Village Savings and Loan Associations (VSLAs)

Field Officer’s Training Guide

Version 1.06
December 11th 2015

Hugh Allen and Mark Staehle
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Preface

The purpose of this manual
This manual is part of a 2-part series: the first to be used by Field Officers (FOs) and the second by Village Agents (VAs).

- FOs are paid employees of a Facilitating Agency (FA) or its partner organisations, who create and train Village Savings and Loan Associations (VSLAs)
- VAs are community-based trainers who are not paid employees of the project

We have developed the manuals in order to provide straightforward guidance to FOs and VAs on how to train VSLAs, reduced to the essentials. We have deliberately avoided suggesting a step-by-step training system, since implementing organisations may have their own pedagogical approach. Rather, we have specified what needs to be achieved and have focused more on group-level outputs and procedures.

What’s new: Revisions to Version 1.05
This revised and updated version of the Field Officer Training Guide incorporates the following changes

- Minor changes to meeting procedures, making the role of the Chairperson clearer and more consistently scripted. We have noted that often Record-keepers tend to take over the role of the Chairperson, because previous versions of the manual did not clearly lay out the Chairperson’s role as a manager of the meeting, moving it clearly from step to step. We have clarified this and added an annex in which the specific steps to be taken by a Chairperson are clearly laid out and can be read by the Chairperson during the meeting

- Changes to loan record-keeping. In the past few years it has become clear that loan record-keeping is the most problematic area for the Record-keeper. We have tested a passbook in which the total amount owing by the borrower is included as a separate line, removing the need to make a mental calculation of principal balance, service charge due and total owing. This has been field tested extensively and is considered to have clarified and simplified the loan repayment calculation process.

What’s new: Sharia compliance
We have also developed a Sharia compliant version (1.06). This is designed to be used in places where members wish to be compliant with Sharia principles: specifically the prohibition against the payment of interest. The manual suggest that a one-time loan-application fee be charged, varying across a number of pre-determined loan size bands and to support this, we have simplified the passbooks and modified loan meeting procedures. While this is done to ensure that Sharia principles are respected, the record-keeping system is simpler than before and eliminates the need for printed passbooks. This may make the manual suitable for use in areas of low literacy. This Sharia compliant manual can be separately downloaded from the www.vsla.net website

Hugh Allen and Mark Staehle
December 11th 2015
Solingen, Germany
## List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARE</td>
<td>Cooperative for Assistance and Relief Everywhere</td>
</tr>
<tr>
<td>FA</td>
<td>Facilitating Agency. Trains and finances Implementing Organisations</td>
</tr>
<tr>
<td>FO</td>
<td>Field Officer</td>
</tr>
<tr>
<td>MMD</td>
<td>Mata Masu Dubara (Hausa for 'Women on the Move'), CARE’s oldest VSL project</td>
</tr>
<tr>
<td>MFI</td>
<td>Microfinance Institution</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>SG</td>
<td>Savings Group</td>
</tr>
<tr>
<td>TShs</td>
<td>Tanzania Shillings (officially TZS)</td>
</tr>
<tr>
<td>VA</td>
<td>Village Agent</td>
</tr>
<tr>
<td>VSL</td>
<td>Village Savings and Loan</td>
</tr>
<tr>
<td>VSLA</td>
<td>Village Savings and Loan Association</td>
</tr>
</tbody>
</table>
Introduction for the Field Officer

Congratulations on being selected as a Field Officer (FO) to train and support Village Savings and Loan Associations (VSLAs). VSLAs are the oldest form of what are now being referred to in the industry as Savings Groups (SGs). There are now over 11 million people in SGs, worldwide, of which nearly 10 million are in Africa. Savings Groups are changing the face of microfinance and, for the first time, bringing sustainable financial services to the rural poor.

VSLAs will succeed only through your efforts: you are at the heart of the programme.

The FO is a paid employee who starts by working directly to create VSLAs and, managed by a full-time Supervisor, takes on a training caseload of between 10 and 15 VSLAs. The Field Officer is given this responsibility because the first VSLAs created in a community will set an example and it is important that they should be successful and operate in the correct way. Where good VSLAs have been created we have seen large numbers of new VSLAs springing up and copying what the foundation groups are doing. Thus, ensuring that the groups you create are of very high quality is vital if spontaneous replication is to continue. That is why it is more important to focus on the quality of these first VSLAs than it is to create a large number.

Once the FO succeeds in creating the first VSLAs s/he will watch the members carefully to see if there are people in the group who could also take on the job of training VSLAs. After 6 -9 months the FO will choose a total of between 6 -8 people who can do this work (selected from among their 10 - 15 VSLAs) and will train them to become trainers too. These people are called Village Agents (VAs) and the idea is that they should come from the communities they serve and, over time, create between 3 - 6 VSLAs of their own, every year, charging fees for this service, or investing in the VSLAs that they serve. Over subsequent years, the FO will create only a few more VSLAs and will spend most of his/her time as a supervisor of VAs.

After a year of supervision, the FO and the FO’s Supervisor will formally examine each VA and, if they pass the examination, the VA will become a certified, independent provider of VSLA training services, making a steady income. At this point the FO will move to another area and start the process again.

Thus, the FO is not just training VSLAs, but setting up a self-financing system of sustainable service delivery that will allow new VSLAs to be continually created. As such, your role needs you to be skilled as a trainer, a good planner and manager and always concerned about high quality. It is very important that you focus on discipline and procedure as you train and advise VSLAs and as you supervise VAs. This is what makes VSLAs successful. You should follow the procedures carefully, and teach your VSLAs to do the same.

The results of your efforts will be permanent and you will find the work satisfying. Good luck.
1 What are VSLAs?

A Village Savings and Loan Association (VSLA) is a group of 10 - 25 people who save together and take small loans from those savings. The activities of the VSLA run in ‘cycles’ of about one year, after which the accumulated savings and profits are shared out among the members according to the amount they have saved.

VSLAs are member-managed. Programme staff (FOs) and Village Agents (VAs) will train members, but never manage the VSLA, write in the passbooks or touch money belonging to the members.

VSLAs are trained by Field Officers (salaried programme staff) or Village Agents (who receive fees from the VSLAs for the training). Village Agents are members of VSLAs who are identified as having the skills to train other VSLAs. The role of a VA is to:

- train new VSLAs
- assist VSLAs they have trained when they would like assistance between cycles (share-outs, membership changes, modifying the constitution, elections)
- provide refresher training
- assist in resolving conflicts

The first cycle of VSLA is a training and supervision cycle lasting at least 36 weeks. During the first cycle, the Groups will meet weekly. This may change, as the group sees fit, thereafter.

Members save through the purchase of between 1 – 5 shares every meeting. The share-value is decided by the VSLA at the start of each cycle. At each meeting all members have the right to buy between 1-5 shares. The share value cannot change during the cycle.

Members can choose to have a Social Fund, to use for small grants when members are in distress. This is mandatory in the first cycle, but optional in future cycles.

The Loan Fund is comprised of money contributed in the form of shares, fines and service charges (interest)

The monthly service charge for loans is determined by the members at the beginning of the cycle, in the form of a percentage value. It cannot be changed during the cycle.

All members 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 12 weeks during the first cycle. The borrower is free to pay in whatever amounts s/he wishes at each loan meeting, but must repay the total sum owing within the agreed-upon period.

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

Theft of boxes by outsiders is very rare, but members must take responsibility for security.

All members have an individual passbook. 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 members at each meeting.

Passbooks 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.

The Group has a five-person Management Committee elected for one cycle. Groups develop a Constitution that contains the Social Fund, Share-purchase and Loan policies of the Group.
Each member has one vote in electing the Management Committee and developing the constitution.

*At the end of every annual cycle, all outstanding loans are recovered and the Loan Fund is shared out.* The Loan Fund (which includes profits) is divided by the total number of shares purchased by members during the cycle, to calculate the share value. Each member then receives his or her pay-out according to the number of shares purchased. In this way no complicated calculation of profits is needed.
2 Schedule of operations

VSLAs are trained by Field Officers (FOs) over a period of at least 36 weeks according to the schedule below.

Preparatory phase: This provides general information to prospective VSLA members. They will decide if they want to be trained.

Intensive phase: 12 weeks. It starts off with 4 visits in the first week, and then continues with 6 visits over the next 11 weeks.

Development phase: 12 weeks. 3 visits during loan meetings only.

Maturity phase: 12 weeks. 2 visits; one for light supervision and one to help the VSLA prepare for share out and graduation.

Figure 1: VSLA training and supervision schedule

<table>
<thead>
<tr>
<th>Preparatory</th>
<th>Intensive Phase</th>
<th>Development Phase</th>
<th>Maturity Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>1-2 Weeks</td>
<td>1 week</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend

- Orientation of local leaders and government officials. **Attended by Supervisor**
- Supervision meetings: no training module
- Training: Groups, leadership & elections
- Training: Social fund, share-purchase & credit policies
- Training: Development of Association constitution
- Training: First share purchase savings meeting. **Attended by Supervisor**
- Training: First loan disbursement meeting
- Training: First loan repayment meeting
- Training: Action audit/share-out and elections. **Attended by Supervisor**

Note: The red circles indicate the Supervisor's attendance at: the first savings meeting; the two phase changes; and the Action audit/share-out.

Note: The FO may increase the frequency of visits in the Intensive Phase and may also prolong it if additional time is needed to get the VSLA to a position that it can confidently manage share-purchase unaided. The frequency of visits in the Development phase need not be increased, because they all fall on loan disbursement and repayment meetings.
The Preparatory Phase has three purposes:

- To obtain permission by local authorities and leaders to work in a particular area and to enlist their support in organizing a public meeting to outline how the programme works.
- To describe to a public gathering how the programme works and how people may get more information.
- To provide a detailed description of how a VSLA works; what people 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>
<thead>
<tr>
<th>Type of meeting</th>
<th>Meeting A</th>
<th>Meeting B</th>
<th>Meeting C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supervisor and FO orient local leaders and government officials</td>
<td>FO introduces VSL to the community</td>
<td>First meeting of FO with newly formed groups</td>
</tr>
</tbody>
</table>
| Content         | - Introduction of the Implementing Organisation.  
                  - Target group to be served  
                  - Services offered.  
                  - Role of local leaders and administrators. | - How the methodology works.  
                                                                 - How interested individuals can form new VSLAs | - Step-by-step description of how VSL works  
                                                                 - Qualities of good members  
                                                                 - VSLA and FO obligations  
                                                                 - Training schedule  
                                                                 - Date and place for first Training |
| Comments        | This may take more than one meeting and may involve Regional, District and Locational/Ward officials before reaching communities | Open meeting. Anyone can attend. Usually at a public place like a market, school, church, mosque etc. | Attended only by people who are committed to joining a VSLA and who show this by having formed themselves into a group |
Meeting A: Orientation of local leaders and government officials

A project should inform Government administrators and line ministries at different levels about what it wants to do. Usually this will start at the District (or its equivalent), and continue downwards from there to the targeted local community. This may take more than one meeting.

