs.

Who participates?

- All Representatives of all VSLAs
- Any members of VSLAs linked to the IMA

What is covered in this meeting?

- Method of Profit calculation
- Distribution of profits between VSLAs and IMAs
- Procedures for Distribution of profit

Method of profit calculation

The payment of dividends takes place once a year at the Annual General Meeting of the IMA. It is fundamentally different to traditional share-out meetings, because instead of sharing out their capital, VSLAs will be paid only the profits on the IMA's activities and then only that part of profits that the members determine need not be reinvested in the IMA.

Profits cannot be calculated using a standard set of financial records, because the IMA depends principally on passbooks and cash and bank balance notations to track assets and liabilities. In conformity with this system, profits are *imputed* using the following formula

Total assets – Total liabilities – Paid in capital – property at start (if any)

In practice this may look as illustrated in the example below

Figure 6: Imputed profit calculation

IMA annual dividend payment meeting: Profit calculation	
Value of loans outstanding	7,400,000
Plus: Loan fund cash in box	2,455,000
Plus: Bank balance	1,890,000
Plus: Property Now	3,200,000
Minus: Value of Savings to date	13,620,000
Minus: Property at Start	0
Minus: External debts	0
Equals: Profit (or loss) to date	1,325,000

The amount available for distribution must only be taken from profits. If more than this sum is distributed it will reduce the IMA share value below purchase price. In this example, the IMA decided to pay out TShs 1,000,000 as a dividend, to be divided amongst all member VSLAs in

proportion to their savings. When this sum is divided by the number of shares bought by all of the VSLAs (407) the value of the dividend payable on a single share is TShs 2,457.0025, as shown in Figure 7 below.

Figure 7: Dividend per VSLA dividend calculation

Calculated profit	1,325,000
Amount of dividend	1,000,000
Dividend per share	2,457.0025

VSLA identity	Total shares bought since start	X Dividends per share =	Dividends payable	Dividends paid
VSLA 1	27	2,457.0025	66,339	66,300
VSLA 2	40		98,280	98,250
VSLA 3	35		85,995	85,950
VSLA 4	17		41,769	41,750
VSLA 5	28		68,796	68,750
VSLA 6	41		100,737	100,700
VSLA 7	60		147,420	147,400
VSLA 8	55		135,135	135,100
VSLA 9	46		113,022	113,000
VSLA 10	28		68,796	68,750
VSLA 11	30		73,710	73,700
Totals	407		1,000,000	999,650

Once this amount is known it is entered in the ‘Calculated profit’ cell of the flip chart (illustrated above as Figure 7). The dividend payable per share is multiplied by the number of shares owned by the VSLA in the IMA and the result is rounded down to the nearest whole unit of currency (in this case, to the next TShs 50 lower).

Dividend payment procedures

The Economic and Planning Committee prepare for this meeting by calculating the expected profit of the IMA in the month before the dividend meeting, assisted by the FO. They then ensure that they have sufficient cash on hand, in excess of the projected profit, so that when profit distribution is made to member VSLAs, they will be able to pay what is owed to each VSLA, in suitable denominations. This may involve a bank withdrawal and should be anticipated at least a week ahead of time. It may also call for a special meeting of the IMA Economic and Planning committee and the key holders in order to open the lock-box and store any withdrawals that have been made from the IMAs bank account, in anticipation of the dividend payment.

Table 14 on the following page explains the procedures for this meeting, in which blank charts as per Figures 6 and 7 are pre-prepared.

Table 14: Procedures for share-out at the end of the cycle

Meeting step	Share-out procedures
1. Share-out	<ul style="list-style-type: none"> • The Chairperson of the Central Committee calls the meeting to order • The Secretary of the Central Committee announces the agenda, which will, in this meeting, focus exclusively on the share-out • The Chairperson of the Central Committee then hands over the meeting to the Chairperson of the Economic and Planning Committee (Chairperson EPC) • The Chairperson EPC announces that the IMA will undertake savings and credit activities and calls on the Record-keeper EPC to perform a roll-call • The Record-keeper EPC of the Economic and Planning Committee performs a roll call • The Key-holders open the box, which remains in front of the Box-keeper • The Record-keeper EPC then announces if any VSLA is in default on a loan to the IMA • If that default exceeds 3 months, the Record-keeper EPC cancels shares in the defaulting VSLAs passbook equal to the value of the sum that has not been recovered, plus any interest due . • The Record-keeper EPC then uses a flip chart to calculate IMA profits as illustrated in Figure 6 • The Chairperson EPC invites the Chairperson of the Central Committee to facilitate a discussion as to the uses to which the profit can be put, including how much will be used for IMA investments and how much will be used as dividend payment to member VSLAs • Once it has been decided how much money will be paid to member VSLAs, the Money Counters count out this sum from the Loan Fund bag and place it in the money-counting bowl, returning the balance to the Loan Fund bag • While the Money Counters are counting, the Record-keeper EPC takes the member VSLA passbooks and counts the total number of shares. • The Record-keeper EPC then divides the money available as a dividend and divides it by the number of shares bought in total by all of the VSLAs since the start. This will produce a result that says how much money must be paid on each share to the VSLAs • The Record-keeper EPC then multiplies the value of the per-share dividend payment by the number of valid shares in the VSLA member passbooks and writes the results on the flip chart for each VSLA member as shown in Figure 7 • The Money-counters then count out the amount to be paid, rounding down to the nearest whole unit of currency and place the money in the VSLA members' passbooks • <u>All passbooks are treated in the same way before anyone receives any money.</u> Once the process is complete, there will be a small amount of money remaining due to rounding down, but there should not be a shortfall. If there is a shortfall, the process is repeated until the amounts are correct. Any small amount remaining is put back in the Loan Fund bag • All VSLA Representatives are given their passbooks with the dividend payment enclosed. • The VSLA members then take this money back to their VSLA to be included in the Loan Fund • The Chairperson EPC then hands over the meeting to the Chairperson of the Central Committee who closes the meeting



