

BONYERE TEACHERS' CO-OPERATIVE CREDIT UNION (BONTEACCU) LIMITED

REVISED OPERATIONAL PRODUCTS POLICY

PREAMBLE

Bonyere Teachers' Co-operative Credit Union is a **Financial Co-operative** that is located adjacent the Ghana Police Service, Bonyere. It is owned and controlled by its members as the supreme authority. The members elect Board of Directors to run the day to day affairs of the Union, Supervisory Committee to act as internal auditors and Loan Committee to see that members have access to loans.

We can be contacted on this number:

Bonyere (Head Office): - 055 543 7494

MISSION STATEMENT

"To operate as Savings and Credit Financial Institution to offer financial services to its members who work and reside in Jomoro Municipality and beyond, and to be a Financial Co-operative to create wealth for members by offering member-approved financial services so as to make them financially sound"

VISION STATEMENT

"To be a leading Credit Union in Jomoro Municipal and beyond to provide valuable financial services to its members and position itself as the most preferred Credit Union for every member of staff and all shareholders".

"To be among the model and leading Credit Unions in Ghana that offer acceptable and professional financial products and services to its members".

FOCUS: *"To establish professionally and excellently close-personal relationship with members and the community through member-approved products and services".*

MAIN OBJECTIVE

"To assist members to improve their standard of living through wealth creation"

ARTICLE 1 - THE UNION'S OPERATIONAL PRODUCTS POLICIES

Bonyere Teachers' Co-operative Credit Union Limited shall maintain and use such policies as will enhance effectiveness and efficiency in its operations. These product policies shall collectively be called the **Operational Product Policy**. The policies will cover the Union's different types of products such as **Savings, Loans** and **Shares**. It also includes the insurance policies that cover both Personal Savings and Loans respectively.

ARTICLE 2 - POLICIES ADMINISTRATION

The policies shall be administered by the Board of Directors who shall reserve the right to add to, amend or delete from time to time any of the clauses stated therein. The Supervisory Committee shall assist the Board to ensure its implementation and review. The Manager and his/her Management team shall implement these policies to make them successfully work to achieve the main objectives of the Union. The Manager shall report to the Board the performance of these products from time to time as the Board wishes. The Loan Committee shall follow the loan policy in approving loans and suggest to the Manager or the Board for review if necessary. The Board of Directors to receive list of loans approved or not approved 3 days to their monthly meeting.

ARTICLE 3 - OPERATIONAL SAVINGS POLICY

3.1 THE SAVINGS POLICY

This policy which relates to savings and its operations shall be known as "**The Savings Policy**". There are seven (7) products that the policy covers in details.

ARTICLE 4 - TYPES OF PRODUCTS

1. Regular Savings
2. Business Savings

3. Kiddy Savings
4. Group Savings
5. Housing Savings
6. Susu Savings
7. Special Savings (Fixed Deposit)

ARTICLE 4.1 - BENEFITS ASSOCIATED WITH SAVINGS

1. It helps the member to save his/her small amount of money with BONTEACCU regularly to become big in the long run.
2. It helps the member to build capital for himself/herself.
3. It helps members to gain the habit of savings and inculcate into their children.
4. It is the best means to reduce poverty to its minimum level.
5. It is a source of self-development.
6. It is another form of social security for yourself and your family (next of kins).
7. It is a stepping stone to meet unforeseen events before looking for help elsewhere.
8. It is a means of securing the future.

ARTICLE 4.2 - OBJECTIVES

1. To mobilise savings from members with the purpose of ensuring that members build up savings for a better standard of living now and the future.
2. To pay back savings on demand to members with interest at competitive rates.
3. To invest the mobilised savings prudently and profitably in risk free investment only.

ARTICLE 4.3 - SCOPE

The policy shall cover the following areas:

1. Savings Mobilisation
2. Types of Savings
3. Interest on Savings
4. Withdrawal of Savings
5. Life Savings Insurance

ARTICLE 4.4 - MOBILISATION OF SAVINGS

The Union shall mobilise **regular** monthly savings from its members at an agreed value on **daily, weekly, and monthly basis**. The Regular savings can be done through the direct deduction from the Controller and Accountant General's Department, and Bank on receipt of Net Salary. It can also be done through direct savings over the counter at the office and on the field through Mobile Bankers. The minimum savings shall be determined by the Board of Directors and be reviewed from time to time after members have permitted the Board to do so at Annual General Meeting. The Board of Directors may at their own discretion accept bulk savings from members at agreed terms. Minimum savings shall be GH¢30.00 apart from Special Savings and Kiddy Savings.

