

Savings & Internal Lending Communities (SILC) Field Agent Guide



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Preface and Acknowledgements

Version 1.0 of the SILC Field Agent Guide was developed by Hugh Allen of VSLA Associates and edited by Guy Vanmeenen in March 2005. Following the initial pilots, it soon became clear that the base VSLA model needed further adaptation to reflect CRS' learning and operating modalities leading into the release by Hugh Allen and Guy Vanmeenen of Version 2.0 in March 2006.

As the SILC portfolio and brand started to grow across Africa, further modifications and CRS field practices were documented through field visit reports, country program and partner feedback, analysis reports and evaluations. Work on an updated version started in 2008, involving a review of the different modules by Alfred Hamadziripi and Guy Vanmeenen in close cooperation with the SILC Innovations teams in Kenya, Tanzania and Uganda leading to draft version 3.0 in September 2009. As further modifications, standardization and improvements were necessary before a broader roll-out; work continued culminating into the actual Version 4 of the Field Agent Guide. This final Guide draws from the field experiences of CRS staff and partners, and incorporates a number of spontaneous member adaptations. It was developed in a series of stages including workshops and several live demonstrations of the sessions.

We would like to acknowledge the SILC team from the Catholic Diocese of Eldoret, and SILC Innovations staff in Kenya, Tanzania and Uganda who contributed to various sections.

Consultant Valerie Stetson was contracted to reformulate, streamline and simplify the guide while integrating adult learning principles.

This Field Agent Guide was developed, enhanced and finalized by marc bavois under the overall guidance and direction of Guy Vanmeenen.

Version 4.0 of the Field Agent Guide was produced in August 2010.

Cover photos: Top left: Guy Vanmeenen/CRS. Center: marc bavois/CRS

List of Acronyms

ASCA	Accumulating Savings and Credit Association
CARE	Cooperative for Assistance and Relief Everywhere
CRS	Catholic Relief Services
FA	Field Agent
MIS	Management Information System
MMD	<i>Mata Masu Dubara</i> (Hausa for “Women on the Move”)
MFI	Micro Finance Institutions
NGO	Non-Governmental Organization
PSP	Private Service Provider
ROSCA	Rotating Savings and Credit Association
Shs	Shillings
SILC	Savings and Internal Lending Communities

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Part I: Introduction to the Field Agent Guide

Savings and Internal Lending Communities (SILCs) are a type of community-based savings groups promoted by Catholic Relief Services (CRS) and its partners to strengthen the livelihoods of the people we serve. SILCs build on traditional savings practices, and benefit from the accumulated experience of savings group practitioners around the world. In order to scale up SILCs, CRS and its partners help to recruit and train community-based Field Agents/Private Service Providers who promote SILC programs, train SILC members, and supervise SILCs for a set period of time. After this time, SILCs operate on their own.

1.1 Purpose of the Guide and Users

The Field Agent Guide aims to help ensure that all SILC programs, implemented by field agents/Private Service Providers and supported by CRS and its partners, meet a high standard of quality. It does this by providing guidance for selected and trained field agents/Private Service Providers to lead, deliver and effectively manage all three periods within the SILC cycle. While some aspects of the SILC methodology or delivery strategy may be adapted to specific countries and contexts, the Field Agent¹ Guide serves as a standardized starting point that presents best practices and standards. This ensures that programs that follow this guide will have strong results.

Field agents, and those who train and supervise field agents, are the main intended users of this Guide. CRS SILC program managers and local implementing partners will use the Guide as a resource to train field agents. Field agent supervisors will use the Guide as a resource during on-the-job coaching. Field agents will use the Guide as their primary tool and as a reference in all stages of their work with SILCs. In the future, field agents will use the Guide to train peer field agents.

1.2 Content of the Guide

The Field Agent Guide includes the following Parts:

Table 1: Field Agent Guide Parts

Section	Purpose or Description
Part 1: Introduction to the Field Agent Guide	<ul style="list-style-type: none">• Introduces the elements in the Field Agent Guide• Describes the structure and conventions of the Field Agent Guide
Part 2: Review of SILC Methodology	<ul style="list-style-type: none">• Provides an overview of SILC methodology• Introduces the special role of the Field Agent
Part 3: SILC Implementation Manual	<ul style="list-style-type: none">• Describes a typical SILC roll-out schedule• Helps Field Agents prepare for successful

¹ The generic name ‘field agent’ will be used throughout the guide. However the guide can also be used for programs that have introduced the Private Service Provider (PSP) implementation model whereby a PSP is defined as a certified field agent.

Section	Purpose or Description
	facilitation <ul style="list-style-type: none"> • Presents 2 written-out meetings held to introduce SILC to communities. • Presents a set of training sessions for SILC groups, including 9 modules with achievement-based objectives, learning tasks, steps, and facilitator notes.
Part 4: Record-Keeping Forms	Presents the central ledger-based record-keeping system for SILC
Parts 5: Field Agent Forms	Presents monitoring forms that Field Agents must use on a regular basis

1.3 How to Use the Guide

The Field Agent Guide can be used as is! The training methods it contains are proven, and take into consideration the capabilities of Field Agents and the populations CRS serves. Many examples and records used in the Guide come from field experiences and real cases. Names and other information, however, have been changed.

The Guide uses a generic currency called “shillings”, with amounts that are realistic in the context of Kenyan SILCs. Each program should use country-specific currencies and amounts appropriate to the local context. CRS also makes available a version of this guide that contains detailed instructions on local adaptation (names and examples in stories, monetary amounts, etc.).

The core of the Field Agent Guide are the Preparatory Meetings (A and B) and the Training Modules (1-9). Each Meeting or Module is similarly structured and formatted, and includes the following:

- A set of learning objectives. These objectives describe what the training (or meeting) participants will do during the session.
- A list of numbered steps. Each step represents a session that has one or more learning tasks. These steps give clear guidelines to the facilitator on what to say and do.
- Special writing conventions to help the facilitator:
 - normal font: instructions for the facilitator (should not be read to participants)
 - *italics font*: information and directions the facilitator should say to the participants
 - arrows (➤) and *italics*: questions the facilitator should ask as written.
 - (note:): additional information or prompts
 - [answer:]: suggested or anticipated answer
 - _____ (idea): participant ideas or decisions that need to be repeated.

Table 2 (below) gives an overview of the two preparatory meetings and the nine training modules.

- Meeting A can be delivered as many times as needed in order to ensure local leader support for the program.
- Meeting B can be delivered as many times as needed in order to mobilize community members to participate in SILC.
- Modules 1-8 are delivered when the group is starting its cycle
- Module 9 is delivered at the end of the first cycle, during the share-out meeting.

Table 2: Overview of the Meetings and Modules

Name of Meeting	Objectives: in this meeting,
Meeting A: SILC Presentation to Community Leaders	<ol style="list-style-type: none"> 1. Leaders will identify how the SILC program benefits community members. 2. Leaders will discuss how SILC training will be delivered in the community. 3. The SILC facilitator(s) will gather information regarding the community and its suitability for SILC programming. 4. Leaders will give their permission for the SILC project to operate in their area. 5. Community leaders will schedule one or more community-wide promotion meetings.
Meeting B: SILC Presentation to Community Members	<ol style="list-style-type: none"> 1. Participants will compare their current saving and borrowing practices to the services of a SILC group. 2. Participants will discuss how SILC groups are managed and trained. 3. Participants will decide whether they want to begin the SILC training process.

Name of Module	Objectives: In this module, participants will:
Module 1: Individual Self Screening	<ol style="list-style-type: none"> 1. Examine the definition and importance of individual self-screening. 2. Identify personal qualities relevant to SILC membership. 3. Self-screen, that is reflect on their personal qualities. 4. Decide on participation in SILC.
Module 2: Groups, Group Formation and Governance	<ol style="list-style-type: none"> 1. Define conditions and characteristics of active, empowered and sustainable groups and the responsibilities of their members. 2. Decide the membership of their SILC group. 3. Review governance of SILC groups. 4. Contrast roles and responsibilities of the SILC General Assembly and Management Committee.
Module 3: Member Responsibilities, Management Committee, Elections	<ol style="list-style-type: none"> 1. Identify the responsibilities of all members, and their importance. 2. Review responsibilities and define qualities of

Name of Module	Objectives: In this module, participants will:
	SILC Management Committee leaders. 3. Agree on fair and democratic election procedures. 4. Elect Management Committee leaders with desired qualities and capacities. 5. Choose a name for their SILC group.
Module 4: SILC Constitution, Savings, Safety of Group Assets	1. Review the importance of a written constitution and its use. 2. Document decisions made in previous meetings 3. Determine minimum and maximum savings members will make to the SILC. 4. Decide how and when to acquire SILC tools.
Module 5: Loan Fund Policies, Social Fund Policies	1. Set policies and procedures related to loan fund management. 2. Set policies and procedures related to social fund management.
Module 6: Meetings and Constitution Finalization	1. Set policies related to meeting attendance. 2. Finalize their SILC constitution. 3. Agree on how to share and use the SILC constitution.
Module 7: Written Record-Keeping and SILC Meeting Procedures I	1. Review the purpose and benefits of SILC record-keeping. 2. Review the steps and sequence of conducting an efficient SILC meeting. 3. Conduct a savings meeting with transactions. 4. Fill in selected sections of the SILC ledger book. 5. Evaluate how they conducted the SILC meeting.
Module 8: Written Record-Keeping and SILC Meeting Procedures II	1. Conduct a savings meeting with transactions. 2. Fill in selected sections of the SILC ledger book. 3. Identify helpful group behaviors. 4. Preview procedures for end-of-cycle share out. 5. Review key elements of the SILC constitution. 6. Celebrate the end of training.
Module 9: Share Out Meeting	1. Decide what to do with their remaining Social Fund. 2. Request the Secretary to calculate member savings and earnings. 3. Receive their savings and earnings for the cycle. 4. Analyze the cycle's financial performance. 5. Decide when and how to analyze their completed cycle.

Why Learning Tasks

We use the term “learning task” on purpose. Learning tasks mean that trainers ask questions and invite learners to actively think and practice. Learning tasks promote dialogue between you, the

facilitator, and SILC group members, the participants, and also between participants. People learn better when they are engaged and when they analyze and do something active with the content. People tend to forget when they passively listen.

Learning tasks are carefully planned in an integrated and carefully sequenced process. The facilitator introduces new information in a way that invites learners to reflect and act on this information.

Using learning tasks reflects CRS' belief that SILC group members (a) come to the training with important experience and life skills, (b) have the capacity to learn, and (c) learn better when they are actively engaged with the content. Learning tasks require that facilitators have respectful attitudes towards learners. Facilitators should also actively listen to learners ideas.

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Part 2: Review of SILC Methodology

2.1 SILC Background

Savings and Internal Lending Communities (SILCs) are a type of community-based Accumulating Savings and Credit Association (ASCA). SILCs build on an ASCA model developed by CARE in Niger (the "Mata Masu Dubara" or "Women on the Move" Project, often referred to as MMD), and incorporate a number of CRS specific adaptations and innovations.

ASCAs themselves are improvements on traditional merry-go-rounds, or ROSCAs, that are prevalent in many communities around the world. While traditional ROSCAs provide their members with an extremely simple and transparent way to build useful lump sums, and as a result can form and spread without external assistance, they have their limitations. Accumulated savings are not always available for each member at a useful time, and do not grow over time. ROSCAs easily break down from lack of member commitment.

A SILC, like other ASCAs, is a self-selected group of people, who pool their money into a fund, from which members can borrow. The money is paid back with interest, causing the fund to grow. These saving and borrowing activities take place during a cycle of pre-determined length (typically 8 to 12 months), at the end of which the funds are distributed to members, in proportion to their total savings. Members are free to use the distributed lump sum as they wish, including reinvestment for another cycle. Additionally, SILCs contribute to a secondary fund that caters for member emergencies.

SILCs are usually more attractive to participants than ROSCAs. This is because SILCs offer interest on member savings, provide a micro-insurance service, and provide access to loans in useful and varying amounts, usually in excess of the borrower's savings, at times that are convenient to the borrower and for varying lengths of time. The savings, insurance and loan facilities of SILCs allow members to meet their small, short-term financial needs for household cash-flow smoothing, income-generating activities, social obligations and emergencies without having to borrow from a money lender, take an expensive advance from a supplier, or rely on relatives. This increases members' social security. In addition, the end-of-cycle lump-sum is available at the same pre-determined time for all members, oftentimes for major holiday or agricultural needs.

SILCs, however, are not as widespread as ROSCAs because they are more complex to manage and require a record-keeping system. For this reason, CRS plays an important role in promoting SILCs, in order to strengthen people's livelihoods. SILC builds on people's knowledge and experience of ROSCAs, helping communities create sustainable and profitable ASCAs.

2.2 How SILCs Work

Below are key principles and practices governing how SILCs work.

The basic principle of SILC is that a group of self-selected people come together to form a SILC and save money, which is the source of loan capital from which they can borrow. The main *purpose* of a SILC is to provide savings and simple loan and insurance facilities to community members who do not have access to formal sector financial services, either because the services are not available or because they do not have access to them.

SILCs are autonomous and self-managing. This principle is fundamental and *cannot be compromised*, because a SILC's goal is institutional *and* financial independence.² This does not mean that the SILC cannot borrow from an MFI or other agency. It means that any relationship that reduces the SILC's ability to control its own affairs should be approached very cautiously.

SILC groups have between 15 and 25 members. The members are self-selected and usually from the adult population. In Africa, CRS SILC experience is that groups larger than 25 are less cohesive, meetings take too long, and the job of the Management Committee is made more difficult. On the other hand, small groups provide less useful financial intermediation to their members, and can make programs more expensive to operate. Larger groups tend to form in settled communities. Smaller groups may be more appropriate in areas with few people, or where the level of trust is low, e.g. refugee camps or urban slums. In some countries children have formed SILCs, for example, in Zimbabwe among children orphaned by AIDS. Membership is open both to women and to men, and in mixed-sex SILCS at least 2 of the 3 key Management Committee positions - Chairperson, Secretary, Treasurer - should be female. Members who hold public office (such as chiefs, Members of Parliament or other administrative officials) are not eligible for committee positions, although they may give advice.

SILCs are made up by a General Assembly and a Management Committee. The General Assembly is the supreme body that elects and gives authority to the Management Committee. Each member of the General Assembly has only one vote. The Management Committee of a SILC consists of seven people elected from among the General Assembly, including a Chairperson, Secretary, Treasurer, Money Counter and 3 Key Holders. Committee members are subject to annual re-election at the start of a new cycle. They may be removed at special meetings.

SILCs agree on a set of rules, or a Constitution, to guide their activities. A SILC Constitution does two things: it provides a framework for governance, dispute resolution and disciplinary action, and it specifies how the group's two funds (Loan Fund and Social Fund) will be managed.

SILCs meet on a regular basis, at intervals that they select. During the first cycle, meetings should be weekly or possibly fortnightly. Monthly meetings are discouraged in the first cycle as the group cannot build strong habits and become independent after the first cycle. Weekly meetings require more time, but make it easier to mobilize the small amount of savings required.

² Linking successful, newly-independent SILCS to the formal sector is a matter of debate. First and foremost, efforts should focus on setting up independent SILCs. In this way, if linkages to formal sector lenders prove difficult, the SILCs can fall back on their own strengths. Creating linkages to the formal sector is long, costly, and only practical with high-level political will and material commitment. SILCs' most precious asset is their independence and self-confidence.

Groups that meet weekly or fortnightly may continue this pattern or choose another regular meeting pattern after the first cycle ends and they graduate.

All transactions are carried out at meetings in front of the SILC, to ensure transparency and accountability. This ensures that all the members are able to witness who has saved and who has not, who has borrowed and who has repaid, and can decide on appropriate actions. To ensure that transactions do not take place outside SILC meetings, unused funds and group records are kept in a lockable cash box between meetings. This prevents unauthorized cash movement and the risk of misused funds or tampered records by the Treasurer. In communities with high levels of insecurity, a heavy-duty canvas bag that is easily hidden, is better than a large metal cash box.

SILC members meet regularly and contribute to a SILC fund in the form of a fixed minimum sum. The amount is set by the SILC and should allow the poorest members to reliably and regularly pay. At the start of a new cycle and with the unanimous consent of the members, the value of the minimum contribution can be increased or decreased. *In fact, nearly all members find it hard to consistently meet the minimum savings requirement throughout the entire cycle. Considerable flexibility in contribution levels, even below the minimum, is common especially at lean periods of the year.* Because income cannot be reliably predicted, a SILC may allow a member not to contribute to the savings fund for a limited period.

Members are free to decide on a suspension of savings to accommodate lean periods of the year. During challenging economic circumstances, SILCs may decide to suspend their savings by mutual agreement and the entire SILC stops saving. These challenges are often due to seasonal poverty or agricultural work leaving no time to attend meetings. While it is important to ensure financial discipline and regular savings, the reality is that rural incomes are unstable and variable. Imposing a rigid requirement to maintain savings levels is counter-productive, since this may lead to individuals and SILCs abandoning the scheme. However, even when savings are suspended, *loans must continue to be repaid.* In this case meetings continue to allow for the repayment and disbursement of loans, but there will be no savings.

The SILCs set loan terms. During the first cycle, loan terms usually do not exceed three months and in fact may be shorter. One-month loan terms will limit the types of activities in which members can invest. This may change in subsequent cycles. In places where economic activities revolve around agriculture, longer loan terms may be needed - up to 6 months. It is not advisable for loans to exceed 6 months because this will tie up capital that other members may want to borrow.

The size of a loan available to a member can be linked to the total value of his/her savings. The SILC may decide that the amount a member can borrow may be no more than a multiple of the total face value of their savings. This prevents the risk that a member borrows far more than they have saved, and then absconds or is overwhelmed by too much credit. At the same time, it is important that the maximum amount that a member can borrow is in excess of his or her savings, to encourage true financial intermediation.

Interest is charged on loans and falls due every four weeks. It must be paid at that time, regardless of the length of the loan term. The amount of interest charged varies from SILC to SILC and is fixed as members decide. Interest must be paid in full for every month or part-

month that any part of the loan remains unpaid. However, if a loan is repaid before the originally agreed end-date, interest is not charged on the remaining month(s).

Loan principal repayments are made when due, or earlier as the borrower wishes. The period of loan repayment may vary as the SILC decides, but the full amount of the principal sum lent to the member must be reimbursed at this time, or earlier. If the borrower makes late payment beyond the end of the agreed loan period, he or she may be penalized and must pay any accrued interest.

SILCs establish a Social Fund to cover unpredictable expenses. The SILC must agree on a regular, fixed contribution, with everyone contributing the same amount. The Social Fund may address issues such as emergency assistance, educational costs for orphans, funeral expenses, etc. The Social Fund is not meant to grow and is thus set at a level to cover costs. The group should anticipate depletion of the Social Fund, and plan for its replenishment. The Social Fund *cannot therefore be included in the end-of-cycle Share-out. It must not be mixed with the Loan Funds and must be physically separated from other cash in the cash box or pouch.* Anyone needing support from the Social Fund, or a loan, puts forward his or her request publicly to the SILC. Approval of a Social Fund benefit, or a loan, rests with the General Assembly and may be immediately disbursed. Loans and benefits are provided for purposes that are agreed to by the SILC, as noted in its Constitution.

All SILCs keep records. Some keep written accounts while others depend on memory. These records ensure groups track individual savings (the basis for sharing out), member debts to the group (which must be recovered), and cash balances from one meeting to the next.

The cycle of savings and lending is time bound. Members agree to save and to borrow as they wish from the accumulated savings of the SILC for a set period of time (between 8 to 12 months), called an operating cycle. At the end of this period the accumulated savings, interest earnings and earnings from other economic activities undertaken by the SILC³, are shared out among members in proportion to the amount that each member has saved throughout the cycle. Liquidation avoids the risk of a large unused surplus of funds that may be at risk of theft and that may need complex record keeping to manage. Liquidation of funds at the end of the cycle also increases group enthusiasm and motivation. Those who do not wish to continue as members may leave and new members may be invited to join. SILCs may also decide to reinvest a part of their loan fund, in order to have a useful level of loan disbursement at the start of the next cycle.

2.3 Field Agent Roles and Responsibilities

Field Agents have an important role as facilitators. This means Field Agents help to structure groups and their activities to reach a specific objective – in this case a well-functioning SILC.

³ These economic activities may include buying and storing a few bags of grain or sugar for later sale, or buying a stock of wool that members can access for the individual knitting activities. SILC does not encourage group-managed economic activities because they are prone to failure and are a common cause of dispute.

Facilitators transform individuals into effective SILCS by organizing, communicating, and paying attention to how the group members work together. Facilitators create an environment of respect and safety, encourage active listening, and help groups to plan and monitor.

Field agents help to ensure the success of the SILC. They help participants to understand their own self-interest in joining a SILC. Field agents build awareness and confidence among SILC members so that they adopt the system, keep it within their control, and work independently.

Field agent responsibilities also include regularly reporting on the performance of the groups they have trained and are monitoring.

Working with SILC Members

In all meetings, training sessions, and monitoring visits, Field Agents must create a safe and relaxed atmosphere. They must be prepared to deal with these issues that may affect participation.

- Timidity, fear of speaking in public
- Lack of experience in working with a group
- Gender repression
- Distrust of those in power
- Feelings of powerlessness
- Conflicts of interests
- Domination by powerful group members

Field Agents can gain the confidence of the participants by showing respect, being reliable, on-time, and prepared. They can encourage participants' active involvement by (a) using small groups so that more people feel safe to share their ideas, (b) inviting quiet participants to speak, and (c) asking open questions.

In the preparatory period, Field Agents must help participants to understand that, united, they are stronger and more capable of resolving their problems than they are individually. Local proverbs and sayings can illustrate this idea.

In the training and early monitoring periods, Field Agents help the participants manage the SILC themselves, by training, coaching and encouraging participants to:

- Plan and organize
- Make decisions
- Take responsibility
- Manage procedures
- Maintain written records

In the monitoring period, Field Agents observe how well the group is working. They find creative and culturally-acceptable ways to help participants resolve conflicts of interest and interpersonal conflicts.

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Part 3: SILC Implementation Manual

3.1 SILC Implementation Schedule

SILCs are promoted and formed in three periods. Each period includes activities such as meetings, training or visits.

- **The Preparatory Period:** during this period, Field Agents supported by partners introduce SILC in communities and raise awareness of the program’s goals, methods, and opportunities. The preparatory period includes meetings needed before a Field Agent starts to train a SILC.
- **The Training Period:** during this period, SILC members learn and put in practice all needed SILC policies, procedures and practices. The training period includes modules facilitated by Field Agents and self-selected SILC members.
- **The Monitoring Period:** during this period, Field Agents visit SILC groups to follow and support their operations, until they become independent. This period is divided into three phases: an intensive phase, a development phase, and a maturity phase. The Field Agent reduces the frequency of visits to groups from phase to phase.

These time periods are flexible. Scheduling realities and the need to ensure quality may cause any one period to last longer than planned, particularly in the preparatory and training periods.

Table 3: Schedule of Meetings, Trainings and Visits for a SILC that meets weekly

Schedule of Meetings, Trainings and Visits

Period 1	Period 2	Period 3: Monitoring																														
Preparatory	Training	Intensive Phase												Development Phase						Maturity Phase												
A	B	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	9
1-3 weeks	2 weeks to 2 months	3 months												3 months						5 months												

<i>Legend</i>			
A	Meeting with Community Leaders	4	Training Meeting
B	Meeting with Community Members	3	Monitoring Visit
		8	Week

Table 3 shows the frequency of Field Agent visits and SILC group meetings, from the introduction of SILC into a new community until a group’s first share-out. The first two rows show the 3 Periods: preparatory, training and monitoring, with the monitoring period further divided into 3 phases: intensive, development, maturity. The third row shows Field Agent visits to the community and/or a group. The fourth row shows SILC group meetings (at weekly intervals). The last row indicates the typical duration for each period or phase.

The Preparatory Period includes a number of meetings with Community Leaders (A) and Community Members (B) and can last from 1 to 3 weeks.

The Training Period includes the delivery of the 8 first training modules to SILC groups, and can last from 2 weeks to 2 months, depending on member schedules and preferences.

The Monitoring Period begins once the Training Period is over. During the Intensive Phase, the Field Agent attends each SILC group meeting, for a period of 3 months (12 weeks). During the development phase, the Field Agent attends every other SILC group meeting, for a period of 3 months (12 weeks). Thereafter, in the Maturity Phase, the Field Agent attends SILC group meetings on a monthly frequency, until the group shares out. This can last around 5 months (20 weeks), but will depend on when the group has planned to share out. At the conclusion of the monitoring period, the Field Agent facilitates a training meeting (module 9) to support a successful share-out.

This meeting and visit schedule is simply an example. Field agents and groups can adapt it according to what works best. All schedules, however, should promote SILC independence. Field Agent visits must become less frequent and the field agent's role must become less direct and more supportive.

In the training period, the eight first modules can take from two weeks to eight weeks to deliver. This depends on:

- how often SILC groups can meet (daily or weekly; however, groups should not meet more often than weekly once they begin saving in Module 7)
- how long the groups can meet for each module (two or more hours per day)
- the best pace for SILC members to learn, practice and understand

Field Agents should let the SILC members pick a schedule (start and end time) that suits their needs. At the same time, they must monitor SILC members' learning and understanding – not just delivery of the modules. Depending on the group, Field Agents may deliver modules at a slower or faster pace. They may decide to repeat a step or learning task if needed, and should always use their judgment and work with SILC members to decide on the best schedule for training.