Most important will be community level administrators and traditional leaders. These are the people who can arrange a public meeting and who can contact influential community leaders.

What is covered in this meeting?

- The Supervisor introduces him/herself, the project and the Implementing Organisation and also introduces the FO
- Project purpose and goals: to build the capacity of community groups to be able to mobilise savings, use these savings to start a loan fund and to create a social fund for relief of members experiencing emergencies
- VSLAs will provide:
  - The opportunity to save and borrow flexibly as they need, and make attractive profits on their savings. Very poor people will find that VSLAs meet most of their needs for savings and credit, because there are no problems of high minimum deposit requirements, hidden charges, complicated procedures, or difficulty in accessing loans.
  - VSLAs can assist members in case of death, disease or natural disaster; local moneylenders may not be willing to provide this service to the poorest.
  - VSLAs help members build self-respect, self-reliance and self-confidence
- History of the project and of similar projects worldwide. There are more than three million poor people successfully managing their VSLAs throughout the world. More than 90% of VSLAs succeed and remain together for several years or more.
- VSLAs are taught to manage their own activities over a cycle of nine months to one year. An FO will attend most of the Group’s meetings to train and assist them. After the first cycle, the Group manages its own affairs.
- After a year the FO will select people from the VSLAs they have started to be trained and to carry on this work for a fee. This will create new local jobs and ensure that VSLAs have a person in the community who can help them solve their problems.
- The FO promises the following to the community:
  - Reliability
  - Integrity
  - Establishment of a sustainable service that enjoys community support and has an important economic impact. Women in particular can expect to benefit.
- What the Supervisor needs from Government and Community Leaders:
  - Permission for the FO to work in the area
  - Mobilisation of the community to attend a public meeting, at which the VSL methodology will be explained and community groups invited to participate
- Feedback: the Supervisor should take questions and ask for feedback.

Public meeting arrangements: The FO makes sure that someone is made responsible for arranging a public meeting and a date set is at which the FO can meet with the community. The public meeting should bring together 50 - 100 potential VSLA members as well as local leaders (such as religious leaders and prominent local business people) who can spread the word to other communities. The place and date of the public meeting should be agreed at this point, so that the FO can schedule an appearance.
Meeting B: Introduction of VSL methodology to the community

This should be a large, open gathering which is announced well in advance through the help of local leaders. There will be many questions. The goal of this meeting is to generate interest, so that many potential groups come to meeting C.

What to explain:

- The purpose is to create community-managed savings and loan groups that belong to their members.
- The promotion of VSLAs is not a government programme.
- All of the funds used to provide loans to the members come from the members’ own efforts. The programme does not provide any money to VSLAs for lending to its members.
- The size of the Group must be not less than 10 members and not more than 25.
- Groups will be sold a metal box that has three locks on it and which contains all of the materials needed to run a VSLA. This box cannot be opened between weekly meetings.
- VSLA members will be taught to save regularly, to take short-term (3-month) loans from that savings, and to share out the savings and profits each year according to each person’s contributions.
- All borrowers have to pay a monthly service charge in order to receive a loan. The amount is a percentage of the value of the loan. The percentage is decided by the members.
- At the end of one year all loans are paid back and all of the VSLA’s money is shared among the members in proportion to the amount that each person has saved. This includes and profit that the VSLA has made.
- The FO is only there to teach them the system. Members will manage their activities themselves, and the FO will never:
  - Handle the Group’s money
  - Write in the Group’s records
  - Take the cash-box away
  - Ask for a loan
  - Ask for a gift
- Training and supervision takes approximately 9 months. After this, the VSLA is independent and continues to operate without any more help, although the FO will continue to be available for advice and support.
- The FO will carry on this work for about a year in the locality. During that time (s)he will identify a number of local people who will be trained to carry on the work. (S)he will be their supervisor to make sure that the quality of the VSLAs remain high.
- The members of the proposed Group choose where and when the meetings are to be held.

The FO then tells the assembly that (s)he will return to the community at an agreed time to see if people are interested and will then make training arrangements. Those who are interested must form groups of between 10 - 25 members before Meeting C. The FO stresses the following before closing the meeting:

- Members must know and trust each other
- Leaders are not elected until after training begins
**Meeting C: First meeting with potential VSLAs**

This meeting is only attended by people who are interested to be in a VSLA, and who have already gathered in groups of 10 - 25 people who know and trust each other.

**What to explain:**

The FO describes the basic features of a VSLA:

- A VSLA is created so that people can save, borrow and start an insurance fund
- Members are self-selected and the VSLA is managed by its members
- Every Group has a written constitution and clear rules
- Some rules such as the amount of savings, or the service charge on loans are decided by the members
- Some rules, such as the need for annual elections, are already fixed because this has been shown to be important
- Every Group has a Management Committee which is democratically elected and changed every year
- Members must attend all meetings, and buy at least 1 share each meeting
- There are fines for lateness and missing meetings
- A group allows all members to buy between 1-5 shares each week. The price of a share is set by the members
- The money collected from the purchase of shares is used to provide small loans to members, which are repaid over a period of not more than 3 months
- All borrowers have to pay a service charge on their loans, at a percentage rate decided by the members
- There is a Social Fund from which members can receive small grants for emergencies
- All of the Group’s cash is kept in a box with three locks, and the keys are kept by three different members of the Group who are not part of the management committee
- The box can only be opened in meetings, so all transactions are done in front of all of the members
- Record-keeping is based on simple passbooks and memorisation of important information, such as the amount of cash in the box and who owes money to the Social Fund
- Each member has a passbook in which their savings and loans are recorded
- The passbooks are locked in the box between meetings to prevent anyone changing the entries
- The members decide on a period for operation of the VSLA before they share out their profits. This is called a cycle and is never less than 9 months or longer than 12 months
- At the end of each cycle, all loans are repaid, and all savings and profits are distributed to members according to the number of shares they have purchased
- The box and its contents will be supplied by the programme and must be paid for by the Group. This will involve a down-payment of not less than 25%, payable at the start of the second training module, with the balance being paid before the end of the cycle. If there is a balance at the end of the cycle, the Group must pay the due amount from the loan fund prior to sharing out
- The training and supervision period is a minimum of 36 weeks and a maximum of 52 weeks. After this period, the VSLA continues to operate independently without any external support.
- During the training period the VSLA will meet weekly, and the FO will visit 15 times
- Once the VSLA becomes independent, the FO will only attend meetings if requested by the members
The FO explains that there are 7 training modules:

- Members, Leadership and Elections
- Social Fund, Share-purchase and Credit Policies
- Development of Group Constitution
- First Savings Meeting
- First Loan Meeting
- First Loan Repayment
- Action-audit / Share-out and graduation

Members must be aware of the qualities that are needed in a member. So the FO reviews the qualities of a good member, and suggests that anyone who is not able to meet these standards should probably not join. Good members will:

- Know each other and be from a similar economic background
- Not live too far from where the meetings will be held
- Have a reputation for honesty and reliability
- Be able to attend all meetings
- Attend all meetings on time
- Follow all rules
- Have a cooperative personality. Someone who is known to create conflict should probably not join
- Be able to buy at least one share each week
- Be able to repay loans on time
- There is only one member from the same household. It is better if members from the same household join different VSLAs.

The FO and the new Groups arrange a time and a place for the first training.

**IMPORTANT**

The FO should never train more than one VSLA at the same time and place. All VSLAs should be trained individually.
# 4 Training modules 1 - 7

Table 2: Diagram of training schedule

<table>
<thead>
<tr>
<th>Module 1</th>
<th>Module 2</th>
<th>Module 3</th>
<th>Module 4</th>
<th>Module 5</th>
<th>Module 6</th>
<th>Module 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groups, Leadership and Elections</td>
<td>Social Fund, Share-purchase and Credit Policies</td>
<td>Development of Group Constitution</td>
<td>First Savings Meeting</td>
<td>First Loan Meeting</td>
<td>First Loan Repayment</td>
<td>Action-audit / Share-out and graduation</td>
</tr>
<tr>
<td>- Individual self-selection</td>
<td>Policies and rules related to:</td>
<td>- Group governance</td>
<td>- Supervision of first meeting in which cash is handled</td>
<td>- Supervision of first loan disbursements</td>
<td>- Supervision of first loan repayments</td>
<td>- Distribution of the Loan Fund at the end of the cycle</td>
</tr>
<tr>
<td>- Role of General Assembly</td>
<td>- The Social Fund</td>
<td>- Combining Module 2 policies and rules with governance decisions into single constitution</td>
<td>- Contribution to Social Fund, Share-purchase</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Roles of leaders</td>
<td>- Share-purchase</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Preparation for elections</td>
<td>- Credit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Elections</td>
<td>- Loan repayment</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Week 4</th>
<th>Week 8</th>
<th>End of cycle</th>
</tr>
</thead>
</table>

Week 1

Week 4

Week 8

End of cycle
Module 1: Groups, leadership and elections

Purpose of the meeting
The FO explains that the purpose of the meeting is to give the Group a name and to elect leaders who will be its managers for a period of one year. (S)he explains that elections are held every year and the next elections in one year’s time will also be facilitated by the FO.

Individual self-selection
The FO again reviews the qualities of a good member, and suggests that anyone who does not meet these criteria should probably drop out before the next meeting. Good members will:

- Know each other and be from a similar economic background
- Not live too far from where the meetings will be held
- Have a reputation for honesty and reliability
- Be able to attend all meetings
- Attend all meetings on time
- Follow all rules
- Have a cooperative personality. Someone who is known to create conflict should probably not join.
- Be able to buy at least one share each week
- Be able to repay loans on time
- There is only one member from the same household. It is better if members from the same household join different VSLAs.