Annex 1: Revised Constitution framework for VSLAs participating in an IMA

Part 1: Group governance

I. BASIC INFORMATION ON THE GROUP

- Name of the Group _____
- Address: _____
- The Group was formed on: _____
- Date of official registration: _____

II. OBJECTIVE OF THE GROUP

- The purpose of the Group is to be an independent, profitable provider of financial services to its members
- The services the Group provides to its members in order to achieve this objective are:

III. RELATIONSHIP TO EXTERNAL SOURCES OF FINANCIAL SERVICES

- The Group will not borrow from financial institutions during its first cycle of operations. If it does so in future cycles, it will follow these rules:
- The loan to the Group will not exceed the value of the previous cycle's share-out amount
- The Group will take the loan, not individual members.
- The Group will on-lend the money to its members, and will not provide information about this to the lender.
- If the Group borrows from a financial institution, members agree that their individual borrowing may never exceed 5 times their shares (without an outside loan from a financial institution, the rule remains 3 times)
- If a group borrows from a financial institution, member savings will not be used as a security deposit

IV. WHO MAY BE A MEMBER OF THE GROUP?

- Lower age limit _____
- Gender _____
- Residence _____
- Other common circumstances _____

V. COMPOSITION OF THE MANAGEMENT COMMITTEE

- Chairperson
- Record-keeper
- Box-keeper
- 2 Money-counters

VI. ELECTION PROCEDURES

- Elections must be held at the beginning of each new cycle
- The minimum number of people that must stand for each position is 2
- A member can only be re-elected to the same position once
- The minimum number of members who must be present to hold an election is: _____
- The election procedure will use a system that allows everyone’s vote to be secret
- A candidate for any position must be proposed by another member

VII. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS

- Any member of the Association may, at any time, request a vote of no confidence against a member of the Management Committee
- The Committee member must resign if the majority of members decide to remove him/her
- An election is required to fill the vacant position

VIII. MEETINGS

- To buy shares the Group will meet every week
- Shares will be bought at every meeting but loan/repayment transactions will be conducted only during loan meetings, held every 4 weeks. The Group will conduct a share-out every year.

IX. MEMBERS LEAVING THE GROUP

If a member leaves before the cycle is finished, the money they have used to purchase shares will be returned to them, minus any loan and service charge they owe

X. EXPULSION FROM THE GROUP

The reasons for which a person should be expelled from the Group are:

XI. FINES

The following table lists the fines that will be charged.

Offence	Amount
Failure to attend a meeting	
Late to a meeting	
Not remembering Group rules	
Loss of member number card	
Forgetting key	
Chatting through the proceedings	
Showing disrespect to a fellow member	
Not remembering decisions or balances from the preceding meeting	
Failure of a member of the Management Committee to perform their duties	
(other)	
(other)	

XII. AMENDMENTS TO THE CONSTITUTION

- 2/3 of the members must agree before the Constitution can be changed
- Any member can propose an amendment to the Constitution

Part 2: Services offered by the Group

I. SAVINGS

- Members may buy 1 – 5 shares in each meeting
- The purchase price of a share will be: _____
- Members may contribute an equal agreed-upon amount at the start of every future cycle to speed up the growth of the loan portfolio. At this moment only, the number of start-up shares can be more than 5 shares per member, if all members agree

II. LENDING

- The maximum amount that anyone can borrow is three times the value of their savings
- The maximum length of a loan term is 24 weeks, but only 12 weeks during the first cycle
- A member must repay a loan before (s)he can take another
- The monthly service charge to be charged every four weeks is: _____%
- If a member dies and has a loan remaining unpaid, it will be treated as follows:

- The highest priority for loans will be given for: _____
- The second highest priority for loans will be given for: _____
- The third highest priority for loans will be given for: _____

III. SOCIAL FUND

- The Social Fund is for grants only. No loans will be made from the Social Fund.
- The member contribution to the Social Fund per meeting will be: _____
- The benefits for the death of a member will be: _____
- The benefits for the death of a spouse will be: _____
- The benefits for the death of a child will be: _____
- The benefits for the death of a parent will be: _____
- Other: _____
- Other: _____
- Other: _____

Part 3: IMA membership

I. MEMBERSHIP IN AN IMA

- All members must approve membership of the VSLA in an IMA
- The Group can join an IMA only after it has completed 12 months of independent operation and is no longer regularly supervised by a Field Officer

II. SAVINGS IN AN IMA

- The purchase price of an IMA share is: _____
- IMA shares are bought every 4 weeks
- The number of shares to be bought every 4 weeks must be approved by all of the members
- The money for IMA share purchase is taken from the VSLA Loan Fund