In the monitoring period, best practice is for first-cycle SILCs to meet weekly, as this helps the group master the methodology more quickly, and allows the Field Agent to reduce the frequency of monitoring visits sooner. However, meeting frequency can adjust to local customs and preferences. Some SILCs in moderate-density rural and peri-urban areas may prefer to meet weekly. People in high-density urban areas may prefer to meet fortnightly, due to time-consuming economic activities. People in low-density rural areas may also prefer to meet fortnightly, because it takes a lot of time to walk to meetings. Since most projects operate within communities that have similar social and economic characteristics, people can agree on the best meeting schedule as long as it is at least fortnightly.

Another best practice is for groups to save at every meeting, but only conduct lending and repayment activities every 4 weeks (monthly). This spacing of lending meetings reduces the length of time spent in meetings (savings meetings are short); allows savings contributions to accumulate into a useful amount for borrowing; prevents “borrowing sub-groups” from forming; makes record-keeping easier and still permits moderately frequent access to loans; and makes it easier for Field Agents to monitor lending meetings, which need more supporting than saving

meetings. The use of the Social Fund for emergency loans or grants takes care of unexpected and urgent needs, during weekly meetings or even in between.

3.2 Preparing to facilitate Meetings and Training Modules

Your sessions will be more successful if you carefully plan and prepare. Answering the questions below will help.

- How many members are coming?
- Where should the session be held? Is this place convenient for participants?
- What local leaders or authorities (if any) need to be informed?
- How will all participants sit comfortably? Are mats or chairs needed? If so, how many?
- What information needs to be communicated to participants ahead of time? Are participants clear on the training dates and time?
- Have I identified and gathered all needed training materials for each module?

Closer to the training date, it is essential to carefully review the training modules. Rehearse the training module the night before. Practice giving clear instructions, asking open questions and giving short mini-lectures.

Monitor and evaluate each training module during and immediately after delivering it. You can do this in three ways.

1. Observe participant reactions. Are they enthusiastic? Or are they tired and yawning?
2. Ask participants these questions at the end of the modules.
 - *What did you like best today and why?*
 - *What would you suggest to improve our next meeting?*
3. Self-assess your performance. Identify what went well and what difficulties or problems you experienced. Think about what you can do better next time.

3.3 Preparatory Period: Presenting SILC to Communities

Meeting A: SILC Presentation to Community Leaders

Total Time Needed: 75 minutes (1 hour and 15 minutes)

Objective

In Meeting A:

1. Leaders will identify how the SILC program benefits community members.
2. Leaders will discuss how SILC training will be delivered in the community.
3. The SILC facilitator(s) will gather information regarding the community and its suitability for SILC programming.
4. Leaders will give their permission for the SILC project to operate in their area.
5. Community leaders will schedule one or more community-wide promotion meetings.

Facilitator's Note

This meeting can be held several times, with the leaders of different administrative levels. Start by holding meetings at regional or district levels as needed and then progress to the village/community level. Rather than bring all stakeholders together, hold several, smaller meetings that focus on leaders of a particular administrative level. For example, you may wish to hold one meeting with leaders from several districts and then another meeting with leaders from a particular village or community.

The most important meetings are those held at the village/community level. These meetings must be facilitated by the Field Agent assigned to that area, with support from his/her supervisor and project management. This is vital to establish the Field Agent's credibility in the community.

Materials Needed

- Pen and paper to take notes

Preparation

- Schedule a meeting with area leaders. These include elected, traditional, and opinion leaders who know the communities well and can organize community-wide meetings.
- Review the "Frequently Asked Questions" immediately after Meeting A.

Step A.1 Introductions (15 minutes)

Methods: Short presentations

Learning Tasks

- A.1.1 Introduce yourself and your organization. Briefly mention other programs your organization has implemented in the community.
- A.1.2 Ask the leaders to briefly introduce themselves.
- A.1.3 Tell the leaders that the purpose of the visit is (a) to explain the SILC program, and (b) to get their permission to start SILC activities in their area. If the SILC program is operating in neighboring communities, tell when the program started and how many

community members participate. Explain that leaders' support was key to the successful launch of the SILC program in those communities.

Step A.2 How SILC Works and Its Benefits (30 minutes)

Methods: Open questions, mini-lectures

Learning Tasks

A.2.1 Tell the leaders: *Before I explain how saving and borrowing works in the SILC program, I would like to understand how people in this community are already saving and borrowing.*

Ask the following questions in order. Allow several answers to each question before moving onto the next:

- *Where do people in this community borrow money?*
(Note: probe for formal borrowing such as banks, Micro-Finance Institutions, Savings and Credit Cooperatives, and for informal borrowing such as moneylenders, taking goods on credit, borrowing from relatives)
- *What are the conditions for borrowing from these places?*
- *How do people in this community save?*
(Note: probe for formal savings such as Savings and Credit Cooperatives and for informal savings such as merry-go-rounds, in-kind)
- *If people have these kinds of saving, how do they get their money back, when they need it?*

Thank the leaders for sharing their experience from this community.

A.2.2 Explain to the leaders how SILC works:

- *SILC stands for Saving and Internal Lending Communities*
- *A SILC is a group of 15-25 self-selected community members who decide they want to save together. Both women and men can join.*
- *The group elects leaders and writes a constitution to guide their work.*
- *The group meets regularly (every week or every 2 weeks) and members save at every meeting.*
- *The savings are pooled into a group fund. Members can borrow, with interest, from that group fund.*
- *Groups also constitute a separate, smaller fund for emergencies.*
- *Between meetings, the group's money is kept in a locked box by one group member, while other members have the keys to the box. The box is very safe and can only be opened during meetings. The group's money is never given to the Field Agent or other program staff.*
- *After about one year, the group divides all of its funds, and members get back their savings with profit. The group then starts another one-year cycle of saving and lending.*
- *Groups make all decisions themselves. They decide how they will operate their group, who their leaders will be, how much they will save, and what interest rates they will charge.*

- *My role as a Field Agent is to help the group (a) decide its rules wisely and (b) conduct well-run meetings.*
- *At first I will work closely with the group so it can learn, but over time I will reduce my presence. After the first cycle the group will operate independently.*
- *The program does NOT give or loan money to the group. The program only provides training. All the money comes from member savings. This way, many more groups can benefit from the program and groups can be self-reliant.*

Ask leaders:

- *What questions do you have about SILC?*

A.2.3 Ask the following questions in order. Allow several answers to each question before moving onto the next. If the leaders state wrong information about SILC in their answers, politely correct them.

- *What are the differences between SILC, and how people currently save and borrow in this community?*
- *How do you believe the community will benefit from SILC?*
- *What are your concerns about the SILC program?*

A.2.4 Summarize by explaining the benefits of joining SILC groups:

- *Members build assets by saving regularly in a safe place.*
- *Members have access to loans for purposes they choose.*
- *Members have access to funds that help them deal with emergencies.*
- *Members get their savings back, with profit, at a convenient time that they choose. Many groups have a 30% return on savings in one year, and they keep all of the interest payments.*
- *Members strengthen social bonds with one another, and help each other out in times of need.*
- *Members gain self-confidence, self-respect and self-reliance.*

A.2.5 Conclude by asking the leaders if they have any questions about how SILC works and how it benefits community members. Answer any questions. (See the “Frequently Asked Questions” Appendix.)

Step A.3 Introducing SILC to the Community (15 minutes)

Methods: Mini-lecture, open questions

(Note: This step can be facilitated by the Field Agent or by his/her supervisor or manager. It is currently written in the “voice” to be facilitated by the Field Agent.)

Learning Tasks

A.3.1 Explain to the leaders how SILC will be introduced in the community. Share the following information:

- *I have been trained in the SILC methodology. I work with a Supervisor and an entire team.*
- *I start my work in communities by telling community members about the opportunity to participate in SILC.*

- *I then organize interested community members into groups of 15-25 members. I train these groups over a few weeks and then monitor them for about one year.*
- *Currently I am supported by ___ (partner name). After about one year the project will shift to other areas. I will continue to work in this area, however, and _____ (partner name) will give me a certificate to demonstrate I can do quality work without being supervised.*
- *While I will continue doing SILC work in this area, I will need to be supported by the community. I will be providing services in a similar way to Community Health Workers.*
- *This approach is working in many areas in _____ (area or country).*

A.3.2 Ask the leaders the following questions in order. Allow several answers to each question before moving onto the next. If the leaders state wrong information about SILC during their answers, politely correct them.

- *What questions do you have about how SILC is introduced to the community?*
- *What do you believe will make my work successful in this community?*
- *What do you believe will be challenging for me in this community?*

Step A.4 Permission to Implement SILC (15 minutes)

Methods: Mini-lecture, open questions

Learning Tasks

A.4.1 Tell the leaders: *Before I can work here, I need your permission.*

- *Do you authorize me to start SILC groups in this community?*
- Explain that you and ___ (partner name) will regularly consult with them, and report to them on the project's performance.
- Emphasize that their support is critical to the project's success.

A.4.2 Once the leaders have given their permission for the project to proceed, ask them to organize one or more community meetings where you will be invited to explain SILC to the community. Explain the following criteria for the community meeting(s):

- *The leaders can invite you to attend an existing meeting, or organize a special meeting. In either case, you need to speak for at least one hour.*
- *The leaders should gather participants and should also attend the meeting to introduce and support you.*
- *The meetings are open to any woman or man in the community, regardless of wealth or occupation. No one should feel they are too poor for SILC.*
- *The community meeting should have between 25 and 100 participants. If necessary, several community meetings should be held so each meeting does not have too many participants.*
- *The meeting place should be easy to access, and should have seating for all participants*

Agree with the leaders on the meeting time(s) and venue(s), and the amount of time you will be given to speak.

A.4.3 Ask the leaders the following questions. Write down their ideas to share them with your supervisor or manager for information and follow-up:

- *What are the most common livelihood activities in this community?*
- *Are there similar programs operating in this community?*
- *How else can you support the program to be successful and sustainable?*
- *Who else should I talk to about supporting the SILC program?*

A.4.4 Conclude by asking the leaders if they have any questions, feedback or concerns. Thank them for their attendance and support. Exchange contact information with them.

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Document A: Frequently Asked Questions by Community Leaders or Members

Will the program give the groups grants or matching funds?

No. In SILC, all the funds come from members, first in the form of savings, and then as loan repayments. This helps groups be more self-reliant. It allows the program to create many more SILC groups, than if it gave each group money.

Will the program lend the groups money?

The program does not give loans, and does not recommend that groups borrow, in particular in their first cycle. This can put group savings at risk. Individual members are free to take external loans, as individuals, outside of group activities.

Will the program give groups a cashbox?

Each group must purchase its own cashbox, using its own funds. The Field Agent will help link groups to local providers of cashboxes and other equipment.

Why should groups pay for PSP services?

The program only supports the Field Agent for a certain period. Thereafter, the Field Agent is certified as a Private Service Provider (PSP) and is no longer supported by the program. At the moment, the community must pay to receive ongoing SILC services.

What happens if members do not repay SILC loans?

The members decide together what should happen to members who do not repay their loans. Typically, members repay in order to continue belonging to the group.

Why do groups have to stop after one cycle?

Groups do not stop after one cycle. Rather, the group gathers and shares out all its money among members. This is an opportunity to verify the money is being managed transparently, and to evaluate how the group is functioning. The group can change its membership, re-elect leaders, and change its rules. Most groups keep functioning, cycle after cycle, for many years.

Do groups have to start over from nothing in the second cycle?

Many groups choose to start the second cycle with initial lump-sum investments by members, so they can start borrowing immediately. Typically, members save more during the second cycle.

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Meeting B: SILC Presentation to Community Members

Total Time Needed: 75 minutes (1 hour and 15 minutes)

Objectives

In Meeting B, participants will:

1. Compare their current saving and borrowing practices to the services of a SILC group.
2. Discuss how SILC groups are managed and trained.
3. Decide whether they want to begin the SILC training process.

Facilitator's Note

This meeting can be held several times in the community, in order to reach as many community members as possible. To ensure participation, it is best to hold the meeting with at least 25 but no more than 100 people.

If more than 30 people are present, you can divide them into smaller groups for the bean illustration (step B.2) if there are several facilitators. If you are alone, you can invite participants to act out the members of Umoja group.

Materials Needed

- A large piece of paper (flip chart size) and a pen or marker
- 80 large beans, bottle caps, or stones
- A SILC Constitution framework

Preparation

- Remind community leaders to attend the meeting so that they can introduce you.
- If SILC already operates in a neighboring community, invite SILC group leaders to the meeting.
- Review the “Frequently Asked Questions” (at the end of Meeting A)

Step B.1 Introductions (15 minutes)

Methods: Short presentations

Learning Tasks

- B.1.1 Introduce yourself and your organization. Mention other community programs your organization has already supported.
- B.1.2 Thank all the participants for taking the time to attend the meeting. If it is feasible, ask the participants to introduce themselves.
- B.1.3 Share with participants the following information:
- *The purpose of the meeting is to tell them about saving and lending groups, called SILC (Saving and Internal Lending Communities), that you are introducing to the community.*
 - *Hundreds of thousands of people all over Africa are participating in SILC programs.*

If the SILC program is already operating in neighboring communities, name the communities, and how many members participate. If neighboring SILC group leaders are present, invite them to briefly share their experience.

Step B.2 Community Saving, Borrowing and SILC (30 minutes)

Methods: Open questions, illustration (with beans or people, depending on the number of participants), small group discussion

Learning Tasks

B.2.1 Tell the participants: *Before I explain the SILC program, I would like to find out more about how people in this community currently save and borrow.* Ask the following questions in order. Allow several answers to each question before moving onto the next.

- *How do people in this community save money?*
(Note: if participants say that they are too poor to save, point out that merry-go-rounds, grain storage and animal-raising are forms of savings)
- *If people have these types of savings, how do they get their money back when they need it?*
- *Where do people in this community borrow money?*
(Note: delaying payment for purchases and borrowing from relatives are forms of credit)
- *What are the conditions for borrowing from these sources?*

B.2.2 Ask all participants to gather around you so they can see your illustration on the ground. Explain to participants how SILC works by (a) telling them the information in Table 1, Column 1 (Explanation) below and (b) illustrating the information using a drawing and beans in Table 1, Column 2 (Diagram) below. You can either use a large piece of paper, or draw on the ground.

Table 1: Illustration of How SILC Works

Explanation	Diagram
<i>A SILC is a group of 15-25 self-selecting community members. Both women and men can join. In this example, group Umoja has 20 members.</i>	Draw 20 small circles, each about 5 centimeters in diameter, arranged in a circle. Each small circle represents a member, and the large circle represents the seating arrangement of a SILC group.
<i>The group meets every week and each member saves at every meeting. In Umoja, each member decides to save 20 shillings. A bean represents 10 shillings.</i> ➤ <i>How much have the members saved together?</i> [answer: 400 shillings]	Place 2 beans inside each member's circle. Then, move the beans, member by member, into the center of the group. There should be 40 beans in the center.
<i>The savings are pooled into a group fund, called the loan fund. Members can borrow from that group fund. In this case, one member borrows 200 shillings, and another member</i>	Move 20 beans towards one member and 10 beans towards a second member. (10 beans remain in the center)

Explanation	Diagram
<p><i>borrow 100 shillings.</i></p> <p>➤ <i>How much remains in the Loan Fund?</i> [answer: 100 shillings]</p>	
<p><i>The members who borrow must repay with interest. The interest rate for Umoja is 10%.</i></p> <p>➤ <i>How much interest must each of the borrowers pay?</i> [answer: 20 shillings and 10 shillings]</p>	<p>Add 2 beans to the member who borrowed 20 beans, and 1 bean to the member who borrowed 10 beans.</p>
<p>➤ <i>How much must each borrower repay in total?</i> [answer: 220 shillings and 110 shillings]</p>	<p>Move the 22 beans and the 11 beans back to the center, joining the other beans. There should be a total of 43 beans.</p>
<p><i>In SILC, groups also constitute a separate, smaller fund, called the social fund, which gives money to members to pay for certain emergencies. In this example, each member contributes 10 shillings per meeting.</i></p> <p>➤ <i>How much have the members contributed together?</i> [answer: 200 shillings]</p>	<p>Place 1 bean inside each member's circle. Then, move the beans, member by member, into the center of the group, in a different pile. There should be 20 beans in this pile.</p>
<p><i>One member receives 50 shillings, as a grant, to help pay for medicine.</i></p> <p>➤ <i>How much remains in the Social Fund, in case someone else has an emergency?</i> [answer: 150 shillings]</p>	<p>Move 5 beans of the Social Fund toward one member (someone who did not receive a loan). 15 beans remain in the Social Fund pile.</p>
<p><i>All the group's transactions (saving, taking and repaying loans, accessing the emergency fund) happen during group meetings in front of the members.</i></p>	<p>Emphasize that everything has happened inside of the circle.</p>
<p><i>Between meetings, the group's money is kept in a locked cashbox, kept by one group member, while other members have the keys to the cashbox. The cashbox is very safe and can only be opened during meetings.</i></p>	<p>Draw a square to represent the cashbox outside of the circle, next to one of the members. Draw 3 padlocks on the sides of the cashbox. Put the 43 beans (loan fund) and the 10 beans (social fund) in the square, in separate piles.</p>
<p><i>After about one year of saving and borrowing, the group's money has grown through regular savings, interest on loans, fines and any other group income.</i></p>	<p>Add 17 more beans to the loan fund in the cashbox, then bring all the loan fund beans back to the center (total: 60 beans)</p>
<p><i>The group divides all of its Loan Fund money, and members get back their savings with profit. Many groups have a 30% return on their savings – for example, if a member saves 1,000 shillings during the year, she gets back 1,300 shillings at the end of the year.</i></p>	<p>Move 3 beans back toward each member.</p>
<p><i>The group then starts another one-year cycle of saving and lending.</i></p>	<p>Do not show savings for the next cycle.</p>

B.2.3 Divide participants into small groups. Ask half of the groups to discuss the first question, and the other half to discuss the second question.

- *What are the differences between the ways people in this community currently save, and the way people in a SILC group save?*
- *What are the differences between the ways people in this community currently borrow, and the way people in a SILC group borrow?*

Give the small groups 10 minutes for discussion, then invite a few groups to share their responses. In the summary, ensure the following points are discussed. In SILC:

- Members have a regular and easy way to save money.
- The money is safe – it is kept in a locked box that cannot be opened outside of meetings.
- Members can access loans quickly and without paperwork.
- The interest that is paid by borrowers goes back to the members in the form of profit, as opposed to going to a money lender or bank.
- Members’ savings earn profit after one year – the more members save, the more they earn.
- The money is shared out at a time that is chosen by members to benefit them all.
- SILC has a separate fund that gives out money to members for certain types of emergencies.

B.2.4 Ask participants for their questions. (See the “Frequently Asked Questions” in the Appendix).

Step B.3 SILC Group Management and Training (15 minutes)

Methods: Mini-lecture

Learning Tasks

B.3.1 Using the information in Table 2 (below), tell the participants: *In order for their SILC group to be successful, members must do 2 things:*

Table 2: Successful Management of SILC Groups

Explanation	Illustration or Diagram
<i>Write a Constitution, with rules on how much to save, what the interest rate is, how the Social Fund will be used, and what penalties to apply to members who do not follow the rules.</i>	Show members a copy of the Constitution.
<i>Elect a Management Committee that helps enforce the Constitution, and run the meetings. The Management Committee has the following positions, elected from the general membership:</i> <ul style="list-style-type: none"> • <i>A Chairperson, who leads group meetings</i> • <i>A Secretary, who keeps records of the group’s financial activities</i> • <i>A Treasurer, who keeps the locked cashbox between meetings</i> • <i>3 Key Holders, who keep the keys to the locked cashbox between meetings</i> • <i>A Money Counter, who counts the money during the meeting</i> 	As you mention the positions, put an “X” inside several circles in the diagram. When you mention the Treasurer, make sure you put an “X” for the member next to the “cashbox”.

B.3.2 Tell the participants: *As you see, SILC group members make rules, enforce them and run group meetings themselves. My role as a Field Agent is to help you decide on your rules, and teach you how to run meetings. At first I will be working with you every time you meet. Then I will come less often as you begin to master the SILC methodology. Eventually you will no longer need me to work with you, and you will be independent.*

Currently I am supported by _____ (partner name). After about one year, however, the project will shift to other areas. I will continue to work in this area, and _____ (partner name) will give me a certificate to demonstrate I can do quality work without being supervised. While I will continue doing SILC work in this area, I will need to be supported by the community. I will be providing services in a similar way to Community Health Workers. This approach is working in many areas in _____ (area or country).

Take and answer questions about how SILC groups are managed and trained.

Step B.4 Preparing for Group Training (15 minutes)

Methods: Large group discussion

Learning Tasks

B.4.1 Tell participants: *For those of you who are interested in forming a SILC group, here is how I am going to work with you:*

- *I will train you in 8 sessions, which we will schedule over the next 2 weeks to 2 months, depending on group member availability.*
- *The success of the SILC depends upon active participation by all members. Active participation means attending all the training meetings as well as regular meetings.*
- *Each group will have to get a cash box and the following items: Three good quality padlocks, a record keeping book, a ruler, a calculator, a pen and four plastic bowls. You do not need to get these right away.*

Ask the participants to plan a date, time and meeting place for their first training. The meeting place should be quiet, and sheltered from rain and sun. If not all participants can meet at the same time, organize several meetings. You may wish to organize meetings close to specific neighborhoods or sub-communities. Share your contact information with the participants.

B.4.2 Once you have agreed on the next meeting, thank the participants and close the meeting.

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3.4 Training Modules

Module 1: Individual Self-Screening (ISS)

Total Time Needed: 115 minutes (1 hour and 55 minutes)

Objectives

In Module 1, participants will:

1. Examine the definition and importance of individual self-screening
2. Identify personal qualities relevant to SILC membership
3. Self-screen, that is reflect on their personal qualities
4. Decide on participation in SILC

Materials Needed

- Mats or benches for participants to sit
- A sack of beans (25 beans for each participant)

Step 1.1 Participant Welcome (10 minutes)

Methods: Presentations

Learning Tasks

- 1.1.1 Warmly greet and welcome participants.
- 1.1.2 Ask that participants sit in a circle facing each other.
- 1.1.3 Introduce yourself, explain the purpose of the training (to organize SILC groups, to help them make decisions on how to manage their group, and to teach them how to run saving and lending meetings).
- 1.1.4 Invite participants to briefly introduce themselves. Go around the circle and ask people to state their name and where they live.
- 1.1.5 Ask if there are any questions about the today's meeting, the overall training, schedule, time or other issue.

Step 1.2 Recap the Community Meeting (15 minutes)

Methods: Open questions, paired (2-person) groups, mini-lecture

Learning Tasks

- 1.2.1 Tell participants: *Recall the community meeting held on ____ (date) when we shared information about the SILC program. With a neighbor, discuss what you think was the most important point made in that meeting on how SILC groups work, and explain why you think this is so important. You will share your answers with others in a few minutes.*

- 1.2.2 Give groups 3-5 minutes to discuss. Then invite each pair (or a few pairs if the group is large) to share their ideas. Thank them.
- 1.2.3 Building on the participants' ideas, emphasize these key points. Tell participants:
- *SILC groups allow members to save and to borrow money*
 - *Members earn profit on their savings, and get this money after about one year*
 - *Groups also maintain a separate fund for member emergencies*
 - *SILC groups have written rules and are self-managed*
 - *As a Field Agent, I will train the group until it can operate independently*

Step 1.3 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 1.3.1 Tell participants: *In today's meeting, you will:*
- *Talk about what individual-self screening is, and why it is important in SILC*
 - *Identify which personal qualities are important for SILC members*
 - *Reflect on your own personal qualities*
 - *Decide whether or not you want to participate in SILC*
- 1.3.2 Ask participants,
- *What are your questions about what we will accomplish today?"*
- 1.3.3 If there are questions, answer them quickly. If there are no questions, move on to Step 1.4

Step 1.4 The Importance of Individual Self-Screening (30 minutes)

Methods: Story, open questions, mini-lecture

Learning Tasks

- 1.4.1 Tell participants: *Everyone is here today because they are interested in SILC. Participating in SILC is a very serious matter, and you must reflect whether you are ready for SILC. This personal reflection is what we call Individual Self-Screening. In order for you to understand Individual Self-Screening better, let me tell you a story about a program in another village.*
- 1.4.2 Tell the story in Box 4 (below), using the dramatic voice of a story-teller.

Box 4: The Miyanga Microfinance Program

A new microfinance program was introduced in the village of Miyanga. Mercy Kamau, the Field Agent, told the community to form groups of 20 people. Mercy told them that they should pick people to join this group who had certain qualities. However, Mercy did not share details about these qualities. And, the community members did not bother to ask questions about these qualities.

Participants were very enthusiastic and excited about the microfinance program. In their eagerness, they rapidly organized themselves into the groups and quickly began to save and receive loans. However, after four months, the groups had problems. Some members who lived far away stopped coming to the group meeting, saying meetings took too much time. Other members who did not have businesses to begin with, had difficulties repaying loans. These members had taken out loans because “everyone else was doing it.” When they tried to organize special meetings to discuss these problems, the groups could not even agree on how to have the discussions.