Elections
- The group chooses a name for the VSLA
- The FO explains:
  - All members have the same rights
  - The Management Committee is elected by the members, who can also dismiss it for poor performance
  - The Management Committee serves for one year, after which a new committee is elected
- (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 Group Chairperson

<table>
<thead>
<tr>
<th>Qualities</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respected in the community</td>
<td>To call the meetings to order, announce the agenda and lead discussions</td>
</tr>
<tr>
<td>Confident and calm when speaking in front of others</td>
<td>To ensure that the meetings follow proper procedure and that the Constitution is followed and respected</td>
</tr>
<tr>
<td>Treats everyone equally</td>
<td>To maintain discipline and charge fines as needed</td>
</tr>
<tr>
<td>Listens to others and asks for opinions</td>
<td>To facilitate discussions and to ensure that everyone’s views are listened to</td>
</tr>
<tr>
<td>Organised</td>
<td>To resolve conflicts</td>
</tr>
<tr>
<td>Always on time</td>
<td>To represent the Group to outsiders and non-members, including local government officials</td>
</tr>
</tbody>
</table>
### Table 4: Qualities and responsibilities of the Group Record-keeper

<table>
<thead>
<tr>
<th>Qualities</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Good arithmetic skills</td>
<td>• Ensures that all transactions for the Social Fund, Share-purchase and lending take place according to procedure, and that all rules are followed</td>
</tr>
<tr>
<td>• Writes neatly</td>
<td>• Makes all passbook entries for shares and loans</td>
</tr>
<tr>
<td>• Has a reputation for trustworthiness</td>
<td>• Reads the Social Fund and Loan Fund cash balances out loud at every meeting</td>
</tr>
<tr>
<td>• Always on time</td>
<td></td>
</tr>
<tr>
<td>• Willing to work extra hours to train with the FO if needed</td>
<td></td>
</tr>
</tbody>
</table>

### Table 5: Qualities and responsibilities of the Group Box-keeper

<table>
<thead>
<tr>
<th>Qualities</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Trustworthy</td>
<td>• Keeps the Group box safe in between meetings</td>
</tr>
<tr>
<td>• From a household that has a good reputation (no one in that household should be considered unreliable)</td>
<td>• Ensures that (s)he is accompanied to/from meetings as necessary</td>
</tr>
<tr>
<td>• Lives in a house with good security</td>
<td>• Brings the box to the meetings on time</td>
</tr>
<tr>
<td>• Always on time</td>
<td>• Stands in for the Record-keeper when the Record-keeper is absent</td>
</tr>
</tbody>
</table>

### Table 6: Qualities and responsibilities of the Group Money-counters

<table>
<thead>
<tr>
<th>Qualities</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Able to count quickly and accurately</td>
<td>• Counts all amounts paid to, or taken from the VSLA</td>
</tr>
<tr>
<td>• Trustworthy</td>
<td>• Informs the Record-keeper of the correct amount to be recorded in the passbook</td>
</tr>
<tr>
<td>• Calm and organised</td>
<td></td>
</tr>
<tr>
<td>• Always on time</td>
<td></td>
</tr>
</tbody>
</table>

The FO then organises the election of the officials, starting with the Chairperson. (S)he uses the standard procedures shown in Annex 1.
Module 2: 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 concerning how the members of the Group will save by buying shares, how they will take out loans and pay them back, and how they will offer insurance to their members through a Social Fund.

Seating arrangements
The diagram below shows how members are seated in a meeting. This seating arrangement is very important for two reasons:

- It allows all members to see clearly what is happening
- It ensures that all members transact in order

The diagram shows a VSLA with 18 members. The number can be bigger or smaller.

Figure 2: Layout of meeting place: Group with 18 members

The FO starts the meeting by seating the members according to this arrangement.
Social Fund

The FO says that the Group may wish to create a Social Fund to provide grants to members who encounter serious problems (this is an optional service and a Group may decide not to create a Social Fund). Grants are often made to help with:

- Funeral expenses
- Catastrophes, such as fire damage or house damage
- Loss of livestock

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

- The Social Fund is kept separately from the Loan Fund, in its own bag
- The Social Fund is used for grants, not loans
- The constitution lists the pay-outs for death of the member and his or her relatives; the Group can decide to make payments for other types of losses if it wishes

Share-purchase rules

The FO says that members save in a VSLA by buying shares. 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 explains:

- The amount is too big if the poorest member will have trouble regularly saving at least one share
- During a lean season of the year the amount is too small if better off members feel that 5 shares will still be too little

Lending rules

The FO says that while members can save every week they can only borrow once every four weeks. Borrowing once every four weeks:

- keeps the other three meetings short
- keeps record-keeping simple (loans in every meeting make records very complicated)
- allows the Loan Fund to build, so that members can borrow useful amounts

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 member cannot be more than three times their savings. (S)he explains that this is best, to ensure everyone has fair access to loans, and that loans are not too risky.

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 members take out loans they have to pay a service charge every 4 weeks. This is a fee paid to the Group for being able to borrow, but which ends up back in members’ pockets at the annual share out. The Group should then decide how much the service charge should be, and the FO writes it down. The FO explains that the monthly service charge is a percentage:

- based on the loan amount
- is paid every 4 weeks
- the same amount every month until the loan is fully repaid

If the members are confused about what service charge the Group should choose, the FO can give the following guidance:
• A service charge that is very low may tempt members to borrow more than they can easily repay. For this reason, it should not be less than 5%.
• A service charge which is too high will discourage members from borrowing, and make the VSLA less useful. For this reason it should not more than 10%.
• A service charge of 10% is easy to calculate (a loan of 1,000 attracts a monthly service charge of 100 at each loan meeting).

Safety of Group funds
The FO hands over the Group kit (see Annex 3), receives the 25% down payment and tells the Group that the balance must be paid by the end of the cycle.

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.
Module 3: Development of Group constitution

Before going to this meeting, the FO goes to Annex 2 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 Group decisions. Part of it is already fixed, because experience has shown that some things should be common to all VSLAs. Decisions that the Group 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 Group 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 Group 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 VSLA should not rush these discussions or feel pressured to get this done in one meeting. Experience has shown that sometime this session can take two (or even 3) meetings to finish.

The final step is for the FO to facilitate a discussion to agree on the most important rules laid out in the constitution. Once these have been identified, the Chairperson gives every member a different rule, which they will be expected to repeat out loud at each meeting. The Chairperson tells them that if they do not remember the rule they will be fined. The Chairperson notes which member must remember which rule.

Module 4: First savings 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 (s)he is only there to support the Management Committee, which is now in charge of meetings.

The kit and the Key-holders

The Group is told that the safety of the kit will be the responsibility of the Box-keeper and that (s)he must carry it to every meeting of the Group.

The FO tells the members that although they have appointed their Management Committee, it is necessary to appoint three people, to be called Key-holders, who will keep the keys, so that the box can only be opened in meetings. They can be identified by discussion and the following criteria are important:

- They must not be members of the Management Committee
- They should not be members of the same family
- They should be members who can be relied upon to attend and will always be on time

Managing a meeting: General

At this point, the Management Committee will be learning only how to conduct a savings meeting. The FO should explain again that the first loan meeting will not occur for another 3 weeks.
The FO uses Table 7 to facilitate the first savings meeting and refers to Annex 5 to demonstrate to the Group the share-purchase system and savings records in the member passbook. This should be studied by the FO beforehand.

Table 7: Procedures for first savings meeting

<table>
<thead>
<tr>
<th>Meeting step</th>
<th>First savings meeting – Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Meeting opening</td>
<td></td>
</tr>
</tbody>
</table>
  - The Chairperson calls the meeting to order  
  - The Chairperson tells the Record-keeper to perform a roll call  
  - The Key-holders open the box, which remains in front of the Box-keeper, and the materials are taken out and placed in front of the Record-keeper  
  - The fines bowl is placed in front of the Chairperson, so that fines can be collected during the meeting  
  - The Record-keeper calls each member in number order to the front and gives them their number card and tells them that they must always bring it with them to all meetings  
  - The Record-keeper writes their name and number on a passbook but does not give the passbook to the member |
| 2. Social Fund (if the group does not have a Social Fund, skip to step 3) |  
  - The Chairperson tells the Record-keeper to conduct the Social Fund activities and reminds the members of the amount they must all contribute  
  - The Record-keeper calls each member, by number, to give their Social Fund contributions to the Money-counters  
  - When the member comes forward, they give their Social Fund contribution to the Money-counters and are given their passbook  
  - As each member comes forward, the Chairperson reminds them of the particular rule from the Constitution that they have been allocated to recite in every meeting. Members are told that they must do this when they come to collect their passbooks at the time of making a contribution to the Social Fund.  
  - Both Money-counters confirm that each member has given the right contribution and place it in the money-counting bowl  
  - When everyone has contributed, the money counters count the total amount in the money-counting bowl and announce this to the members  
  - The Record keeper records this amount in the note book  
  - The Record keeper says that everyone should remember this amount for the next meeting  
  - The Social Fund money is then replaced in its draw-string bag and put back in the cash-box |
| 3. Share-purchase/savings |  
  - The Chairperson tells the Record-keeper to conduct the Share-purchase/savings activities  
  - The Record-keeper calls each member to the front by their number  
  - Each member comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper  
  - The Money-counters count the money, place it in the money-counting bowl and announce the amount and the number of shares that have been purchased by the member  
  - The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks  
  - The member then checks that the number of new stamps in the passbook is correct: the passbook remains with the Record-keeper for the rest of the meeting |
4. Expenses

- The Chairperson asks the Record-keeper if there will be any expenses for stationery before the next meeting. If any expenses are approved by all of the members, the Chairperson instructs the Money-counters to take the necessary amount from the money-counting bowl and give it to the member who is responsible for paying the expense.

5. Calculating the Loan Fund balance

- The Chairperson then tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it.
- The Money-counters then count the money and announce the amount.
- The Record-keeper then tells the Group 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.

6. Closing balances

- The Chairperson then tells the Record-keeper to summarise the amounts in the two funds.
- The Record-keeper announces the total amount in the Social Fund once again, and instructs all members to memorise it for the next meeting.
- The Record-keeper announces the total of the Loan Fund once again, and the instructs all members to memorise it for the next meeting.
- The Key-holders are called by the Chairperson to lock the box.

7. Closing

- The Chairperson invites members to discuss any other subject that may be of interest.
- The Chairperson announces the date and time of the next meeting and reminds everyone to come with their Social Fund contributions and Share-purchase money.
- The Chairperson tells the members that they will be able to request a loan at the first loan meeting, three weeks from the date of this meeting.
- Once discussion is complete, the Chairperson closes the meeting.

Note: For the two visits after this meeting (between Training 4 and Training 5) the FO should use Annex 4: Field Officer’s consolidated guide to meeting procedures.

