



**USAID Open
Doors Project**
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Without Us

MAY 2018

Trainer's Guide

Group Savings and Loan Associations (GSLA)



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ACKNOWLEDGEMENTS

This trainer's guide has been adapted from the Zambia Prevention Initiative Facilitators guide and the Village Saving and Loan Association facilitators guide for the International Rescue Committee.

The purpose of this guide is to assist trainers in Group Savings and Lending Associations (GSLA) for Self Help Groups (SHGs) by providing a step by step approach to delivering training sessions. It can be used both in village setting as well as peri-urban and urban settings. The guide has been developed from the GSLA facilitator's guide. The facilitator's guide should be used as an ongoing guide by the group mentor or group leaders to build on the SHG capacity to manage their saving and loan activity. This trainers guide will be used in a 3 and half days standard training for SHGs, its focus will be the 6 modules that will build the capacity of SHGs to manage the savings and loans process while at the same time appreciating group membership. The USAID Open Doors Project's target audience are Key Populations, therefore this manual will be used to facilitate trainings in GSLA for SWs, MSM and TGs as one of the strategies to reduce vulnerability among the KPs under the Economic Strengthening (ES) strategy.

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ACRONYMS

ES Economic Strengthening

GSLA Group Savings and Loan Associations

VSLA Village Savings and Loan Associations

SHG Self Help Group

GROW Grassroots Building Our Wealth

KPs Key Populations

MSM Men who have sex with Men

FSW Female Sex Workers

TG Transgender

MODULE 1. How to Conduct a Mobilization Meeting with KPs

The purpose of this module is to guide Community Mobilization Officers on how to conduct a mobilization meeting for Group Saving and Loan Association under Economic Strengthening of the USAID Open Doors Project.

This module is used when the KPs have already been identified from the community.

PRELIMINARY MEETING WITH POTENTIAL GROUPS

OBJECTIVES:

By the end of the meeting

- The participants will have a detailed understanding of the methodology.
- The participants will decide if they want to form a GSLA
- Community workers will schedule a meeting for collecting group list.

ADVANCE PREPARATION

- Prepare meeting agenda.
- Set appointment date and time.
- Identify potential participants through peer promoters and outreach workers

NOTES FOR THE COMMUNITY MOBILIZATION OFFICER (FACILITATOR)

The purpose of the meeting is for the facilitator to explain his/her presence in the community and what (s)he will be doing. The preliminary meeting is targeted to interested GSLA participants. This meeting can involve two or three groups, but probably not more, because it becomes unmanageable and does not provide the opportunity for everyone's questions to be answered.

MEETING PROCEDURES

STEP 1 Introductions

Time: 15 minutes



- Ask participants to introduce themselves where they are coming from and which KP community they belong to
- Provide a brief overview of the USAID Open Doors Project and how the ES component fits in.
- Share the ES strategy for the Open Doors Project

STEP 2 Program presentation

Time: 20 minutes



Present the GSLA intervention. Explain that the program seeks to build the capacity of community groups to be able to mobilize savings for the purpose of:

1. Increasing household financial security.
2. Providing the opportunity for members to access loans for investment and other needs.
3. Creating a social fund to help members during an emergency.
4. Reduce vulnerability to HIV/AIDS/STIs

Ask participants what they already know about GSLA and how it works. Facilitate a discussion and give participants a chance to express themselves freely. This is a good opportunity for identification of any misunderstandings and to take the time to clarify them.

Summarize the discussion by stating that:

1. A GSLA is group of 15 to 20 members who save their money in a common fund.
2. Each group decides the minimum and maximum amount of weekly savings.
3. Each member can buy one to five shares each week.
4. Members need to save the same amount of mandatory saving each week
5. Savings are used for loans, which are paid back with a predetermined service fee (or interest charge) intended to grow the fund over time.
6. Members also contribute a smaller amount to a social fund to be used for emergencies.
7. All of the association's cash is kept in a box with three locks that can only be opened during meetings when all key holders and at least two-thirds of the members are present.
8. All transactions take place in meetings in front of all the members.
9. GSLA members will be trained to manage their activities over a period of 3 and half days but experience will be gained as they continue saving over the agreed cycle.
10. An association is managed by its members and makes all its own decisions.
11. Members are self-selected, which means they choose who can participate in their group.