Mercy became alarmed about the performance of her groups and wondered what might have gone wrong.

1.4.3 Ask participants these questions, one at a time, and in this order. For each question, listen to a few answers and then move onto the next question.

- *What happened in Miyanga and why?*
- *What do you think should be done to prevent these kinds of situations from happening?*

1.4.4 Tell participants the information in italics (below). Link this information to their answers to 1.4.3 above.

Many programs who organize groups often do not spend enough time (a) helping individuals to know themselves and their qualities and (b) identifying how these qualities affect their ability to participate in groups. When people do not spend the time to self-screen themselves, it has resulted in the problems you identified from this story and from your own experiences.

Individual Self Screening is very important in SILC programs, since the individual is central to the functioning of a group.

- *If a group’s savings does not grow, the problem is because an individual (or several) are not saving.*
- *If much of the group’s savings are tied up in outstanding loans, it is because there are individuals who are not repaying.*

So we’ll now take time to learn more about individual self-screening. After that you will screen yourselves, as individuals, before deciding to become a SILC group member.

Step 1.5 Three Kinds of Individual Qualities (30 minutes)

Methods: Small groups, large group discussion

Learning Tasks

1.5.1 Tell participants, *In the Miyanga story we just heard, groups disintegrated. As you noted, some reasons have to do with individual qualities of its members, for example:*

- *Personality or values (dishonesty, impatience, fear to confront others)*
- *The ability to participate in a group (domination of others, inability to cooperate)*
- *Social and economic situation (living too far away, not having a viable business)*

We will now discuss these three kinds of individual qualities in more detail.

- 1.5.2 Ask participants to form three small groups.
- Tell the first group they will consider personality and values that are important for SILC members.
 - Tell the second group they will consider people’s ability to participate in a group.
 - Tell the third group they will consider issues related to people’s social and economic situation.
- 1.5.3 Ask each group: *List all the individual qualities in your assigned category, that are important for membership in a SILC group. For example, the group considering personality and values might say “honesty”. The group considering participation in a group might say “ability to listen”. The group considering social and economic situation might say “ability to save regularly.” Prepare to share your answers for your assigned category with all the other groups.*
- 1.5.4 Let groups discuss for about 5-10 minutes.
- 1.5.5 Invite each group in turn, to share their answers. Compare their answers against Table 4 (below). After one group shares its list of qualities, ask others:
- *Does anyone want to add an idea or ask a question to this group?*
Then move onto the next group.
- 1.5.6 Table 5 (below) is a master list of individual qualities for you as a facilitator. Use the list (a) to track each group’s answers, (b) as a prompt, in case the group gets stuck, and/or (c) as a reference, in case the group does not list an important individual quality.

Table 5: Master list of individual qualities relevant to SILC membership

Personality and Values	Participation in a Group	Social and Economic Situation
<ul style="list-style-type: none"> • Trustworthiness • Honesty • Responsibility • Maturity • Discipline • Patience • Fairness • Assertiveness • Considerate • Commitment 	<ul style="list-style-type: none"> • Willingness to attend meetings regularly • Positive attitude towards group membership • Willing to share information, knowledge and resources • Open to other people’s ideas and approachable • Ability to speak in a group • Ability to listen 	<ul style="list-style-type: none"> • Family or kin support to participate in a SILC group • Good knowledge of your own economic standing • Clear goals or objectives in life • Relevance of SILC to your life • Time to spend in group meetings • Ability to save regularly • Confident with savings and loans
<ul style="list-style-type: none"> • (Add answers from small groups if different from above) 	<ul style="list-style-type: none"> • (Add answers from small groups if different from above) 	<ul style="list-style-type: none"> • (Add answers from small groups if different from above)

Ask participants:

- *What questions do you have about the qualities needed for SILC?*

Step 1.6 Individual Self-Screening (20 minutes)

Methods: Self-assessment

Learning Tasks

- 1.6.1 Tell participants: *We will now do an exercise for you to self-screen according to the individual qualities we just discussed. Remember, we are talking about you only, not about your neighbor, not about other people you want to work with in your SILC group. We begin individual self-screening with questions you will answer for yourself. After the session ends, you can continue reflecting on your answers to these questions that will help you decide whether SILC is right for you. Consider these questions as a start.*
- 1.6.2 Ask each participant in the circle to turn around, so s/he is facing outward and is not looking at the other participants.
- 1.6.3 Pass out 25 beans to each participant. Ask participants to put the beans in a pile in front of them. (Note that you use more beans than questions in order to better safeguard confidentiality.)
- 1.6.4 Tell participants: *I will ask you some questions about your individual qualities. If you can answer yes, take a bean in your hand. If you answer no, or you are not sure, do not take a bean.* (If necessary, ask participants to shut their eyes for more privacy).
- 1.6.5 Ask participants the questions in Box 6 (below), giving them some time between questions to make a decision on their answer.

Box 6: Yes/No Questions for Individual Self-Screening

1. *Are you trustworthy and honest enough to join a SILC?*
2. *Are you responsible and mature enough to join a SILC?*
3. *Are you disciplined and patient enough to join a SILC?*
4. *Can you be fair?*
5. *Are you considerate of others?*
6. *Do you like working in a group?*
7. *Are you willing to share information and knowledge with others in a group?*
8. *Can you listen carefully while others speak?*
9. *Are you capable of considering ideas you might disagree with?*
10. *Are you assertive enough to confront other SILC members if problems arise?*
11. *Are you comfortable sharing your opinion in a group?*
12. *Do you have time to attend SILC meetings?*
13. *Do you know your financial situation well enough to join a SILC?*
14. *Do you feel confident about working with savings and loans?*
15. *Can you raise the needed savings to belong to a SILC?*
16. *Do you already have income generating activities, or do you plans for one?*

17. *Do you have a set objective that joining a SILC will help you to achieve?*
18. *Will your family or kin support you to join a SILC?*

- 1.6.6 Invite participants to open their eyes, count the number of beans in their hand, and then put all beans back into a pile, before turning around to re-join the large group.
- 1.6.7 Tell participants: *As I said earlier, please continue to reflect on your answers to these questions before you make a decision to join SILC. There may be people who decide not to participate in SILC. They can make this decision privately and no one should think poorly of them. This decision must be an individual choice.*

Some individuals may not be ready to participate because:

- *They may not have the means to raise the savings.*
- *They may be too busy with other activities. For example, a member might be hard working and honest but have a full-time business that prevents them from attending SILC meetings regularly due to travel.*
- *They may not have the support of their family or kin.*
- *They may have bad experiences about savings from other projects.*
- *They may want to see how SILC groups work first, and then think about joining in the future.*

Forcing anyone to join a group can lead to problems, so do not force yourself or anyone else to join a SILC group. If we do not see you here at the next meeting, we will understand.

Step 1.7 Summary and Conclusion (5 minutes)

- 1.7.1 Ask participants:
➤ *What are your questions on anything we discussed during this meeting?*
- 1.7.2 Agree on the date, time and place of the next meeting. Tell participants that the topic of the next meeting is: Groups, Group Formation, and Governance
- 1.7.3 Quickly evaluate the meeting. Ask the participants:
➤ *What did you like best today and why?*
➤ *What would you suggest to improve our next meeting?*
- 1.7.4 Thank participants and close the meeting.

Module 2 Groups, Group Formation and Governance

Total Time Needed: 115 minutes (1 hour and 55 minutes)

Objectives

In Module 2, participants will:

1. Define conditions and characteristics of active, empowered and sustainable groups and the responsibilities of their members
2. Decide the membership of their SILC group
3. Review governance of SILC groups
4. Contrast roles and responsibilities of the SILC General Assembly and Management Committee

Materials Needed

- Bag, sack or basket with about 20 local objects you have gathered (leaf, nail, pen, match, spoon, bowl, stone, etc.)
- Pen
- One or more Registration Forms (depending on the number of participants)

Step 2.1 Recap Module 1 (15 minutes)

Methods: Open questions, paired groups, mini-lecture

Learning Tasks

- 2.1.1 Ask participants: *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers to this question in the large group in a few minutes.*
- 2.1.2 After giving groups 3-5 minutes to discuss, invite each pair (or a few pairs if the group is large) to share their ideas and thank them.
- 2.1.3 Building on the group's ideas, emphasize these key points and tell participants:
 - *Individual Self Screening is very important in SILC, since the individual is central to the functioning of the group*
 - *Individual Self Screening studies individual qualities in three categories: (a) Personality and Values, (b) the ability to participate in a group and (c) social and economic situation.*
 - *Taking the time to individually self-screen helps ensure the success of SILC groups.*
- 2.1.4 Congratulate the participants on having conducted Individual Self Screening and having decided they have the qualities to participate in a SILC group.

Step 2.2 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 2.2.1 Tell participants: *In today's meeting, you will:*
- *Talk about how to have an active, empowered and sustainable group*
 - *Decide the membership of your SILC group*
 - *Review how SILC groups are governed*
 - *Discuss how the Management Committee relates to the group*
- 2.2.2 Ask participants
- *What are your questions about what we will accomplish today?*
- 2.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 2.3.

Step 2.3 Objects in a Bag (10 minutes)

Method: Game

Learning Tasks

- 2.3.1 Ask participants to gather around you. Spill the 20 objects onto a mat or the ground.
- 2.3.2 Ask participants to name the objects one-by-one, as you pick each object up and put it back into the bag (ensure that people cannot see the objects once they are placed into the bag).
- 2.3.3 Ask for one volunteer. Ask this person to name every object contained in the bag. Tell the rest of the group to remain silent. Insist that no one must talk or prompt the volunteer. (Note: It may help to write down for yourself what the volunteer says so that s/he does not repeat.)
- 2.3.4 When the volunteer cannot remember any more, ask other participants to now help name the rest of the objects. Inevitably, the volunteer will not be able to name all objects while the larger group will be able to help name nearly all objects.
- 2.3.5 Ask the volunteer:
- *How did it feel when you tried to remember all the objects? What happened?*
 - *How did it feel when the group helped you to remember all the objects? What happened?*
- 2.3.6 Ask the large group:
- *What does this exercise tell us about working together in a group?*
- 2.3.7 Summarize the lessons from this exercise. These may include:
- *The importance of working together*
 - *Many heads are better than one*
 - *A group can reach a goal by working together*

Step 2.4 Successful Groups (30 minutes)

Methods: Paired groups, appreciative inquiry, mini-lecture

Learning Tasks

- 2.4.1 Tell participants: *Individually, take a minute to think about groups that you belong to – either now or in the past. Pick the best group you belong to – the group that is or was most successful. What made this group so successful?*
- 2.4.2 Tell participants: *Turn to the person next to you and share your answers to the question - what made (or makes) this group so successful? Afterwards, you will share your responses in the large group.*
- 2.4.3 Let the pairs discuss for about 5 minutes.
- 2.4.4 Ask a few paired groups to share the factors they identified that made the group so successful.
- 2.4.5 Then, read the information from Table 7 (below), explaining that these are examples of factors that explain the success of groups. The third column highlights factors particular to SILC groups. Be sure to link the information in Table 7 to answers from the paired groups.

Table 7: What makes groups successful?

<p>1. Successful groups have members with helpful and appropriate individual qualities</p>	<p><i>Members are:</i></p> <ul style="list-style-type: none"> • <i>honest, trustworthy and respected</i> • <i>considerate and respectful of others</i> • <i>patient and good listeners</i> • <i>not afraid to talk or express their opinion</i> • <i>hard-working</i> • <i>capable of participating in the group (time, funds, etc.)</i> 	<ul style="list-style-type: none"> • <i>In SILC, members have individually self-assessed their own individual qualities, and their readiness to join.</i> • <i>You did this self-assessment during the last meeting.</i>
<p>2. Successful groups are formed using a certain process</p>	<ul style="list-style-type: none"> • <i>Members are able to freely chose other members based on past experience of working together and helping each other</i> • <i>Members trust each other</i> • <i>No one is forced to join</i> • <i>Members have a clear, agreed-upon objective</i> • <i>The group has a reasonable size for the activities it will undertake</i> 	<ul style="list-style-type: none"> • <i>In SILC, individuals select other members who share the same qualities.</i> • <i>In SILC, group members decide themselves who should join their group. No group is forced to accept a member by an outsider or local leader.</i> • <i>SILC groups have between 15 and 25 members, so as to manage meetings effectively.</i>
<p>3. Successful groups have</p>	<p><i>Members:</i></p> <ul style="list-style-type: none"> • <i>have time to attend meetings</i> 	<ul style="list-style-type: none"> • <i>In SILC, members are trained to know and</i>

<i>responsible members</i>	<i>regularly</i> <ul style="list-style-type: none"> • <i>are punctual</i> • <i>actively participate</i> • <i>are well-informed</i> • <i>pay dues on time</i> • <i>manage funds properly</i> 	<i>practice their responsibilities.</i> <ul style="list-style-type: none"> • <i>There may be fines when members do not uphold their responsibilities.</i>
4. Successful groups have capable, good leaders	<i>Leaders:</i> <ul style="list-style-type: none"> • <i>are respected and reliable</i> • <i>are dynamic</i> • <i>are fair</i> • <i>are strong but not autocratic</i> • <i>are well-organized</i> • <i>can summarize the group's ideas well</i> • <i>are able to help the group reach consensus</i> 	<ul style="list-style-type: none"> • <i>In SILC, group members select their own leaders from among the membership</i> • <i>In SILC, group leaders are carefully trained to perform their duties</i>
5. Successful groups have clear rules	<ul style="list-style-type: none"> • <i>Members helped to define the rules</i> • <i>Members all know the rules</i> • <i>Members and leaders respect rules set by the group</i> 	<ul style="list-style-type: none"> • <i>SILC groups develop a written constitution.</i>

2.4.6 Ask if there are any comments or questions about the factors of successful groups.

2.4.7 Tell participants:

When SILC groups are organized without paying attention to the factors we just discussed, this can lead to disagreements and tensions that will cause the group to collapse. The next steps will help you to form groups that can successfully practice the SILC methodology.

Step 2.5 Group Formation and SILC Member Registration (30 minutes)

Methods: Spontaneous group formation, voluntary registration

Learning Tasks

2.5.1 Tell the participants:

- *Now that you have each decided to participate in SILC, and that you have reflected on the characteristics of good groups, you need to organize yourselves into one or more SILC groups.*
- *Each group should have between 15 and 25 members.*
- *You should form a group with people you trust and that you want to work with on a regular basis, for an entire year.*
- *Members should have similar socio-economic levels, since that will make it more easy to save and borrow together.*
- *Remember that members can freely choose who they want to form a group with, and that no one should be forced to join a particular group.*

- 2.5.2 Invite the participants to get up and physically organize themselves into separate SILC groups. This may be a bit chaotic at first – do not worry and give the group some time. However, if after 10 minutes people are still milling around or seem confused, walk to the middle of the groups and ask people to stop talking. Request that “formed” group members stand closely together so that it clearly visible (a) how many groups have formed and (b) who belongs to which group.
- 2.5.3 Working with each group at a time, ask each participant to state their name, and write down the names of the members on a Registration Form. Read back the list of names, and ask participants to raise their hands if they agree that all the people listed should form a SILC together. If all participants raise their hand, thank them. If not everyone raises their hand, work with them to decide on changes or corrections. Once the list of members is finalized, congratulate the members on forming their SILC group.

Step 2.6 SILC Governance Overview (20 minutes)

Methods: Analogy, mini-lecture, quiz

Learning Tasks

- 2.6.1 Ask all participants to sit together to conclude the meeting. Introduce this step by telling participants: *There are two bodies in SILC groups: (a) the General Assembly and (b) the Management Committee. In this step we will introduce the roles and responsibilities of these two bodies and the Constitution that governs their decisions and actions.*
- 2.6.2 Tell participants to think about the constitution, government/elected officials, and voters in their country (or in a neighboring country). Ask them the following questions:
- *When was the current constitution developed and how?*
 - *What rules does this constitution include about voters and leaders? (Note: if participants have difficulty answering, give them examples such as the age of voters or term limits for various elected officials.)*
 - *Who elects the elected officials? [Answer: Voters]*
 - *Who leads and manages the resources of a country? [Answer: Elected Officials]*
 - *What can happen if the elected officials are not leading and managing properly? [Answer: Voters can get rid of the elected officials through elections, as per the country’s constitution. Point out that there are legal ways and illegal ways (for example, coups) of replacing elected officials.]*
- 2.6.3 Tell participants:
- *SILCs are governed in ways that are very similar to what we just discussed.*
 - *All SILCs have a written constitution that describes what the SILC wants to do (its purpose and objectives), how it will be governed, how the people who govern it will be elected, and what their powers will be. It also includes other rules. You will develop your constitution step-by-step. In a future meeting, we will help you study your constitution more in detail and finalize it.*
 - *The SILC’s General Assembly is similar to a country’s voters. All members of the SILC are members of the General Assembly. All SILC members can vote (one person = one vote).*

- *The SILC's Management Committee is similar to a country's government. Composed of a Chairperson, Secretary, Treasurer, Money Counter and Key Holders, the Management Committee is elected by the General Assembly. All members of the SILC (the General Assembly) have the right to run for a Management Committee position.*
- *The Management Committee is accountable to the General Assembly. Not only does the General Assembly elect the Management Committee, the General Assembly can also dismiss and replace the Management Committee if they do not do their job properly.*
- *The General Assembly is responsible for setting the rules and regulations of the SILC in a written constitution. The Management Committee is empowered by the General Assembly to enforce these rules.*
- *If the Constitution's rules are not respected, the General Assembly can choose to organize a special meeting to discuss the problems and take decisions to correct the problems. Again, this can include replacement of Management Committee members if the General Assembly deems they are not doing their job properly.*

2.6.4 Check for understanding of the above information by asking these quick true or false questions of the participants. If someone answers a question incorrectly, ask others if they agree or disagree. Let them self-correct, rather than saying "you are wrong". Ensure that participants clearly understand why the answer is either true or false.

- *The Management Committee is elected by the General Assembly [True]*
- *The Management Committee members are part of the General Assembly [True]*
- *Only elders can be elected to the Management Committee [False]*
- *The Management Committee makes up the rules for the General Assembly to follow [False]*
- *The Management Committee can change the SILC constitution [False]*
- *The General Assembly can dismiss and replace the Management Committee [True]*
- *Management Committee leaders cannot vote [False]*

Step 2.7 Summary and Conclusion (5 minutes)

2.7.1 Ask participants:

- *What are your questions on anything we discussed during this meeting?*

2.7.2 Agree with each group on the date, time and place of the next meeting. Tell participants that the topic of the next meeting is: Member Responsibilities, Management Committee, Elections. (Note that in the rest of the training modules, you will be working with an individual SILC group, rather than multiple groups.)

2.7.3 Quickly evaluate the meeting. Ask the participants:

- *What did you like best today and why?*
- *What would you suggest to improve our next meeting?*

2.7.4 Thank participants and close the meeting.

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Module 3: Member Responsibilities, Management Committee, Elections

Total Time Needed: 150 minutes (2 hours and 30 minutes)

Objectives

In Module 3, participants will:

1. Identify the responsibilities of all members, and their importance
2. Review responsibilities and define qualities of SILC Management Committee leaders
3. Agree on fair and democratic election procedures
4. Elect Management Committee leaders with desired qualities and capacities
5. Choose a name for their SILC group

Materials Needed

- 5 different colored boxes with lids (each lid with a small hole or slit)
- One small stone or bean for each participant to vote. Note that stones or beans must fit through the slit in the box lid.

Step 3.1 Recap Module 2 (15 minutes)

Methods: Open questions, paired groups, mini-lecture

Learning Tasks

3.1.1 Ask participants:

- *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers to this question in the large group in a few minutes.*

3.1.2 After giving groups 3-5 minutes to discuss, invite each pair (or a few pairs if the group is large) to share their ideas and thank them.

3.1.3 Building on the group's ideas, emphasize these key points and tell participants:

- *Like any other group, SILC groups are successful when members of the group have individually self-assessed their own qualities, select other group members with these same qualities, decide themselves who should join their group, take their responsibilities seriously, elect strong and capable leaders, and know their constitution. These factors are especially important in SILCs as SILCs involve members' money.*
- *All SILCs have a written constitution*
- *All members of the SILC are members of the General Assembly. All SILC members can vote (one person = one vote).*
- *The SILC's Management Committee is composed of a Chairperson, Secretary, Treasurer, Money Counter and Key Holders.*
- *The Management Committee is accountable to the General Assembly. The General Assembly is responsible for setting the rules and regulations of the SILC in a written*

constitution. The Management Committee is empowered by the General Assembly to enforce these rules.

Step 3.2 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 3.2.1 Tell participants: *In today's meeting, you will:*
- *Discuss your responsibilities as SILC group members*
 - *Review the positions on the Management Committee, and the responsibilities and qualities for each position*
 - *Elect your Management Committee leaders*
 - *Choose a name for your SILC group*
- 3.2.2 Ask participants:
- *What are your questions about what we will accomplish today?*
- 3.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 3.3.

Step 3.3 Member Responsibilities (30 minutes)

Methods: Large group, small groups, brainstorm

Learning Tasks:

- 3.3.1 Invite participants to think back to previous meetings and especially the last meeting when they discussed the General Assembly and the Management Committee. Ask participants in the large group:
- *What are the responsibilities of all members in a SILC group?*

Let participants answer the question. It is likely that they will mention responsibilities 1 and 2 from Box 8 (below). Once participants finish answering, use the list in Box 8 below to arrive at a final list of 6 responsibilities.

Box 8: 6 main responsibilities of all members in a SILC Group

1. Elect the Management Committee and monitor their activities
2. Develop the group Constitution, and amend it when needed
3. Attend all meetings
4. Participate actively and contribute to group decisions
5. Save regularly and contribute to the Social Fund regularly
6. Repay on time, when they borrow

- 3.3.2 Divide participants into 6 groups. Assign 1 of the above six responsibilities to each group. Ask each group to discuss what could happen if members don't uphold their responsibilities.

3.3.2 After 5 minutes, invite each group to report on its work. Invite the other participants to add information as needed. Use the information in Table 9 below to complete participant answers.

Table 9: Importance of SILC Member Responsibilities

Member responsibility	If members don't uphold this responsibility...
Elect the management committee and monitor their activities	<ul style="list-style-type: none"> • The leaders might not represent the members, or work for their benefit. • Leaders might abuse their positions.
Develop the SILC constitution, amend it when needed.	<ul style="list-style-type: none"> • The group will not have rules to guide its operations • The group rules will not serve member interests
Attend all meetings	Members will not participate in decision-making and will not know what is happening in their group.
Participate actively and contribute to group decisions	Members might not benefit from group decisions.
Save regularly and contribute to the Social Fund regularly	<ul style="list-style-type: none"> • The loan fund will not grow • There might not be funds available in case of emergencies
Repay on time, when they borrow	<ul style="list-style-type: none"> • The loan fund will not grow • Other members will not be able to borrow

Step 3.4 Management Committee Responsibilities and Qualities (30 minutes)

Methods: Small groups, brainstorm

Learning Tasks:

- 3.4.1 Tell participants: *In a SILC Group, the Management Committee has several positions: a Chairperson, Secretary, Treasurer, Money Counter and Key Holders. All of these positions are elected. In this step, you will review the responsibilities of the Chairperson, Secretary, Treasurer, Money Counter and Key Holders, and then define what qualities are needed by the person who will carry out these responsibilities.*
- 3.4.2 Divide the group into five small groups. Tell participants that Group 1 will focus on the SILC Chairperson; Group 2 on the SILC Secretary; Group 3 on the SILC Treasurer; Group 4 on the Money Counter; and Group 5 on the Key Holders.
- 3.4.3 Read through the assigned tasks for the groups, in italics. Ensure everyone can hear the responsibilities for all members (Give groups about 10 minutes to work on their task.)
1. *Listen to the responsibilities of your assigned Management Committee leader (Chairperson, Secretary, Treasurer, Money Counter or Key Holder). (Note: read through Table 7 below, columns 1 and 2 "Type of Leader" and "responsibilities")*

2. *Brainstorm a list of qualities needed by your assigned leader to carry out those responsibilities properly.* (Note: at this time, do NOT share the information from Table 10, column 3 “qualities”.)
3. *Prepare to share your answers for your assigned leader with the large group.*

Table 10: Master List of Management Committee Leader Responsibilities and Qualities

Leader	Responsibilities	Qualities
Group 1: SILC Chairperson	<ul style="list-style-type: none"> • Ensure that the meetings follow the proper procedures • Ensure that the Constitution is followed and respected • Maintain discipline and levy fines as needed • Facilitate discussions and make sure that everyone’s views are heard • Facilitate solutions to conflicts between participants • Represent the SILC to outsiders and nonmembers. 	<ul style="list-style-type: none"> • Respected • Dynamic and visionary • Trustworthy • Fair and capable of being neutral • Strong personality, but not autocratic • Tactful and diplomatic • Listens to others and takes their opinions into account • Patient • Organized • Punctual • At ease speaking in front of others • Capable of summarizing the views of many people.
Group 2: SILC Secretary	<ul style="list-style-type: none"> • Record all financial transactions in Record Book • Summarize the financial state of SILC affairs at every meeting • Take minutes of meetings, if required • Assist the Field Agent to update his or her records during monitoring visits 	<ul style="list-style-type: none"> • Literate and numerate and capable of maintaining the SILC accounts. • Trustworthy • Reliable • Intelligent • From a respected home, reputed for honesty • Available for specialized training by the Field Agent • Punctual
Group 3: SILC Treasurer	<ul style="list-style-type: none"> • Keep the locked cash box containing cash and group records between meetings and brings the cash box to every meeting • Count and announce all member transactions • Count and announce meeting totals and balances • Disburse loans and social fund payouts 	<ul style="list-style-type: none"> • Numerate • Trustworthy • Personal discipline to resist temptation • Lives in a secure house • Reliable and responsible
Group 4: SILC	<ul style="list-style-type: none"> • Count and announce all member transactions 	<ul style="list-style-type: none"> • Numerate • Careful and accurate

Money Counter	<ul style="list-style-type: none"> Count and announce meeting totals and balances Disburse loans and social fund payouts 	<ul style="list-style-type: none"> Calm and organized
Group 5: SILC Key Holders	<ul style="list-style-type: none"> Keep the key to one padlock between meetings and bring the key to every meeting 	<ul style="list-style-type: none"> Trustworthy Reliable and responsible

3.4.4 Invite each group to share the qualities they defined as important, given their assigned leader’s responsibilities.