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

Table 8: Weekly Record of Balances - Example

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash in Social Fund bag</th>
<th>Cash in Loan Fund bag</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1/10</td>
<td>TShs 24,600</td>
<td>TShs 144,600</td>
</tr>
</tbody>
</table>

Note: Please click on or enter the URL below in your browser to view a short video that shows how a well-trained group conducts its normal savings activities: https://vimeo.com/132692474

This video shows savings procedures in AKF Tanzania’s Boresha Maisha project.
Module 5: First loan meeting

Purpose of the meeting
This meeting takes place 3 weeks after the first savings meeting (see Figure 1, page 7). The FO tells the members that this meeting will be the first chance they have to borrow, once Social Fund and share purchase activities are completed.

First disbursement of loans
The FO says that loans will be taken and repaid thereafter every four weeks. This is very important and the FO must not permit a group to disburse loans at every meeting. This is necessary to:

- Keep most meetings short
- Keep record-keeping simple and understandable for the members and the Record-keeper
- Allow the Loan Fund to build between loan meetings

The FO uses Table 9 (on the next page) to facilitate the first loan meeting and refers to Annex 5 to help the VSLA understand the loan record-keeping system. This should be studied by the FO beforehand.
### Table 9: Procedures for first loan meeting

<table>
<thead>
<tr>
<th>Meeting step</th>
<th>First Loan Meeting – Procedures</th>
</tr>
</thead>
</table>
| 1. Meeting opening | • The Chairperson calls the meeting to order  
• The Chairperson tells the Record-keeper to perform a roll call  
• The Key-holders open the box, which remains in front of the Box-keeper, and the materials are taken out and placed in front of the Record-keeper  
• The fines bowl is placed in front of the Chairperson, so that fines can be collected during the meeting |
| 2. Social Fund (if the group does not have a Social Fund, skip to step 3) | • The Chairperson tells the Record-keeper to conduct the Social Fund activities and reminds the members of the amount they must all contribute  
• The Record-keeper asks the Group 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 members  
• The Chairperson announces that contributions will be made to the Social Fund  
• The Record-keeper calls each member, by number, to give their Social Fund contribution to the Money-counters  
• When the member comes forward, they recite the rule, from the Constitution that they have been given to remember by the Chairperson. At the same time they give their Social Fund contribution to the Money-counters and are given their passbook  
• Both Money-counters confirm that each member has given the right contribution and place it in the money-counting bowl  
• The Record-keeper then asks if any member has missed a payment to the Social Fund in the last meeting. If so, they are asked to pay it now.  
• The Record-keeper then asks if anyone needs a grant from the Social Fund. Members in need make their request to the Group.  
• If a majority of the members approve the grant, the money is provided to the member according to the Constitution  
• The Money-counters count the total amount remaining in the money-counting bowl and announce this to the members  
• The Record-keeper records this amount in the note book  
• The Record-keeper says that everyone should remember this amount for the next meeting  
• The Social Fund money is then replaced in its draw-string bag and put back in the cash-box |
| 3. Share-purchase/savings | - The Chairperson tells the Record-keeper to conduct the Share-purchase/savings activities  
- The Record-keeper asks the members 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 members  
- 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 announces that members will now buy shares  
- The Record-keeper calls each member to the front by their number  
- Each member comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper  
- The Money-counters count the money, place it in the money-counting bowl and announce the amount and the number of shares that have been purchased by the member  
- The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks  
- The member then checks that the number of new stamps in the passbook is correct: *the passbook remains with the Record-keeper for the rest of the meeting*  
- (If a member needs to make a withdrawal, they will ask for it instead of buying shares. When a withdrawal is needed, the Record-keeper will cross out the number of shares from the member’s 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 member will be equal to its original purchase price.) |
| 4. Expenses | - The Chairperson asks if any money was given for expenses in the previous meeting and, if so, to give an account  
- If so, 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 for stationery before the next meeting. If any expenses are approved by all of the members, the Chairperson instructs the Money-counters to take the necessary amount from the money-counting bowl and give it to the member who is responsible for paying the expense. |
| 5. Calculating the new Loan Fund balance | - The Chairperson then tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it  
- The Money-counters then count the money and the Record-keeper announces the total to the Group  
- The Record-keeper then tells the Group that this is the money available for lending in this meeting |
### 6. Loan taking
- The Chairperson then invites loan requests, reminding members of the maximum loan term (in weeks) and loan amount (three times the member’s savings)
- Each member who wants a loan then makes a request out loud to the Group, announcing 1. the amount they want to borrow, 2. the purpose of the loan and 3. over what period of time they expect to repay
- The Record-keeper first checks to see that the member has saved at least 1/3 of the amount they want to borrow. If they have not saved enough they must reduce the amount of their request
- The Record-keeper then calculates the total value of the loans requested and announces it
- If the total requested is more than the money available in the Loan fund, the Group must discuss adjustments to the individual loan amounts until all members are satisfied
- Once it is decided how much each borrower will receive, the Record-keeper calls each borrower to the front in order of their number
- The Record-keeper then enters the Loan number and notes ‘End’ to show the meeting when the loan must be fully repaid
- The Record-keeper then enters the value of Loan taken (Loan balance) and Service charge and enters the total in the ‘Total owing’ box in the member’s passbook
- The Record-keeper instructs the Money-counters to give the borrower the loan amount from the Money-counting bowl
- The borrower then counts the money, and signs the passbook
- The Record-keeper then instructs the borrower to announce out loud the total amount due and after how long it will be due to be repaid
- This process is repeated until all loans have been issued
- The Record-keeper tells the Money-counters to count the money remaining in the money-counting bowl and announce it to the Group
- The Record keeper records this amount in the note book
- The Record-keeper then tells the Group that this money constitutes their Loan Fund
- The Money-counters then place the Loan Fund in its draw-string bag and put it in the cash-box

### 7. Closing balances
- The Chairperson then tells the Record-keeper to summarise the amounts in the two funds
- The Record-keeper announces the total amount in the Social Fund once again, and instructs all members to memorise it for the next meeting
- The Record-keeper announces the total of the Loan Fund once again, and the instructs all members to memorise it for the next meeting
- The Key-holders are called by the Chairperson to lock the box

### 8. Closing
- The Chairperson invites members to discuss any other subject that may be of interest
- The Chairperson announces the date and time of the next meeting
- Once discussion is complete, the Chairperson closes the meeting

*Note: For the single visit between Training 5 and Training 6 the FO should use Annex 4: Field Officer’s consolidated guide to meeting procedures (page 42)*
Module 6: First loan repayment

Purpose of the meeting
This meeting takes place 4 weeks after the first loan disbursement (see Figure 1, page 7). The FO tells the members that this meeting will be the first time that the Association will receive loan repayments and (s)he will guide them through the steps.

First repayment of loans
The FO reminds them that loans will be taken and repaid every four weeks, even if the Group meets weekly.

The FO uses Table 10 to facilitate the first meeting with loan repayments and refers to Annex 5 to help the VSLA understand the loan record-keeping system.

Table 10: Procedures for a loan meeting with first loan repayments

<table>
<thead>
<tr>
<th>Meeting step</th>
<th>Loan Meeting with First Loan Repayments – Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Meeting Opening</td>
<td>• The Chairperson calls the meeting to order</td>
</tr>
<tr>
<td></td>
<td>• The Chairperson tells the Record-keeper to perform a roll call</td>
</tr>
<tr>
<td></td>
<td>• The Key-holders open the box, which remains in front of the Box-keeper, and the materials are taken out and placed in front of the Record-keeper</td>
</tr>
<tr>
<td></td>
<td>• The fines bowl is placed in front of the Chairperson, so that fines can be collected during the meeting</td>
</tr>
<tr>
<td>2. Social Fund</td>
<td>• The Chairperson tells the Record-keeper to conduct the Social Fund activities and reminds the members of the amount they must all contribute</td>
</tr>
<tr>
<td>(if the group does not have a Social Fund, skip to step 3)</td>
<td>• The Record-keeper asks the Group to recall the balance of the Social Fund from the previous meeting</td>
</tr>
<tr>
<td></td>
<td>• 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 members</td>
</tr>
<tr>
<td></td>
<td>• The Chairperson announces that contributions will be made to the Social Fund</td>
</tr>
<tr>
<td></td>
<td>• The Record-keeper calls each member, by number, to give their Social Fund contribution to the Money-counters</td>
</tr>
<tr>
<td></td>
<td>• When the member comes forward, they recite the rule, from the Constitution that they have been given to remember by the Chairperson. At the same time they give their Social Fund contribution to the Money-counters and are given their passbook</td>
</tr>
<tr>
<td></td>
<td>• Both Money-counters confirm that each member has given the right contribution and place it in the money-counting bowl</td>
</tr>
<tr>
<td></td>
<td>• The Record-keeper then asks if any member has missed a payment to the Social Fund in the last meeting. If so, they are asked to pay it now.</td>
</tr>
<tr>
<td></td>
<td>• The Record-keeper then asks if anyone needs a grant from the Social Fund. Members in need make their request to the Group.</td>
</tr>
<tr>
<td></td>
<td>• If a majority of the members approve the grant, the money is provided to the member according to the Constitution</td>
</tr>
<tr>
<td></td>
<td>• The Money-counters count the total amount remaining in the money-counting bowl and announce this to the members</td>
</tr>
<tr>
<td></td>
<td>• The Record-keeper records this amount in the note book</td>
</tr>
<tr>
<td></td>
<td>• The Record-keeper says that everyone should remember this amount for the next meeting</td>
</tr>
<tr>
<td></td>
<td>• The Social Fund money is then replaced in its draw-string bag and put back in the cash-box</td>
</tr>
</tbody>
</table>
### 3. Share-purchase/savings

- The Chairperson tells the Record-keeper to conduct the Share-purchase/savings activities
- The Record-keeper asks the members 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 members
- 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 announces that members will now buy shares
- The Record-keeper calls each member to the front by their number
- Each member comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper
- The Money-counters count the money, place it in the money-counting bowl and announce the amount and the number of shares that have been purchased by the member
- The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks
- The member then checks that the number of new stamps in the passbook is correct: *the passbook remains with the Record-keeper for the rest of the meeting*
- (If a member needs to make a withdrawal, they will ask for it instead of buying shares. When a withdrawal is needed, the Record-keeper will cross out the number of shares from the member’s 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 member will be equal to its original purchase price.)