III. BORROWING FROM AN IMA

- The maximum that can be borrowed from an IMA is 50% of the value of the previous cycle share-out
- The first loan to be taken from an IMA can be held for a maximum of 6 months. After that, any loan from an IMA can have a maturity that is no longer than the remaining time in the Group's cycle
- The group must repay an IMA loan before it can take another
- The monthly service charge to be charged by the IMA every four weeks is: _____%

IV. THE IMA SOCIAL FUND

- The group contribution to the IMA Social Fund every 4 weeks will be: _____
- Applications for support from the IMA Social Fund can be made in the following cases:
 - Reimbursement to the VSLA for losses incurred when a loan to a member is declared irrecoverable
 - Expenses incurred in receiving external technical assistance in accordance with IMA criteria
 - Expenses incurred in making technical visits in accordance with IMA criteria

V. REPRESENTATION OF THE VSLA TO THE IMA

- The group will elect 2 members to represent it at the IMA
- At least one Representative to the IMA must be from the General Assembly and will not be a Group committee member
- Elections to the post of IMA Representative must be held annually
- At least 4 candidates to the post of IMA Representative must be nominated and the nominations accepted

Annex 2: Constitution framework for an IMA

Part 1: IMA governance

I. BASIC INFORMATION ON THE IMA

- Name of the IMA _____
- Address: _____
- The IMA was formed on: _____
- Date of official registration: _____

II. OBJECTIVE OF THE IMA

- The purpose of the IMA is to be an independent, profitable provider of financial services to member VSLA's
- The services the IMA provides to its VSLA members in order to achieve this objective are:

III. WHO MAY BE A MEMBER OF THE IMA?

- VSLAs located: _____

- VSLAs operating independently of Plan and its partners for at least 12 months
- Other common circumstances _____

IV. COMPOSITION OF THE CENTRAL COMMITTEE

- Chairperson
- Record-keeper
- Treasurer
- 2 VSLA member Representatives

V. COMPOSITION OF THE ECONOMIC AND PLANNING COMMITTEE

- Chairperson
- Record-keeper
- Box-keeper
- 2 VSLA Money-counters

VI. ELECTION PROCEDURES

- Elections must be held annually for all committee positions
- The minimum number of people that must stand for each position is 2

- A Representative can only be re-elected to the same position twice, for a maximum of three consecutive terms
- The minimum number of Representatives who must be present to hold an election is: ___
- The election procedure will use a system that allows everyone’s vote to be secret
- A candidate for any position must be proposed by another Representative

VII. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS

- Any Representative of the IMA may, at any time, request a vote of no confidence against a member of the any Committee
- The Committee member must resign if the majority of Representatives decide to remove him/her
- An election is required to fill the vacant position

VIII. MEETINGS

- To allow member VSLAs to buy shares the IMA will meet every four (4) weeks
- Share purchase and loan disbursements and repayments will be conducted at every meeting.
- The IMA will conduct an Annual General Meeting at which all of the VSLA members that are affiliated to the IMA will be invited. All of the VSLA members present have voting rights

IX. VSLAs LEAVING THE IMA

If a VSLA leaves before the cycle is finished, the money they have used to purchase shares will be returned to them, minus any loan and service charge they owe

X. EXPULSION FROM THE IMA

The reasons for which a VSLA should be expelled from the IMA are:

XI. FINES

The following table lists the fines that will be charged.

Offence	Amount
Failure to attend a meeting	
Late to a meeting	
Not remembering IMA rules	
Loss of Representative number card	
Forgetting key	
Chatting through the proceedings	
Showing disrespect to a fellow Representative	
Not remembering decisions or balances from the preceding meeting	
Failure of a Representative of any Committee to perform their duties	
(other)	
(other)	

XII. AMENDMENTS TO THE CONSTITUTION

- 2/3 of the Representatives must agree before the IMA Constitution can be changed
- Any Representative can propose an amendment to the Constitution

Part 2: Services offered by the IMA

I. SAVINGS

- Member VSLAs may buy 1 – 5 shares in each meeting and must buy at least 1
- The purchase price of a share will be: _____
- Excepting as listed in the following clause, a member VSLA's savings can be withdrawn on demand at any meeting of the IMA and will be reimbursed as soon as there is sufficient liquidity to make the payment. No interest shall be paid on savings withdrawn from the IMA before the end of the VSLA member's annual cycle and share-out.
- Member VSLA savings cannot be withdrawn from the IMA on demand until any outstanding loan liabilities have been cleared

II. LENDING

- Loans will be disbursed by the IMA to VSLA's for investment in their loan portfolios and will be co-mingled with the internal loan portfolio of the borrowing VSLA.
- The VSLA member that borrows from an IMA will be fully responsible for reimbursement of its loan from its own resources, whatever they may be, and will not seek to shift liability for reimbursement onto individual borrowers
- All loans disbursed by a VSLA member that is receiving credit from the IMA will be made from the VSLA Loan Fund.
- VSLA members agree that they will not identify any borrower as having received an IMA loan (as distinct from a VSLA loan) and will not offer different terms for loans that are perceived to have been financed with an IMA loan
- The IMA will not require VSLA's to provide information on their internal loan portfolio of borrowers
- The maximum amount that any VSLA member can borrow is three times the value of its savings in the IMA
- The maximum length of a loan term is 6 months during the first year of the IMA's operation but may thereafter be as long as a year
- No loan shall be issued for a period that is longer than the remaining period in a VSLA member's operating cycle
- A member VSLA must repay a loan before it can take another
- The monthly service charge to be charged every four weeks is: _____%