Neither community leaders nor the implementing organization have the right to designate members of the group. It is important that members select:

- People who are honest, trustworthy and dependable.
- People able to attend weekly meetings and participate in weekly savings.
- People who live in the same community or who are in the same networks

GSLA will receive BCC sessions facilitated by a trained peer promoter during each meeting on a selected HIV prevention topic.

Pause and ask for questions; clarify any misunderstandings.

STEP 3 Explain the benefits of GSLA

Time: 15 minutes



Explain that the benefits of GSLA are as follows:

1. GSLAs provide members with the opportunity to save and borrow flexibly.
2. Members earn attractive profits on their savings
3. Unlike banks or Micro Finance Institutions (MFIs), VSLAs do not have a minimum deposit requirement, hidden charges or complicated loan procedures.
4. GSLAs can assist members in case of death, illness, other unfortunate events, or happy events such through the social fund

STEP 4 Project time frame

Time: 10 minutes



Provide a quick overview of the project time frame:

1. A GSLA cycle lasts nine to 12 months.
2. The organization will provide training to build the group's capacity to manage their activities.
3. Training will be provided on the 7 modules of the GSLA model
4. GSLA will receive SBCC sessions during their weekly meetings and those requiring other health services will be referred.

MODULE 2. Groups, Leadership and Selecting Group Leaders

OBJECTIVES OF THE SESSION:

- Understand what a group is and how it differs from a gathering
- Understand the role and authority of the General Assembly.
- Understand the roles and responsibilities of the various members of the group leadership.
- Select temporary group leaders.

2.1 DEFINING A GROUP

PURPOSE:

- To support the participants to understand the meaning of a group.

MATERIAL:

- Sticks

1. Ask the participants if there are any associations or community-based organizations (CBOs) in their community. Also, ask them what community organizations they themselves have been involved with and how they work.
2. Ask the participants to define the word group.
A group is an association of people who agree to combine their resources in order to obtain a common objective.
3. Ask the participants what is the difference between a group and a gathering. Build on the discussion by reviewing the following differences:

CHARACTERISTICS OF A GROUP

- Longer-term focus
- Long-term goal with short-term objectives
- Formal organization with leaders and rules of operation
- Members manage conflicts and solve problems together
- Limited number of members

CHARACTERISTICS OF A GATHERING

- Temporary in nature
- Very specific and short-term objectives
- The participants may not see each other again after a gathering
- Usually dissolves as soon as a problem arises

4. Request for two volunteers. Give one of the volunteers one stick and the other volunteer about six sticks. Now ask each of them to try and break the sticks. The volunteer with six sticks should put all the sticks together and then try and break them.

5. Ask the participants what lesson can be derived from the demonstration. Ensure that the demonstration's illustration of the strength that individual members can have by being in a group is emphasized.
6. Request that the participants reflect on their experiences of working in groups in their community. Ask them what they believe makes a group work well. What makes a group fail?
7. Build on the discussion by explaining that in order for their GROW SHG to work well and avoid many of the pitfalls that many community groups fall victim, it is important that several key conditions be respected.
8. Review the following conditions for establishing their GROW SHG group with the participants:
 - The number of members of their GROW SHG is limited to 15 to 20 participants
 - The members must commit themselves to regularly attending weekly meetings
 - Every member must deposit the agreed savings amount each week
 - A Group of Representative must be put in place. However, its members must be elected according to their qualities and competencies, and not because of the respect they inspire or their social positions
 - Specific rules governing the group's operations must be developed and strictly enforced
 - The group must go through three phases of development:

Selecting group name

- PURPOSE:**
- Each group should be identified by their name as group activities progress during the training.

Take a ten-minute group activity for each group to come up with a name

2.2 REVIEW THE CONCEPT OF THE SHG AND ITS ROLE

Explain that all members of the GROW SHG will together form their GROW SHG's GROW group.

