VILLAGE, SAVINGS, AND LOANS ASSOCIATIONS
TRAINING GUIDE

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Training (week one): Groups, Leadership, and Elections

The facilitator should never train more than one VSLA at the same time and place. All VSLAs should be trained individually.

Agenda for this training: individual self-selection, role of general assembly, roles of leaders, preparation for elections, elections.

Purpose: to give the group a name (each farmer group already has a name) and to elect leaders who will be its managers for a period of one year (elections are every year).

Go over the good qualities of a good member—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 overview (need to give the group a number—number each of the farmer groups): all members have the same rights, management committee is elected by the members, members can also www.globalshea.com
dismiss management committee for poor performance, cover qualities of each elected position (group chairperson, group record-keeper (literate), group box-keeper (lives in a house with good security), group money-counter x2 (good at counting))

- Sign the contract between the group and the facilitator
- Template [p30] of the VSLA Training Guide

Training (week two): social fund, share-purchase & credit policies

Agenda for this training: Introduce policies and rules related to the social fund, share-purchase, credit, loan repayment.

Purpose: 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.

Specific seating arrangement at savings and loans meetings- at the front (l to r): Chairperson, record keeper, box keeper, money counter, money counter – fines bowl is in front of the chairperson, table and stool are in front of the record keeper, box is in front of the box keeper, and money-counting bowl is in front of the money counters.

Social fund: The group creates a social fund to provide grants to members who encounter serious problems (optional after the first cycle), grants help with funeral expenses, catastrophes such as fire damage or house damage, loss of livestock, etc. – the group decides the amount of a regular contribution to this fund, it is kept in a separate bag but in the same box, there is no interest on this amount, but they must be paid back

Share purchase rules: Members save in a VSLA by buying shares, at each weekly meeting. Each member has the opportunity to purchase between 1 to 5 shares. What does the group want to make the share value? (the amount is too big if the poorest member will have trouble regularly saving at least one share)

Lending rules: Members can save every week, but they can only borrow every four weeks because it keeps most meetings short, keeps record-keeping simple, allows the loan fund to build so that members can borrow useful amounts

- What purpose will the loans be given? (group decides) Members should not take out loans that they cannot repay easily
- The amount borrowed by any member cannot be more than three times their savings, this ensures that everyone has fair access to loans and that loans are not too risky.
- How long should the members be allowed to take out loans? The maximum should not be more than three months.
- 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 the members’ pockets at the end of the cycle (in nine months). It should be a percentage of the loan amount.
- Recommended to be 10%. A charge that is too low may tempt members to borrow more than they can easily repay (should be more than 5%). A charge too high will discourage members from borrowing.

Safety of Group Funds: [p37]- group kit
Need a calculator, three locks, three bags, passbooks, two bowls, three lock hooks, calculator, member number cards, rubber stamp, ink pad, two pens

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Training (week two or three): Development of association constitution

Agenda for this training: group governance, combining module 2 policies and rules with governance decisions into single constitution

- Need to have a copy of the blank Constitution form and bring it to the meeting, facilitator should fill in the blanks with information from the last meeting
- Go over the entire constitution with them, members need to reach an agreement on each clause
- All the members need to sign the constitution to show that they agree

Training (week three or four): first share purchases savings meeting

Agenda for this training: supervision of first meeting in which cash is handled, contribution to social fund, share-purchase

- From now on, the meeting will be run by the management committee instead of the facilitator.
- The safety of the box will be the responsibility of the Box-Keeper, and they must bring it to every meeting.
- Although the management committee has been appointed, it is still 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.
- Criteria for the Key-holders: must not be a member of the management committee, should not be members of the same family, should be members who can be relied upon to attend and will always be on time
- This is only a savings meeting, the facilitator and PCV will train the group on how to give out loans from the fund.
- Table 7- how to run the meeting
- Annex 6- demonstrate the share-purchase system and savings records in the passbook
Training (week four): first loan meeting
Agenda for this training: supervision of first loan disbursement.

Training (week eight): first loan repayment meeting
Agenda for this training: supervision of first loan repayments.

Training (week 36): Share-Out
At the end of the cycle, it is time to share-out the money that has been saved by the group. The share-out is based on the amount of money the group has saved and collected from loan interest. With the addition of the loan interest, the value of each share will have increased. For example, if the group started with shares valued at 1 GHS, and the total saved was 180 GHC plus 20 GHC in loan interest, the new share value is 1.11 GHS per share. You should then count the number of shares a member has in their passbook, and let the group distribute the money based on how many stamps are in the book (32 stamps = 32 GHS was saved, and 35.52 will be collected).