III. SOCIAL FUND

- The Social Fund is for grants only. No loans will be made from the Social Fund. The following contingencies will be covered
 - Reimbursement to the VSLA for losses incurred when a loan to a member is declared irrecoverable by the VSLA member and evidence is presented that supports this claim
 - Expenses incurred in receiving external technical assistance in accordance with IMA criteria. Such a claim must be accompanied by evidence that the payment was mad and no such payment will be considered if it is not mentioned in a preceding IMA meeting as an anticipated expense

Annex 3: Estimating the price of an IMA share

If it is assumed that 1/3 of the VSLAs will borrow at any one time and that loans are taken at different times of the year, very approximately it means that the average price of a VSLA's shares in an IMA should be between 5 and ten times the value of an individual's shares in a VSLA. The lower figure is appropriate for a VSLA of between 10 and 15 members, rising up to the higher figure for VSLAs with between 15 and 20 members. The FO needs to facilitate a discussion in the meeting to agree on a figure that is close to this range.

A practical example would be that a VSLA of 20 members, with share values of TShs 1,000 and with the average member buying 3.5 shares, would mobilise about TShs 3.5 million in one year. The total share-out, assuming a 25% profit would be about TShs 4.4 million.

A loan to this VSLA at the maximum level at the start of a new cycle would be 50% of this amount, or about TShs 2.2 million. But since only about 1/3 of the member VSLAs would be borrowing the average loan (spread across all groups in the IMA) would be about 1/3 of this value at the time of disbursement, or about TShs 700,000. This amount must then be divided by 2 because the average loan would be 50% reimbursed, so the average size of loan outstanding per member VSLA would be approximately TShs 350,000. Because this is an average amount, spread across all member VSLAs, each would have to contribute this sum per year and therefore monthly contributions per VSLA would be about TShs 27,000. If the average VSLA bought an average of 3.5 shares, this would mean that an IMA share would have to be priced at about TShs 7,700, or 7.7 times the original share price per individual VSLA member. In practice, therefore, the ratio of internal share price to external share price would have to range between 5 and 10, with larger groups paying the lower figure.

This scenario would allow an IMA to satisfy its members' needs for external capitalisation within 12 months.

Because the calculations above are based on several interdependent assumptions, an IMA would be advised to set its share value at about 5 times the average internal share price of all of the member VSLAs for the initial year and adjust it over time and as experience dictates.

Annex 4: The Kit

The kit consists of:

- Strong, well-made lockable metal cash box, able to be closed with 3 locks
- Three good quality padlocks, each with at least two keys
- 20 Passbooks (1 for each VSLA)
- 40 Member number cards (1 for each representative)
- Rubber stamp for marking shares
- Ink pad and spare bottle of ink
- Ruler
- Two ball point pens: one black or blue, the other red.
- Good quality calculator
- 2 plastic bowls in different colours, at least 30 cm in diameter and at least 15 cm deep (one for fines and one for money-counting)
- 2 fabric money-bags, with draw strings: one in one colour for the Social Fund, and one in another colour for the Loan Fund



Annex 5: Use of IMA passbooks

How the IMA passbook is designed and how is it different to that of a VSLA

An IMA passbook needs fewer pages than a VSLA passbook, because it meets monthly and not weekly, like VSLAs. To operate for 3 years without changing the passbooks, the following number of pages are needed:

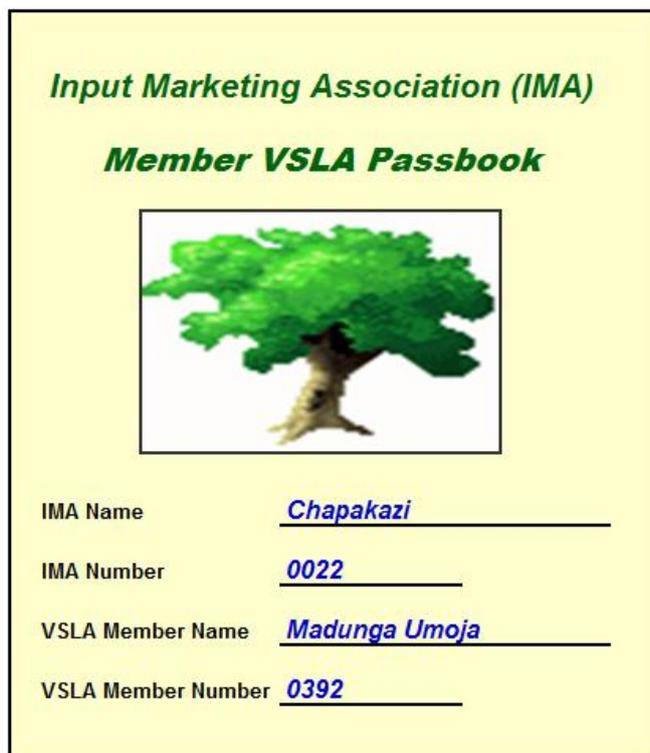
- 3 pages for share stamps
- 5 pages for loan entries
- 3 pages for Social Fund entry
- 1 page for fines

A normal VSLA passbook does not contain data on Social Fund payments, nor fines, because the members are normally able to witness these things, but an IMA passbook contains these data because members of the VSLA need to have written verification that all of their contributions have been received and also to know if their Representative is being fined and for what reason

Outer cover

The outer cover of the VSLA member passbook for an IMA looks as follows:

Figure 8: IMA passbook cover



Input Marketing Association (IMA)
Member VSLA Passbook



IMA Name Chapakazi

IMA Number 0022

VSLA Member Name Madunga Umoja

VSLA Member Number 0392

The name of the IMA and its number in the IMA MIS are first entered, followed by the name and number of the member VSLA. Taken from the VSLA MIS (the two are different).