Review the following information related to the GROW group:

- The GROW group is the superior body of the GROW SHG because it holds the decision-making power. The decision-making power is not held by one person or two people in the group
- The GROW group elects the Group Representatives (i.e., the Moderator, Book Writer, Money Counters, etc.). The Group Representatives is accountable to the GROW group.
- All GROW SHG members have the same rights in the GROW group.
- In voting, the rule of "one person, one vote" applies. All members have the right to vote and to be elected to the Group Representatives of the group.
- The GROW group is responsible for the work of the Group Representatives that it put in place. If the Group Representatives does not work well, the GROW group must replace it. Only the

GROW group can do this. If the rules are not respected, the GROW group can choose to organize a special meeting where the problems can be discussed and decisions taken.

- All the members of the GROW group have the right to put forward an issue to be discussed in a meeting, and to demand that it be discussed. It is equally possible for any member to call a special meeting. Majority rule must prevail in all decisions taken.
- Address any questions the participants may have concerning the GROW group and its role.

2.3

CHARACTERISTICS OF A SUCCESSFUL SHG

PURPOSE:

- It is important to discuss the characteristics of a successful group so that members think about the composition of their association and make changes if necessary.

Break in groups and do the following activity.

DISCUSSION

25 minutes



PRESENTATION

15 minutes



Ask the group to discuss the qualities they would seek in potential group members

Emphasize the following after the participants have made group presentations.

- Confidence in each other;
- Reputations for honesty;
- Cooperative personalities;
- The ability to save regularly, even in small amounts;
- The ability to repay loans reliably.
- Trustworthy and honest;
- Responsible and mature;
- Cooperative and ameliorative;
- Open to other people's ideas;
- Well-respected in the community;
- Fair and considerate of others;
- Positive and hardworking;
- Available for meetings.

Remind members that the main GSLA activity is saving. Members need to be prepared and willing to contribute on a weekly basis.

Then ask members to think hard about whether they want to carry on with the association. Emphasize that no one will think worse of them if they prefer to withdraw before the next meeting, nor should they feel embarrassed.

2.4 SELECTION OF GROUP LEADERS

PURPOSE:

- To make group members appreciate the need for a representative who will management the transaction process
- To enable participants define the roles and responsibilities of the positions in the group

Read the following story:

STORY 1

In the community of Dambwa in Livingstone, the participants decided to form a SHG. They felt that because they all knew each other they had no reason to choose group representatives. After a few meetings, the members tried to speed up meetings and allowed people to come and go as they pleased, so long as money is deposited to the collection bowl. A member of the association volunteered to keep records and they agreed that any spare cash would be kept in a safe place by a trusted widow.

At the next meeting, there was disagreement as to how much money had been collected by the association, because the money guarded by the widow did not correspond to the recordkeeper's total. When different people tried to count the money, the total turned out to be different. Some members grew angry and started to shout at others who became upset and left the meeting. The community mobilization officer had to be called to restore order and try and find a solution.

What went wrong?

How could have the problems in this story been avoided?

- Build upon the discussion by emphasizing the importance of having leaders who will take charge of the organization and management of their GROW SHG.
- Explain that this is why it is important for their GROW SHG to have a Group Representative.

The Group Representatives is a group of members elected by the GROW group. This group ensures the efficient management of the activities and resources of the group. The members of the Group Representatives are elected on the basis of their competencies and qualities – not their social position.

Once you have reinforced the importance of electing the right people to the right positions, ask participants to name some of the positions that make up leadership role.

Ensure members' participation: Most likely, they will have identified chairperson, secretary and treasurer as positions on the management committee. However, in a VSLA:

- The secretary will be called the book writer or Record-keeper
- The treasurer will be called the box-keeper

Tell participants that a GSLA has additional positions:

- Two money counters to verify the amounts that are contributed and issued as loans;
- Three key holders to ensure the security of the contents in the cash box.