### 4. Expenses

- The Chairperson asks if any money was given for expenses in the previous meeting and, if so, to give an account
- If so, 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 for stationery before the next meeting. If any expenses are approved by all of the members, the Chairperson instructs the Money-counters to take the necessary amount from the money-counting bowl and give it to the member who is responsible for paying the expense.

### 5. Loan repayment

- The Chairperson asks borrowers to identify themselves by number
- By referring to the member passbooks, the Record-keeper confirms the identity of the borrowers and the amount due from each borrower
- Each borrower is then called to the front to give their payment 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 enters the payment amount in the member’s passbook in the ‘Paid’ box
- The Record-keeper then calculates the remaining balance due and enters it in the ‘Balance’ box in the borrower’s passbook
- The Record-keeper then calculates the service charge due in the next meeting and fills in the ‘Total owing’ box.
- The borrower then signs in the space provided.
- If the remaining balance due is zero, the Record-keeper signs the passbook and announces that the loan is repaid, cancelling the loan with a diagonal red line drawn through the page
6. Calculating the new Loan Fund balance

- When loan repayment is complete, the Chairperson then tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it
- The Money-counters count the money in the Money-counting bowl and the Record-keeper announces the amount to the Group
- The Record-keeper then tells the Group that this is the money available for lending in this meeting

7. Loan taking

- The Chairperson then invites loan requests, reminding members of the maximum loan term (in weeks) and loan amount (three times the member’s savings)
- Each member who wants a loan then makes a request out loud to the Group, announcing 1. the amount they want to borrow, 2. the purpose of the loan and 3. over what period of time they expect to repay
- The Record-keeper first checks to see that the member has saved at least 1/3 of the amount they want to borrow. If they have not saved enough they must reduce the amount of their request
- The Record-keeper then calculates the total value of the loans requested and announces it
- If the total requested is more than the money available in the Loan fund, the Group must discuss adjustments to the individual loan amounts until all members are satisfied
- Once it is decided how much each borrower will receive, the Record-keeper calls each borrower to the front in order of their number
- The Record-keeper then enters the Loan number and notes ‘End’ to show the meeting when the loan must be fully repaid
- The Record-keeper then enters the value of Loan taken (Loan balance) and Service charge and enters the total in the ‘Total owing’ box in the member’s passbook
- The Record-keeper instructs the Money-counters to give the borrower the loan amount from the Money-counting bowl
- The borrower then counts the money, and signs the passbook
- The Record-keeper then instructs the borrower to announce out loud the total amount due and after how long it will be due to be repaid
- This process is repeated until all loans have been issued
- The Record-keeper tells the Money-counters to count the money remaining in the money-counting bowl and announce it to the Group
- The Record keeper records this amount in the note book
- The Record-keeper then tells the Group that this money constitutes their Loan Fund
- The Money-counters then place the Loan Fund in its draw-string bag and put it in the cash-box

8. Closing balances

- The Chairperson then receives the notebook from the Record-keeper and announces the total amount in the Social Fund, instructing all members to memorise it for the next meeting
- The Chairperson announces the total of the Loan Fund once again, and instructs all members to memorise it for the next meeting
- The Chairperson then asks the Key-holders to lock the box

9. Closing

- The Chairperson invites members to discuss any other subject that may be of interest
- The Chairperson announces the date and time of the next meeting
- Once discussion is complete, the Chairperson closes the meeting

In all meetings from now on, the FO uses the Field Officer’s consolidated guide to meeting procedures, Annex 4. This should be laminated in plastic and always carried in the field.
# Development and Maturity Phases

**Figure 3: Transition to the Development Phase**

<table>
<thead>
<tr>
<th>Preparatory</th>
<th>Intensive Phase</th>
<th>Development Phase</th>
<th>Maturity Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 1-2 Weeks</td>
<td>1 2 3 4 5 6</td>
<td>13 14 15 16 17</td>
<td>26 27 28 29 30 31 32 33 34 35 36</td>
</tr>
<tr>
<td>B</td>
<td>1 week</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The FO should schedule a visit for his/her Supervisor to attend at the end the Intensive Phase, in Week 12. The Supervisor will assess the performance of the group, and either approve it to move on to the next phase or recommend more training.

Once the FO’s Supervisor has visited and approved the VSLA to move on to the Development Phase, the FO will visit 3 times in this second phase, at each loan meeting. The FO’s role in the Development Phase is different. *The FO should observe quietly in meetings unless the Committee is making mistakes, or rules are being broken.*

The FO should schedule a second visit by the FO’s Supervisor in week 24, at the end of the Development Phase (circled in red). The Supervisor will assess the performance of the group, and either approve it to move on to the Maturity Phase or recommend more training.

During the Maturity phase, the FO only visits twice. The Group is now running its normal meetings smoothly. The main purpose of the FO’s visits in the Maturity phase is to assist the VSLA to prepare for and conduct its first share-out (Training Module 7, circled in red).

The FO will attend the share-out, to observe and join the celebration. In Training Module 7, the FO will be train the Group on share-out procedures as well as procedures to initiate the next cycle.

*MIS information should also be gathered in each of the meetings circled in red.* If possible the Supervisor should attend, increasing the reliability of the data gathered, but all VSLAs should receive at least one visit from an FO’s Supervisor to verify the VSLA’s existence and the reliability of MIS data. *There is no need to gather data more frequently.*
### Module 7: Share-out/action-audit and graduation

#### Table 11: Procedures for share-out at the end of the cycle

<table>
<thead>
<tr>
<th>Meeting step</th>
<th>Share-out procedures</th>
</tr>
</thead>
</table>
| **1. Share-out** | · The Social Fund is counted, the amount announced and put away. It does not get shared out.  
· Loan repayment and fines money for the meeting are combined with the Loan Fund  
· If any member still owes the Group money, that amount is recovered by cancelling the number of shares in his/her passbook that equal the value of the amount owing.  
· The Money Counters start counting the Loan Fund  
· While the Money Counters are counting, the Record-keeper takes the member passbooks and counts the total number of shares of the Group  
· Once the Money Counters are finished, the Record-keeper uses the calculator to divide the total of the Loan Fund by the total number of shares. This determines the value of a single share. It should be written down to three decimal places (for example, TShs 756.244).  
· Next, the Record-keeper multiples the number of shares in each passbook by the value of one share. (S)he then announces the number of shares and the amount, rounding down to the **lowest** unit of currency. (S)he then asks the Money Counters to put that amount into the passbook, which is set aside.  
· The Record-keeper then cancels all of the members shares by drawing a large cross on each page of the passbook on which there are share stamps  
· **All passbooks are treated in the same way before anyone receives any money.** Once the process is complete, there will be a small amount of money remaining due to rounding, 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 in the Social Fund.  
· All members are given their passbooks with all the money. **It is very important that every member’s money is placed in their hand.**  |
| **2. Preparation for the next cycle** | · Any member who wishes to leave the Group should be free to do so  
· New members can now be allowed to join, if all remaining members agree  
· The continuing members now decide on the share price for the next cycle  
· If the group wishes to establish seed capital to initiate the next cycle, they should now do so. **All members may contribute whatever amount they wish,** and it can be more than 5 shares on this one occasion, denominated at the new value.  
· The number of shares is recorded in the passbook of each member, in the “Starting number of shares this page” box  
· The Money-counters count the seed capital and place it in the Loan Fund bag in the cash-box  
· The Chairperson announces the amount and explains that this is the balance of the Loan Fund to start the next cycle  
· The box is now locked and the old cycle is now formally ended  
· The FO then explains to the Group that in their next meeting, they must hold elections and then revise their Constitution, which new members must sign. (S)he then offers to attend the next meeting to assist with elections and the Constitution. |
5 Village Agents as trainers

5.1 Village Agents

Village Agents are a means to expand a programme cost-effectively and to create a permanent, self-financing VSLA support capacity in local communities. VAs are VSLA members with the skills and motivation to train new VSLAs for a fee paid by the group itself.

When VAs are used, the role of the FO changes. The FO starts out directly training VSLAs in areas where VSL is unknown (these may be thought of as ‘starter’ VSLAs). (S)he does this because it is necessary to create demand for VSL training services and this can only be done through the demonstration effect of successful VSLAs. At the same time, the FO will identify people who may qualify to be trained as VAs from amongst the members of VSLAs. Once this is done and new VAs are selected and trained, the FO reduces his/her training load and spends most of his/her time as a VA Supervisor.

Starter VSLAs need to be relatively far apart, so that each VA will have the opportunity to train 5-6 VSLAs at any one time and continue to increase the number of VSLAs for several years thereafter.¹ The size of the geographic area set aside for each VA will depend on population density, and a VA’s motivation to form distant groups will depend on their mode of travel (foot, bicycle, public transport, etc).

In this approach, an FO forms the first 10-15 Groups over a relatively wide geographic area. VAs are then selected, one per starter Group, as soon as the three month intensive training phase is completed. The VAs, rather than the FO, then continues the mobilisation and training of new groups in the area under the supervision of the FO. In this approach VAs are provided with a bicycle.²

Using VAs as trainers is a proven approach but has taken different forms and there is a need to adopt a common set of principles – yet much remains to be learned. The clear advantage of VAs, apart from potential implementation cost savings, is the opportunity to leave behind a trusted mentor, who can assist VSLAs which struggle with democratic procedures, share-out calculations and the occasional conflict. At least as important, the VA will be able to continue to create new VSLAs, until local demand is satisfied without further programme investment.

5.2 Compensation mechanisms for Village Agents

VAs are not volunteers nor do they work for an ‘incentive’ salary and take their orders from an implementing organisation. From the start, VAs expect to be paid by VSLAs and know that their relationship with an implementing organisation is built around the understanding that over a year they will be helped to become independent, competent trainers of new VSLAs and helped to develop market demand that they can exploit for their own benefit thereafter.

Thus, as soon as the VA model is implemented, each new VSLA will pay the VA a fee for training and supervision services. This should be about $1-2 per training session, paid in a manner that is appropriate for both the VA and the VSLA members. Implementing Organisations are currently experimenting with various payment mechanisms for VAs and the following are suggested options:

- A fee of about $1-3 for each of the 15 scheduled training visits, paid in cash
- 3 to 5 shares for each of the scheduled training and supervision visits, provided the VA attends and completes the training; this allows the VA to participate in the success of the

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¹ This has been a typical caseload for VSLAs up to this point.
² Although the FO will work with 10-15 starter VSLAs, (s)he will only select a maximum of 8 people to become VAs. If the number of VAs is greater than 8, the FO cannot provide proper supervision.
VSLA by receiving profit at the share-out\textsuperscript{3}

Once a standard fee has been established, it becomes the norm for a given region and eliminates the need for VAs to negotiate different terms for each training contract with each VSLA.