Placing these details on the outside of the passbook facilitates the work of the Record-keeper

Figure 11: Passbook showing the sale of three shares

IMA Share Value		TShs 5,000	
Starting number of shares this page		0	
Shares Bought per Meeting			
→			
→	→		
→	→	→	
→	→	→	
→	→		
→			
Ending number of shares this page			

Explanation: Two meetings later, in the seventh meeting of the cycle, the VSLA decided not to save. To show that it did not save anything at this meeting, the row for meeting 7 is cancelled by the Record-keeper, with a diagonal line.

In addition, the VSLA sold three shares, thus receiving TShs 15,000 (5,000 x 3 = TShs 15,000).

The three shares the VSLA bought in meetings 5 and 6 are deleted and the money paid to the VSLA Representative.

The VSLA Representative was only able to make the withdrawal by presenting to the Record-keeper of the Economic and planning committee a letter from the VSLA's Management Committee, signed by all three principal officers.

12: Situation at the end of 13 meetings

IMA Share Value		TShs 5,000	
Starting number of shares this page		0	
Shares Bought per Meeting			
→			
→	→		
→	→	→	
→	→	→	
→	→		
→			
→	→		
→	→	→	
→	→	→	→
→	→	→	→
→	→	→	
→	→	→	
Ending number of shares this page		25	

Explanation: Figure 12 shows what the passbook looks like when a page is filled, by the 13th meeting, normally at the end of a 12 month cycle

The VSLA had purchased a total of 28 shares. But, as we have seen, it sold three shares purchased in meetings 5 and 6. At the 13th meeting, the net number of shares bought during this period is therefore 25.

This figure is added to the number of shares at the beginning of the page, noted in the 'Starting number of shares this page' box) and entered into the cell "Ending number of shares this page." On the next page, this figure will be reported in the cell "Starting number of shares this page."

Figure 7 demonstrates the total number of shares owned by the member at the end of the period. The result is cumulative and will be different at the end of each page.

Note: Since there is no cycle for the IMA, a member VSLA is not obliged to liquidate its savings at any given time. If it wishes to do so, it is free to do so, but will receive no interest on its savings. Interest paid on savings will only be paid at the AGM of the IMA.

Loans

Loans are recorded in the back of the passbook.

Figure 13: VSLA member loan record (1)

Loans from IMA			
Date	Item	Amount	Signed
7/9/13	Paid		Monica
	Loan Amount	300,000	
	Service Charge	15,000	
5/10/13	Paid		
	Balance		
	Service Charge		
	Paid		
	Balance		
	Service Charge		
	Paid		
	Balance		
	Service Charge		
End	Paid		
	Balance		
	Service Charge		

Explanation: The example on the left is a member VSLA's (Chapakazi's) first loan, taken out on the 7th September 2013. It borrows TShs 300,000.

The service charge, at 5%, is TShs 15,000 because the IMA charges 5% of the loan amount every four weeks. In this case, the loan period is 24 weeks (6 months), indicated by the word 'End' against the 'Paid' row, 24 weeks in the future.

The Representative of Chapakazi is Monica, who signs this to show that she understands that Chapakazi owes TShs 300,000 for the loan and TShs 15,000 as the service charge for the first 4 weeks. The Record-keeper also enters the date on which the loan is expected to be fully repaid. By signing this passbook every 4 weeks, Chapakazi is agreeing to its terms for the subsequent 4 weeks

Figure 14: Member loan record (2)

Loans from IMA			
Date	Item	Amount	Signed
7/9/13	Paid		Monica
	Loan Amount	300,000	
	Service Charge	15,000	
5/10/13	Paid	15,000	Monica
	Balance	300,000	
	Service Charge	15,000	
2/11/13	Paid		
	Balance		
	Service Charge		
	Paid		
	Balance		
	Service Charge		
	Paid		
	Balance		
	Service Charge		
End	Paid		
	Balance		
	Service Charge		

Explanation: At the next loan meeting, four weeks later, Chapakazi makes the service charge payment of TShs 15,000 but no repayment of the principal sum. The next entry in her passbook appeared as in Figure 14.

This shows that after paying the service charge, the member still owes TShs 300,000 (TShs 300,000 Loan Amount plus TShs 15,000 Service Charge minus Amount Paid TShs 15,000). A service charge of another TShs 15,000 is then added to cover the next four weeks.

Thus, Monica is told that Chapakazi owes TShs 315,000.