Do a recap of the positions:

- 1 chairperson (moderator)
- 1 book writer
- 1 box-keeper
- 2 money counters
- 3 key holders (one for each of the three keys used to lock the box)

STORY 2

This is the story of a SHG in Gabon compound in Chirundu. At the beginning, there are 20 participants, but they soon find themselves with 35 participants and have to divide the group in two.

For the second group, the participants elect as chairperson the daughter of a well-known long time FSW, a very honest, reliable but timid woman. They do this because they did not want to offend her mother, who is a very important person in the community.

The community worker tries to explain that the role of chairperson demands confidence; that he or she must know how to organize and run meetings and how to maintain order and handle conflicts.

The Chairperson also needs to represent the association to outsiders and non-members.

After several weeks, the new chairperson grows uncomfortable with her responsibilities and resigns. The participants of the group elect a new chairperson, but they have fallen behind in their savings and loan activities, since the new chairperson must be trained.

How could this situation have been avoided?

2.5 ROLES, RESPONSIBILITIES AND QUALITIES OF MEMBERS OF THE GROUP REPRESENTATIVES

NOTE: As each position is reviewed, ask the participants if they agree with the roles, qualities and responsibilities associated with each position. Ask them if it would be good to make any additions, subtractions, modifications, etc.

Make any necessary amendments to the lists as required.



THE MODERATOR

Role

- To assume leadership of the group and lead discussions
- To maintain order and support the resolution of problems
- To represent the group to outsiders and non-members
- To ensure that the Rules and Regulations are respected
- To find solutions to conflicts between the participants
- To ensure that the group develops well
- To call the meetings
- To open meetings and announce the agenda
- Announce the passing from one operation (collecting deposits) to the next (distributing loans)
- Announce the loans from the Welfare Fund
- Receive requests regarding the Welfare Fund and ask for the group's response

Characteristics and qualities

- Strong character; present and visible in the community
- Capable of running a group
- Honest/Honourable/Intelligent
- Reputation for wisdom
- Patient/Available/Dynamic

Responsibilities

- To assume overall leadership for the GROW SHG and ensure its successful functioning



THE BOOK WRITER-SECRETARY

Role

- To record or all the operations performed by the group during each meeting, to ensure that all the operations (deposits, loans and repayments) occur in front of the group.
- To call the members' numbers for the group's operations (deposits, etc.)
- To maintain the accounts of the Cash Box and manage the transactions of the Cash Box.
- To report the group's operations to the Facilitator during the monitoring visits and to be the group's spokesperson to the Facilitator

Characteristics and qualities

- Capable of providing a reliable report on the Cash Box transactions
- Available for book-keeping training by the Facilitator
- A person who has been to school and is literate
- Reliable/Intelligent/Honest

Responsibilities

- To ensure that all the operations of the GROW SHG progress well and that its records are properly kept.



TREASURER

Role

- Keep the money
- Ensure the security of the group's funds

Characteristics and qualities

- Reliable
- Know how to count money
- Have a home where security is assured
- Honest and conscientious

Responsibilities

- To ensure that the group's funds are kept safe and secure.



THE MONEY COUNTERS

Role

- To verify/count all movements of funds in and out of the Cash Box
- Count the money before and after each Cash Box operation
- Announce the totals to the GROW group
- Control all the amounts deposited, reimbursed, interest paid, and loans given
- Calculate the total at the end of each meeting with the Book Writer-Secretary

Characteristics and qualities

- Reliable and honest
- Know how to count efficiently

Responsibilities

- To ensure that the money associated with the GROW SHG is properly and openly counted at meetings.



THE KEY KEEPERS

Role

- To be responsible for the key entrusted to them. They will not give the key to anyone. If absent, let the group know in advance, and gives the key to an interim in front of the whole group, so that all the members know this participant (the second money counter or another member of the group who is unanimously accepted).
- To present the key at each meeting and to open the Cash Box upon the moderator's demand

Responsibilities

- To lock the Cash Box at the meeting's end
- To replace the key at own expense if it is lost or broken
- To reimburse the Cash Box in case of loss due to a fault of the committee.