5.3 The identification of Village Agents

VAs are identified by the Field Officer, in collaboration with the members of each group. However the members must not vote for the VA. Experience shows that a democratic decision may lead to a popular or influential individual, who lacks the appropriate skills, being selected for the role. The VA must be identified by the FO on the basis of the following criteria. The VA must:

- stand out in meetings as a natural motivator, having learned the procedures of VSL quickly and having a respect for disciplined meetings
- have sufficient literacy and numeracy (demonstrated)
- have the energy to train a large number of VSLAs and travel the necessary distances
- is always punctual
- is known to be honest
- have expressed a strong, sincere desire to train VSLAs

The FO will not select an individual who does not meet these criteria, regardless of whether or not they have the group’s support. Conversely, the FO will never select someone who does not enjoy the support of his or her VSLA. The group’s role is more to confirm, rather than to select the VA.

5.4 The training of Village Agents

Once selected, the VA will receive a formal training and will be provided with the companion to this guide: Village Agent Training Guide. This guide contains all the tools needed for a VA to carry out training and supervision of VSLAs, and incorporates the contract formats required to formalise the relationship between VAs and VSLAs. The training of VAs has two components:

- 3 days of classroom training in which the FO works through all of the training modules. The VA will already be familiar with these, but the FO will focus on training tools and techniques, and time management
- At least 1 month accompanying the FO on his/her training visits to VSLAs to observe both training and supervision

Once completed the VA will be required to schedule his/her time as per Annex 9.

5.5 Introduction of VAs to VSLAs

After VAs have been trained by the FO, they will be formally introduced to the VSLAs that they will train. The FO will accompany the VA on each of these visits and will introduce the VA to the VSLA as a competent facilitator who will train the VSLA over a 9-month period, during which they will visit 15 times.

The FO will already have told the VSLA in the induction meeting about the fees that will be charged. The FO will confirm that the VSLA is in agreement and will work through the VA contract and agree on the preferred form of payment (cash or shares). The contract format is attached in Annex 7. The involvement of the FO in this process is important, because it

\textsuperscript{3} This mechanism has yet been tested. The predictable downside to this approach is the incentive for the VA to encourage a higher share price and higher loan service charge rates. However the positive aspect of linking the VA’s success to the VSLAs own success is worth testing.
prevents the VSLAs from exploiting VAs and attempts by the VAs to prolong their relationship with the VSLA and charge fees much longer than necessary.

The FO will accompany the VA to meetings of different VSLAs at which the different modules are taught. This means that the FO will attend a meeting at which Module 1 is taught by the VA to one VSLA. (S)he will then accompany the VA to a meeting at which Module 2 is taught, and so on. **This does NOT mean that the FO accompanies the VA to all 7 training modules of all VSLAs.**

### 5.6 Village Agent Certification

If the VA is to be more than an unpaid FO, whose work ceases when a programme comes to an end, it is important that there is independent verification of his/her capabilities. At the end of one year’s supervision, a VA will be examined. This will consist partly of assessments by the FO over the course of the year, but be validated by the FO’s Supervisor, who will accompany the VA to at least 2 different training and supervision meetings. The certification process needs to be more than a rubber stamp. There should be a proportion of VAs who may fail, or require re-training and an extension of their supervision period before receiving the certificate. FOs should also be assessed during this process on the quality of the candidate VA.

Once VAs are certified, the programme will consider them to be independent and able to carry out VSL training at their own discretion; and charging fees that will be recognised as standard in the area by this time.

### 5.7 The role of Village Agents in graduated VSLAs

Implementing Organisations are still learning about the use of VAs in support of graduated VSLAs. So far, VAs have been used as trainers of new VSLAs. However there are several potential roles for VAs which can be tested by Implementing Organisations:

- **Support for share-out and annual elections.** This reinforces the need for an annual share-out, and helps ensure that VSLAs elect their management committee every year. VSLAs should pay a fee for these services.
- **Support on an as-needed basis, for re-training and conflict resolution.** These would also be fee-based visits
- **VAs as commercial agents for financial institutions which offer services to VSLAs.** Examples might include:
  - Commissioned sales of insurance products
  - Fee-based services for facilitating access to regulated savings services (this fee would likely be paid by the deposit-taking institution)
  - Fee-based services for facilitating access to supplemental credit (this fee would likely be paid by the VSLA)
- **Paid services provided to donor funded programmes for implementation of complementary programmes or data collection**

The VSL methodology is designed not to require ongoing support after graduation. However these services by a VA may add value and contribute to long-term sustainability where conditions permit.
Annex 1: Election procedures

The FO prepares the members for the election and explains the process (see Figure 4, below). (S)he brings three bags to the Group meeting, each in a different colour, with a matching card (red bag with red card, etc). (S)he also provides one small stone for each member.

Each of up to three candidates (for each position) 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 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.

At the end of the elections, the FO explains that in the next cycle, a trusted member shall be the observer, and agrees not to vote.

Figure 4: Diagram of election procedures
Annex 2: Constitution framework

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.

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

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: __________________________________________________________
Annex 3: 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 two keys
- 25 Passbooks
- 25 Member number cards
- 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 4: Field Officers’ consolidated guide to meeting procedures

This guide should be copied and laminated in plastic for reference in the field and routinely used for Group meetings, after the completion of the training. *In this table the role of the Chairperson is highlighted and can also be used by the Chairperson in running a meeting.*

Table 12: Consolidated guide to meeting procedures

<table>
<thead>
<tr>
<th>Meeting step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| **1. Meeting opening** | • The Chairperson calls the meeting to order  
|                   | • The Chairperson tells the Record-keeper to perform a roll call           |
|                   | • The Key-holders open the box, which remains in front of the Box-keeper,   |
|                   | and the materials are taken out and placed in front of the Record-keeper   |
|                   | • The fines bowl is placed in front of the Chairperson, so that fines can  |
|                   | be collected during the meeting                                           |
| **2. Social Fund (if the group does not have a Social Fund, skip to step 3)** | • The Chairperson tells the Record-keeper to conduct the Social Fund activities and reminds the members of the amount they must all contribute |
|                   | • The Record-keeper asks the Group 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 members |
|                   | • The Chairperson announces that contributions will be made to the Social Fund |
|                   | • The Record-keeper calls each member, by number, to give their Social Fund contribution to the Money-counters |
|                   | • When the member comes forward, they recite the rule, from the Constitution that they have been given to remember by the Chairperson. At the same time they give their Social Fund contribution to the Money-counters and are given their passbook |
|                   | • Both Money-counters confirm that each member has given the right contribution and place it in the money-counting bowl |
|                   | • The Record-keeper then asks if any member has missed a payment to the Social Fund in the last meeting. If so, they are asked to pay it now. |
|                   | • The Record-keeper then asks if anyone needs a grant from the Social Fund. Members in need make their request to the Group. |
|                   | • If a majority of the members approve the grant, the money is provided to the member according to the Constitution |
|                   | • The Money-counters count the total amount remaining in the money-counting bowl and announce this to the members |
|                   | • The Record-keeper records this amount in the note book |
|                   | • The Record-keeper says that everyone should remember this amount for the next meeting |
|                   | • The Social Fund money is then replaced in its draw-string bag and put back in the cash-box |
### 3. Share-purchase/savings

- The Chairperson tells the Record-keeper to conduct the Share-purchase/savings activities
- The Record-keeper asks the members 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 members
- 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 announces that members will now buy shares
- The Record-keeper calls each member to the front by their number
- Each member comes to the front and buys between 1 - 5 shares, giving the money to the Money-counters and their passbook to the Record-keeper
- The Money-counters count the money, place it in the money-counting bowl and announce the amount and the number of shares that have been purchased by the member
- The Record-keeper stamps the correct number of shares into the passbook and crosses out any unused blocks
- The member then checks that the number of new stamps in the passbook is correct: the passbook remains with the Record-keeper for the rest of the meeting
- (If a member needs to make a withdrawal, they will ask for it instead of buying shares. When a withdrawal is needed, the Record-keeper will cross out the number of shares from the member’s 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 member will be equal to its original purchase price.)

### 4. Expenses

- The Chairperson asks if any money was given for expenses in the previous meeting and, if so, to give an account
- If so, 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 for stationery before the next meeting. If any expenses are approved by all of the members, the Chairperson instructs the Money-counters to take the necessary amount from the money-counting bowl and give it to the member who is responsible for paying the expense.
5. Loan repayment
   (if this is not a loan meeting, skip to step 6 and then to step 8)
   - The Chairperson asks borrowers to identify themselves by number
   - By referring to the member passbooks, the Record-keeper confirms the identity of the borrowers and the amount due from each borrower
   - Each borrower is then called to the front to give their payment 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 enters the payment amount in the member’s passbook in the ‘Paid’ box
   - The Record-keeper then calculates the remaining balance due and enters it in the ‘Balance’ box in the borrower’s passbook
   - The Record-keeper then calculates the service charge due in the next meeting and fills in the ‘Total owing’ box.
   - The borrower then signs in the space provided.
   - If the remaining balance due is zero, the Record-keeper signs the passbook and announces that the loan is repaid, cancelling the loan with a diagonal red line drawn through the page

6. Calculating the new Loan Fund balance
   - When the loan repayment procedures are complete, the Chairperson then tells the Money-counters to combine the money in the fines bowl and the money-counting bowl and to count it
   - The Money-counters count the money in the Money-counting bowl and the Record-keeper announces the amount to the Group
   - The Record-keeper then tells the Group that this is the money available for lending in this meeting

7. Loan taking
   - The Chairperson then invites loan requests, reminding members of the maximum loan term (in weeks) and loan amount (three times the member's savings)
   - Each member who wants a loan then makes a request out loud to the Group, announcing 1. the amount they want to borrow, 2. the purpose of the loan and 3. over what period of time they expect to repay
   - The Record-keeper first checks to see that the member has saved at least 1/3 of the amount they want to borrow. If they have not saved enough they must reduce the amount of their request
   - The Record-keeper then calculates the total value of the loans requested and announces it
   - If the total requested is more than the money available in the Loan fund, the Group must discuss adjustments to the individual loan amounts until all members are satisfied
   - Once it is decided how much each borrower will receive, the Record-keeper calls each borrower to the front in order of their number
   - The Record-keeper then enters the Loan number and notes ‘End’ to show the meeting when the loan must be fully repaid
   - The Record-keeper then enters the value of Loan taken (Loan balance) and Service charge and enters the total in the ‘Total owing’ box in the member's passbook
   - The Record-keeper instructs the Money-counters to give the borrower the loan amount from the Money-counting bowl
   - The borrower then counts the money, and signs the passbook
### 7. Loan taking (cont.)