Figure 15: Member loan record (3)

Loans from IMA			
Date	Item	Amount	Signed
7/9/13	Paid		Monica
	Loan Amount	300,000	
	Service Charge	15,000	
5/10/13	Paid	15,000	Monica
	Balance	300,000	
	Service Charge	15,000	
2/11/13	Paid	100,000	Monica
	Balance	215,000	
	Service Charge	21,500	
	Paid		
	Balance		
	Service Charge		
	Paid		
	Balance		
	Service Charge		
End	Paid		
	Balance		
	Service Charge		

Explanation: After another four weeks, Monica made a loan repayment of TShs 100,000. Because Chapakazi owed TShs 315,000 (TShs 300,000 principal plus TShs 15,000 service charge) this means that she now has a balance of TShs 215,000.

The Record-keeper receives the TShs 100,000 and writes a loan balance of TShs 215,000 on the next line. (the IMA is charging declining balance interest) She also adds a service charge of TShs 21,500, which will be owed at the next loan meeting. Thus, the total amount owed is TShs 236,500 (TShs 215,000 + TShs 21,500)

Figure 16: Member loan record (4)

Loans from IMA			
Date	Item	Amount	Signed
7/9/13	Paid		Monica
	Loan Amount	300,000	
	Service Charge	15,000	
5/10/13	Paid	15,000	Monica
	Balance	300,000	
	Service Charge	15,000	
2/11/13	Paid	100,000	Monica
	Balance	215,000	
	Service Charge	21,500	
30/11/13	Paid	36,500	Monica
	Balance	200,000	
	Service Charge	10,000	
28/12/13	Paid	60,000	Monica
	Balance	150,000	
	Service Charge	7,500	
End	Paid	157,500	Helen
	Balance	0	
	Service Charge	0	

Explanation: Figure 11 on the left shows the complete loan repayment record for the entire 24 weeks of the loan.

Note: In this example declining balance interest has been used, while it is common for flat interest to be used by VSLAs. The reason for opting here for declining balance interest is that there is usually little difference between flat and declining balance interest on a very short-term (12 week) loan to a member of a VSLA, but a significant extra cost for a longer-term loan. The use of declining balance interest also encourages earlier loan repayment.

Social Fund payments

Figure 17: Social fund payment page in passbook for one year

IMA Social fund payment		TShs 5000	
Date	Amount paid	Balance owing	Signature
13/07/2013	2,000	0	Helen
10/08/2013	2,000	0	Helen
07/09/2013	2,000	0	Helen
05/10/2013	0	2,000	Helen
02/11/2013	0	4,000	Helen
30/11/2013	6,000	0	Helen
28/12/2013	2,000	0	Helen
25/01/2014	2,000	0	Helen

Explanation: Each line of this page shows the amount due to be paid by the VSLA to the IMA. It shows that Chapakazi failed to make its Social Fund payments for two consecutive months, from 05/10/2013, but made full payment of arrears on 02/11/2013. Helen, who is the Economic and Planning Committee Record-keeper signs to indicate that the IMA has received the money

Figure 18: Fines paid

IMA fines due		
Date	Amount owing	Signature
02/11/2013	500	Helen
28/12/2013	1,000	

Explanation: Fines that are levied by the IMA must be recorded to indicate to the VSLA how the Representative is performing. There is no need to write down the specific reason for the fine.

Annex 6: Collecting data for the SAVIX MIS

The management information system (the SAVIX MIS) is an important tool for your Supervisor to be able to know how well you are doing and for your programme manager and donors to be able to understand how the project is progressing. You will be regularly interviewed by your Supervisor and (s)he will be able to show you which of your IMAs are doing well, and which may need help to improve. To be able to do this, you have to collect information from all of the IMAs that you work with at the first at the first savings meeting and thereafter every 3 months.

Table 20 summarises the meaning of all terms on the Data Collection Form. It is very important that you understand these terms because if you do not and you collect the wrong data the MIS will produce misleading reports. Your Supervisor should be consulted, in case you are unsure. If the Supervisor is unsure of definitions or data collection methods, the programme should contact hugh@vsla.net for further clarity.

The SAVIX IMA data collection forms

These forms are adapted from the standard data collection forms and in places use different terms. Close attention to the explanatory notes is essential

Tables 15: IMA MIS data collection form: Static data

Data collected at formation of IMA	
IMA name	
IMA formed by (name)	
Date of formation	
Number of member SGs at formation	
Latitude (optional)	
Longitude (optional)	

Table 16: IMA MIS data collection form: New Trainer data

New IMA Trainer information	
Name of trainer	
Gender	
Role (FO/VA and type)	
Supervisor (Name)	
Telephone number (optional)	
Kijiji	
Kata	

Table 17: IMA MIS data collection form: Cycle data and standard data

Data always collected from an IMA				Worksheet		
IMA name and no.				N° of Mbr	Current net shares per SG	Value of loans outstanding per SG
Cycle data				1		
Cycle number				2		
Date savings started this cycle				3		
IMA status (supervised/self-mngd) at start of cycle				4		
IMA monitored by (name) at start of cycle				5		
Registered members when savings started this cycle				6		
Loan fund cash in box and at bank at start of cycle				7		
Property at start of cycle				8		
Information				9		
Date of data collection				10		
No. of registered members now (all VSLAss)				11		
No. of registered women now (= No. in all VSLAs)				12		
No. of SGs attending this meeting				13		
Dropouts this cycle				14		
Loans and savings				15		
Value of savings this cycle				16		
Value of loans outstanding				17		
No. of loans outstanding				18		
Write-offs this cycle				19		
Loan fund / cash in box				20		
Other assets and liabilities				21		
Bank balance				22		
Social fund balance				23		
Property now				24		
External debts				25		
Dividends and share-out				26		
Dividends paid this cycle (periodic profit share)				27		
End of cycle share-out meeting		Yes	No	28		
				29		
				30		
				Total		
In-field profit calculation						
Value of loans outstanding						
Plus: Loan fund cash in box						
Plus: Bank balance						
Plus: Property Now						
Minus: Value of Savings this Cycle						
Minus: Property at Start of Cycle						
Minus: External debts						
Equals: Profit (or loss) to date						