Notes

- There are three Key Keepers, this is so in order to limit the risk of misappropriation of the funds.
- The Cashbook cannot be opened without the presence of all three.

MODULE 3. WEEKLY DEPOSITS—SOCIAL FUNDS, SAVINGS AND LOAN POLICIES

OBJECTIVES OF THE SESSION:

By the end of the training session, GSLA members will:

- Develop policies to manage the savings process.
- Develop the terms and conditions for the use of the loan fund.
- Understand the purpose of a social fund and develop the terms and conditions for the use of the social fund

STEP 1 Weekly Deposits

Time: 40 minutes



STORY 1

Doreen borrowed K 500 from the group. The total of her deposits is K 300. She has died. What should be done?

Give print outs of the stories to the groups and let them discuss in their individual groups and give feedback.

STORY 2

In the Sepa Sahao GROW SHG, each member has saved K 2000. The group has a total of 15 members. Mary, however, has only deposited K 600. As the holidays are approaching, the participants have decided to each withdraw K 800 of their savings. Should Mary be allowed to withdraw K 800 like everyone else? What arrangements should be made in similar cases?

STORY 3

Milika borrowed K 750 from her GROW SHG. The total of her deposits is K 1000. However, she has completely defaulted and refuses to pay the group back. What should be done?

STORY 4

Bertha is a member of the Spice GROW SHG. She rarely attends meetings, but regularly sends her deposits. Unfortunately, today is the funeral of her daughter's first child. It is also her GROW SHG's weekly meeting day, and the members decided to have the meeting before they all went for the funeral.

As usual, Bertha sent her K20 deposit with her neighbor. However, she also requested for a loan of K500 to pay for the funeral expenses. The week before, the group had decided to change their GROW SHG's Rules and Regulations. According to the new rules, the participants rejected Bertha's request for a loan. Why? What could have happened?

When the groups are back from the discussion let them give feedback of their findings and then stick the flip charts on the wall. Guide the discussion to avoid too many questions as this may pre-empt what others have to present later.

3.1 MANDATORY SAVINGS

What are mandatory savings

1. This is the agreed amount of money that each member is supposed to contribute on a weekly basis. For instance K 10.
2. Give an illustration of how each one can accumulate at the end of each week, month and year if they constantly saved a K10 per week

$$K10 \times 4 \text{ weeks} = K 40 \text{ per month}$$

$$K40 \times 12 \text{ months} = K 480 \text{ at the end of 12 months}$$

Now imagine there are 15 people in the group and each saves 10 kwacha.

$$K 10 \times 15 \text{ people} = K 150 \text{ per week}$$

$$K 150 \times 4 \text{ weeks} = K 600 \text{ per month}$$

$$K 600 \times 12 \text{ months} = K 7200 \text{ per year}$$

Explain that these are just initial deposits.

3. Ask participants what can be done to motivate people to save regularly. Facilitate a discussion and tell participants that the decisions they take will be written down in the constitution.

For example, groups can decide that:

- A member who fails to save regularly will be given last priority for loans.
- A member who fails to save for four consecutive meetings can be expelled from the group unless the person has a reasonable excuse for missing the payments.

Summarize all the group's decisions regarding savings activity (i.e., the amount that can be saved, the penalty for failing to save regularly, etc.).



Pause to see if participants have any questions or concerns.

3.2 VOLUNTARY SAVINGS

What are voluntary savings

Explain to the participants that this is the amount of money that a member can contribute to the group voluntarily.

- This money does not attract a penalty if one doesn't save regular,
- It can be any minimum amount and one can save up to 4 times the mandatory saving
- This money will be added to the mandatory savings so that the group members can access it through loans

For example, if the mandatory saving is K20 per week, a member can deposit up to a maximum of K80 voluntary saving per week.



Group may want to know how this money will grow.

Explain that the more deposits one makes, the larger the amount of money one has in the group which will in turn interpret to a high interest share. Even money deposited under voluntary saving can accrue interest because some group members borrow it. What needs to be done is just to limit the amount to be deposited on voluntary savings so that the interest of other group members can also grow steadily.