3.4.5 After each group shares, ask the other participants if they would like to comment or ask a question. Use Table 10, column 3 “Qualities” as a master list. If participants fail to mention a very important quality, you can now suggest it as another idea.

3.4.6 Close this session by summarizing as follows. Tell participants: *From what everyone has said, one lesson is that while one person may be a good Treasurer, the same person may not be a good Chairperson. While some qualities are the same for all leaders, different qualities are also needed for the different positions. It is important to remember that when electing your Management Committee leaders.*

Step 3.5 Holding Elections (1 hour)

Methods: Large group discussion, group consensus, decision-making

Learning Tasks

3.5.1 Ask participants:

- *What makes for a fair and successful election in your experience?*

Let all participants who wish to speak share their ideas. (Ideas may include use of secret balloting, presence of election monitors, holding elections at set intervals, etc.)

3.5.2 Tell participants: *Management Committee leader elections also apply these good election procedures. Before you nominate and elect your leaders, you will make several decisions on how to conduct elections.*

3.5.3 Use Table 11, below, to help members make several decisions on elections. Working in the large group, ask them the questions (column 3 below), one row at a time.

Table 11: Decisions on Management Committee Elections

Topic	Information to share:	Questions for decision-making
<i>You are now going to decide how many members must be present to hold an election</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> <i>If few members are present for the election, leaders will lack legitimacy</i> 	<ul style="list-style-type: none"> ➤ <i>How many members must be present to hold an election? Why?</i>

Topic	Information to share:	Questions for decision-making
<p><i>You are now going to decide how often to hold elections, and how many terms a person can serve in a Management Committee position.</i></p>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>Elections are not a one-time thing and regular elections at the beginning of each cycle are important.</i> • <i>Regular elections remind SILC leaders that they are there to serve members if they want to keep their position.</i> • <i>Regular elections reflect the fact that the General Assembly is the supreme body of the SILC group.</i> • <i>Members can choose to have special elections if they feel their leaders are not serving them well.</i> 	<ul style="list-style-type: none"> ➤ <i>How often will your group hold elections?</i> ➤ <i>What is the maximum number of consecutive terms that a member can hold in any one Management Committee position? Why?</i>

Bring the group to consensus on decisions as they discuss. (Note: As decisions are made, note the group’s answers. These answers will be written up in Section 4 of the SILC constitution, in Module 4).

3.5.4 Explain the nomination process to members:

- *Nominations can be made by anyone, and must be seconded by a second member.*
- *If a member is nominated, then that member is free to accept or refuse the nomination. If the person does not wish to be considered for the position, he or she can refuse and should not be pressured.*
- *You must nominate at least 2 people for each position. This way, members have a real choice of leaders.*
- *In SILC groups with both males and females, at least 2 of the following 3 Management Committee positions (Chairperson, Secretary, and Treasurer) must be female, unless no female can perform the position’s duties.*

3.5.5 Agree with the group on the selection of an election monitor (either yourself, or an invited community member).

3.5.6 Explain to the group how secret balloting works. Show the group the different colored boxes. Tell participants: *Each candidate is represented by one color box. The boxes have a small hole in the lid. To vote for a candidate, you will place a stone in the box of your choice. This will be done in secret* (point to the tree or bush at a distance that you have designated as a voting point). *Only the election monitor will see you vote and no other member will know who you voted for.*

3.5.7 Assist the group to nominate at least two candidates for the position of Chairperson. Clearly indicate to the group members which box is assigned to each candidate.

3.5.8 Hold the election for the Chairperson as follows.

- Give each person a small stone.
- Each person in turn goes to the boxes. Hidden from members, but under the eye of the election monitor, s/he deposits the stone in the box of his or her choice.

- When all members have voted, the election monitor confirms that the number of stones in all boxes is equal to the number of members and declares one person the winner.

3.5.9 Repeat the nomination and election process for the positions of Secretary, Treasurer, Money Counter and Key Holders. (Three or more members must be nominated for the Key Holder positions, and the voting for the 3 Key Holders happens at one time. The 3 members with the most votes are elected Key Holders.) Note that members who have already been elected to Management Committee positions also vote.

3.5.10 After the members of the Management Committee have been elected, ask each of them to stand and repeat:

“I will fulfill my responsibilities as Chairperson of this SILC group”.

“I will fulfill my responsibilities as Secretary of this SILC group”.

“I will fulfill my responsibilities as Treasurer of this SILC group”.

“I will fulfill my responsibilities as Money Counter of this SILC group”.

“I will fulfill my responsibilities as Key Holder of this SILC group”.

Invite the other members to applaud their Management Committee.

Step 3.6 Group Name (10 minutes)

Methods: Brainstorm, decision-making

Learning Tasks

3.6.1 Use Table 12 to help members decide their group name. Ask for ideas in a brainstorm (everyone can suggest ideas that are not critiqued or discussed.)

Table 12: Choosing a SILC Group Name

Topic	Information to share:	Question for decision-making
<i>You are now going to decide your group name</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>Your group name should be relevant for your activities</i> • <i>Your group name can reflect where you live or meet</i> • <i>Your group name can reflect what you believe in</i> 	<p>➤ <i>What group name would you like for your SILC group? Why?</i></p>

3.6.2 Once members have suggested a number of options for the group name, help the Chairperson facilitate a discussion and help the group come to consensus on a group name. If necessary, have members vote by show of hands.

3.6.3 Congratulate the group on choosing their group name.

Step 3.7 Summary and Conclusion (5 minutes)

3.7.1 Ask participants:

- *What are your questions on anything we discussed during this meeting?*
- 3.7.2 Agree on the date, time and place of the next meeting. Tell participants that the topic of the next meeting is: Constitution, Savings, Safety of Group Assets.
- 3.7.3 Quickly evaluate the meeting. Ask the participants:
- *What did you like best today and why?*
 - *What would you suggest to improve our next meeting?*
- 3.7.4 Thank participants and close the meeting.

Module 4: SILC Constitution, Savings Policies, Safety of Assets

Total Time Needed: 130 minutes (2 hours and 10 minutes)

Objectives

In Module 4, participants will:

1. Review the importance of a written constitution and its use
2. Document decisions made in previous meetings
3. Determine minimum and maximum savings members will make to the SILC
4. Decide how and when to acquire SILC tools

Materials Needed

- SILC Constitution Worksheets 1, 2 and 3

Preparation

Identify local vendors and costs of SILC tools.

Step 4.1 Recap Module 2 (15 minutes)

Methods: Open questions, paired groups, mini-lecture

Learning Tasks

- 4.1.1 Ask participants:
 - *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers to this question in the large group in a few minutes.*
- 4.1.2 After giving groups 3-5 minutes to discuss, invite each pair (or a few pairs if the group is large) to share their ideas and thank them.
- 4.1.3 Building on the group's ideas, emphasize these key points and tell participants:
 - *The SILC's Management Committee is composed of a Chairperson, Secretary, Treasurer, Money Counter and Key Holders.*
 - *The Management Committee is accountable to the General Assembly. The General Assembly is responsible for setting the rules and regulations of the SILC in a written Constitution. The Management Committee is empowered by the General Assembly to enforce these rules.*

Step 4.2 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 4.2.1 In today's meeting you will:
 - *Discuss the importance of having a constitution for your group, and how you will use it*

- *Begin to write your constitution*
- *Decide how much members will save at every meeting*
- *Decide how to keep your group's money safe*

4.2.2 Ask participants:

- *What are your questions about what we will accomplish today?*

4.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 4.3.

Step 4.3 Constitution: Importance and Use (45 minutes)

Methods: Stories, open questions, mini-lecture

Learning Tasks

4.3.1 Read the story in Box 13 (below) to participants.

Box 13: The Amkeni SILC Group

The Amkeni SILC group in Machakos began their SILC training with their Field Agent, Mr. Kioko. They were very eager to start saving and borrowing. After electing the Management Committee and deciding on a savings amount, they began their financial activities without completing their training with Mr. Kioko, and without finalizing their Constitution. This was because the group members thought that they were mature individuals. As such, they believed they could manage the group meetings themselves, and tackle issues as they arose.

But, the Amkeni SILC quickly developed problems. Two members missed several meetings in a row without telling anyone, and the other members decided the two should be fined for every meeting they had missed. When the two members finally came to a group meeting, they argued no one had told them they would be fined, and they refused to pay it. Members began quarreling, and the Chairperson struggled to maintain order. Then, one member who had borrowed a large amount of money declared he could not repay, and should be given another two months to come up with the money, since he was a member in good standing. Other members disagreed and threatened to not repay their loans either. Some members demanded that the group refund all their money, since it was not being managed properly. The Management Committee was concerned that the group would collapse and wondered if they should call back Mr. Kioko.

Now, ask these questions, taking several responses before moving onto the next one.

- *What happened to the Amkeni group, and why?* [answer: the group was not able to solve problems, because it did not have a constitution, and did not have rules to deal with problems that arose]
- *What could have prevented this from happening?*
- *What should the group do now?*

4.3.2 Read the story in Box 14 (below) to participants.

Box 14: The Upendo SILC Group

The next time Mr. Kioko trained a SILC group in Machakos, he ensured they finished their training and completed their Constitution. Upendo SILC Group completed its constitution and the Secretary copied it in the back of their Ledger Book. They began saving and lending activities. Things went well until the fifth month. At this time, a few problems emerged among 3 of the members: George, Mary and Margaret.

George got very busy with his business, and starting coming late to meetings. He asked the group to forgive the fine as it was not his fault that he came late. Mary started lobbying the Secretary to let her cousin join the group, even though she was well below the age-limit set in the Constitution. Margaret came to the meeting begging for social funds to finance his child's naming ceremony, which fell outside of the agreed-upon types of emergencies for the Social Fund.

The group members spent a long time discussing these cases, without coming to a resolution. Finally, the Chairperson turned to the written Constitution to remind everyone of the rules and policies. However, George, Mary and Margaret began arguing that their cases were exceptional, giving many reasons why, and pleading for understanding from the group that these were all "one-time exceptions". George and Margaret then suggested that the Constitution be amended. The group members started getting confused.

Now, ask these questions, allowing several answers before moving to the next one.

- *What happened to the Upendo group and why? [answer: group members did not respect the rules in the constitution, and did not consult the Constitution when there were problems. Some members thought they should get exceptions]*
- *What could have prevented this from happening?*
- *What should the group do now?*

4.3.3 Remind participants of the information shared in Module 2 about the SILC constitution.

- *All SILCs have a written constitution that describes what the SILC's purpose how it will be governed, how the people who govern it will be elected (and removed)*
- *The SILC constitution includes other rules and policies for SILC membership and activities (for example, Social Fund, savings and lending, share-out). It describes what happens (for example, fines or expulsion) when members do not comply with rules and policies.*
- *Remember the roles of the Management Committee and the General Assembly around the development, amendment and enforcement of the constitution that we discussed earlier. The General Assembly creates and can modify the constitution if it is incomplete or ineffective. The Management Committee leaders enforce the constitution (only after it is written and approved).*

4.3.4 Tell the participants: *You made a number of decisions in the last meeting, which the Secretary will record today. As you make other decisions and rules today and in the next meetings, the Secretary will also record them, until you have a complete SILC constitution that guides your group.*

Give the Secretary the SILC Constitution Worksheet 1, and go through each item one by one. For items already decided in the previous meeting, ask members to recall the decision (use your notes from this meeting to assist them), and help the Secretary to write them down. For items not already decided (such as membership criteria), facilitate a discussion among the members to reach decisions, and help the Secretary to write them down. Involve the Chairperson to help the group come to consensus. Show the filled-out worksheet to members.

Step 4.4 Minimum and Maximum Savings (30 minutes)

Methods: Mini-lecture, large group discussion, paired groups, consensus, worksheet

Learning Tasks

4.4.1 Remind participants of the meeting during which the SILC methodology was introduced. Tell them: *As you recall from this meeting, SILCs are self-selected groups that allow their members to regularly save money in a fund called the “loan fund”. Members can borrow from this fund, and have to pay the loans back with interest. This makes the loan fund grow. If the group charges fines or receives other types of income, that money is also added to the loan fund. After about one year, the entire loan fund is shared out (including the interest earned) among members, according to how much they have saved. This way, members receive more at the end of the cycle, than they have saved during the cycle. Members can use this money as they want, including reinvesting in the group for another cycle.*

4.4.2 Tell participants: *The principal source of money for the loan fund is member savings. In SILC, all members save at every meeting. We will now discuss how much you can comfortably save in your loan fund.*

4.4.3 Ask participants:

- *How easy is it to save Sh300 per month?* [They will probably say it is hard].
- *How easy is it to save Sh10 per day?* [They will probably say it is easy].
- *How easy is it to save Sh150 every two weeks?*
- *How easy is it to save Sh75 per week?*

4.4.4 Tell participants:

- *As you can see, regular smaller savings are usually easier than larger, periodic savings.*
- *Your SILC group needs to decide on (a) the minimum and maximum savings amounts, (b) what happens if someone does not save. All of this will be recorded in your SILC Constitution.*

4.4.5 Organize participants into pairs. Use Table 15 (below) to help them discuss their minimum savings amount.

Table 15: Deciding on Minimum Savings

Topic	Information to share:	Question for decision-making
<i>You are now going to decide</i>	<i>Here are some things to consider:</i> <ul style="list-style-type: none"> • <i>Members must save a minimum amount at every meeting</i> 	➤ <i>What should the minimum</i>

<p><i>how much you will save in your SILC group.</i></p>	<ul style="list-style-type: none"> • <i>The minimum amount should consider what members are capable of comfortably saving at every meeting. You need to ensure that every member of the SILC is able to participate.</i> • <i>Members can save more than the minimum savings amount when they are able. This helps increase the funds available for lending.</i> • <i>However, there is a limit on savings to avoid a situation where (a) wealthier members start to dominate or (b) people save a lot later in the cycle in order to benefit unfairly from the distribution of SILC funds which are based on higher savings contributions.</i> • <i>In SILC, members cannot save more than 5 times the minimum savings amount, in any meeting.</i> 	<p><i>savings amount be? Why?</i></p>
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After 3 minutes, invite pairs to share their answers. Assist the group to discuss pros and cons of their answers and then come to consensus. Remind the group of the principles if necessary to come to agreement. Once the group has reached a decision, restate it to the group.

4.4.6 Now, ask participants to get back into their paired groups. Use Table 16 (below) to help them discuss what will happen if members fail to save.

Table 16: If Members Fail to Save

Topic	Information to share:	Question for decision-making
<p><i>You are now going to decide what the group will do if members fail to save.</i></p>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>At times the whole SILC may agree to suspend or reduce contributions in certain circumstances, for example when times are difficult. This should be kept as a “last resort” as savings is the heart of the SILC group’s activities.</i> • <i>Your SILC group may be destroyed if people stop saving, or save irregularly, because this will slow down the growth of the loan fund.</i> • <i>It can happen that some members at times cannot save for a meeting. You should decide now what to do in those cases, so it does not become a habit.</i> 	<p>➤ <i>What will the group do if a member fails to save? Why?</i></p>

4.4.7 Invite pairs to share their answers. Assist the group to discuss the pros and cons of responses. Help the group come to consensus. Once agreement is reached, restate the decision the group made.

- 4.4.8 Ask the Secretary to record (a) all decisions about savings in the Savings Section of the SILC Constitution Worksheet 2 and (b) decisions about fines in the SILC Constitution Worksheet 3.

Step 4.5 SILC Tools, Safety of Group Funds and Records (30 minutes)

Methods: Story, open questions, mini-lecture, small groups, consensus

Learning Tasks

- 4.5.1 Tell participants: *You have just decided how much you will save at every meeting. You will begin saving in a few meetings, once you have made decisions regarding how to manage your funds. We will now discuss how cash and other group materials, such as records, should be safeguarded between meetings. Listen to this story and then we will discuss.* (Tell the story in Box 17 below.)

Box 17: The Bidii SILC Group

The members of the Bidii SILC entrusted the group's money and records to the Treasurer, who was a very honest woman. She took the money and records home in her handbag. She came to each meeting on time with the records and the loan fund – a small amount of cash. After six months, however, the loan fund began to get quite large and the Treasurer found she had to manage Sh100, 000. She kept this sum in a cupboard in her house. One day, her husband took Sh5, 000 which he returned before the next meeting. Then he took Sh 20,000 and spent all of it with his friends in a bar. The Treasurer hoped desperately to recover the funds, and decided against her better judgment to alter the SILC records in hopes of gaining some time. When she came to the next meeting, the Secretary saw the altered records, and accused the Treasurer of stealing. The Treasurer broke down in tears and confessed what had happened. The General Assembly decided to elect another Treasurer and then began arguing about how to prevent such a thing from happening again.

- 4.5.2 Ask participants these questions, one at a time. Take several answers before going onto the next question:
- *In this story, what risks did the SILC group take in safeguarding their assets?*
 - *In addition to these risks, what other risks might a SILC group face in real life, in safeguarding their money, in addition?*
 - *What would you advise the Bidii SILC to do next to safeguard their money?*
- Summarize the discussion by emphasizing that groups need a safe place to keep their money.
- 4.5.3 Tell participants: *SILC groups have the following tools that help to manage and safeguard the group's money:*
- a. *A record keeping journal*
 - b. *A pen*
 - c. *A ruler*
 - d. *A calculator*
 - e. *4 bowls used during meetings*
 - f. *2 bags to separate the funds in the cashbox*
 - g. *A strong cash box with 3 locks and keys*

4.5.4 Tell participants: *The SILC methodology requires that the Treasurer not be the same person as the Key Holders.* Organize participants into small groups, and ask them to discuss the following question.

- *Why do you think is it important for different members (the Treasurer and the Key Holders) to keep the locked cash box and the keys between meetings?*

Give the small groups 5 minutes to discuss and then ask them to share their answers. Ensure the following points are mentioned:

- It makes it more difficult to steal group funds
- It prevents access to group funds outside of meetings
- It prevents access to group records outside of meetings
- It ensures all transactions take place in front of the General Assembly
- It builds trust in the Treasurer

4.5.5 Use Table 18(below) to help participants come to consensus about how to acquire SILC tools. Work with the large group, asking one question at a time.

Table 18: Acquiring SILC Tools

Topic	Information to share:	Question for decision-making
<i>You are now going to decide how you will raise money to purchase group tools</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>The group can raise a lump or small contributions over time</i> • <i>The group can decide to have a joining fee</i> • <i>[indicate the price of locally-available SILC tools]</i> 	<ul style="list-style-type: none"> ➤ <i>How will you raise the money to purchase group tools?</i>
<i>You are now going to decide where and when to purchase group tools</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>The group must prioritize the purchase of the Record-Keeping Journal, pen and ruler, in order to start recording transactions.</i> • <i>The group must acquire a cash box as soon as possible as your loan fund will quickly grow.</i> • <i>Cash boxes can be bought locally; the cash box must be big enough to hold all of the group tools, including the Ledger Book.</i> • <i>The tools should be of good quality to avoid wasting group money (strong box and locks; quality calculator)</i> 	<ul style="list-style-type: none"> ➤ <i>When are you going to purchase your group tools?</i> ➤ <i>Where are you going to purchase your group tools?</i>

Assist the Chairperson to facilitate the group discussion and come to consensus on decisions. Once the group reaches an agreement, restate the decisions taken.

Step 4.6 Summary and Conclusion (5 minutes)

4.6.1 Ask participants: *What are your questions on anything we discussed during this meeting?*

- 4.6.2 Agree on the date, time and place of the next meeting. Tell them the topic of the next meeting is: loan fund policies and social fund policies
- 4.6.3 Quickly evaluate the meeting. Ask participants:
- *What did you like best today and why?*
 - *What would you suggest to improve our next meeting?*
- 4.6.4 Thank participants and close the meeting.

Document C: SILC CONSTITUTION WORKSHEET 1

BASIC INFORMATION ON THE SILC

- Name of the SILC _____
- Address: _____
- The SILC was formed on (date the group members registered): _____
- The SILC exists in order to provide savings, loans and emergency fund services to its members

MEMBERSHIP CRITERIA

- Lower age limit _____
- Gender _____
- Residence _____
- Other criteria _____

COMPOSITION OF THE MANAGEMENT COMMITTEE

- Chairperson _____
- Secretary _____
- Treasurer _____
- Money Counter _____
- Key Holder 1 _____
- Key Holder 2 _____
- Key Holder 3 _____

ELECTION PROCEDURES

- The minimum number of members who must be present to hold an election are: _____
- Elections will be held (frequency): _____
- The maximum number of consecutive terms any member can serve in any one position is: _____
- A member must be proposed and seconded by another member before being put forward for election
- At least 2 members must stand for each position.
- The election procedure will use a secret ballot system for casting votes

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Document D: SILC CONSTITUTION WORKSHEET 2

SAVINGS POLICIES

- The minimum amount that a member must contribute at each savings meeting is: Shs _____
- The maximum amount that can be saved at each meeting is: Shs _____
- When a member fails to save the following principles will apply: _____

LOAN FUND POLICIES

- A member can only have 1 loan at a time
- Members can borrow up to ____ times the amount they have saved in the cycle
- The maximum length of loan term (in months) is: _____
- The rate of interest will be charged every month (4 weeks) is: _____
- When a member does not repay a loan the following principles will apply: _____

- When a member does not repay a loan by the end of the cycle the following principles will apply:

SOCIAL FUND POLICIES

- The contribution to the Social Fund at every meeting will be: Sh _____
- When a member misses a Social Fund contribution the following principle will apply:

- The Social Fund will be used for the following reasons, with the following payout amounts:

Social Fund Payout	Grant Amount	Interest-Free Loan Amount

- Social Fund Contributions will be suspended once the Social Fund balance reaches Sh _____

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Document E: SILC CONSTITUTION WORKSHEET 3

FINES

The following table lists the fines that will be charged for offences committed by members.

Offence	Fine Amount
Absence from a meeting for personal reasons (apart from acceptable reasons listed in section 6)	
Late to meetings	
Disrupting meetings (chatting, phone, etc.)	
Showing disrespect to members of the General Assembly	

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Module 5: Loan Fund Policies, Social Fund Policies

Total Time Needed: 135 minutes (2 hours and 15 minutes)

Objectives

In Module 5, participants will:

1. Set policies and procedures related to loan fund management
2. Set policies and procedures related to social fund management

Materials Needed

- Completed worksheets from previous sessions
- 40 beans or stones

Step 5.1 Recap Module 4 (15 minutes)

Methods: Open question, paired groups, mini-lecture

Learning Tasks

- 5.1.1 Ask participants:
 - *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers to this question in the large group in a few minutes.*
- 5.1.2 After giving groups 3-5 minutes to discuss, invite each pair (or a few pairs if the group is large) to share their ideas and thank them.
- 5.1.3 Building on the group's ideas, remind the group of the decisions they took in the last meeting on policies and procedures related to savings, and how they will acquire SILC tools

Step 5.2 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 5.2.1 Tell participants: *In today's meeting you will:*
 - *Make decisions on how to manage your Loan Fund*
 - *Make decisions on how to manage your Social Fund*
- 5.2.2 Ask participants:
 - *What are your questions about what we will accomplish today?*
- 5.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 5.3.

Step 5.3 Loan Fund (30 minutes)

Methods: Large group discussion, story, paired groups, small groups, mini-lectures, worksheet

Learning Tasks

5.3.1 Tell participants: *As we discussed in the last meeting, members of SILC groups save money regularly, and that money is available for members to borrow, under conditions that members decide. We will now discuss for which purposes loans will be given to members of this SILC group.*

5.3.2 Ask participants:

- *For what purposes will you want to borrow in the SILC group?*

Encourage many responses, from several members. Write down their answers for yourself. Then select three loan purposes the participants mentioned, and ask the questions below. The first should be a profit-making purpose, such as business or farming, the second for a useful purpose that does not earn profit, such as school fees, and the third for a purely social purpose.

- *If a member borrows for ____ (purpose that earns profit, such as business or farming) will the activity generate enough profit to repay with interest? Why or why not?*
- *If a member borrows for ____ (useful purpose that does not earn profit, such as school fees), will the activity generate enough profit to repay with interest? Why or why not?*
- *If a member borrows for ____ (purely social purpose, such as burial), will the activity generate enough profit to repay with interest? Why or why not?*

5.3.3 Tell participants: *As you can see, some loans are easy to repay with interest, if they are invested in a business. Others are difficult to repay with interest, for example money that is used for social obligations such as burials. For those types of events, you will create a separate fund called the Social Fund, which we will discuss later.*

There are other types of loans, for which it can be difficult to know whether members can repay with interest. Listen to the following story about Zablon. You will then answer a question about this story with a partner. (Read the story in Box 19 below).