Price of 1 share
Total savings

Table 18: IMA MIS data collection form: User-defined data

User-defined data (UDF)			
Data item	Explanation	Type of response	Data
Contact data			
Telephone Chairperson (optional)	Telephone number of the Chairperson	Number	
Telephone Secretary (optional)	Telephone number of the Secretary	Number	
Kijiji	Name of village	Text	
Kata	Name of ward	Text	
Meeting day	Describe when the group agrees to meet	Text	
Meeting time	Time of the meeting	Number	
Other financial information			
Share value	The value of one share in the IMA	Number	
Date of annual action-audit	Date on which the group calculates its annual results and declares a dividend (if any)	Date	
Formal financial institutions (Banks, MFIs, Cooperatives)			
Name of FFI (optional)	Name of the institution where the IMA has an account	Text	
IMA operated enterprises			
No. retailing enterprises (optional)	The number of retailing enterprises run by the IMA	Number	
No. manufacturing enterprises (optional)	The number of manufacturing enterprises run by the IMA	Number	
No. of service enterprises (optional)	The number of service enterprises run by the IMA (i.e. transport, restaurant)	Number	
No. of farm enterprises (optional)	The number of agricultural enterprises run by the IMA	Number	
No. of food processing enterprises (optional)	The number of food processing enterprises run by the IMA (i.e. grain mill, dehulling etc.)	Number	

Table 19: IMA MIS data collection form: Network-defined data

Network defined data (NDF)			
Data item	Explanation	Type of response	Data
Legal personality			
Registration status	Is the group registered as a CBO with the District/Municipal DoCD	Yes/no	
Training			
Received local artisan training	Have members received LA training?	Yes/no	
Received value-chain training	Have members received VC training?	Yes/no	
Received portfolio-management training	Have members received PM training?	Yes/no	
Received SPM training	Have members received SPM training?	Yes/no	
Received gender and child rights training	Have members received G&CR training?	Yes/no	
Formal Financial Institutions data			
Savings amount with FFI (optional)	How much money has the group saved in an FFI at this time?	Number or N/A	
Loans outstanding with FFI (Optional)	What is the value of the group loan outstanding with the FFI?	Number or N/A	
Mobile money			
Mobile money account (optional)	Does the IMA have a mobile money account?	Yes/no	
Mobile money provider (optional)	What is the name of the mobile money provider?	Name or N/A	

The SAVIX MIS: Explanatory notes for the IMA data collection forms

Table 19: IMA Static Data Fields – data that only needs to be collected once and will not change for the life of the IMA

No	Name	Type	Description	Mandatory
1	IMA Name	Text	The IMA name to identify it in the MIS. Usually this is chosen by the member VSLAs	Yes
2	IMA formed by	Text	The name of the person who originally trained the IMA. This is NOT the designation (such as 'Field Officer' or 'VA'). This will be matched with a list of names that will have been pre-entered in the database, when you first set it up.	Yes
3	Date of formation	Date	The date on which the IMA was first formed to become a savings IMA. We ask for this because it will enable us to always know how long the IMA has been working as an SG. So, for example, if a IMA already existed (i.e. a farmers' IMA) you would not write the time it was first trained as a farmers' IMA but when it received its first training to be able to start operating as a savings IMA	Yes
4	Latitude/ Longitude	Specific to a standard convention	Standard Latitude and Longitude format (Degrees, Minutes, Seconds) <i>This is optional data</i> but must be generated by a GPS device and written in one of three standard formats: 1 Degrees, minutes and seconds (i.e. N 51°09'07.5" – E 007°03'34.3") This is the most widely used convention in hand-held GPS systems 2 Degrees, minutes and decimal minutes (d m.m) (i.e. N 51°09.129 – E 007° 03.569) 3 Degrees, decimal degrees (d.d) (i.e. N 51.15208 E 007.5950) Note: all three examples were measured at the same location. You will be able to enter IMA coordinates using any one of the three conventions, but it is better of a programme standardises on one, so as to avoid confusion.. These data will change only if the IMA changes its meeting place.	No
5	Number of member SGs at formation	Numeric	The total number of members of the IMA at the start of the <i>first cycle</i> . This number will NOT change in subsequent cycles	Yes

Table 20: Cycle data – collected when the IMA is established and will probably not change but need periodic review every year