Ask participants what can be done to motivate people to save regularly. Facilitate a discussion and tell participants that the decisions they take will be written down in the constitution next week.

3.3 SOCIAL FUND

What are social funds

Tell participants that GSLAs have a social fund to provide small grants to members who encounter serious problems or who experience joyful life events.

Ask members what types of emergencies could be covered by a social fund. Note all the suggestions and facilitate a discussion to narrow the options because funds are limited.

Events usually covered by a social fund include:

- Funerals
- Births
- Marriages
- Major catastrophes (a house fire)

Explain that the social fund is treated differently from the loan fund. Every member contributes equal amounts to the social fund, which is kept separate from the loan fund.

Tell participants the social fund is never used for loans. Ask for a volunteer to explain why this is so.



The answer you are looking for is because emergencies cannot be predicted and some money must remain on hand to pay for them when they occur.

- Tell the group they must now decide an amount for regular contributions to the social fund. It is up to the association to decide upon a suitable contribution.
- Facilitate a discussion to help the group select a suitable amount which will be incorporated into the constitution at the next meeting.
- Members should now return to their list of events tied to the social fund and determine the amount of the grant for each event. They should take into consideration the value of their collective weekly contribution and the frequency at which any given event might occur.

Summarize all the decisions about the social fund (the amount of contributions, the amount tied to events that qualify for grants, and so on) as well as the philosophy behind the social fund (members contribute equal amounts, the social fund is always kept separate from other monies, etc.). Reassure participants that the decisions will be written into the constitution.



Pause and ask participants if they have any outstanding questions. Answer each question and move on to the next section

3.4 LOANS

What are loans/what is a loan?

Ask members if anyone has ever received a loan from a bank, from a moneylender, savings group, shopkeeper, family member or friend? What was it like to borrow from such sources?

Facilitate a discussion, and draw the commonalities among most loans:

- All loans have repayment conditions that specify how long it will be before the loan is fully repaid.
- All loans specify how it will be repaid, through instalments or in a lump sum.
- All loans have to be repaid with interest or service charges.

In the same way that other lenders set conditions, the group must agree on standards to ensure functionality and avoid favoritism or disagreements regarding loans. Tell them that you will be helping them to determine:

- The loan period
- The maximum loan size
- The interest charge

Ask members whether the group should consider the purpose of a loan before approving it. Facilitate a discussion to come to a consensus. Various groups may establish various rules, but in general groups tend to approve loans for business activities or for emergencies.

Remind groups that it is not always bad to take or approve loans to cover expenses such as school fees.

Read the following story

Noriah is a member of the Lutusane SHG. She has three bags of rice in storage after harvest. School fees are due and she is thinking of selling her paddy to pay for them. Noriah is one of the founding members of Lutusane group. She asks for a loan so that she can pay the school fees without selling her paddy, because it will command a higher price in the near future when planting season arrives. Noriah is told that she can't have a loan for school fees because it is not productive. She says that she can pay back the loan as well as interest and also points to her rice in storage as collateral.

Should Noriah get her loan?

To illustrate this point. Loans do not always have to be tied to investments, but can be used for paying expenses when the borrower knows that there will be income to repay the loan at a future date.

Regardless of the reason for the loan, the most important is that members should always be capable of repaying it.



Pause for questions.

3.5 SAFETY OF THE MONEY

Tell participants that they now need to address an important question regarding the safety of the association's funds. Remind them that the group will be managing significant money from:

- Deposits
- Fines
- Loan reimbursement
- interests
- Social fund

Since the group is self-managed and autonomous, remind them that they are fully responsible for the safety of this money.

Ask participants what safety measures can keep the money safe.

Facilitate a discussion and make sure the following points are addressed:

- A lockable heavy-duty cash box provided by the organization keeps the money safe from the elements (fire) and from theft.
- The three locks on the cash box ensure that all transactions take place in front of the association.
- Security is enhanced by members' discretion. It is important that GSLA members refrain from telling non-members the whereabouts for the box. This will help to reduce the risk of robbery.