Box 19: Zablon's Loan

Zablon is a farmer in the village of Ralang. It is September and he has 3 bags of maize in his store after harvest. School fees for his children are now due, so Zablon is thinking about selling his maize to pay for the school fees. Right before he sells the maize, a SILC is organized in Ralang and he becomes one of the first members. Zablon then asks for a loan so that he can pay his children's school fees. This will allow him to continue to store the maize for a month, by which time its value will go up by 50%, allowing him to pay back the loan, the interest and have some money left over. However, the SILC group tells Zablon he cannot have a loan to pay school fees because it is not "productive".

Then, ask this question to the paired groups to discuss:

- *Do you think Zablon's loan request to the SILC should be approved or not? Explain why.*

5.3.3 Give pairs 5 minutes to discuss, then invite a few pairs to share their answers, and thank them. Tell the participants: *Even though Zablon is not intending to invest his loan in a business, and wants to use it to pay school fees, he will be able to repay with interest because he is able to manage his household money well. He plans on*

delaying selling his maize, in order to make a profit. What is most important is that a SILC member taking a loan has a clear plan for repaying their loan. The growth of the loan fund depends on the timely repayment of the loans by members, with interest.

In order to ensure that loans can be repaid, they are not given automatically to members. Each loan application will include the amount, purpose and duration, and the General Assembly will discuss the merits of each loan application.

5.3.5 Tell participants: *Now, we will discuss decisions for the management of your Loan Fund. These decisions will be written in your SILC constitution.*

Use Table 20 (below) to help participants come to consensus on Loan Fund management. Take one set of questions (by rows) at a time before moving onto the next row.

Table 20: Loan Fund Management

Topic	Information to share:	Question for decision-making
<i>You are now going to decide the size of loans.</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> <i>In the first cycle, members may not borrow more than three times their personal savings. This reduces the risk that someone with very little investment in the SILC borrows a large amount of money – and then defaults on repayment.</i> 	<p>➤ <i>Should loan amounts be limited to 2 times or 3 times a member’s personal savings? Why?</i></p>
<i>You are now going to decide the duration of loans</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> <i>When loans are short-term, many people in the group get a chance to borrow.</i> <i>However, many activities require loans that are longer than one month, e.g. gardening or animal fattening.</i> <i>SILC groups in the first cycle may not have loans longer than 3 months, as this helps protect the group’s assets. Groups may have longer loans starting in the second cycle.</i> 	<p>➤ <i>Should the maximum duration for loans be 1 month, 2 months or 3 months? Why?</i></p>

Help the Chairperson facilitate a discussion and come to consensus. Clearly restate the decisions the group took. Ask the Secretary to record the decisions in the Loan Fund Policies Section of the SILC Constitution Worksheet 2.

Step 5.4 Setting Interest⁴ Rates (20 minutes)

Methods: Bean example, paired groups, game, mini-lecture, worksheet

Learning Tasks

⁴ In some communities the term “interest” is sensitive or not acceptable. You may wish to use the term “fee”, “thank-you”, “service charge” or “bonus”.

5.4.1 Tell participants: *In SILC, all members who borrow from the loan fund must repay with interest. Interest is charged on the disbursed amount, every 4 weeks, for as long as the loan has not been completely cleared. That means that for a 2-month loan, a member will have to pay 2 service charges – one at the end of the first month, and one at the end of the second month, along with the principal.*

5.4.2 Tell participants: *You must now decide on the interest to charge on loans, every 4 weeks. I will show you what happens in two different SILCs, with different interest rates to help you make this decision.*

- On the ground, place 100 beans: *this is a 1000 shilling loan. Each bean represents 10 shillings.*
- Tell participants: *In one group, borrowers pay 20% interest, that is 200 shillings interest for every 1000 shillings borrowed. Count 20 beans and put them to one side of the 100 beans.*
- Tell participants: *In another group, borrowers pay 2% interest, that is 20 shillings interest for every 1000 shillings borrowed. Count 2 beans and put them to the other side of the 100 beans.*
- Tell participants: *Each of these SILC members took a 1000 shilling loan. But in volunteer #1's SILC, she paid 200 shillings in interest while in volunteer #2's SILC, he paid 20 shillings in interest.*

5.4.3 Ask participants to stand up and gather around the beans in the center of the group.

- *Line up next to the interest you would prefer to pay as a borrower. Why do you prefer this interest rate as a borrower?*
- *Now, line up next to the interest that would make the SILC loan fund grow faster. Why would this interest rate make the SILC loan fund grow faster?*

Summarize the discussion by listing key pros and cons of the two different interest rates used in the role-play:

- *A low interest rate makes it easy for members to repay*
- *A low interest rate will make the loan fund grow slowly*
- *A high interest rate makes the loan fund grow faster*
- *A high interest might discourage some members from borrowing*
- *A high interest might lead to default*

5.4.4 Divide participants into 3 small groups. Use Table 21 (below) to help participants come to consensus on interest rates.

Table 21: Deciding on the Interest Rate

Topic	Information to share:	Question for decision-making
<i>You are now going to decide your group's interest rate</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>Borrowers pay interest on loans every 4 weeks. Borrowers must completely clear the loan, according to when they had committed to.</i> • <i>As a member, you want an interest rate you can afford to pay as a borrower.</i> • <i>The group as a whole wants an interest rate that helps the group fund to grow quickly.</i> 	<ul style="list-style-type: none"> • <i>What interest do you want to charge on loans, every 4 weeks (every month)?</i>

Topic	Information to share:	Question for decision-making
	<ul style="list-style-type: none"> • You should also select an interest that is easy for the Secretary and the members to calculate. • Interest payments go back into the Loan Fund, and become profit at the end of the cycle 	

Invite small groups to share their answers. Assist the group to discuss and come to consensus. Clearly restate the decision the group took. Ask the Secretary to record its interest rate in the Loan Fund Policies Section of the SILC Constitution Worksheet 2.

Step 5.5 Handling Late Repayments (15 minutes)

Methods: Small groups, story, large group, mini-lecture

Learning Tasks

5.5.1 Invite participants to get back into their small groups. Use Table 22 (below) to help participants decide how to handle late repayments. Ask the question to small groups to discuss for about 5 minutes. Ask one row at a time.

Table 22: Handling Late Repayments

Topic	Information to share:	Question for decision-making
<i>You are now going to decide what to do if a member does not repay a loan on time.</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>If members do not repay their loans on time, the Loan Fund will not grow as fast.</i> • <i>Other members will not get an opportunity to borrow.</i> • <i>To encourage on-time repayment, many groups have a penalty for members who repay late.</i> 	➤ <i>When a member does not repay a loan on time, what should the group do?</i>
<i>You are now going to decide what to do if a member does not repay a loan by the end of a cycle.</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>If loans are not repaid at the end of the cycle, it will be difficult to conduct the share-out.</i> • <i>Since members can borrow more than they have saved, their personal savings might not cover the outstanding amount on their loans.</i> 	➤ <i>When a member does not repay a loan by the end of the cycle, what should the group do?</i>

5.5.2 After each row, invite small groups to share their answers. Assist the group to discuss and come to consensus. Clearly restate the decision the group took. Ask the Secretary to record the group decision in the Loan Fund Policies Section of the SILC Constitution Worksheet 2, and if needed in the Fines section of the SILC Constitution Worksheet 3.

5.5.3 Tell participants: *Congratulations on deciding how to manage your Loan Fund. If you make loans wisely and members repay on time with interest, your Loan*

Fund will grow rapidly and members will earn profit at the end of the cycle. Now, listen to this story about a SILC group that wanted to maximize profit from giving loans. Read the story in Box 23 (below).

Box 23: The Garissa SILC

A SILC group in Garissa was eager to increase their loan fund and maximize profit. They studied their records and saw that the loan funds were only partially being used. They made a rule that every member needed to borrow at least once during the cycle. They began pushing members to take loans if there was any cash left in the loan fund, even if it wasn't clear how members would repay. After a few months, some members began defaulting on loan repayment. Some members had to sell household assets to repay loans they had not wanted to take. Some members had strained relationships at home and had to leave the SILC group. As a result, the funds did not grow as planned

Ask the large group to answer these questions. Ask the questions one at a time and allow several responses before moving onto the next question.

- *If you were the Field Agent for this group, what would you advise them to do?*
- *What is the lesson learned for your own SILC? .*

5.5.4 Summarize by telling participants:

- *We strongly recommend not loaning “everything all of the time to maximize profit”.*
- *Do a thorough loan analysis and consider the repayment capacity of each borrower.*
- *Consider that members who do not borrow are helping the group since their savings are available for others to borrow.*
- *Also, we discourage lending to non-members due to risk. Remember, non-members are not bound by the SILC constitution, so if they default, it will be very difficult to recover the money. If a non-member wants a loan, and fits the criteria for membership, consider inviting this person to join the SILC group.*

Step 5.6 Social Fund (45 minutes)

Methods: Story, open questions, mini-lecture, worksheet

Learning Tasks

5.6.1 Tell participants that you will now discuss the SILC group's social fund. Read the story in Box 24 (below).

Box 24: Halima's Need for Money

Halima was a member of Umoja SILC Group. Members of Umoja were very active, and frequently most of the Loan Fund was lent out to members. One day, Halima's daughter, Amina, became sick with malaria. Halima first tried to treat her with plants, but the sickness got worse. Halima did not have enough money to pay for transport to town and for clinic fees, and her neighbors would not help. At the next meeting of the SILC group, Halima wanted to borrow money for transport and clinic fees, but there wasn't enough money to help her. Halima feared for Amina's life as she became sicker.

5.6.2 Ask participants these questions, one at a time, and in this order. For each question, take a few answers and then move onto the next one.

- *What happened to Halima and why?*
- *What would have prevented this situation from happening?*

5.6.3 Tell participants the information in italics below. Link this information to their responses to the above questions.

In SILC, there is a fund, separate from the Loan Fund, called the Social Fund, to help members who have emergencies. Social funds are used to assist SILC members to cover expected or unexpected needs such as:

- *Medical expenses (medicine, doctor visits, hospital bills)*
- *Funeral expenses*
- *Disasters (such as a house burning down)*
- *Other purposes as defined by the group*

The social fund is treated separately from the main loan fund. The money for the social fund is always kept separate from other money in order to ensure there is enough to make a payout. This is especially important because some use of the social fund will be for unpredictable reasons, such as emergencies.

5.6.4 Tell participants: *Your group must make decisions on the management of the social fund including contributions to this fund and the conditions of use. I will share the questions you need to answer and give you some examples from other SILC groups. Then the Secretary will record your decisions on the SILC Constitution Worksheet.*

Use Table 25(below) to help participants come to consensus on the Social Fund management. Ask questions to the large group and take one set of questions (by rows) at a time before moving onto the next row

Table 25: Social Fund Management

Topic	Information to share:	Question for decision-making
<i>You are now going to decide how the Social Fund can be used</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>Some needs should not be supported by the Social Fund, for example if members have a clear way to repay. In those cases members should access the Loan Fund.</i> • <i>Most groups have payouts for death, sickness and disasters</i> 	<ul style="list-style-type: none"> ➤ <i>What kinds of needs will be supported by social funds? Why?</i> ➤ <i>Whose needs will be covered? (members, immediate family, extended family, etc.)</i>
<i>You are now going to decide how much to contribute to the Social Fund</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> ➤ <i>Group members make Social Fund contributions at every meeting</i> ➤ <i>Because emergencies are not predictable, many groups decide to make the Social Fund contribution about 10% of the minimum savings.</i> ➤ <i>After around 6 months, SILC groups can monitor Social Fund contributions to see if they need adjusting up or down.</i> • <i>If the Social Fund grows large and has enough money to cover typical needs, the Social Fund contribution may be suspended until the amount of money in the Social Fund</i> 	<ul style="list-style-type: none"> ➤ <i>How much will each member contribute per meeting to the Social Fund?</i> ➤ <i>What will the group do, if a member fails to make a Social Fund contribution?</i> ➤ <i>At what level or ceiling may contributions to the Social Fund be suspended?</i>

Topic	Information to share:	Question for decision-making
	<i>reduces.</i>	
<i>You are now going to decide on the level of Social Fund payouts for your group</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>The Social Fund can be viewed as solidarity between members – it is not always possible, or necessary, to entirely cover a member’s need</i> • <i>The group may choose different payouts depending on which family member is affected</i> • <i>We recommend making (non-repayable) grants from the Social Fund, although some groups make interest-free loans in certain situations</i> 	<p>(for each of the events that will be covered)</p> <ul style="list-style-type: none"> ➤ <i>How much is payable?</i> ➤ <i>Will the payout be a non-refundable grant, or an interest-free loan?</i>
<i>You are now going to decide how members can access the Social Fund between meetings.</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> ➤ <i>During meetings, the General Assembly deliberates together on member requests for Social Funds</i> ➤ <i>The Social Fund is kept in the locked cashbox between meetings</i> ➤ <i>Some other groups have assigned a small committee to review and approve emergency Social Fund requests between meetings</i> ➤ <i>In those cases, the Management Committee asks that a SILC group member assists the member in need, and then refunds the individual at the next SILC meeting.</i> 	<ul style="list-style-type: none"> ➤ <i>How will members access the Social Fund between meetings?</i>

Assist the large group to discuss and come to consensus. Clearly restate the decision the group took. Ask the Secretary to record its decisions in the Social Fund Policies Section of the SILC Constitution Worksheet 2.

5.7 Summary and Conclusion (5 minutes)

5.7.1 Ask participants:

What are your questions on anything we discussed during this meeting?

5.7.2 Agree with the group on the date, time and place of the next meeting. Tell participants that the topic of the next meeting is: Meetings and Constitution Finalization.

5.7.3 Quickly evaluate the meeting. Ask the participants:

- *What did you like best today and why?*
- *What would you suggest to improve our next meeting?*

5.7.4 Thank participants and close the meeting.

Module 6: Meetings and Constitution Finalization

Total Time Needed: 110 minutes (1 hour and 50 minutes)

Objectives

In Module 6, participants will:

1. Set policies related to meeting attendance
2. Finalize their SILC constitution
3. Agree on how to share and use the constitution

Materials Needed

- SILC constitution worksheets from earlier session
- SILC constitution template
- Pen

Step 6.1 Recap Module 5 (15 minutes)

Methods: Open questions, paired groups, mini-lecture

Learning Tasks

6.1.1 Ask participants:

- *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers with others in a few minutes.*

6.1.2 Give groups 3-5 minutes to discuss. Then invite each pair (or a few pairs if the group is large) to share their ideas. Thank them.

6.1.3 Building on the participants' ideas, remind them of the decisions they took in the last meeting on (a) loan fund management, (b) interest rate, and (c) social fund management.

Step 6.2 Session Objectives (5 minutes)

Methods: Reading aloud, questions and answers

Learning Tasks

6.2.1 Tell participants: *In today's meeting, you will:*

- *Decide how to encourage members to attend meetings, on time*
- *Finish your SILC constitution*
- *Agree on how to share and use the SILC constitution*

6.2.2 Ask participants:

- *What are your questions about what we will accomplish today?*

6.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 6.3.

Step 6.3 Meetings (15 minutes)

Methods: Small groups, consensus, worksheet

Learning Tasks

6.3.1 Tell participants: *Meetings are an important part of SILC methodology. Starting with the next meeting, you will begin financial transactions which are the core activity of SILC groups. In SILC, groups in their first cycle meet weekly to save and to make contributions to their social fund. These meetings can be as short as 20 to 30 minutes. Meetings when members take and repay loans can last more than one hour, therefore we recommend you borrow and repay only once a month. This also makes it easier to keep track of loans and loan payments.*

6.3.2 Tell participants: *To ensure that all of your meetings are efficient, you will now make some decisions.*

Use Table 26 (below) to help participants make decisions on meeting attendance and on their share-out date. Have them discuss one set of questions at a time.

Table 26: Meetings and Share-out

Topic	Information to share:	Question for decision-making
<i>You are now going to decide rules around attendance</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>Regular attendance is a responsibility of all members. This ensures all members participate in decision-making</i> • <i>Members should attend meetings even if they cannot make their savings or Social Fund contributions</i> • <i>Many SILC groups assign fines for being absent from meetings, in order to promote attendance</i> 	<ul style="list-style-type: none"> ➤ <i>What should be the penalty for missing a meeting?</i> ➤ <i>What are acceptable reasons for missing a meeting, without penalty?</i>
<i>You are now going to decide rules around punctuality</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>If members are late to meetings, it can delay those who are on time, and can make record-keeping difficult.</i> • <i>Many SILC groups assign fines for being late to meetings, in order to encourage members to be on time</i> 	<ul style="list-style-type: none"> ➤ <i>What should be the penalty for being late to a meeting?</i>

Now organize participants into small groups to discuss the following question.

Topic	Information to share:	Question for decision-making
<p>You are now going to decide when to share out your Loan Fund</p>	<p>Here are some things to consider:</p> <ul style="list-style-type: none"> • Share-out happens at the end of the cycle, when all loans are repaid and the Loan Fund is divided among members, according to how much they saved during the cycle. ➤ Groups should schedule their first share-out at a time when members will need a large amount of money, for example for agricultural activities, or for holidays. ➤ First-cycle groups should share out within 6 and 12 months of beginning saving ➤ Sharing out does <u>not</u> mean that the groups disbands, or that it must start again from nothing. Many groups reinvest their savings and/or profit immediately after the first share-out 	<p>➤ When do you want to share out? (during which month)</p>

Invite small groups to share their answers. Assist the large group to discuss and come to consensus. Clearly restate the decisions the group took. Ask the Secretary to record the decisions on the SILC Constitution Worksheet 4.

Step 6.4 Finalizing the Constitution (45 minutes)

Methods: Mini-lecture, group interview

- 6.4.1 Tell participants: *Over the last few meetings, you have made many decisions that will help you have a successful SILC Group. All your decisions were written on Constitution Worksheets. Now you will confirm your decisions and finalize the constitution, and all members will sign or make their mark on the final version of the constitution. This means you are binding yourselves as a group to respect and put into practice what is written. Because of this, we will take our time to write up the final version. Keep in mind that the constitution can be amended in the future, using the process you agree on.*
- 6.4.2 Ask the Secretary to present all the SILC Constitution Worksheets developed in earlier sessions. Give the Secretary a full constitution template (in Appendix 1) to create the final version. Walk participants through the constitution (a) verifying that earlier decisions have not changed (and thus can be transcribed onto the final constitution as is) and (b) helping them to make decisions on sections that were not already discussed, such as Section 7 (Members Leaving the SILC) and Section 12 (Amendments to the Constitution).
- 6.4.3 Once the constitution is finalized, ask the Secretary to write the names of all the group members, and have each member sign the constitution. Management Committee members should also sign by their names on the first page.

Step 6.5 Sharing and Using the Constitution (20 minutes)

Methods: Mini-lecture, small groups, large group discussion, consensus

Learning Tasks:

- 6.5.1 Tell participants: *When you discussed the story of the two SILC groups in Machakos (in Module 4), the importance of sharing, internalizing and using the constitution became clear. (Summarize any other relevant points from the earlier discussion.)*
- 6.5.2 Tell participants: *You will now decide what your SILC group will do to ensure that the constitution is well-understood and used regularly.*

Use Table 27(below) to help participants come to consensus on how to share, internalize and use the constitution. Put participants in small groups to discuss the question for decision-making.

Table 27: Using the SILC Group Constitution

Topic	Information to share:	Question for decision-making
<i>You are now going to decide how to share, internalize and use your constitution</i>	<p><i>Here are some things to consider. Some groups have done the following:</i></p> <ul style="list-style-type: none"> • <i>Keep a copy of the constitution in the cash box</i> • <i>Write the constitution in the Ledger Book.</i> • <i>Assign group members different clauses of the constitution to memorize and recite at meetings. These group members will help enforce their assigned clauses when the need arises.</i> • <i>Read the constitution to the group periodically e.g. weekly, monthly or quarterly.</i> • <i>Make photocopies of the constitution for each member</i> 	<p>➤ <i>What will you do to share, internalize and use your constitution?</i></p>

Invite small groups to share their answers. Assist the large group to discuss and come to consensus. Clearly restate the decisions the group took. Encourage members to implement these decisions.

Step 6.6 Summary and Conclusion (10 minutes)

- 6.6.1 Tell participants: *Now that you have finalized and signed the Constitution, the elected Management Committee members can now enforce it. The Constitution now authorizes these leaders to execute their tasks.*
- 6.6.2 Ask participants: *What are your questions on anything we discussed during this meeting?*
- 6.6.3 Tell the group that they will need to bring their social fund contribution, and their savings contribution (at least the minimum savings amount, but no more than the

maximum savings amount) to the next meeting. The group must also bring their SILC tools (the Record Book, ruler and pen are mandatory, in order to start record-keeping). During the next meeting, they will discuss written record keeping, begin record-keeping and conduct a meeting during which they will carry out social fund and savings activities.

- 6.6.4 Agree on the date, time and place of the next meeting. Tell participants that the topic of the next meeting is: written record-keeping and meeting procedures I.
- 6.6.5 Quickly evaluate the meeting. Ask participants:
 - *What did you like best today and why?*
 - *What would you suggest to improve our next meeting?*
- 6.6.6 Thank participants and close the meeting.

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Document F: SILC CONSTITUTION WORKSHEET 4

MEETINGS

- Members must attend every meeting. Acceptable reasons for missing meetings without penalty are:

- Savings meetings occur every week.
- The SILC shares out its assets in (month and year): _____

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Document G: SILC Constitution

1. BASIC INFORMATION ON THE SILC

- Name of the SILC _____
- Address: _____
- The SILC was formed on (date the group members registered): _____
- The reason for the SILC to exist is to provide savings, loans and emergency fund services to its members

2. MEMBERSHIP CRITERIA

- Lower age limit _____
- Gender _____
- Residence _____
- Other criteria _____

3. COMPOSITION OF THE MANAGEMENT COMMITTEE

- Chairperson _____
- Secretary _____
- Treasurer _____
- Money Counter _____
- Key Holder 1 _____
- Key Holder 2 _____
- Key Holder 3 _____

4. ELECTION PROCEDURES

- The minimum number of members who must be present to hold an election are: _____
- Elections will be held (frequency): _____
- The maximum number of consecutive terms any member can serve in any one position is:____
- A member must be proposed and seconded by another member before being put forward for election.
- At least 2 members must stand for each position.
- The election procedure will use a secret ballot system of casting votes

5. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS

- Any member of the General Assembly can call for a vote of no confidence in a member of the Management Committee. The vote can be held of the minimum numbers of members, stipulated in Section 4, is present. If the vote is passed by a majority of the voting members, the member must step down from the Management Committee and another member must be elected to the same position.

6. MEETINGS

- Members must attend every meeting. Acceptable reasons for missing meetings without penalty are:

- Savings meetings occur every week.
- The SILC shares out its assets in (month and year): _____

7. MEMBERS LEAVING THE SILC

- If a member leaves the SILC because they have no alternative (for example, if they marry and move away) the SILC will calculate how much they must be paid using the following principle: _____

- If a member leaves the SILC before the end of the cycle for no good reason, except their preference to leave, the SILC will calculate how much they must be paid using the following principle _____

- The reasons for which a person should be expelled from the SILC are:

- If a member is expelled from the SILC, the SILC will calculate how much they must be paid using the following principle _____

- If a member dies the SILC will calculate how much money should be given to their heirs using the following principle:

8. SAVINGS POLICIES

- The minimum amount that a member must save at each meeting is: Shs _____
- The maximum amount that can be saved at each meeting is: Shs _____
- When a member fails to save the following principles will apply:

9. LOAN FUND POLICIES

- A member can only have 1 loan at a time
- Members can borrow up to ___ times the amount they have saved in the cycle
- The maximum length of loans (in months) is: _____
- The rate of interest will be charged every month (4 weeks) is: _____
- When a member does not repay a loan on time the following principles will apply:

- When a member does not repay a loan by the end of the cycle the following principles will apply:

10. SOCIAL FUND POLICIES

- The contribution to the Social Fund at every meeting will be: Sh _____
- When a member misses a Social Fund contribution the following principle will apply:

- The Social Fund will be used for the following reasons, with the following payout amounts:

Social Fund Payout	Grant Amount	Interest-Free Loan Amount

- Social Fund Contributions will be suspended once the Social Fund balance reaches Sh _____

11. FINES

The following table lists the fines that will be charged for offenses committed by members.

Offense	Fine Amount
Absence from a meeting for personal reasons (apart from acceptable reasons listed in section 6)	
Late to meetings	
Disrupting meetings (chatting, phone, etc.)	
Showing disrespect to members of the General Assembly	

12. AMENDMENTS TO THE CONSTITUTION

- The number of members who must agree before the constitution can be amended is:

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Module 7: Written Record Keeping and Meeting Procedures I

Total Time Needed: 180 minutes (3 hours)

Objectives

In Module 7, participants will:

1. Review the purpose and benefits of SILC record-keeping
2. Review the steps and sequence of conducting an efficient SILC meeting
3. Conduct a savings meeting with transactions.
4. Fill in selected sections of the SILC ledger book
5. Evaluate how they conducted the SILC meeting

Materials Needed

- Razor blade or scissors to cut the book
- Ruler
- Pen
- The SILC group's Constitution
- SILC group members must bring the social fund contribution and the savings amount they agreed on
- The SILC group must bring a Ledger Book (Note: you should have one ready in case they do not bring it)

Preparation

- Before the meeting starts, sit with the Management Committee and show the Secretary how to cut the Ledger Book and create the sections, and headers. In particular, each member must have a prepared Loan Ledger.
- Guide to the number of pages per section: Register (7 pages); Social Fund Ledger (10 pages); Savings Ledger (15 pages); Social Fund Payout Ledger (5 pages), Fines Due Ledger (5 pages); Loan Ledgers (35 pages); Cashbook (10 pages); Notes (5 pages).