No.	Name	Type	Description	Mandatory
1	IMA name and number	Text	The IMA name to identify the IMA. Usually this is chosen by the IMA. The number of the IMA will be automatically assigned by the MIS	Yes
2	Cycle number	Numeric	This is the cycle number of the IMA. A cycle is a period in which an IMA saves, gives loans to its members and finally shares out its assets. Since IMAs do not share out their assets as VSLAs do, it is unlikely that this number will change and a cycle could be many years in duration.	Yes
3	Date savings started this cycle	Date	The date when the people started saving money <i>during this cycle</i> . It does <i>not</i> refer to the date that the IMA first started saving, if the IMA is now in a subsequent cycle. This field will be empty when a new cycle starts but after being filled in it will not be changed	Yes
4	IMA Status	Text	Choice: Supervised or Self-managed. An IMA may still be receiving training and supervision from paid project staff, in which case it is defined as Supervised, or it may be operating independently and no longer being trained or supervised, in which case it will be defined as Self-managed. If a programme is carrying out other activities with the IMA that are not related to savings and credit, this is not relevant. <u>The status as being Supervised/Self-managed only refers to the savings and credit activities of the IMA</u>	Yes
5	IMA monitored by	Text	The name of the person who is monitoring the IMA. If data is being collected from the IMA, then this is the name of the person doing this on a regular basis. <u>It may not be the person who trained the IMA.</u>	Yes
6	Registered members when savings started this cycle	Numeric	The number of IMA VSLAs at the start of the <i>current</i> cycle (the VSLA is the 'member').. This will be the same as the number of registered VSLA filled out on the IMA Static Fields sheet for the first cycle, but may change in subsequent cycles.	Yes
7	Loan fund cash in box and at bank at start of cycle	Currency	The total amount of cash in the Loan Fund that was carried over from the previous cycle or that existed at start-up. This can be either in the form of cash or may also include Loan Fund money deposited to a financial institution.	Yes; default 0
8	Property at start of cycle	Currency	The value of the physical property owned by the IMA at the start of the cycle, not including any Seed capital. <u>The value of this property is listed only as the purchase price paid.</u> No depreciation or appreciation is estimated.	Yes

Table 21: Main dataset – collected at every meeting and very likely to change

No.	Name	Type	Description	Mandatory
Information				
9	Date of data collection	Date	The exact date this data was collected in the field.	Yes
10	No. of registered SGs now	Numeric	The number of SGs at the time of data collection who are considered by the IMA to be members. They may not be present at the meeting for various reasons (i.e. illness) but are counted as members.	Yes
11	No. of registered women now (=No. of VSLAs)	Numeric	To adapt the system to the needs of IMAs, we write that the number of women is that same as the number of Registered SGs. It does not reflect the reality and will be eliminated in later versions of the software.	Yes
12	No. of VSLAs attending this meeting	Numeric	The number of IMA members attending the meeting at the time of data collection. This information is usually gathered towards the end of the meeting when all latecomers have arrived.	Yes
13	Dropouts this cycle	Numeric	The number of SGs that have dropped out of the IMA since the start of the cycle until this moment. A dropout is an SG that has left the IMA for <i>any</i> reason (voluntarily leaving for no specific reason, removal by the other members for reasons they deem sufficient, etc.)	Yes, default 0
Loans and savings				
14	Value of Savings this cycle	Currency	Total value of all savings to date this cycle.	Yes, default 0
15	Value of loans outstanding	Currency	Total value of all outstanding loans at the moment of data collection. It does not matter if the loan is being paid on time or is late: the amount that is listed is <i>the total value of all remaining principal</i> to be repaid. <i>It does not include interest.</i>	Yes, default 0
16	No. of loans outstanding	Numeric	Number of loans outstanding at the time of data collection.	Yes, default 0
17	Write offs this cycle	Currency	The amount of any loans lost or forgiven during this cycle. This is a cumulative figure	Yes, default 0
18	Loan fund cash in box	Currency	The amount of Cash in the Box which is available to members for loans.	Yes, default 0

No.	Name	Type	Description	Mandatory
Other assets and liabilities				
19	Bank balance	Currency	The total balance of all funds the IMA has deposited to any type of financial institution.	Yes, default 0
20	Social fund balance	Currency	The total amount of cash held by the IMA in any other funds separate from the Loan Fund. In most cases this refers only to the Social Fund, but some IMAs have additional funds, such as Education funds or Loan insurance funds etc.	Yes, default 0
21	Property now	Currency	The total value of all of the property owned by the IMA at the time of data collection. It refers to all types of physical property owned by the IMA. The value of this property is the purchase price paid. No attempt should be made either to depreciate or re-value physical assets.	Yes, default 0
22	External debts	Currency	The total value of the debts a IMA owes to external organizations (banks, coops, SAACOs) or individuals	Yes, default 0
Dividends and share-out				
23	Dividends paid this cycle (periodic profit share)	Currency	IMAs do not share out their money at a fixed period of time, but continue in operation indefinitely. They may, however, pay out to member SGs dividends at the annual audit, in an amount that is in proportion to their savings. This will usually be a sum that is a percentage of net profit, the rest being retained by the IMA	Yes, default 0
24	End of cycle share-out meeting	Yes/No	This field, displayed on the MIS as a checkbox, is intended to indicate if the meeting at which the data was collected was a share-out meeting of all its capital. The system has a default of 'No' and this must be changed to 'Yes' if it is a share-out meeting. Since it is not planned that IMAs will share out all of their capital, it is unlikely that this checkbox will be marked, unless the IMA ceases to operate and wishes to liquidate its assets.	Default No