Explain that the cash box will be held by the box-keeper, who will safeguard it between meetings. When the box is locked at the end of the meeting the box-keeper cannot open it because they do not have all the keys.

During the cycle, most of the savings will be distributed in the form of loans. This means that usually there is little money left in the cash box between meetings. In the off chance that the cash box is stolen, most of the groups assets will be recoverable.

Summary and conclusions

GSLAs must use lockable boxes. Lockable boxes maintain confidence in the system. Groups that do not have lockable cash boxes experience losses (and reduced trust in their leadership, who are often suspected of making private use of the money between meetings). The cash box guarantees that transactions can only be carried out when all members are present, and that records cannot be altered except with the consent of all members.

MODULE 4. DEVELOPMENT OF SHG RULES AND REGULATIONS

OBJECTIVES OF THE SESSION:

By the end of the training session, participants will:

- Develop a set of rules (constitution) that describes how and by whom the association will be governed.
- Understand why it is necessary to have Rules and Regulations for their GROW SHG, as well as to develop and adopt them.

4.1 SHG GOVERNANCE

- Tell participants that they are about to establish their groups' constitution. Even though you will be guiding them through the process, remind them that the General Assembly (all the members of the group) alone has power to establish the rules that work best for the group.
- Note that some rules can be modified at a later date. Explain that the constitution will be put in the cash box where it will always be available in case of misunderstandings. Members can be confident that there is a written record of their decisions that can be consulted.
- Tell participants that every member will be asked to memorize a rule written in the constitution so that all members, in effect, carry the constitution with them.

Tell participants that you plan to divide the writing of the rules and regulations into two parts. The first section will address the Governance structure. The second section will address the Services offered by the group (such as savings, loans and the social fund).

Ask participants the difference between governance and services?

Facilitate a discussion and clarify that governance relates to the association's operation. The governance section includes things like:

- the purpose of the association;
- membership guidelines;
- officer election procedures;
- officer recall procedures;
- frequency of association meetings;
- procedures governing the withdrawal or death of members;
- the imposition of fines.

The services section includes things like:

- how members save;
- how members borrow;
- social fund contribution;
- social fund benefits.

4.2 COMBINING MODULE 2 POLICIES/RULES WITH GOVERNANCE DECISIONS INTO SINGLE CONSTITUTION (GROUP WORK)

Developing the services section of the Constitution will not be difficult because most of this has already been addressed in module 2. However, you should reassure members that the group will discuss all decisions to make sure that everyone is in agreement.

Provide the groups with a copy of the rules and regulations from the training tool kit package.

Monitor the groups to ensure they are not diverting.

After the discussions, groups should come back and give feedback. The agreed rules should be written and displayed on a flip chart.

Participants go in groups to formulate their rules. Note that this can be a lengthy process and so should be given ample time to discuss in groups.



Pause for questions.

Summary and conclusions

MODULE 5. DEPOSITS AND RECORD KEEPING

OBJECTIVES:

By the end of the training meeting, all members will:

- Understand how the share purchase process works.
- Buy shares for the first time.
- Contribute to the social fund for the first time
- Advance preparation

ADVANCE PREPARATION

- flip-chart paper
- Markers
- Printout of passbook savings page

This module is a hands on training where the participants have to now practice how to conduct savings

5.1 THE GSLA TOOL KIT

Introduce the tool kit for conducting saving. Make sure you have the following;

- Cash box
- Keys
- Pen
- Passbook
- Calculator
- Admission book

Depending on the setting and level of understanding of the participants you may need bowls for depositing money.

Carefully explain the purpose of each item you have.

5.2 SECURITY OF THE CASH BOX

Tell participants that you would like to review a few security measures. Ask members what can they do to ensure the security of the cash box during transport to and from meetings? You can suggest two things:

- The group can increase the security of the box by having one or two members of the group escort the box-keeper to and from the meetings.
- Camouflage the box in a basket or wrap it with large piece of cloth (more appropriate to women groups)
- Minimize the distance that the cash box needs to be transported. If there is enough space, the meetings can even take place at the box-keeper's house.