Step 7.1 Recap Module 6 (15 minutes)

Methods: Open questions, paired groups, mini-lecture

Learning Tasks

- 7.1.1 Ask participants: *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers to this question in the large group in a few minutes.*
- 7.1.2 After giving groups 3-5 minutes to discuss, invite each pair (or a few pairs if the group is large) to share their ideas and thank them.
- 7.1.3 Building on the group's ideas, remind participants of key decisions they took to finalize their constitution and what they agreed on about sharing and using the constitution.

Step 7.2 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 7.2.1 Tell participants: *In today's meeting, you will:*
- Review the importance of keeping written records for your group
 - Review the steps of SILC meetings
 - Conduct a savings meeting
 - Complete your group records
 - Evaluate the meeting
- 7.2.2 Ask participants:
- What are your questions about what we will accomplish today?
- 7.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 7.3.

Step 7.3 SILC Record-keeping Purpose and Benefits (10 minutes)

Methods: Game

Learning Tasks

- 7.3.1 Ask participants to line up in a single line. Tell them: *We are going to play a telephone game. I am going to whisper an important message to the first person, who will then whisper it to the second person and so on and so forth. The last person will tell us the message.*
- 7.3.2 Whisper this message to the first person: *At our last SILC meeting, George and Angeline were absent. Pamela received a social fund grant of Sh 250 to buy medicines for her daughter. Everyone saved Sh 100 and we now have a total of Sh 2,400 shillings in the loan fund.*
- 7.3.3 Let each individual whisper the message to the next person and then invite the last person to tell the whole group what message he or she heard. Inevitably, it will be different than the original message.
- 7.3.4 Now read the original message. Ask these questions:
- What happened to the message?
 - Why did the information get distorted?
 - How could we have preserved the information?
- 7.3.5 Link the lessons from the telephone game to the importance of keeping written records for the SILC group. Tell participants: *Written records are a good way to manage lots of information. They allow transparent management of the group member's attendance, savings, loans, and fines. The written records of a SILC group is done in one book called the SILC ledger book.*

Step 7.4 Preparing the Ledger Books (15 minutes)

Method: Mini-lecture, demonstration and coaching

Learning Tasks

- 7.4.1 Tell participants: *The Ledger Book was prepared with a ruler and ball-point*

pen. No special printing was needed. The Ledger Book is divided into sections as follows (show the sections to the group members):

- *Register*
- *Social Fund Ledger*
- *Savings Ledger*
- *Social Fund Payout Ledger*
- *Fines Due Ledger*
- *Loan Ledgers*
- *Cash Book*
- *Notes*

Invite the Secretary to show the cut Ledger Book.

- 7.4.2 Explain to participants: *Since all members are expected to attend meetings and make social fund and savings contributions, your names must be written in the Ledger Book in a way that helps to easily record the information. Information concerning your loans will be recorded in your Individual Loan Ledger.*
- 7.4.3 Help the Secretary record the names of all members in the front of the Ledger Book. Below all the names, in the last 4 rows of the page, have the Secretary create rows for “Meeting Total”, “Social Fund Payback”, “Social Fund Payout” and “Social Fund Balance”.
- 7.4.4 Tell participants: *Now that your Management Committee is elected, your SILC Constitution is completed and your Ledger Book is ready, we will start SILC activities together. In this way, the Secretary learn to fill out the Ledger Books by doing it for your own SILC group. I will coach and support you. We will progressively learn how to do an entire SILC meeting.*

Step 7.5 Conducting a SILC Meeting (30 minutes)

Methods: Story, open questions, mini-lecture

Learning Tasks

- 7.5.1 Tell participants that you will now discuss ways to efficiently conduct meetings. Read the story in Box 28 (below).

Box 28: A disorganized group

Members of the Furaha SILC group arrived for their weekly meeting. The setting was outside, with no shade, and no place to sit. The members started to complain because they were uncomfortable. The Chairperson arrived late and did not greet people properly. Then, one of the Key Holders realized he had forgotten his key at home, and hurried to get it. This delayed the meeting some more.

The Chairperson had members contribute for Social Fund without verifying the opening balance. When the Management Committee and the Treasurer put all the money together to make Social Fund payouts, the amount did not tally with the Secretary's calculations, and the group took a long time to solve the error.

Next, the Chairperson said members could make requests for loans from the Loan Fund. Members protested that they should first save and repay loans, in order to have more funds to lend out.

After the cashbox had been locked and given to the Treasurer, the Chairperson remembered that the fines for absent members had not been recorded, and the cashbox had to be opened again.

7.5.2 Ask participants these questions, one at a time, allowing several answers before moving onto the next question:

- *What happened to Furaha group and why?* [answers: last-minute planning, holding the meeting in a place where people are physically uncomfortable, not doing activities in the proper order, etc.)]
- *What could be done to improve the next SILC meeting?*

7.5.3 Building on participants' answers, share the information in Box 29 (below) on SILC meeting procedures.

Box 29: Good SILC Meeting Procedures

Like any other efficient meeting, a SILC meeting takes some planning. The Management Committee should make sure the meeting area is comfortable (shaded, quiet, etc.) and that there is someplace for everyone to sit. All Management Committee leaders should be well prepared and arrive before the other members so that the meeting starts on time and runs smoothly. SILC meetings are done in 10 parts. These parts should be done in a specific order to avoid the problems you observed in the role play. The 10 parts are:

1. Meeting Opening
2. Social Fund Transactions
3. Verification of Loan Fund Opening Balance
4. Payment of Outstanding Fines
5. Savings
6. Repayment of Loans (only in loan meetings)
7. Group Expenses
8. Loan Disbursements (only in loan meetings)
9. Verification of Loan Fund Closing Balance
10. Meeting Closure

- 7.5.4 Invite a volunteer to repeat the 10 parts. Ask for help from others if he or she falters, and applaud the group for naming the 10 parts in order.

Step 7.6 Conduct a Savings Meeting: Overview (5 minutes)

Facilitator's Note: during the meeting, if any member is to be fined according the group's constitution, ensure the group recognizes this, and fines the member. If the member can pay immediately, they should put the money into the fines bowl. If the member cannot pay, the fine due in the next meeting should be recorded in the Fines Due Ledger. Show the Secretary how to record the fine due, and ask the Secretary to circulate the Ledger Book, open to the Fines Due Ledger, among the members. Help the members identify the fine due.

Methods: Coaching, practice, feedback

Learning Tasks

- 7.6.1 Tell participants: *Now we will learn through practice to conduct a real savings meeting where the Secretary will fill in the Ledger Book. I will begin by coaching the Management Committee who will then conduct the savings meeting. Afterwards you will evaluate how the meeting went, so that we can applaud your successes and learn from any mistakes. We will not conduct all ten parts of a SILC meeting as they are not all relevant at this stage of your group's development. Over time we will build up to all 10 meeting parts. So, today you will conduct:*
- *Part 1 (Meeting Opening)*
 - *Part 2 (Social Fund Transactions)*
 - *Part 5 (Savings)*
 - *Part 9 (Verification of Loan Fund Closing Balance)*
 - *Part 10 (Meeting Closure)*
- 7.6.2 Tell the Management Committee and the members that you will help them work through each part of the meeting step-by-step.

Step 7.7 Part 1: Meeting Opening (15 minutes)

Methods: Read, guide, show and questions

- 7.7.1 Use the information in Table 30 to coach the group on Part 1: Meeting Opening.
- Read the information in the first row (Read)
 - Guide the Management Committee on how to undertake the steps in the second row (Guide). Tell them exactly what to do, step-by-step, and how to do it. Stop and correct them if they do not follow the steps exactly right. Sit next to the Secretary and help him/her record the information in the Ledger Book. Verify all calculations.
 - After these steps, show the relevant sections of the Ledger Book as indicated in the third row (show)
 - Ask members if they have any questions about the steps they have just completed.

Table 30: Coaching on Part 1: Meeting Opening.⁵

Read <ul style="list-style-type: none">• <i>The Chairperson formally opens the meeting</i>• <i>The Key Holders unlock and open the cash box</i>• <i>The Money Counter places the Fines bowl outside of the group circle.</i>• <i>The Secretary takes attendance and marks the register.</i>
Guide <ul style="list-style-type: none">• The Chairperson calls the General Assembly to order and develops the Meeting Agenda.• The Key Holders unlock and open the cash box• The Money Counter places the Fines bowl outside of the group circle.• The Secretary reads the names of the members one by one, and marks the Register (present✓, absent X, excused E). (If a member arrives after attendance has been taken, the member's mark will be changed from "absent" to "late" by circling the X mark). Show the Secretary the different marks for present, absent, excused and late.
Show <ul style="list-style-type: none">• Circulate the Ledger Book, open at the Register page, among the group members.• Help each member to find her/his name and her/his attendance mark for the meeting.• Explain the different attendance marks.
Questions <p>Congratulate the Management Committee and the group members on conducting the Meeting Opening part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.</p>

Step 7.8 Part 2: Social Fund Transactions (30 minutes)

Methods: Read, guide, show and questions

⁵ Modules 7, 8, and 9 provide detailed information on the steps of the SILC meeting. Starting with Table 30, the steps in the 'Guide' section mirror the numbers and items included in the 'Complete Meeting Steps.' Please note that any skips in numbers under the guide sections in modules 7, 8, and 9 is intentional.

- 7.8.1 Use the information in Table 31 to coach the group on Part 2: Social Fund Transactions. For each section in turn:
- Read the information in the first row (Read)
 - Guide the Management Committee on how to undertake the steps in the second row (Guide). Tell them exactly what do to, step-by-step, and how to do it. Stop and correct them if they do not follow the steps exactly right. Sit next to the Secretary and help him/her record the information in the Ledger Book. Verify all calculations.
 - After these steps, show the relevant sections of the Ledger Book as indicated in the third row (show)
 - Ask members if they have any questions about the steps they have just completed.
 - Then, move onto the next section.

Use the information in Table 31 to coach the group on Part 2: Social Fund Transactions.

Table 31: Coaching on Part 2: Social Fund Transactions.

<p>Read</p> <ul style="list-style-type: none"> • <i>Members make Social Fund contributions</i>
<p>Guide</p> <ol style="list-style-type: none"> 8. The Secretary reads the names of the members one by one. Each member in turn announces his/her Social Fund contribution amount and gives it to the Money Counter and the Treasurer, who confirm the amount and place it in the Social Fund bowl. The Secretary records each Social Fund contribution in the Social Fund Ledger. 9. After all members have contributed, the Money Counter and the Treasurer count the total cash collected and announce the amount to the group. 10. The Secretary confirms the amount with his/her calculations and records it in the Social Fund Ledger.
<p>Show</p> <ul style="list-style-type: none"> • After all the members have made their Social Fund contributions, circulate the Ledger Book, open to the Social Fund Ledger page, among the group members. • Help each member to find her/his name and her/his Social Fund contribution • Also help each member find the total Social Fund contribution for the meeting.
<p>Questions</p> <p>Ask if there are any questions</p>
<p>Read</p> <ul style="list-style-type: none"> • <i>Members request support from the Social Fund</i> • <i>Members evaluate requests for support from the Social Fund</i> • <i>The Treasurer disburses approved Social Fund requests</i>
<p>Guide</p> <ol style="list-style-type: none"> 15. The Chairperson asks if anyone needs support from the Social Fund. 16. Members present their requests to the General Assembly. 17. The General Assembly deliberates on these requests, following the rules of their group Constitution. 18. The Money Counter and the Treasurer give cash for approved requests to the recipients. The Secretary records Social Fund grant or loan payouts in the Social Fund Payout Ledger, and the members sign. 19. The Secretary records the total Social Fund disbursements in the Social Fund Ledger.
<p>Show</p> <ul style="list-style-type: none"> • If there were any Social Fund payouts, circulate the Social Fund Payout Ledger and help

each member understand the payout information.

Questions

Ask if there are any questions

Read

- *The group verifies the Social Fund closing balance*

Guide

20. The Money Counter and the Treasurer count and announce the total amount remaining in the Social Fund.
21. The Secretary confirms this amount with his/her calculations and announces the closing cash balance in the Social Fund. The Chairperson asks the members to remember the Social Fund balance for the next meeting.
22. The cash for the Social Fund is placed in a separate bag and put in the cash box.

Show

Also help every member identify the Social Fund balance in the Social Fund Ledger.

Questions

Congratulate the Management Committee and the group members on conducting the Social Fund Transaction part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Step 7.9 Part 5: Savings (10 minutes)

Methods: Read, guide, show and questions

7.9.1 Use the information in Table 32 to coach the group on Part 5: Savings. Work one section at a time.

Table 32: Coaching on Part 5: Savings.

Read

- *Members pay savings*

Guide

28. The Secretary reads the names of the members one by one. Each member in turn announces his/her savings contribution and gives it to the Money Counter and the Treasurer, who confirm the amount and place it in the savings bowl.
29. The Secretary records the amount contributed against the members' name in the Savings ledger.

Show

- After all the members have made their savings contributions, circulate the Ledger Book, open to the Savings Ledger, among the group members.
- Help each member to find her/his name and her/his savings deposit

Questions

Ask if there are any questions

Read

- *The Secretary calculates the meeting totals*

Guide

30. After all members have contributed, the Money Counter and the Treasurer count and

announce the total amount contributed.

31. The Secretary adds up the meeting's savings contributions to confirm it tallies with the amount announced, and records the total amount saved in the savings ledger. The Secretary records the total savings collected in the Cash Book in the "Cash In" column, and balances the Cash Book.

Show

- After the Secretary has calculated the meeting totals and balanced the Cash Book, circulate the Ledger Book among the group members.
- Help each member verify that the meeting's total savings deposits are the same as what appears in the meeting totals and in the Cash Book.

Questions

Congratulate the Management Committee and the group members on conducting the Savings part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

7.10 Part 9: Verification of Loan Fund Closing Balance (15 minutes)

Methods: Read, guide, show and questions

- 7.10.1 Use the information in Table 33 to coach the group on Part 9: Verification of Loan Fund Closing Balance.

Table 33: Coaching on Part 3: Verification of Loan Fund Closing Balance

Read

- *The Money Counter and the Treasurer count the total amount in the Loan Fund*
- *The Secretary confirms the amount with his/her records*

Guide

49. The Money Counter and the Treasurer count and announce any new money in the fines bowl.
50. The Secretary records this amount in the Cash Book in the "Cash In" column, and balances the Cash Book.
51. The Money Counter and the Treasurer combine all the Loan Fund cash (previous meeting's Loan Fund balance, savings deposits, loan repayments, fines payments – NOT Social Fund cash), count and announce the available cash balance.
52. The Secretary reports if the cash book balance matches the cash on hand announced by the Money Counter and the Treasurer. Any difference must be reconciled to the satisfaction of the General Assembly before closing the meeting. The Chairperson asks the members to remember the Loan Fund balance and the Social Fund balance for the next meeting.

Show

- After all the cash is counted and the balance is reconciled, circulate the Ledger Book, open to the Cash Book, among the group members.
- Help each member to verify that the last balance in the Cash Book is the amount left in the Cash Box.

Questions

Congratulate the Management Committee and the group members on conducting the

Verification of Loan Fund Closing Balance part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Step 7.11 Part 10: Meeting Close (15 minutes)

Methods: Read, guide, show and questions

7.11.1 Use the information in Table 34 to coach the group on Part 10: Meeting Close.

Table 34: Coaching on Part 10: Meeting Close

Read

- *The Secretary records the number of members present.*
- *The Key Holders lock the cashbox and the Treasurer takes the locked cashbox.*
- *The Chairperson formally closes the meeting.*

Guide

53. The Secretary adds up the total number of members present (including members who were late) and records it in the Register. The Secretary records fines for absent members in the Fines Due Ledger.
54. The Secretary puts the SILC Ledger Book in the cash box, together with the cash on hand and the Social Fund cash (in its own bag)
55. The Key Holders lock the cashbox and the Treasurer takes the locked cashbox.
56. The Chairperson asks SILC members to discuss items under any other business and facilitates discussion
57. The Chairperson announces the date of the next meeting and asks for members to agree and confirm it.
58. The Chairperson declares that the meeting is over and people are free to leave.

Show

- Circulate the Ledger Book, open to the Register, among the group members.
- Help group members identify the final attendance marks
- Circulate the Ledger Book, open to the Fines Due section, and help members identify members who owe fines for being absent.

Questions

Congratulate the group for closing their SILC meeting through all the steps procedurally and encourage them to continue following the same procedures.

Step 7.12 Evaluate the Savings Meeting (15 minutes)

Methods: Guided evaluation

Learning Tasks:

7.12.1 Help the Management Committee to self-evaluate. Ask them:

- *How do you think the meeting went?*
- *What would you suggest to improve the next meeting and why?*

7.12.2 After the Management Committee leaders share their ideas, invite the General Assembly to evaluate the meeting. Ask them:

- *How well did this meeting reflect the principles and rules of the SILC constitution?*

- *What would you suggest be done to improve the next meeting and why?*

7.12.3 Share any observations or comments you had about the:

- Meeting procedures
- Record-keeping
- Application of SILC constitution rules

Step 7.13 Summary and Conclusion (5 minutes)

7.13.1 Ask participants:

- *What are your questions on anything we discussed during this meeting?*

7.13.2 Agree with the group on the date, time and place of the next meeting. Tell participants that the topic of the next meeting is: Written Record-keeping and SILC Meeting Procedures II.

7.13.3 Quickly evaluate the meeting. Ask the participants:

- *What did you like best today and why?*
- *What would you suggest to improve our next meeting?*

7.13.4 Thank participants and close the meeting.

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Module 8: Written Record-Keeping and SILC Meeting Procedures II

Total Time Needed: 320 minutes (5 hours and 20 minutes)

Objectives

In Module 8, participants will:

1. Conduct a savings meeting with transactions.
2. Fill in selected sections of the SILC ledger book
3. Identify helpful group behaviors
4. Preview procedures for end-of-cycle share out
5. Review key elements of the SILC constitution
6. Celebrate the end of training

Materials Needed

- SILC Ledger Book
- SILC Constitution
- Beans for scoring a game

Step 8.1 Recap Module 7 (15 minutes)

Methods: Open question to paired groups and mini-lecture

Learning Tasks

- 8.1.1 Ask participants: *With a neighbor, discuss what you think was the most important point made in the last meeting and explain why you think this is so important. You will share your answers to this question in the large group in a few minutes.*
- 8.1.2 After giving groups 3-5 minutes to discuss, invite each pair (or a few pairs if the group is large) to share their ideas and thank them.
- 8.1.3 Building on the group's ideas, emphasize these key points and tell participants: *As you remember, SILC meetings are done in 10 parts, carried out in a logical order so that meetings run smoothly. The 10 steps are Opening, Social Fund Transactions, Balance Verification, Payment of Outstanding Fines, Savings, Repayment of Loans, Payment of Expenses, Loan Disbursements, Balance Verification and Closure.*

Step 8.2 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

- 8.2.1 Tell participants: *in today's meeting you will:*
- *Conduct another savings meeting*
 - *Discuss how you can work together as a group*
 - *Review your constitution*
 - *Celebrate the end of the training*
- 8.2.2 Ask participants:
- *What are your questions about what we will accomplish today?*

8.2.3 If there are questions, answer them quickly. If there are no questions, move onto Step 8.3.

Step 8.3 Conduct a Savings Meeting: Overview (10 minutes)

Methods: Coaching, practice, feedback

Facilitator's Notes:

- Even though the group has already completed one savings meeting, it is important to continue coaching them. The Ledger Book should still be circulated among the members for this meeting, so they can understand the record-keeping system. In the future, it will not be necessary to circulate the Ledger Book at every meeting, since this will make the meetings very long.
- Some meeting parts, such as Group Expenses, might not occur in this meeting. In that case, do not coach the members through the steps. Instead, wait until a real case occurs and then coach the Management Committee and the group on how to handle the situation.

Learning Tasks

8.3.1 Tell participants: *Now we will conduct another real savings meeting where the Secretary will fill in the Ledger Book. This time, we will add more parts. "Practice makes perfect" so it is important to practice savings meetings several times. In fact, after this meeting we will have one more savings meetings before your first lending meeting. I will continue to coach the Management Committee. Today you will conduct the following parts:*

- *Part 1 (Meeting Opening)*
- *Part 2 (Social Fund Transactions)*
- *Part 3 (Verification of Loan Fund Opening Balance)*
- *Part 4 (Payment of Outstanding Fines)*
- *Part 5 (Savings)*
- *Part 7 (Group Expenses)*
- *Part 9 (Verification of Loan Fund Closing Balance)*
- *Part 10 (Meeting Close)*

8.3.2 Tell the Management Committee and the members that you will help them work through each part of the meeting, step-by-step.

Step 8.4 Part 1: Meeting Opening (15 minutes)

Methods: Read, guide, show and questions

8.4.1 Use the information in Table 35 to coach the group on Part 1: Meeting Opening.

- Read the information in the first row (Read)
- Guide the Management Committee on how to undertake the steps in the second column (Guide). Tell them exactly what to do, step-by-step, and how to do it. Stop and correct them if they do not follow the steps exactly right. Sit next to the Secretary and help him/her record the information in the Ledger Book. Verify all calculations.
- After these steps, show the relevant sections of the Ledger Book as indicated in the third column (show)
- Ask members if they have any questions about the steps they have just completed.

Table 35: Coaching on Part 1: Meeting Opening.

<p>Read</p> <ul style="list-style-type: none"> • <i>The Chairperson formally opens the meeting</i> • <i>The Key Holders unlock and open the cash box</i> • <i>The Money Counter places the Fines bowl outside of the group circle.</i> • <i>The Secretary takes attendance and marks the register.</i>
<p>Guide</p> <ol style="list-style-type: none"> 1. The Chairperson calls the General Assembly to order and develops the Meeting Agenda. 2. The Key Holders unlock and open the cash box 3. The Money Counter places the Fines bowl outside of the group circle. 4. The Secretary reads the names of the members one by one, and marks the Register (present ✓, absent X, excused E). (If a member arrives after attendance has been taken, the member’s mark will be changed from “absent” to “late” by circling the X mark). Show the Secretary the different marks for present, absent, excused and late.
<p>Show</p> <ul style="list-style-type: none"> • Circulate the Ledger Book, open at the Register page, among the group members. • Help each member to find her/his name and her/his attendance mark for the meeting. • Explain the different attendance marks.
<p>Questions</p> <p>Congratulate the Management Committee and the group members on conducting the Meeting Opening part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.</p>

Step 8.5 Part 2: Social Fund Transactions (60 minutes)

Methods: Read, guide, show and questions

8.5.1 Use the information in Table 36 to coach the group on Part 2: Social Fund Transactions. Work section by section.

Table 36: Coaching on Part 2: Social Fund Transactions.

<p>Read</p> <ul style="list-style-type: none"> • <i>The group verifies the Social Fund opening balance</i> • <i>Members make Social Fund contributions</i>
<p>Guide</p> <ol style="list-style-type: none"> 5. The Chairperson asks the members to recall the Social Fund balance from the previous meeting. 6. The Secretary announces the Social Fund balance recorded in the Social Fund Ledger and members are asked to confirm. 7. The Money Counter and the Treasurer count and announce the amount in the Social Fund bag. The cash must tally with the members’ recollection and the amount written in the Social Fund Ledger. Any difference must be reconciled to the satisfaction of the General Assembly before continuing the meeting. 8. The Secretary reads the names of the members one by one. Each member in turn announces his/her Social Fund contribution amount and gives it to the Money Counter and the Treasurer, who confirm the amount and place it in the Social Fund bowl. The Secretary records each Social Fund contribution in the Social Fund Ledger. 9. After all members have contributed, the Money Counter and the Treasurer count the

total cash collected and announce the amount to the group. 10. The Secretary confirms the amount with his/her calculations and records it in the Social Fund Ledger.
Show <ul style="list-style-type: none"> • After all the members have made their Social Fund contributions, circulate the Ledger Book, open to the Social Fund Ledger page, among the group members. • Help each member to find her/his name and her/his Social Fund contribution • Also help each member find the total Social Fund contribution for the meeting.
Questions Ask if there are any questions

Read <ul style="list-style-type: none"> • <i>Members repay Social Fund loans</i>
Guide 11. The Secretary verifies in the Social Fund Payout Ledger whether any members are to repay Social Fund loans. If there are, each member announces their payment and gives their money to the Money Counter and the Treasurer who confirm the amounts and place them in another bowl. The Secretary records the repayment in the Social Fund Payout Ledger. 12. The Money Counter and the Treasurer count and announce the total Social Fund repayments. 13. The Secretary confirms and records this amount in the Social Fund Ledger.
Show <ul style="list-style-type: none"> • If there were any Social Fund paybacks, circulate the Ledger Book, open to the Social Fund Payout Ledger • Help each member understand the repayment.
Questions Ask if there are any questions

Read <ul style="list-style-type: none"> • <i>Members request support from the Social Fund</i> • <i>Members evaluate requests for support from the Social Fund</i> • <i>The Treasurer disburses approved Social Fund requests</i>
Guide 14. The Money Counter and the Treasurer combine the previous meeting's Social Fund balance with the meeting's collections and repayments, count and announce the total to the group. The Secretary confirms this with his/her calculations and announces the available cash in the Social Fund. 15. The Chairperson asks if anyone needs support from the Social Fund. 16. Members present their requests to the General Assembly. 17. The General Assembly deliberates on these requests, following the rules of their group Constitution. 18. The Treasurer gives cash for approved requests to the recipients. The Secretary records Social Fund grant or loan payouts in the Social Fund Payout Ledger, and the members sign. 19. The Secretary records the total Social Fund disbursements in the Social Fund Ledger.
Show <ul style="list-style-type: none"> • If there were any Social Fund payouts, circulate the Ledger Book, open to the Social Fund Payout Ledger.