ARTICLE 4.5 - TYPES OF SAVINGS

There are seven types of savings products. Currently the Regular Savings and Group Savings are in operation. The remaining shall be shortly introduced to members for their approval before its full implementation. This savings policy of all the savings products shall be used to support and in line with the Bye-Laws' provisions on savings.

1. REGULAR SAVINGS

All members of the Union shall be obliged to save regularly to authenticate their membership and qualification for loan. This is the normal savings of the Union and it is a Savings Account.

1.1 TERMS/CONDITIONS

1. The minimum savings shall be GH¢ 30.00 and could be reviewed by the Board.
2. A member's maximum savings balance shall not exceed 20% of the total assets of the Union
3. Members shall do regular savings by either daily, weekly or monthly.
4. It attracts either monthly, quarterly, half-yearly or yearly interest as the Board may propose and the Annual General Meeting also approves of it.
5. It can be used to contract a loan.

1.2 - ADMINISTRATION

1. The mobilized savings shall be used to meet savings withdrawals, loans, and investment.
2. All mobilized funds shall be paid first into an accepted bank account of the Union as in section 62 (b) (vii) of the Union's Bye-Laws.
3. It shall only be invested in short term securities.
4. The Manager and management shall be responsible to ensure its successful running.
5. The Manager shall account to the Board regularly.
6. The Accountant shall be responsible to keep records on all its activities and report to the Manager regularly.

2 BUSINESS SAVINGS

This account is opened by a member in the name of his/her business to separate his/her business account from his/her personal account. The business daily sales shall be paid into this account and can be withdrawn at any time the office of the Union is opened for business to members. This will help the assessment of actual performance of the business.

2.1 TERMS/CONDITIONS

1. This account is current account and shall be operated as such.
2. It will attract a commission of:
 - a. **GH¢10.00** where you make more than five withdrawals in a month.
 - b. **GH¢5.00** for five or less withdrawals in a month.
 - c. Nothing shall be charged if no withdrawal is made within a month.
3. The terms of Regular Savings in addition to the above shall be applied here also.

2.2 ADMINISTRATION

1. Its administration shall be like that of Regular Savings.

3 KIDDY SAVINGS

Members of this Union can open account in the name of their children/wards from birth up to 17 years old. This is to help parents plan ahead from the day the child is born. It can be used to take care of the child's school expenses and others like hospital, etc. This policy targets parents and guardians who are members of the Credit Union.

3.1 TERMS/CONDITIONS

1. The account is opened in the name of the child or ward but shall be operated by their parent or guardian.

2. The minimum deposit of the account shall be GH¢10.00 per day or week or month for the welfare and future of the child/ward.
3. This account will attract interest like the regular savings account.
4. It cannot be used to contract loan but shall be allowed to be used as collateral security for loan by only the amount operator.
5. The parent shall come along with the child to save if possible, to inculcate the habit of savings into the child/ward.
6. The child/ward shall have the mandate to operate from the account when he/she attains 18 years.
7. Members can use it to save towards their child/ward's education.
8. The parent or guardian who opened the account may be allowed to withdraw from the account on behalf of the child/ward for only the welfare of the child.
9. The amount cannot be withdrawn and be used for any other purpose except the payment of the school fees and educational materials of the child/ward or other expenses like hospital bills or for the welfare of the child only.

3.2 ADMINISTRATION

1. Its administration shall be like that of the Special Savings.

4 GROUP SAVINGS

This Account is opened by Associations (Teacher and other Unions, Clubs), Organisations and two or more persons (Joint Account). For example: Churches, Schools, Hospitals, and any other Organisation. Personal Joint accounts also fall under this account.

4.1 TERMS/CONDITIONS

1. The Constitution of the group shall be provided.

2. It requires letter of introduction which shall state the account operators and eligible signatories.
3. Where necessary a list of all members or the executive of the group and passport-sized pictures, business registration certificate, and license must be provided.
4. In addition, all the terms of regular Savings shall also be applicable here.