Ask what roles key holders play in the security of the cash box. The answers you are looking for are:

- Key holders must keep their keys in a secure place.
- Key holders must never let anyone else have their keys.
- A key holder must send her key to the meetings with another member if, for any reason, she is unable to attend.

5.3 THE PASSBOOK

- Explain the deposit side of the passbook and how to make the entries, once you are done, let each member practice how to enter the deposits.
- Note that the book writer will be responsible for the entries but you just want every member to learn how to do this process.
- Once every one has finished let them compare with their neighbor to check if they have done the correct things.
- Demonstrate how to find the total for the first meeting and the cumulative total for the first day.
- Process.
- Previous week cumulative saving + today's meeting total saving is current book balance or cumulative saving.
 - **Mandatory saving** + *voluntary saving* = **total saving**
Example. MS 20+VS 0 total saving =20
- Note that for week one the cumulative saving will be the total saving because there was no previous week. **Demonstrate this on the board**
- Complete the exercise by finishing the remaining sections, i.e. the social funds, amount paid on fine and the signatures.
- Once this is done complete the loan section of the passbook. Most members will have OOOOOO in their sections because usually first week the money is not enough to lend it out to more than one person

5.4 THE LEDGER

Introduce the ledger and demonstrate how to make entries

Let the participants practice entering the fields for the second meeting.

Once this is done let them find the total saving as well as the cumulative saving.

While in the groups, a few members can practice entering the loans section with the loaned amount. Group members' representative demonstrates how their group make entries.

Demonstrate how to calculate the totals from the ledger and how they accumulate from each meeting. Then demonstrate how to record in the weekly and monthly minute book.

Ensure that this activity is understood by all members if not at least the majority especially the group representatives.

Refer to the ledger book when conducting this activity



Pause for questions.

Go in groups and transfer the information from the passbooks into the ledger. This should be a group activity. These should be small groups of 3 to 4 people to increase participation

Summary and conclusions

MODULE 6. SHAREOUT AND GRADUATION

OBJECTIVES OF THE SESSION:

By the end of this session, members will:

- Learn how their savings and interests were earned throughout the cycle
- Learn how to calculate share out

6.1 WHAT IS SHARE OUT

Explain what share out is and how money for share out is accrued.

1. This is the total amount of money deposited including interests and fines.
2. Social fund is not part of the share out money but is divided equally or it is used for refreshments during the day of share out

6.2 CALCULATING PERCENTAGE OF SHARE

Give the following scenario; how to find percentage share

Lutusane group has been saving for a period of 12 months and have decide to share out their savings after successfully saving. During their saving cycle, they have saved a total of K23,350. One of the members in this group is Martha and she made total deposits of 1, 280. What is the percentage of her savings in the group?

E.g. 1. You divide K1,280 by K 23,350

Answer will be 0.054 representing 5.4 percent (5.4%)

E.g. 2. What if James deposited a total of K 820 what will be his percentage?

K820 divide by K23,350

0.035 representing 3.5%

E.g. 3. What about Bertha who deposited K 3.100

0.13 representing 13.3%

Ask the participants to find percentages for the following figures

K 950, K 2010, K 760

Scenario 2; How to calculate share given percentage

What will be share if percentage is

- a) 0.042, b) 0.132 c) 0.023

Scenario 3

What will be Martha's share be if the group made an interest of K9,300

Process, you add the K 9,300 to K 23,350

Your total will be K 32,650

Ask the participants to practice in groups of 5, use examples in scenarios 1 or you can formulate other ones.

6.3 CALCULATING INTEREST

Follow the process in scenario 1

For example, Martha's share was **0.054**, so we will multiply this by the total saved amount which includes interests

$$0.054 \times 32650 = 1,763.1.$$

To find how much interest Martha made we subtract the deposits before interest was added

$$\text{i.e. } K 1763.1 - K 1,280 = 483.1$$

Therefore **K 483.1** is the interest that Martha made.

Action planning

Handout action plan templates to each group and give instructions on how to develop the action plan.