- Help each member understand the payout information.

Questions

Ask if there are any questions

Read

- *The group verifies the Social Fund closing balance*

Guide

20. The Money Counter and the Treasurer count and announce the total amount remaining in the Social Fund.
21. The Secretary confirms this amount with his/her calculations and announces the closing cash balance in the Social Fund. The Chairperson asks the members to remember the Social Fund balance for the next meeting.
22. The cash for the Social Fund is placed in a separate bag and put in the cash box.

Show

Also help every member identify the Social Fund balance.

Questions

Congratulate the Management Committee and the group members on conducting the social fund transaction part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Step 8.6 Part 3: Verification of Loan Fund Opening Balance (20 minutes)

Methods: Read, guide, show and questions

8.6.1 Use the information in Table 37 to coach the group on Part 3: Verification of Loan Fund Opening Balance.

Table 37: Coaching on Part 3: Verification of Loan Fund Opening Balance.

Read

- *The group verifies the Loan Fund opening balance*

Guide

23. The Chairperson asks the members to recall the Loan Fund balance from the previous meeting
24. The Secretary announces the balance recorded in the Cashbook and members are asked to confirm.
25. The Money Counter and the Treasurer count and announce the amount in the Loan Fund bag. The cash must tally with the members' recollection and the amount written in the Cashbook. Any difference must be reconciled to the satisfaction of the General Assembly before continuing the meeting.

Show

- After all the cash is counted and the balance is reconciled, circulate the Ledger Book, open to the Cash Book, among the group members.
- Help each member to verify that the last balance in the Cash Book is the amount that is in the Cash Box.

Questions

Congratulate the Management Committee and the group members on conducting the Loan

Fund Opening Balance part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Step 8.7 Part 4: Payment of Outstanding Fines (20 minutes)

Methods: Read, guide, show and questions

8.7.1 Use the information in Table 38 to coach the group on Part 4: Payment of Outstanding Fines.

Table 38: Coaching on Part 4 – Payment of Outstanding Fines

Read
<ul style="list-style-type: none"> • <i>Members pay fines that were assigned during previous meetings</i>
Guide
26. The Secretary consults the Fines Due Ledger and announces which members owe fines, and how much.
27. Members concerned announce and pay fines to the Money Counter and the Treasurer who verify the amount, announce it to the group and place it in the fines bowl. The Secretary records in the Fines Due Ledger that the fines have been paid.
Show
<ul style="list-style-type: none"> • If any fines were due, circulate the Ledger Book, open to the Fines Due Ledger, among the group members. • Help members understand how the fines are recorded.
Questions
Congratulate the Management Committee and the group members on conducting the Outstanding Fines part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Step 8.8 Part 5: Savings (30 minutes)

Methods: Read, coach/guide, show and questions

8.8.1 Use the information in Table 39 to coach the group on Part 5: Savings. Work one section at a time.

Table 39: Coaching on Part 5 – Savings

Read
<ul style="list-style-type: none"> • <i>Members pay savings</i>
Guide
28. The Secretary reads the names of the members one by one. Each member in turn announces his/her savings contribution and gives it to the Money Counter and the Treasurer, who confirm the amount and place it in the savings bowl.
29. The Secretary records the amount contributed against the members' name in the Savings ledger, calculates and records the member's total savings, and announces the member's meeting savings and total savings.
Show
<ul style="list-style-type: none"> • After all the members have made their savings contributions, circulate the Ledger Book,

<p>open to the Savings Ledger, among the group members.</p> <ul style="list-style-type: none"> • Help each member to find her/his name and her/his savings deposit and savings total
<p>Questions Ask if there are any questions</p>

<p>Read</p> <ul style="list-style-type: none"> • <i>The Secretary calculates the meeting totals</i>
<p>Guide</p> <p>30. After all members have contributed, the Money Counter and the Treasurer count and announce the total amount contributed.</p> <p>31. The Secretary adds up the meeting’s savings contributions to confirm it tallies with the amount announced, and records the total amount saved in the savings ledger. The Secretary records the total savings collected in the Cash Book in the “Cash In” column, and balances the Cash Book.</p> <p>32. The Secretary calculates and announces the group’s cumulative savings, and records it in the Savings Ledger.</p>
<p>Show</p> <ul style="list-style-type: none"> • After the Secretary has calculated the meeting totals and balanced the Cash Book, circulate the Ledger Book among the group members. • Help each member verify that the meeting’s total savings deposits are the same as what appears in the Cash Book, and look for the group’s cumulative savings in the Savings Ledger.
<p>Questions Congratulate the Management Committee and the group members on conducting the Savings part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.</p>

Step 8.9 Part 7: Group Expenses (15 minutes)

Methods: Read, guide, show and questions

8.9.1 Use the information in Table 40 to coach the group on Part 7 – Group Expenses.

Table 40: Coaching on Part 7 – Group Expenses

<p>Read</p> <ul style="list-style-type: none"> • <i>The group assigns members to make purchases for the group</i>
<p>Guide</p> <p>38. If there will be group expenses before the next meeting, the Treasurer gives money to the member who will handle the expenses. (The member must bring a receipt and show what was purchased. Any change will be recorded in the Cash Book in the “Cash In” column).</p> <p>39. The Secretary records the expenses in the Cash Book in the “Cash Out” column, and balances the Cash Book.</p>
<p>Show</p> <ul style="list-style-type: none"> • If any cash has been disbursed, circulate the Ledger Book, open to the Cash Book, among the group members. • Help each member to identify the amount used for expenses.
<p>Questions Congratulate the Management Committee and the group members on conducting the Group Expenses part of the meeting. Ask if members have any questions about the meeting steps.</p>

Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Step 8.10 Part 9: Verification of Loan Fund Closing Balance (20 minutes)

Methods: Read, guide, show and questions

8.10.1 Use the information in Table 41 to coach the group on Part 9: Verification of Loan Fund Closing Balance.

Table 41: Coaching on Part 9 – Verification of Loan Fund Closing Balance

<p>Read</p> <ul style="list-style-type: none"> • <i>The Money Counter and the Treasurer count the total amount in the Loan Fund</i> • <i>The Secretary confirms the amount with his/her records</i>
<p>Guide</p> <p>49. The Money Counter and the Treasurer count and announce any new money in the fines bowl.</p> <p>50. The Secretary records this amount in the Cash Book in the “Cash In” column, and balances the Cash Book.</p> <p>51. The Money Counter and the Treasurer combine all the Loan Fund cash (previous meeting’s Loan Fund balance, savings deposits, loan repayments, fines payments – NOT Social Fund cash), count and announce the available cash balance.</p> <p>52. The Secretary reports if the cash book balance matches the cash on hand announced by the Money Counter and the Treasurer. Any difference must be reconciled to the satisfaction of the General Assembly before closing the meeting. The Chairperson asks the members to remember the Loan Fund balance and the Social Fund balance for the next meeting. Borrower signs against their loan.</p> <p>53. After all loans are distributed, the Secretary calculates and records the total amount disbursed in the cash book as “Cash out”, and balances the cash book.</p>
<p>Show</p> <ul style="list-style-type: none"> • After all the cash is counted and the balance is reconciled, circulate the Ledger Book, open to the Cash Book, among the group members. • Help each member to verify that the last balance in the Cash Book is the amount left in the Cash Box.
<p>Questions</p> <p>Congratulate the Management Committee and the group members on conducting the Verification of Loan Fund Closing Balance part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.</p>

Step 8.11 Part 10: Meeting Close (15 minutes)

Methods: Read, guide, show and questions

Use the information in Table 42 to coach the group on Part 10 – Meeting Close.

Table 42: Coaching on Part 10 – Meeting close

Read

- *The Secretary records the number of members present.*
- *The Key Holders lock the cashbox and the Treasurer takes the locked cashbox.*
- *The Chairperson formally closes the meeting.*

Guide

53. The Secretary adds up the total number of members present (including members who were late) and records it in the Register. The Secretary records fines for absent members in the Fines Due Ledger.
54. The Secretary puts the SILC Ledger Book in the cash box, together with the cash on hand and the Social Fund cash (in its own bag)
55. The Key Holders lock the cashbox and the Treasurer takes the locked cashbox.
56. The Chairperson asks SILC members to discuss items under any other business and facilitates discussion
57. The Chairperson announces the date of the next meeting and asks for members to agree and confirm it.
58. The Chairperson declares that the meeting is over and people are free to leave.

Show

- Circulate the Ledger Book, open to the Register, among the group members.
- Help group members identify the final attendance marks
- Circulate the Ledger Book, open to the Fines Due section, and help members identify members who owe fines for being absent.

Questions

Congratulate the group for closing their SILC meeting through all the steps procedurally and encourage them to continue following the same procedures.

Step 8.12 Working Together as a Group (15 minutes)

Methods: Analogy, open questions

Learning Tasks

- 8.12.1 Tell participants: *You have now conducted two savings meetings, and completed the group's record-keeping. These are two vital skills. As you begin meeting regularly as a group without my presence, everyone will play a role to ensure that the group works well together.*
- 8.12.2 Ask participants to think about their national football (soccer) team. Name some of the players and their different responsibilities (captain, goalie, defense, midfield and offense). (Note: if this analogy is unknown or poorly understood use a local, traditional organization that accomplishes work together instead). Tell them:
 - *Different positions have different responsibilities.*
 - *The captain leads and coordinates all individuals and sub-groups on the team but all members have an important role to play.*
 - *For the team to score goals and win, every member of the team must do their best and work together well – everyone must respect and appreciate each other.*
 - *When the team wins the game, all members win.*
- 8.12.3 Ask participants the following questions and encourage them to cite a specific individual. Let several participants answer each question. *In this training,*
 - *Who contributed to our group working together well?*
 - *What did this person do?*

8.12.4 Congratulate group members who were named as contributing to the group working together as an effective team to reach a goal.

Step 8.13 Preview of End-of-Cycle Share Out (30 minutes)

Methods: Mini-lecture, demonstration

Learning Tasks

8.13.1 Tell participants: *As you recall, the end-of-cycle share out for your SILC group is ____ (give month). At that time we will walk through the distribution steps together, just as we have done for savings contributions and loan procedures. For now, let us preview the preparation for the end-of-cycle share out and some of the major activities. One important point is that the SILC group must not give out any new loans that cannot be repaid at or before this final meeting. Let me give you a few examples:*

- *Your maximum SILC loan duration is ____ (number of months), and your share-out is in ____ (month). What is the last month in which a member can receive a 3 month loan?*
- *What is the last month in which a member can receive a 1 month loan?*

8.13.2 Tell participants: *In general, end-of-cycle share outs follow these broad steps.*

- *After completing all savings, social fund, loan reimbursement and fine procedures, the SILC group's total amount of money remaining is counted.*
- *The group decides what to do with Social Fund – many groups keep part or all of the Social Fund for the next cycle, so they don't start with an empty Social Fund.*
- *The Loan Fund is divided entirely among members, in proportion to how much they saved during the cycle. Members, who saved more, earn more. Every member will receive what they saved during the cycle, plus some amount of profit.*
- *Members can choose to reinvest part or all of their share-out money to start the second cycle.*

Ask participants:

- *What are your questions about share-out?*

Step 8.14 SILC Constitution Quiz (20 minutes)

Method: Game

Learning tasks

8.14.1 You will be the score keeper. Use beans or stones on the ground to keep score so that all participants can see. Separate the SILC group into two teams.

8.14.2 Tell participants that each team will be asked a question in turn. Each team will get the same number of questions. If the answer is correct, the team scores one point. If the answer is incorrect, the other team can try and answer it correctly, and if they succeed, they will score the point. Warn teams that if members interrupt or argue with you, you will subtract one point!

8.14.3 Ask if there are any questions about the game.

8.14.4 Box 43(below) includes the game's questions. Ask these questions following the order below. All answers are found in the SILC constitution. If neither team gets the right answer, read it from the SILC constitution.

Box 43: Review Game Questions

1. *What is the name of your SILC group?*
2. *How much is the fine for missing a meeting?*
3. *How often does your group meet?*
4. *Management Committee elections are held every [fill in the blank]*
5. *What amount does each member contribute to the Social Fund every meeting?*
6. *Name 3 emergency situations for which a member could request Social Fund pay-outs.*
7. *What is your group's minimum savings contribution?*
8. *What is your group's maximum savings contribution?*
9. *How often do you disburse loans?*
10. *What is the interest you pay on loans?*
11. *What is the fine for being late to a meeting?*
12. *What is the maximum duration of a loan?*

8.14.5 Add up the points for each team and congratulate the winning team.

8.14.6 Congratulate both teams for correct answers. Re-emphasize the importance of sharing and internalizing the SILC constitution so that all know the procedures and rules.

Step 8.15 Celebrate the End of Training (5-15 minutes)

Method: To be determined by the Field Agent and Management Committee.

Learning tasks

8.15.1 Conduct a short ceremony that is appropriate to the local culture and gracefully closes the training. The ceremony may involve a few speeches or songs.

8.15.2 Congratulate the SILC group for their work during the training.

8.15.3 Evaluate the training.

8.15.4 Briefly remind participants of the monitoring period which now begins. Clarify your schedule of visits to the SILC over the three phases: intensive, development and maturity.

8.15.5 Communicate the date and time for your first monitoring visit.

8.15.6 Thank the SILC members and close the meeting.

Document I: First Loan Disbursements and Loan Repayments

Methods: Read, guide, show and questions

Facilitator's Notes:

- SILC groups that meet weekly have 3 savings meetings, followed by a lending meeting. Lending meetings give members the opportunity to borrow from the Loan Fund, and are the times when members must make loan payments.
- Use the steps below to coach members through their first actual loan disbursements and loan repayments

Loan Disbursement

Use the information in Table 44 to coach the group on Part 8: Loan disbursement.

Table 44: Coaching on Part 8 – Loan Disbursements (*this part only occurs during Loan Meetings*)

<p>Read</p> <ul style="list-style-type: none">• <i>The Money Counter and the Treasurer count the total amount in the Loan Fund</i>• <i>Members request loans from the Loan Fund</i>• <i>Members evaluate requests for loans</i>• <i>The Money Counter and the Treasurer disburses approved loans</i>• <i>The Secretary records disbursed loans and calculates amounts due</i>
<p>Guide</p> <ol style="list-style-type: none">48. The Money Counter and the Treasurer count and announce the amount in the fines bowl.49. The Secretary records this amount in the Cash Book in the “Cash In” column, and balances the Cash Book.50. The Money Counter and the Treasurer combine all the Loan Fund cash (previous meeting’s Loan Fund balance, savings deposits, loan repayments, fines payments – NOT Social Fund cash), count and announce the available cash balance.51. The Secretary confirms the amount from the Cashbook.52. The Chairperson asks members to submit their requests for loans (all loan requests must mention the amount, purpose, and duration).53. The General Assembly analyzes loan requests according to the criteria in the group’s Constitution.54. Once loan decisions have been made, the Secretary announces the name of the borrower, the amount to be borrowed, interest to be paid and the loan duration. As each borrower’s name is called, the Money Counter and the Treasurer counts out the loan amount and hands it to the borrower who then counts the money.55. The Secretary records the loan details in the member’s Loan Ledger, calculates and announces the amount due (including interest charge), and each borrower signs against their loan.56. After all loans are distributed, the Secretary calculates and records the total amount disbursed in the cash book in the “Cash out” column, and balances the cash book.
<p>Show</p> <ul style="list-style-type: none">• After loans have been disbursed, circulate the Ledger Book, open to an Loan Ledger page

and to the Cashbook, among the group members.

- Help members identify the loan purpose and amount.
- Help members identify the total amount lent out recorded as “cash out” in the Cash book

Questions

Congratulate the Management Committee and the group members on conducting the Loan Disbursement part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Loan Repayment

Use the information in Table 45 to coach the group on Part 6 – Repayment of Loans.

Table 45: Coaching group on Part 6 – Repayment of Loans (*this part only occurs in Loan Meetings*)

Read

- *Members repay outstanding loans*
- *The Secretary records loan payments and calculates amounts due*

Guide

33. The Secretary consults the Loan Ledgers to determine which members have outstanding loans, and announces the total amount due by the member.
34. Each borrower announces his/her payment and gives it to the Money Counter and the Treasurer, who verify the amount and put the money in the loan repayment bowl.
35. The Secretary enters the payment in the member’s Loan Ledger, and calculates, records and announces the member’s new amount due (including interest charge).
36. After all the loan payments have been made, the Money Counter and the Treasurer count and announce the money in the repayment bowl.
37. The Secretary adds up the meeting’s repayments to confirm it tallies with the amount announced, records the total loan repayments in the Cash Book in the “Cash In” column, and balances the Cash Book.

Show

- Circulate the Ledger Book, open to a Loan Ledger and to the Cashbook, among the members.
- Help members identify transactions and balances.
- Help members identify the total cash in.

Questions

Congratulate the Management Committee and the group members on conducting the Repayment of Loans part of the meeting. Ask if members have any questions about the meeting steps. Remind them that they should always follow exactly the same procedure, in order to not forget any step.

Document J: Complete Meeting Steps

The 10 parts of a regular meeting are:

1. Meeting Opening
2. Social Fund Transactions
3. Verification of Loan Fund Opening Balance
4. Payment of Outstanding Fines
5. Savings
6. Repayment of Loans (*only in loan meetings*)
7. Group Expenses
8. Loan Disbursements (*only in loan meetings*)
9. Verification of Loan Fund Closing Balance
10. Meeting Closure

Part 1 – Meeting Opening

1. The Chairperson calls the General Assembly to order and develops the Meeting Agenda.
2. The Key Holders unlock and open the cash box
3. The Money Counter places the Fines bowl outside of the group circle.
4. The Secretary reads the names of the members one by one, and marks the Register (present ✓, absent X, excused E). (If a member arrives after attendance has been taken, the member's mark will be changed from "absent" to "late" by circling the X mark)

Part 2 – Social Fund Transactions

5. The Chairperson asks the members to recall the Social Fund balance from the previous meeting.
6. The Secretary announces the Social Fund balance recorded in the Social Fund Ledger and members are asked to confirm.
7. The Money Counter and the Treasurer count and announce the amount in the Social Fund bag. The cash must tally with the members' recollection and the amount written in the Register. Any difference must be reconciled to the satisfaction of the General Assembly before continuing the meeting.
8. The Secretary reads the names of the members one by one. Each member in turn announces his/her Social Fund contribution amount and gives it to the Money Counter and the Treasurer, who confirm the amount and place it in the Social Fund bowl. The Secretary records each Social Fund contribution in the Social Fund Ledger.
9. After all members have contributed, the Money Counter and the Treasurer count the total cash collected and announce the amount to the group.
10. The Secretary confirms the amount with his/her calculations and records it in the Social Fund Ledger.
11. The Secretary verifies in the Social Fund Payout Ledger whether any members are to repay Social Fund loans. If there are, each member announces their payment and gives their money to the Money Counter and the Treasurer who confirm the amounts and place them in another bowl. The Secretary records the repayment in the Social Fund Payout Ledger.
12. The Money Counter and the Treasurer count and announce the total Social Fund repayments.
13. The Secretary confirms and records this amount in the Social Fund Ledger.

14. The Money Counter and the Treasurer combine the previous meeting's Social Fund balance with the meeting's collections and repayments, count and announce the total to the group. The Secretary confirms this with his/her calculations and announces the available cash in the Social Fund.
15. The Chairperson asks if anyone needs support from the Social Fund.
16. Members present their requests to the General Assembly.
17. The General Assembly deliberates on these requests, following the rules of their group Constitution.
18. The Money Counter and the Treasurer gives cash for approved requests to the recipients. The Secretary records Social Fund payouts in the Social Fund Payout Ledger, and the members sign.
19. The Secretary records the total Social Fund disbursements in the Social Fund Ledger.
20. The Money Counter and the Treasurer count and announce the total amount remaining in the Social Fund.
21. The Secretary confirms this amount with his/her calculations and announces the closing cash balance in the Social Fund. The Chairperson asks the members to remember the Social Fund balance for the next meeting.
22. The cash for the Social Fund is placed in a separate bag and put in the cash box.

Note: The Social Fund cash is never mixed with other cash and must not be disbursed as normal loans. Also, it is not recorded in the Cash Book as income to avoid money getting mixed up with loan funds. This is to ensure that Social Funds are there on hand when emergencies arise.

Part 3 – Verification of Loan Fund Opening Balance

23. The Chairperson asks the members to recall the Loan Fund balance from the previous meeting
24. The Secretary announces the balance recorded in the Cashbook and members are asked to confirm.
25. The Money Counter and the Treasurer count and announce the amount in the Loan Fund bag. The cash must tally with the members' recollection and the amount written in the Cashbook. Any difference must be reconciled to the satisfaction of the General Assembly before continuing the meeting.

Part 4 – Payment of Outstanding Fines

26. The Secretary consults the Fines Due Ledger and announces which members owe fines, and how much.
27. Members concerned announce and pay fines to the Money Counter and the Treasurer who verify the amount, announce it to the group and place it in the fines bowl. The Secretary records in the Fines Due Ledger that the fines have been paid.

NOTE: throughout the meeting, members who are fined should pay immediately into the fines bowl. The Secretary does not record that amount in the Fines Due Ledger. However, if the member cannot pay the fine that day, the fine amount is recorded in the Fines Due Ledger and will be verified at the next meeting.

Part 5 – Savings

28. The Secretary reads the names of the members one by one. Each member in turn announces his/her savings contribution and gives it to the Money Counter and the Treasurer, who confirm the amount and place it in the savings bowl.

29. The Secretary records the amount contributed against the members' name in the Savings ledger, calculates and records the member's total savings, and announces the member's meeting savings and total savings.
30. After all members have contributed, the Money Counter and the Treasurer count and announce the total amount contributed.
31. The Secretary adds up the meeting's savings contributions to confirm it tallies with the amount announced, and records the total amount saved in the savings ledger. The Secretary records the total savings collected in the Cash Book in the "Cash In" column, and balances the Cash Book.
32. The Secretary calculates and announces the group's cumulative savings, and records it in the Savings Ledger.

Part 6 – Repayment of Loans (*this part only occurs in Loan Meetings*)

33. The Secretary consults the Loan Ledgers to determine which members have outstanding loans, and announces the total amount due by the member.
34. Each borrower announces his/her payment and gives it to the Money Counter and the Treasurer, who verify the amount and put the money in the loan repayment bowl.
35. The Secretary enters the payment in the member's Loan Ledger, and calculates, records and announces the member's new amount due (including interest charge).
36. After all the loan payments have been made, the Money Counter and the Treasurer count and announce the money in the repayment bowl.
37. The Secretary adds up the meeting's repayments to confirm it tallies with the amount announced, records the total loan repayments in the Cash Book in the "Cash In" column, and balances the Cash Book.

Part 7 – Group Expenses

38. If there will be group expenses before the next meeting, the Treasurer gives money to the member who will handle the expenses. (The member must bring a receipt and show what was purchased. Any change will be recorded in the Cash Book in the "Cash In" column).
39. The Secretary records the expenses in the Cash Book in the "Cash Out" column, and balances the Cash Book.

Part 8 – Loan Disbursements (*this part only occurs during Loan Meetings*)

40. The Money Counter and the Treasurer count and announce the amount in the fines bowl.
41. The Secretary records this amount in the Cash Book in the "Cash In" column, and balances the Cash Book.
42. The Money Counter and the Treasurer combine all the Loan Fund cash (previous meeting's Loan Fund balance, savings deposits, loan repayments, fines payments – NOT Social Fund cash), count and announce the available cash balance.
43. The Secretary confirms the amount from the Cashbook.
44. The Chairperson asks members to submit their requests for loans (all loan requests must mention the amount, purpose, and duration).
45. The General Assembly analyzes loan requests according to the criteria in the group's Constitution.
46. Once loan decisions have been made, the Secretary announces the name of the borrower, the amount to be borrowed, interest to be paid and the loan duration. As

each borrower's name is called, the Money Counter and the Treasurer counts out the loan amount and hands it to the borrower who then counts the money.

47. The Secretary records the loan details in the member's Loan Ledger, calculates and announces the amount due (including interest charge), and each borrower signs against their loan.
48. After all loans are distributed, the Secretary calculates and records the total amount disbursed in the cash book in the "Cash out" column, and balances the cash book.