4.2 ADMINISTRATION

1. Its administration shall be like that of Regular Savings.

5 HOUSING SAVINGS

Members are given the opportunity to save towards the construction of their own house. This helps to reduce the financial burden on them at the time of building. This product is to assist members who have not built to have a life time plan to build.

5.1 TERMS/CONDITIONS

1. The amount cannot be withdrawn unless for the purpose of the savings.
2. For good reason(s), the member may be allowed to withdraw from it.
3. The other terms shall also be like that of Regular Savings.
4. Applicant shall save continuously for 5 to 10 years for the Union to assist you to build your own house depending on the type of building, its current cost and the savings balance at that time.
5. Applicant shall provide land and building documents, example, receipt, approved site plan, building plan, etc.

5.2 ADMINISTRATION

1. Its administration shall be operated like that of Special Savings.

2. The member shall be assisted to build depending on the savings balance as of that time.

6 SUSU SAVINGS

Members and non-members are given the opportunity to save without coming directly to the office. The daily funds mobilizers will visit the members at the various houses or work places or an agreed place to collect their monies either for loan repayment or/and savings or/and shares. Its aim is to group all small-size businesses in order to assist them improve their standard of living and businesses apart from dealing with others individually. Individually, members shall be allowed to contribute but also focus shall be placed on group formation of small scale enterprises. The two purposes of these savings products should be achieved with all possible tactics.

6.1 TERMS/CONDITIONS

1. The contributor saves through the Mobile Banker on daily or weekly basis.
2. There shall be Main Susu account and Individual Susu account which shall not attract any interest.
3. Group account shall be opened for groups and the individual members account under the group account.
4. Withdrawals are allowed at any day the office of the Union is opened for business to members.
5. The daily collection of members' withdrawals shall not attract monthly commission on the following conditions:
 - a. That the Susu contributor shall be charged with commission only on withdrawals.
 - b. That the contributor who contributes six months before withdrawal shall be charged with a minimum commission of **GH¢2.00** only.

- c. That no commission shall be charged on a contributor's susu savings for more than six months.
- d. That a contributor who withdraws to pay for loan shall not attract commission if he/she contributes as agreed in accordance with the terms of loan or even more than that.
- e. Apart from points "b, c and d", all the rest shall attract commission based on daily contribution for each.

6.2 ADMINISTRATION

6.2.1 Manual/Electronic

1. Daily collection of cash from field.
 - a. Mobile Bankers are to collect cash daily from Mondays to Fridays.
 - b. Report to office daily to account for all cash collected on the field.
 - c. Mobile Bankers shall be monitored by Field Supervisor on daily basis.
 - d. All cash collected shall be paid to the Teller/Cashier at the office, take receipt and show it to the Supervisor before leaving office.
 - e. Books or Gadgets for daily transactions shall be closed daily.
2. Closing of Field daily cash collection.
 - a. Every day, each Mobile Banker shall close his/her books/gadgets.
 - b. Insert each member's contribution into his/her Ledge Card or computer where it is not automatically done.
 - c. Report daily transactions to Field Supervisor or Field Officer.
3. Improving field activities:

- a. Field Supervisor or Field Officer shall develop strategies to improve the field work.
 - b. Educate members, potential members and non-members.
 - c. Effective supervision of field and daily Susu collection activities.
4. Operational method for Daily Cash Collection.
5. Special account called Susu Account and individual contributor's account shall be opened to accommodate all members' contributions by the account department.
6. The Teller shall prepare receipt to cover the daily total collections from Mobile Bankers.
7. The Marketing and Accounts departments shall keep daily detailed and monthly summary records for members' contributions, total withdrawals and accumulated balances respectively.
8. The Marketing Department shall reconcile daily Susu activities with the Accounts Department.
9. Members' withdrawals shall directly affect the Susu account and their individual accounts.
10. The other administrative conditions for Regular Savings are also applicable here.

7. SPECIAL SAVINGS

Members bring in these deposits for a fixed period of time usually three months, six months, one year and two years or more. The amount is not withdrawn until it matures. This type of deposit goes for higher interest rate and is determined based on market conditions. Special/Fixed deposit is available to all members and non-members.

