

**RISK FUND**

- 30/= is paid every month by every member
- New members to contribute risk fund for previous months if the group is less than a year old and for one year if the group is one or more than a year old.
- It covers two risks: Death and incapacitation.



- In case of incapacitation, a note from a registered doctor confirming the incapacitation must be produced.
- After compensation, the members savings are then withdrawn to the next of kin (in case of death) or to the member (in case of incapacitation).

**ELECTIONS**

- Chairperson, Secretary, Treasurer, and Prefect are the four vital posts in a group.
- They help in manning up the group.

**RESIGNATION FROM THE GROUP**

- If a member wishes to resign, a note of resignation is needed addressed to the group.
- The notice should last for three months.
- A member cannot resign if he/she have an advance or loan or is a guarantor for any unpaid loan or advance.
- If cleared, a resigning member will get all his/her savings back.
- A member must be present when getting the savings back in order to sign the relevant documents.

**ID CARDS**

- All group members must have Forum Kenya Membership ID Cards. If the Forum Kenya ID Card is not yet issued, the members can use either of the following:
  1. National ID Card
  2. Police Abstract (In case National ID Card is lost)
  3. Waiting Card (for the new ID Card Applicants.
  4. Passports (for aliens)

**YEAR END BONUS/ DIVIDENDS**

- Bonus is divided to the members according to the cumulative amount of their savings. This means, you can't get much by having a big amount of savings but how the big amount of savings has been revolving in the group.



# FORUM KENYA

## *Development Foundation*



## The Revolving Loan Fund Project

The Strength of People  
The Power of Community

Forum Kenya is a registered Non-Governmental Organization in the Republic of Kenya founded to empower Self Help Groups and Community Based Organizations through a project called **Revolving Loan Fund**.

- Money revolves from one person/business to another.
- Our Groups meet every month.



### MEMBERSHIP

- A group consists of 7-15 members aged 18 and above.
- Members must be from the same locality and they know each other.

### REGISTRATION

- Registration 300/= for first month members only.
- It's non-refundable.
- For new members, Registration fee increases every month by 50/=

“**Revolving Loan Fund** is a source of money from which loans are made for small business development projects. A loan is made to one person at a time and, as repayments are made, funds become available for new loans to other individuals.”

### PASSBOOK

- This is member's record of savings and loan repayment and costs 200/=
- Members must come with their passbooks to the group's meeting every month.

### SAVINGS

- Every member must save at least 400/= monthly recorded every month to the member's passbook.
- **Top up policy** applies.
- Savings are refundable upon resignation if loans are cleared.

### ADVANCE LOAN

- It's a short term loan lend to group members.
- The Advance given during the first three months (Rapport Building Period) must be repaid in full the following month plus 10% interest.
- After the group is 3 months old, advance is issued 2 times the savings, repaid in utmost 5 months and accrues an interest of 10% every month on reducing balance.

- The preceding month's savings apply during the issuance of the Advance.
- A member can repay the advance before 5 months are over or reduce it every month.
- A member must be present during the group meetings to sign in case of Advance loan application or to be a guarantor to other members.



### LONG TERM LOAN

- It's given 3 times the savings but in multiples of 5000/=
- A member must save for at least 3 consecutive months.
- Repayment period depends with the amount of loan borrowed.
- A member must be present during the group meetings to sign in case of loan application or to be a guarantor to other members.
- **Top up Policy** applies.

**Top up policy: A member can save any amount of money above 400/= and In case of bulk saving, only 2000/= will mature in a month.**