- This process is repeated until all loans have been issued
- The Record-keeper tells the Money-counters to count the money remaining in the money-counting bowl and announce it to the Group
- The Record keeper records this amount in the note book
- The Record-keeper then tells the Group that this money constitutes their Loan Fund
- The Money-counters then place the Loan Fund in its draw-string bag and put it in the cash-box

### 8. Closing balances

- The Chairperson then receives the notebook from the Record-keeper and announces the total amount in the Social Fund, instructing all members to memorise it for the next meeting
- The Chairperson announces the total of the Loan Fund once again, and instructs all members to memorise it for the next meeting
- The Chairperson then asks the Key-holders to lock the box

### 9. Closing

- The Chairperson invites members to discuss any other subject that may be of interest
- The Chairperson announces the date and time of the next meeting
- Once discussion is complete, the Chairperson closes the meeting
Annex 5: Use of passbooks

Savings

VSLA members save in the form of shares, which are stamped in the front section of the passbook, as shown in Figure 5.

**Figure 5: Passbook with 11 shares stamped in**

*Explanation:* The illustration shows that there have been five meetings and that the member has bought eleven shares.

When members make their contribution, the Secretary stamps in each passbook the number of shares purchased and the member confirms that the amount is correct.

On each line, the unused spaces are marked through with a diagonal line to prevent fraudulent entry of shares at a later date.

The value of shares purchased is 11 x TShs 500 = TShs 5,500.

**Figure 6: Passbook showing the sale of three shares**

*Explanation:* Two meetings later, in the seventh meeting of the cycle, the member was unable to save. To show that she did not save anything at this meeting, the row for meeting 7 is cancelled by the Secretary, with a diagonal line.

In addition, the member asked to sell three shares, thus receiving TShs 1,500 (500 x 3 = TShs 1,500).

The three shares she bought in meetings 5 and 6 are deleted, using a red pen, and the money is paid to the member.

The possibility of selling shares allows members to access their savings, **but all members must understand that they will lose future earnings when profits are distributed. Once sold, the shares cannot be replaced.**
Figure 7: Situation at the end of 13 meetings

Explanation: Figure 7 shows what the passbook looks like when a page is filled. By the 13th meeting (the book contains 13 lines here, to cover a quarter of a year), the member had purchased a total of 28 shares. But, as we have seen, she 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 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.
Loans

Loans are recorded in the back of the passbook. They are not shown in the form of stamps but are written as numbers. Note: each loan occupies a full page.

Figure 8: Member loan record (1)

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Amount</th>
<th>Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loan balance</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service Charge</td>
<td>3,000</td>
<td>Monica</td>
</tr>
<tr>
<td></td>
<td>Total owing</td>
<td>33,000</td>
<td></td>
</tr>
</tbody>
</table>

Paid

| Loan balance | 30,000 |
| Service charge | 3,000 |
| Total owing  | 33,000 |

Paid

End

| Loan balance | 30,000 |
| Service charge | 3,000 |
| Total owing  | 33,000 |

Explanation: The example on the left is a member’s (Monica’s) first loan, as shown in the ‘Loan No.’ column. She borrows TShs 30,000. No date is shown since loan meetings follow each other at intervals of 4 weeks.

The service charge is TShs 3,000 because her Group charges 10% of the loan amount every four weeks. In this case, the loan period is 12 weeks, indicated by the word ‘End’ against the ‘Paid’ row, 12 weeks in the future.

Monica signs this to show that she understands that she owes TShs 30,000 for the loan and TShs 3,000 as the service charge for the first 4 weeks.

Figure 9: Member loan record (2)

<table>
<thead>
<tr>
<th>No</th>
<th>Item</th>
<th>Amount</th>
<th>Signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loan balance</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service Charge</td>
<td>3,000</td>
<td>Monica</td>
</tr>
<tr>
<td></td>
<td>Total owing</td>
<td>33,000</td>
<td></td>
</tr>
</tbody>
</table>

Paid

| Loan balance | 30,000 |
| Service charge | 3,000 |
| Total owing  | 33,000 |

Paid

End

| Loan balance | 30,000 |
| Service charge | 3,000 |
| Total owing  | 33,000 |

Explanation: At the next loan meeting, four weeks later, she makes the service charge payment of TShs 3,000 but no repayment of the principal sum. The next entry in her passbook appeared as in Figure 9.

This shows that after paying the service charge, the member still owes TShs 30,000 (TShs 30,000 Loan Amount plus TShs 3,000 Service Charge minus Amount Paid TShs 3,000). A service charge of another TShs 3,000 is then added to cover the next four weeks.

Thus, the member is told that she owes TShs 33,000.

Note: The service charge is calculated as the same amount at every loan meeting, no matter how much has been paid back. This is to simplify the calculations of balances owed. Use of declining balance service charges is recommended only where e-recording is
Written systems that use declining balance calculations are prone to error and take much longer for Record-keepers to fully understand, especially when literacy levels are low.

Figure 10: Member loan record (3)

Explanation: After another four weeks, she made a loan repayment of TShs 10,000. Because she owed TShs 33,000 (TShs 30,000 principal plus TShs 3,000 accrued service charge) this means that she now has a balance of TShs 23,000.

The Record-keeper receives the TShs 10,000 and writes a loan balance of TShs 23,000 on the next line. She also adds a service charge of TShs 3,000, which will be owed at the next loan meeting. Thus, the total amount owed is TShs 26,000.

Figure 11: Member loan record (4)

Explanation: Figure 11 on the left shows that at the next meeting, the member pays the full TShs 26,000 owing. The Record-keeper (Helen) enters TShs 26,000 in the ‘Paid’ row and signs the entry.

Once the loan is fully paid, the Record-keeper draws a red line through the whole loan record. This indicates that the loan has been completely repaid.

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4 E-recording is an Android software for use with VSLAs that have access to smart-phones. https://play.google.com/store/search?q=e-recording&c=apps
Annex 6: Collecting data for the SAVIX management information system

The internet-based management information system (The SAVIX MIS – www.mis.thesavix.org) 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 (probably every month or two), and (s)he will be able to show you how you are progressing against your workplan and which of your groups are doing well and which may need some help to improve.

To be able to do this, you have to collect some information from all of the groups that you work with. This needs to be done at the beginning of the cycle in the meeting in week 4 and at every change of phase (or about every 3 months, during a loan meeting). You do not need to collect this data more often than this.

Data collection is the responsibility of the FO. You do not ask the VAs to collect this information for you, because experience has shown that data quality drops when it is done by VAs, unless they are carefully selected for their numeracy skills - and the accuracy of their data carefully monitored until they become independent.

Tables 15a and 15b are an example of a completed Data Collection Form.

Table 16 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. The FO’s Supervisor should be consulted, in case the FO is unsure. If the Supervisor is unsure of definitions or data collection methods, the programme should contact hugh@vsla.net for further clarity.

Table 15a: Field Officer’s Data Collection Form - Static data

<table>
<thead>
<tr>
<th>Data collected at formation of group</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group name</td>
<td>Umoja 1</td>
</tr>
<tr>
<td>Group trained by (name of trainer)</td>
<td>Julia Majara</td>
</tr>
<tr>
<td>Date of first training</td>
<td>2/3/13</td>
</tr>
<tr>
<td>Number of Members at creation of Group</td>
<td>21</td>
</tr>
<tr>
<td>Latitude (optional)</td>
<td>-3.39865</td>
</tr>
<tr>
<td>Longitude (optional)</td>
<td>36.26547</td>
</tr>
</tbody>
</table>

This table shows the initial data for a newly formed group. This is only collected one time, because it will not change.

The table on the following page shows the data that is regularly collected, every quarter (about 90 days)
Table 15b: Field Officer’s Data Collection Form – Cycle data and main dataset

<table>
<thead>
<tr>
<th>Data always collected from a group</th>
<th>Worksheet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group name and number</strong></td>
<td><strong>No of Mbr</strong></td>
</tr>
<tr>
<td>Umoja 1 - 0001</td>
<td>1</td>
</tr>
<tr>
<td>Cycle number</td>
<td>2</td>
</tr>
<tr>
<td>Date savings started this cycle</td>
<td>20/11/13</td>
</tr>
<tr>
<td>Group status at start of cycle (supervised/self-managed)</td>
<td>Self-managed</td>
</tr>
<tr>
<td>Group monitored by (name)</td>
<td>Julia Majara</td>
</tr>
<tr>
<td>Registered members when savings started this cycle</td>
<td>26</td>
</tr>
<tr>
<td>Savings re-invested at start of cycle</td>
<td>35,000</td>
</tr>
<tr>
<td>Property at start of cycle</td>
<td>95,000</td>
</tr>
<tr>
<td><strong>Date of data collection</strong></td>
<td><strong>7/5/14</strong></td>
</tr>
<tr>
<td><strong>No. of registered Members now</strong></td>
<td>27</td>
</tr>
<tr>
<td><strong>No. of registered women now</strong></td>
<td>24</td>
</tr>
<tr>
<td><strong>No. of Members attending this meeting</strong></td>
<td>22</td>
</tr>
<tr>
<td><strong>Dropouts this cycle</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Value of savings this cycle</strong></td>
<td>1,360,000</td>
</tr>
<tr>
<td><strong>Value of loans outstanding</strong></td>
<td>1,575,000</td>
</tr>
<tr>
<td><strong>No. of loans outstanding</strong></td>
<td>15</td>
</tr>
<tr>
<td><strong>Write-offs this cycle</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Loan fund cash in box</strong></td>
<td>65,400</td>
</tr>
<tr>
<td><strong>Other assets and liabilities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Bank balance</strong></td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Social fund balance</strong></td>
<td>53,500</td>
</tr>
<tr>
<td><strong>Property now</strong></td>
<td>145,000</td>
</tr>
<tr>
<td><strong>External debts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Dividends and share-out</strong></td>
<td></td>
</tr>
<tr>
<td>Dividends paid this cycle</td>
<td>0</td>
</tr>
<tr>
<td>Is this an end-of-cycle share-out (distribution) meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>In-field profit calculation</strong></td>
<td></td>
</tr>
<tr>
<td>Value of loans outstanding</td>
<td>1,575,000</td>
</tr>
<tr>
<td>Plus: Loan fund cash in box</td>
<td>65,400</td>
</tr>
<tr>
<td>Plus: Bank balance</td>
<td>25,000</td>
</tr>
<tr>
<td>Plus: Property now</td>
<td>145,000</td>
</tr>
<tr>
<td>Minus: Value of Savings this Cycle</td>
<td>1,360,000</td>
</tr>
<tr>
<td>Minus: Property at Start of Cycle</td>
<td>95,000</td>
</tr>
<tr>
<td>Minus: External debts</td>
<td></td>
</tr>
<tr>
<td>Equals: Profit (or loss) to date</td>
<td>355,400</td>
</tr>
<tr>
<td><strong>Price of 1 share</strong></td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total savings</strong></td>
<td>1,360,000</td>
</tr>
</tbody>
</table>
The two columns on the left show the data required and the data itself, entered here as an example. The two columns to the right are only used by the FO to add up the total value of all share purchases and to find out the total value of loans outstanding by members of the VSLA. It is intended to simplify the most difficult items on the FO data collection form (items 15, 16 and 17).