7.1 TERMS/CONDITIONS

1. Interest is negotiable.

2. Matured investment shall be reinvested (rollover) until notification to redeem from the investor is received.
3. Not to be used to apply for a loan but can be used to guarantee it.
4. New special savings interest starts from two weeks after date of investment.
5. Roll over date of interest starts from the day following maturity.
6. Interest on special savings shall be earned on the day of investment or rollover and shall be credited to his/her Regular Savings account.
7. Any special savings which interest is credited to the savings account is not withdrawn until maturity.
8. Withdrawal of such amount is only allowed when the member is ready to lose all the interest even if it is a day to maturity or where appropriate discount it as management may consider it necessary less one month interest.

7.2 ADMINISTRATION

1. The mobilised saving from this Special Savings shall not be used in any way for daily activities.
2. All mobilised funds shall be paid first into an accepted bank account of the Union as in section 62 (b) (vii).
3. After receipt and banked, within one week time the funds must be invested or where necessary at the end of the month.
4. It shall only be invested in short-term securities.
5. The Manager is responsible to ensure its successful operation.
6. The Manager shall account to the Board regularly.

7. The Accountant shall be responsible to keep records on all its activities and report to the Manager regularly.

ARTICLE 5 - ACCUMULATED SAVINGS

The Union shall receive and accumulate savings such that any individual's savings shall not exceed **20%** of the Credit Union's total savings.

ARTICLE 6 - INTEREST ON SAVINGS

Interest shall be paid on members' savings at a rate proposed by Manager and approved by the Board of Directors. The rate of interest shall be competitive and not be less than the commercial bank rate at the time of calculation. Savings balance below **GH¢30.00** shall not attract any interest.

ARTICLE 7 - MODE OF INTEREST PAYMENT

Interest shall be calculated Monthly or Quarterly or Half year or yearly depending on the circumstances as the Board approves based on Management's advice. It shall be added to the accumulated savings of members. However, a member can decide to use it to purchase shares and a list of such members must be kept by the Accountant and copy to the Manager. No interest shall be paid in cash to any member until it has been credited to his/her savings account accordingly. The member may withdraw after it has been credited to his/her account. No member who resigns before the crediting of interest to respective accounts shall receive interest.

ARTICLE 8 - SAVINGS WITHDRAWAL

Members shall be encouraged to maintain their savings with the society as long as they remain members. They may however withdraw whole or part of their savings under the following conditions:

1. If a member leaves/intend to leave our area of operation(s), he/she may withdraw his/her accumulated savings plus interest calculated on and credited to his/her savings account so far as the member is not indebted to the Credit Union or that any portion of the savings has not been used to guarantee another member's loan.

2. Where a member is indebted to the Credit Union, his/her savings cannot be withdrawn so far as the savings serves as a collateral security for the loan.
3. Where the indebtedness is such that a portion of the savings pledged as security has been released, only that portion released plus interest calculated and credited to the account can be withdrawn.
4. Savings which are frozen to guarantee a loan cannot be withdrawn as long as it remains frozen.
5. Amount exceeding the usual cash on hand of the Union can only be withdrawn after reasonable notice has been given to the Union to that effect.
6. A member shall be required to give at least one month notice on his/her intention to resign from membership subject to condition in Article 10(b) of the Credit Union's Bye-Laws.
7. Three passport-sized pictures shall be provided by the member before withdrawal can be if he/she has not done that before his/her resignation.

ARTICLE 9 - MODE OF SAVINGS WITHDRAWAL

1. All savings withdrawal shall be paid by cheque.
2. However, savings withdrawal up to **GHC200.00** may be paid by cash.
 - a. This is to encourage more savings.
 - b. This is to save members' time with small amount of withdrawal.
3. Where there is enough cash received on that day, a member may exchange his/her cheque for cash by endorsing at the back of it.

ARTICLE 10 - LIFE SAVINGS PLAN

The Credit Union shall insure all personal savings of members. The insurance company (CUA) pays to the family or the beneficiary(ies) of the deceased Credit Union member's benefits equal

to the savings into the members account, depending on the duration of that savings balance. The premium for this insurance is paid by the Credit Union, and not the member. This means the higher the savings the higher the benefits. Why can't you join today and be insured for better services.

Compiled by:

Approved by:

Nelson Richard Yankey
Secretary

Albert Armochie Armoo
Chairman

Supported by:

Bernard Morkeh
Vice Chairman

George Ndede Ackah
Treasurer

Francis Lokpo
Member