The FO proceeds as follows:

**Savings**
- Collect all of the members’ passbooks, before they are put back in the box at the end of the meeting
- Open each passbook at the current meeting and add up all of the shares stamped on this page. Add this amount to the ‘Number of shares at the start of the page’. Enter the total number of shares against the member’s number.
- Add up the total number of shares and write it in the ‘Total’ box
- In the next box write the price of a single share (in this example, 500)
- Multiply this amount with the figure in the ‘Total’ box
- Put the result in the box designated for ‘Value of savings this cycle’

**Loans**
- From the member passbooks, identify all outstanding loans (with a balance remaining to be paid) and the balance owed by each borrower. Enter this amount against the member’s number. Do not include service charges due.
- In the occasional case that a member has more than one loan due, add them together
- Add up the total value of loans outstanding and write it in the ‘Total’ box

The FO completes this form for each group at the beginning of the cycle and at each change of phase, and submits it to his/her Supervisor.
Table 16 (1): Data definitions for static data (refer to Table 15a)

These are data that needs only to be entered once, when the group is created, usually during training. It records data that never changes and need never be filled out again.

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Type</th>
<th>Description</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group Name</td>
<td>Text</td>
<td>The group name to identify the group. Usually this is chosen by the group.</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Group formed by</td>
<td>Text</td>
<td>The name of the person who originally trained the group. 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.</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Date of formation</td>
<td>Date</td>
<td>The date on which the group was first formed to become a savings group. We ask for this because it will enable us to always know how long the group has been working as an SG. So, for example, if a group already existed (i.e. a farmers’ group) you would not write the time it was first trained as a farmers’ group but when it received its first training to be able to start operating as a savings group.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
| 4  | Latitude/Longitude Specific to a standard convention | Standard Latitude and Longitude format (Degrees, Minutes, Seconds) *This is optional data* but must be generated by a GPS device and written in a standard formats:  
The decimal degrees format (dd) is recommended because latitude and longitude are expressed in simple decimal numbers (i.e. N 51.15208 E 007.5950) and most GPS devices can be configured to use this.  
If a different system is used, the SAVIX MIS software has an inbuilt converter to render the result in the dd format.  
These data will change only if the group changes its meeting place. | No        |
| 5  | Number of members at formation | Numeric               | The total number of members of the group at the start of the *first cycle*. This number will NOT change in subsequent cycles  | Yes       |
### Table 16 (2): Data definitions for Cycle data (refer to Table 15b)

These are data that are verified at every visit to the group, but are unlikely to change after the first meeting of a cycle.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Type</th>
<th>Description</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Group name</td>
<td>Text</td>
<td>The group name to identify the group. Usually this is chosen by the group.</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>Cycle number</td>
<td>Numeric</td>
<td>This is the cycle number of the group. A cycle is a period in which a group saves, gives loans to its members and finally shares out its assets.</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Date savings started this cycle</td>
<td>Date</td>
<td>The date when the people started saving money during this cycle. It does not refer to the date that the group first started saving, if the group 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</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>Group Status</td>
<td>Text</td>
<td>Choice: Supervised or Self-managed. A group may still be receiving training and supervision as a savings group, 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 Savings Group that are not related to savings and credit, this is not relevant. The status as being Supervised/Self-managed only refers to the savings and credit activities of the group</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>Group monitored by</td>
<td>Text</td>
<td>The name of the person who is monitoring the group. If data is being collected from the groups, then this is the name of the person doing this on a regular basis. It may not be the person who trained the group.</td>
<td>Yes</td>
</tr>
<tr>
<td>6</td>
<td>Registered members when savings started this cycle</td>
<td>Numeric</td>
<td>The number of group members at the start of the current cycle. This will be the same as the number of registered members filled out on the Group Static Fields sheet for the first cycle, but may change in subsequent cycles.</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Savings reinvested at start of cycle</td>
<td>Currency</td>
<td>The total amount of cash in the loan fund that was carried over from the previous cycle. This can be either in the form of cash or may also include loan fund money deposited to a financial institution.</td>
<td>Yes; default 0</td>
</tr>
<tr>
<td>8</td>
<td>Property at start of cycle</td>
<td>Currency</td>
<td>The value of the physical property owned by the group at the start of the cycle, not including any Seed capital. The value of this property is listen only as the purchase price paid. No depreciation or appreciation is estimated.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Table 16 (3): Data definitions for main Dataset (also refer to Table 15b)
These are data that are collected at every meeting and are very likely to change

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Type</th>
<th>Description</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Information</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Date of data collection</td>
<td>Date</td>
<td>The exact date this data was collected in the field.</td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>No. of registered members now</td>
<td>Numeric</td>
<td>The number of people at the time of data collection who are considered by the group to be members. They may not be present at the meeting for various reasons (i.e. illness) but are counted as members.</td>
<td>Yes</td>
</tr>
<tr>
<td>11</td>
<td>No. of registered women now</td>
<td>Numeric</td>
<td>The number of women at the time of data collection who are considered by the group to be members.</td>
<td>Yes</td>
</tr>
<tr>
<td>12</td>
<td>No. of members attending this meeting</td>
<td>Numeric</td>
<td>The number of group 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.</td>
<td>Yes</td>
</tr>
<tr>
<td>13</td>
<td>Dropouts this cycle</td>
<td>Numeric</td>
<td>The amount of dropouts in this cycle until this now. A dropout is a member who has left the group for <em>any</em> reason (voluntarily leaving for no specific reason, removal by the other members for reasons they deem sufficient, death, moving away to live elsewhere etc.)</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td></td>
<td><strong>Loans and savings</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Value of Savings this cycle (including seed capital)</td>
<td>Currency</td>
<td>Total value of all savings to date this cycle. This sum includes seed capital (which is assumed to be member savings)</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>15</td>
<td>Value of loans outstanding</td>
<td>Currency</td>
<td>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 <em>the total value of all remaining principal</em> to be repaid. <em>It does not include interest.</em></td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>16</td>
<td>No. of loans outstanding</td>
<td>Numeric</td>
<td>Number of loans outstanding at the time of data collection.</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>17</td>
<td>Write offs this cycle</td>
<td>Currency</td>
<td>The amount of any loans lost or forgiven during this cycle. This is a cumulative figure</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>18</td>
<td>Loan fund cash in box</td>
<td>Currency</td>
<td>The amount of Cash in the Box which is available to members for loans.</td>
<td>Yes, default 0</td>
</tr>
</tbody>
</table>
### Other assets and liabilities

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Type</th>
<th>Description</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Bank balance</td>
<td>Currency</td>
<td>The total balance of all funds the group has deposited to any type of financial institution.</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>20</td>
<td>Social fund balance</td>
<td>Currency</td>
<td>The total amount of cash held by the group in any other funds separate from the loan fund. In most cases this refers only to the Social Fund, but some groups have additional funds, such as Education funds or Loan insurance funds etc.</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>21</td>
<td>Property now</td>
<td>Currency</td>
<td>The total value of all of the property owned by the group at the time of data collection. It refers to all types of physical property owned by the group. The value of this property is the purchase price paid. No attempt should be made either to depreciate or re-value physical assets.</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>22</td>
<td>External debts</td>
<td>Currency</td>
<td>The total value of the debts a group owes to external organizations (banks, coops, SAACOs) or individuals</td>
<td>Yes, default 0</td>
</tr>
</tbody>
</table>

### Dividends and share-out

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Type</th>
<th>Description</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Dividends paid this cycle</td>
<td>Currency</td>
<td>Some groups make a partial share-out during a cycle (usually for buying inputs to agriculture, or for important ceremonies: SHGs fall into this category). ‘Dividends paid this cycle’ refers to the total money that was paid out to members, before the main share-out. It is a cumulative figure.</td>
<td>Yes, default 0</td>
</tr>
<tr>
<td>24</td>
<td>End of cycle share-out meeting</td>
<td>Yes/No</td>
<td>This field, displayed as a checkbox, is intended to indicate if the meeting at which the data was collected was a share-out meeting at the end of the cycle. The system has a default of ‘No’ and this must be changed to ‘Yes’ if it is a share-out meeting</td>
<td>Default No</td>
</tr>
</tbody>
</table>
Annex 7: Agreement between a VSLA and a VA

This agreement is between _____________________________ (Village Agent name) and _____________________________ (Group name)

The Village Agent agrees to:
• Provide high quality training on VSL, making 15 visits over 36 weeks (or longer if needed)
• Be on time at the agreed meeting time and place
• Never touch the Group’s money, write in its records, or take the box away
• Never ask to take a personal loan
• Never ask for a gift from the Group

The VSLA agrees to:
• Ensure every member comes on time and attends every meeting
• Follow the rules and procedures taught to them
• Pay the Village Agent at each of the 15 training visits the sum of _________________
• Payment will be made in the form selected by the VA below (check relevant box):

☐ In cash for each training visit

☐ In the equivalent value in shares for each training visit  Note: The VA cannot ask for a loan. The passbook is only intended to show what the VA is owed at the share-out

The meetings will be held at (place): ________________________________

The meeting time will be: ____________________________________________

The Village Agent telephone number is: _______________________________

VSLA Chairman (or other) telephone number is: _________________________

VA signature and date _____________________________________________

Chairman signature and date _________________________________________

Witness signature and date __________________________________________
Annex 8: Field Officer time management

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<th>Tuesday</th>
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<th>Saturday</th>
<th>Sunday</th>
<th>Tasks</th>
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