Part 9 – Verification of Loan Fund Closing Balance

49. The Money Counter and the Treasurer count and announce any new money in the fines bowl.
50. The Secretary records this amount in the Cash Book in the "Cash In" column, and balances the Cash Book.
51. The Money Counter and the Treasurer combine all the Loan Fund cash (previous meeting's Loan Fund balance, savings deposits, loan repayments, fines payments – NOT Social Fund cash), count and announce the available cash balance.
52. The Secretary reports if the cash book balance matches the cash on hand announced by the Money Counter and the Treasurer. Any difference must be reconciled to the satisfaction of the General Assembly before closing the meeting. The Chairperson asks the members to remember the Loan Fund balance and the Social Fund balance for the next meeting.

Part 10 – Meeting close

53. The Secretary adds up the total number of members present (including members who were late) and records it in the Register. The Secretary records fines for absent members in the Fines Due Ledger.
54. The Secretary puts the SILC Ledger Book in the cash box, together with the cash on hand and the Social Fund cash (in its own bag)
55. The Key Holders lock the cashbox and the Treasurer takes the locked cashbox.
56. The Chairperson asks SILC members to discuss items under any other business and facilitates discussion
57. The Chairperson announces the date of the next meeting and asks for members to agree and confirm it.
58. The Chairperson declares that the meeting is over and people are free to leave.

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Module 9: Share Out Meeting

Total Time Needed: 160 minutes (2 hours 40 minutes)

Objectives

In Module 9, participants will:

1. Decide what to do with their remaining Social Fund
2. Request the Secretary to calculate member savings and earnings
3. Receive their savings and earnings for the cycle
4. Analyze the cycle's financial performance
5. Decide when and how to analyze their completed cycle

Materials Needed

- Share-Out Form
- Calculator

Facilitator's Note

In order to be ready to conduct share-out, groups should schedule their last social fund and savings transactions prior to the share-out meeting. . If a group decides to save and/or conduct Social Fund transactions to begin the share-out meeting, you should ensure the group does not disburse any Social Fund loans (they may disburse Social Fund grants).

Groups should also ensure all members have repaid their loans and cleared any outstanding fines. If they have not, the group should use the member's savings to clear the debts. In that case, the member's individual savings total should be reduced.

Step 9.1 Session Objectives (5 minutes)

Methods: Reading aloud, question and answers

Learning Tasks

9.1.1 Tell participants: *In today's meeting, you will:*

- *Decide what to do with your remaining Social Fund money*
- *Calculate and receive your earnings for the cycle*
- *Discuss your earnings*
- *Decide when and how to analyze the cycle*

9.1.2 Ask, "*What are your questions about what we will accomplish today?*"

9.1.3 If there are questions, answer them quickly. If there are no questions, move on to Step 9.2

Step 9.2 Meeting Opening (5 minutes)

Methods: Coaching

Learning Tasks

9.2.1 Make sure the group begins by taking attendance and verifying the balances in both the social fund and loan fund. Make sure any differences are resolved to members' satisfaction before continuing the meeting.

Step 9.3 Social Fund Carry-over to the Next Cycle (30 minutes)

Methods: Open questions, large-group decision

Learning Tasks

9.3.1 Ask the members the following questions. If a member gives an incorrect answer, let the group agree on the correct answer.

- *How much money is there currently in your social fund?*
- *What did you use the social fund for, during the cycle?*
- *What is the largest amount you had to pay out in one meeting (for one or several requests)?*
- *Were there times when there wasn't enough money in the social fund to satisfy all valid demands? What did you do in those situations?*

9.3.2 Use the Table 46 to help members decide what to do with their social fund balance. Ask the question for decision-making to small groups.

Table 46: Decisions on Social Fund Carryovers

Topic	Information to share:	Question for decision-making
<i>You are now going to decide what to do with the money left in your Social Fund.</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>If the group shared out all of its Social Fund money, it might not be able to help members in the first few weeks or months of the new cycle</i> • <i>Many groups choose to keep a reasonable amount in the Social Fund for the next cycle, in order to immediately meet social needs</i> • <i>Any money not kept in the Social Fund the next cycle will be shared out equally among members.</i> 	<ul style="list-style-type: none"> ➤ <i>How much of the Social Fund do you want to keep to begin the next cycle? Why?</i>

9.3.3 Help the Chairperson to facilitate a presentation by all groups and to arrive at a consensus decision.

9.3.4 If the group keeps a portion of the Social Fund for the next cycle, have the Money Counter and Treasurer count and put that amount back in the Social Fund bag.

9.3.5 Then, ask the Money Counter and Treasurer to count the money from the Social Fund that is not being carried over, and set it aside. Ask the Secretary to calculate each person's Social Fund shareout: the amount not being carried over, divided by the number of members. If the amount is difficult to give to each member because there is not enough change, round down the amount each member will receive. Once each member has received their Social Fund share-out, add any remaining money to the Social Fund being carried over to the next cycle.

Step 9.4 Calculate Member Savings and Earnings (30 minutes)

Methods: Coaching, calculations, open questions.

Learning Tasks

- 9.4.1 Show the Share-Out Form to the members, and explain that it will be used to calculate how much money each member will receive. Give the Secretary the Share-Out Form and ask him/her to write each member's name in the first column. Ask the Secretary to read out from the Savings Register the amount saved by each member during the cycle, and to write it in the Share-out Form's "Savings" column. Note: If a member had not cleared his or her debts, and savings were used to clear the debts, the member's savings will be reduced.
- 9.4.2 Ask the Secretary to calculate and announce the total amount of group savings for the cycle, and write it twice on the Share-Out Form: in the "Totals" line of the Savings Column, and below the "÷" sign in the "Total Group Savings" column.
- 9.4.3 Ask the Money Counter and the Treasurer to count and announce the total amount in the Loan Fund. Ask the Secretary to write the amount below the "X" sign in the "Total Loan Fund (cash)" column.
- 9.4.4 Show the Secretary how to calculate, announce and record each member's individual share, using a calculator. The formula is: Individual savings, divided by total group savings, multiplied by loan fund cash = individual share.
- 9.4.5 Circulate the completed Share-Out form among the members, showing them how the calculation was done. Explain that each member has saved a certain proportion of the total group savings, and that proportion will be applied to the total Loan Fund cash.
- 9.4.6 Identify members whose individual share-outs are difficult to pay out, because it is difficult to make small change. Ask the group to agree on a rounding-down procedure, for example to the closest 5 shillings, or 10 shillings. This means that each member will forego at most 4 or 9 shillings.
- 9.4.7 Show the Secretary how to round down every member's share-out, and record the amount in the "individual share – rounded down" column. Have the Secretary calculate and record the "total" for that column, to confirm it is not more than the available Loan Fund cash.
- 9.4.8 Ask the Secretary to read out each member's name, how much they saved during the cycle, and how much they are getting as individual share-out (rounded down). Ask the Treasurer to give each member their share-out money. Each member should count their share-out money, and sign the share-out form to confirm receipt. After each member has taken their share-out money, ask the Chairperson, Secretary, Money Counter and Treasurer to sign the share-out form.
- 9.4.9 Ask the Money Counter and Treasurer to count and announce how much money is remaining in the Loan Fund. Facilitate a group discussion on how to use the money.

Step 9.5 Financial Analysis of the Completed Cycle (30 minutes)

Methods: Open questions, large group decision

Learning Tasks

- 9.5.1 Ask the members the following questions. Take several answers for each question:
- *Why did members get back more money than they had saved during the cycle?* [answer: the “extra” money is profit from interest on loans, fines, and other income]
 - *Why did some members earn more profit than others?* [Answers: the group’s total profit is divided in proportion to member savings. Members who save more, receive more profit]
 - *What can you do in the next cycle to increase your profit?* [Answers: the group can earn more profit if it lends out more of its Loan Fund, and ensures members repay on time, with interest. Individual members can earn more profit if they save more]

9.5.2 Use Table 47 (below) to help members make a decision on reinvestment. Ask small groups to discuss the questions in column 3.

Table 47: Deciding on Reinvestment

Topic	Information to share	Question for decision-making
<i>You are now going to decide how much to reinvest for the next cycle.</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>If members do not invest money in the SILC to start the second cycle, there will be little money in the first few weeks for making loans.</i> • <i>The beginning of the cycle is the one time when some members can invest more than 5 times the minimum savings.</i> • <i>You can either reinvest today and keep the money in the Cashbox, or at the first meeting in the next cycle</i> 	<ul style="list-style-type: none"> ➤ <i>When should members invest for the second cycle? Why?</i> ➤ <i>How much can each member invest to begin the second cycle?</i>

9.5.3 Help the Chairperson facilitate a discussion so that groups come to consensus.

9.5.4 If some members are reinvesting for the second cycle, ensure the Secretary records their individual investments in the Savings Register as “initial savings balance”, and the total amount in the Cashbook as “Member investment” in the Cash In column.

Step 9.6 Evaluating the Completed Cycle (30 minutes)

Methods: Large-group decision

Learning Tasks

9.6.1 Use Table (48) to help members decide when to evaluate the cycle they have just completed. Invite small groups to answer the questions in column 3:

Table 48: Evaluating the Completed Cycle

Topic	Information to share	Question for decision-making
<i>You are now going to decide when and how to evaluate your cycle</i>	<p><i>Here are some things to consider:</i></p> <ul style="list-style-type: none"> • <i>Immediately after a cycle is a good time to reflect on the cycle you have just finished, and whether you want to make any changes for the next cycle</i> • <i>Your Constitution calls for Management Committee elections at the beginning of every cycle</i> • <i>Some members can leave the SILC, and new members can join the SILC</i> • <i>It is important to review your financial policies and other group rules</i> 	<ul style="list-style-type: none"> ➤ <i>When do you want to reflect on the cycle you have just completed? Why?</i> ➤ <i>When can new members join?</i> ➤ <i>Would you like me to be present to assist you? Why?</i>

9.6.2 Help the Chairperson to facilitate a discussion and come to consensus.

9.6.3 If the SILC group wants your assistance to evaluate the cycle, schedule a meeting date, time and place, and agree on what will be covered.

Step 9.7 Meeting Closure (30 minutes)

Methods: Coaching

Learning Tasks

9.7.1 If the group is carrying any cash balance forward to next cycle (social fund or loan fund), have the Money Counter and Treasurer count and announce the balances. The Secretary confirms that the amounts tally with her/his records. Any differences should be resolved to the satisfaction of the members before finishing. The Chairperson asks the members to remember the balances for the next meeting. The Key Holders lock the cashbox, and the Treasurer takes the locked cashbox.

9.7.2 Congratulate the group members on having successfully completed their first cycle.

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Instructions for filling out the Register

1. Number the members of the group on the inside of the cover page.

2. Write the names of each member on the inside of the cover page.

3. Write the date of the meeting

4. Write
 ✓ for present
 X for absent
 E for excused absence
 ⊗ for late-coming (the X gets circled when the member arrives)

5. At the end of the meeting, add the number of ✓ and ⊗ to calculate the number of members present.

#	Member	4/1/10	11/1/10	18/1/10
1	Irene Akinyi	✓	✓	✓
2	Maureen Wanjiku	✓	⊗	✓
3	Christine Kwamboka	✓	✓	✓
4	Josephat Govedi	✓	✓	✓
5	Timothy Mutua	X	✓	✓
6	Tom Okoth	⊗	✓	✓
7	Alice Mueni	⊗	✓	✓
8	Violet Cheronu	E	✓	✓
9	Jenipher Onyango	✓	✓	✓
10	Henry Omusuli	X	X	✓
11	George Charo	✓	✓	✓
12	Joash Kamau	✓	E	✓
13	Michael Onyantha	✓	✓	✓
14	Albert Mwendwa	✓	✓	✓
15	David Cheriot	✓	✓	✓
Totals		12	13	15
Social Fund payback				
Social Fund payout				
Social Fund balance				

Instructions for filling out the Social Fund Ledger

1. The numbers and names of the members show from the Register, since the page is cut out.

2. Write the date of the meeting.

3. Write the amount that each member contributes to the social fund.

4. If a member does not contribute to the social fund, cross out the cell.

5. If a member is contributing for past meetings, the total contribution gets recorded in the week when the money is brought.

#	Member	4/1/10	11/1/10	18/1/10
1	Irene Akinyi	5	5	5
2	Maureen Wanjiku	5	5	5
3	Christine Kwamboka	5	5	5
4	Josephat Govedi	5	5	5
5	Timothy Mutua	X	5	5
6	Tom Okoth	5	5	5
7	Alice Mueni	X	10	5
8	Violet Cherono	X	10	5
9	Jenipher Onyango	5	5	5
10	Henry Omusuli	X	X	5
11	George Charo	5	X	5
12	Joash Kamau	5	X	10
13	Michael Onyancha	5	5	5
14	Albert Mwendwa	5	5	5
15	David Cheriot	5	5	5
Totals		55	70	80
				50
			100	
social fund balance		55	25	155

6. Add the social fund contributions.

7. Write the total social fund payback (from the Social Fund Payout ledger).

8. Write the total social fund payout (from the Social Fund Payout ledger).

9. Calculate the ending Social Fund balance = previous social fund balance + contributions for the week + payback – payout).

10. The new Social Fund balance must match the amount of cash in the Social Fund container (at the end of the meeting, and again at the beginning of the next meeting).

Savings Ledger

#	Member	Initial total	♦ savings	= total savings	♦ savings	= total savings	SAVING SF PAYOUT LEDGER		FINES DUE	LOAN LEDGERS	CASHBOOK	NOTES
							♦ savings	= total savings				
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
Totals												
		social fund payback										
		social fund payout										
		social fund balance										

Instructions for filling out the Savings Ledger

1. The numbers and names of the members show from the Register, since the page is cut out.

2. Carry each member's savings balance from the previous page's last total savings column. (if this is the first page for the cycle, write each member's beginning savings investment; for the first cycle, this will be 0).

3. Write the date of the meeting

4. Write each member's savings deposit (no more than the maximum savings allowed per meeting)

5. If a member does not save during the meeting, cross out the cell.

#	Member	Initial total	1/2/10		8/2/10	
			+ savings	= total savings	+ savings	= total savings
1	Irene Akinyi	120	20	140	20	160
2	Maureen Wanjiku	90	20	110	30	140
3	Christine Kwamboka	160	40	200	40	240
4	Josephat Govedi	110	50	160	20	180
5	Timothy Mutua	260	 	260	60	320
6	Tom Okoth	280	80	360	100	460
7	Alice Mueni	130	50	180	40	220
8	Violet Cherono	60	 	60	20	80
9	Jenipher Onyango	110	20	130	30	160
10	Henry Omusuli	80	 	80	 	80
11	George Charo	120	80	200	20	220
12	Joash Kamau	200	100	300	 	300
13	Michael Onyancha	400	100	500	100	600
14	Albert Mwendwa	90	 	90	50	140
15	David Cheriot	80	20	100	20	120
Totals		2,290	580	2,870	550	3,420
social fund payback						
social fund payout						
social fund balance						

6. Calculate the new savings balance for each member.

7. Add member savings for the meeting – carry to cashbook.

8. Calculate cumulative group savings = previous group savings + total member savings for the week.

Note: cumulative group savings is an accounting figure; the amount cannot be counted physically.

Instructions for filling out the Social Fund Payout Ledger

Note: groups may elect to not keep a Social Fund Payout Ledger.

1. Write the name of the member.

2. Write the purpose of the Social Fund payout

3. Write the date the money was given to the member.

4. The member signs after receiving the money.

	SF PAYOUT LEDGER	FINES DUE	LOAN LEDGERS	CASHBOOK	NOTES
Name	Purpose	date given	member signature	Payout	Payback
Josephat Govedi	medicine	11/1/10	Jos	50	grant
David Cheriot	burial	11/1/10	David	50	50

5. Write the amount paid out (the total amount paid out to members in a meeting is carried to the Social Fund ledger)

6. If the member will not have to repay, write “grant”.

7. Write the amount paid back, during the meeting when the member pays (the total amount paid back in a meeting is carried to the Social Fund ledger)

Instructions for filling out the Fines Due Ledger

Note: this ledger is only used to track outstanding fines between meetings; fines paid during the meeting when they are assigned do not need to be recorded here.

1. Write the name of the member who will owe a fine in a subsequent meeting.

2. Describe the offense.

	FINES DUE	LOAN LEDGERS	CASHBOOK	NOTES
Member	Description	Due	Paid	
Timothy Mutua	absent	25	25	
Tom Okoth	late	10	10	
Henry Omusuli	absent	25	25	
Maureen Wanjiku	late	10	10	
Henry Omusuli	absent	25	25	

3. Write the amount due.

4. When the member pays the fine, write the amount paid.

Note: information from the Fines Due ledger is not carried to the cashbook. The amount of cash counted in the fines bowl is what is recorded in the cashbook.

Instructions for filling out the Loan Ledgers

Note: there is one ledger per member.

1. Write the name of the member on his/her own ledger
2. Write the purpose of the loan
3. Write the date the loan is disbursed
4. Write the date the loan is due.
5. The member signs after receiving the money.
6. Write the amount disbursed (the total amount disbursed to members in a meeting is carried to the cashbook).
7. Calculate the interest charge* for the first month only.
8. Calculate the total amount due.
9. In the next loan meeting, write the amount the member paid (the total amount paid by members in a meeting is carried to the cashbook).

				Name: Jenepher Onyango		
Purpose	Date given	Date due	Signature	Balance	+ Interest charge	= Total due
business	25/1/10	22/3/10	Jen	300	30	330

6. Write the amount disbursed (the total amount disbursed to members in a meeting is carried to the cashbook).
7. Calculate the interest charge* for the first month only.
8. Calculate the total amount due.
9. In the next loan meeting, write the amount the member paid (the total amount paid by members in a meeting is carried to the cashbook).

Name: Jenepher Onyango		LOAN LEDGERS	CASHBOOK	NOTES	
Balance	+ Interest charge	= Total due	- Amount Paid	= Balance	Payment date
300	30	330	130	200	22/2/10
200	30	230	230	0	22/3/10

10. Write the payment date.
11. Calculate the new balance and carry it to the next line.
12. Calculate the interest charge* for the next month.
13. Write the total amount due.
14. When the member clears the loan, write 0 as balance.**

* The monthly interest charge is calculated from the initial balance if the group uses the flat method (shown here), or from the outstanding balance if the group uses the declining balance method).

** If a member does not completely clear a loan by the due date, some groups assign penalties – these are recorded in the interest charge column, and increase the amount due.

Instructions for filling out the Cashbook

1. Write the date.
2. Write the description of each cash-in transaction from the loan fund:
 - Savings (amount comes from savings ledger)
 - Loan repayment (amount comes from loan ledgers)
 - Fines (amount comes from fines bowl)
3. Write the amount of the cash-in transaction.

Date	What Happened	Cash In	Cash Out	Balance
4/1/10	fines	10		10
"	savings	580		590
11/1/10	fines	35		625
"	savings	550		1,175
18/1/10	fines	60		1,235
"	savings	570		1,805
"	purchase padlocks		200	1,605
"	fines	10		1,615
25/1/10	savings	590		2,205
"	loans disbursed		900	1,305
1/2/10	savings	580		1,885
8/2/10	savings	550		2,435
15/2/10	savings	590		3,025
22/2/10	savings	590		3,615
	loan repayment	390		4,005

4. Calculate the balance after each cash-in entry
5. Write the description of each cash-out transaction from the loan fund:
 - Group expenses
 - Loan disbursement (amount comes from loan ledgers)
6. Write the amount of the cash-out transaction.
7. Calculate the balance after each cash-out entry.
8. There can be a second fines entry, for fines collected during cash-out activities
9. The ending cashbook balance must match the amount of cash in the Loan Fund container (at the end of the meeting, and at the beginning of the next meeting).

Share-Out Form

Note: the share-out form can be created in the back of the Ledger Book, or on a separate piece of paper.

#	Member	Individual cumulative Savings	Total group savings	Total Loan Fund (cash)	Individual share	Individual share rounded down	Signature
1					=		
2					=		
3					=		
4					=		
5					=		
6					=		
7					=		
8					=		
9					=		
10					=		
11					=		
12					=		
13			+	X	=		
14					=		
15					=		
16					=		
17					=		
18					=		
19					=		
20					=		
21					=		
22					=		
23					=		
24					=		
25					=		
Totals:							

Chairperson Signature: _____ Moneycounter Signature: _____
 Secretary Signature: _____ Treasurer Signature: _____

Instructions for filling out the Share-Out Form

The share-out form should be created specifically for the share-out meeting.

1. Number the members of the group.
2. Write the names of each member.
3. Write the cumulative savings balance for each member (carry from the last page of the Savings Ledger).
4. If a member's savings was completely used to offset an outstanding debt to the group, the savings balance will be 0.

#	Member	Individual cumulative Savings	Total group savings	Total Loan Fund (cash)	Individual share	Individual share - rounded down	Signature
1	Irene Akinyi	1,000	<div style="display: flex; justify-content: center; align-items: center;"> <div style="margin-right: 10px;">÷</div> <div style="margin-right: 10px;">42,105</div> <div style="margin-right: 10px;">x</div> <div>54,720</div> </div>	54,720	= 1,300	1,300	Irene
2	Maureen Wanjiku	1,350			= 1,754	1,750	Maureen
3	Christine Kwamboka	0			= 0	0	
4	Josephat Govedi	4,500			= 5,848	5,840	Josephat
5	Timothy Mutua	4,375			= 5,686	5,680	Timothy
6	Tom Okoth	5,000			= 6,498	6,490	Tom
7	Alice Mueni	1,000			= 1,300	1,300	Alice
8	Violet Cheronu	2,380			= 3,093	3,090	Violet
9	Jenipher Onyango	2,350			= 3,054	3,050	Jenipher
10	Henry Omusuli	3,200			= 4,159	4,150	Henry
11	George Charo	4,100			= 5,328	5,320	George
12	Joash Kamau	2,900			= 3,769	3,760	Joash
13	Michael Onyanchara	3,000			= 3,899	3,890	Michael
14	Albert Mwendwa	4,500			= 5,848	5,840	Albert
15	David Cheriot	2,450			= 3,184	3,180	David
Totals:		42,105				54,640	

10. Each member signs for the money they receive.

11. The Management Committee members sign after everyone has received their money.

Chairperson Signature: D. CHERIOT Moneycounter Signature: M. Wanjiku
 Secretary Signature: Irene Akinyi Treasurer Signature: Violet

5. Add the final savings balances to get the total group savings, and carry the number to the next column.
6. Write the total cash available in the Loan Fund
7. Calculate each member's individual share.
 Individual share = individual cumulative savings ÷ total group savings x total loan fund.
8. Round down each member's share to a convenient amount. (for example, round down 1,754 to 1,750, and 6,498 to 6,490).
9. Add the individual shares, rounded down (this number cannot be more than total cash).

Part 5: Field Agent Monitoring Forms

9.4 Data Collection Form

Field Agents must fill a Data Collection Form every month, for each group they have formed and/or are monitoring. Data must be collected at a group meeting, in collaboration with the group Secretary.

The data is entered into a database that allows program managers to track program performance, and provide feedback to Field Agents on their own performance.

SILC DATA COLLECTION FORM *(fill at group meeting)*

Name of Agent: _____ Supervisor: _____

Period: _____

Commentary					
1	Name of group				
2	Group Number				
3	Linkage to external savings <i>(Tick as appropriate)</i>	Yes	No	Unknown	
4	Linkage to external credit <i>(Tick as appropriate)</i>	Yes	No	Unknown	
5	Date of first training meeting				
6	Date savings started this cycle				
7	Group trained by: <i>(Tick as appropriate)</i>	FA	PSP	APP	
8	Members at start of cycle				
9	Date of data collection				
10	Registered members at time of visit				
11	Registered men at time of visit				
12	Registered women at time of visit				
13	No. of members attending meeting				
14	Dropouts since start of cycle				
15	Value of savings this cycle				
16	No. of loans outstanding				
17	Value of loans outstanding				
18	Write-off since start of cycle				
19	Loan fund cash in box & at bank				
20	Cash in other funds				
21	Property at start of cycle				
22	Property now				
23	Debts				
24	Village				
25	Cycle (e.g.: 1, 2, 3)				
26	Group Payment to Agent				
27	Payment Arrangement this quarter <i>(Tick only 1 from list 27):</i>	N	1	2	3 4
28	Group monitored by Apprentice <i>(write name):</i>				
Data verification					
A	Row 17 (value of loans outstanding) + Row 19 (loan fund cash in box and at bank) + Row 22 (property now)				
B	Row 15 (savings) + Row 21 (property at start of cycle) + Row 23 (debts)				
A - B =					

N° of the member	Value of loans outstanding
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
TOTAL	

If result (A-B) is negative, check the data. If it's still negative find out what has happened to the missing money.

Options for 27: N. No services provided in quarter 1. Services provided for free (no money, no goods, no labor) (every meeting, every month, etc.) 3. Fee for services 4. Payment at share out

2. Regular payment

1	Name of group	The name of the group given by its members	Ask the members: Fixed
2	Group Number	The number assigned to the group by the FA or the programme. It must be unique	Assigned by the programme: Fixed
3	Linkage to external savings	Whether or not the group is saving with a regulated financial institution such as a bank or Post Office or mobile money	Ask the members
4	Linkage to external credit	Whether or not the group is borrowing from a regulated financial institution such as a bank or MFI or person	Ask the members
5	Date of first training meeting	The date that the group was first trained in order to save and lend. This might be before or on the date that it first started to save	Training records: Fixed
6	Date savings started this cycle	The date that the group started to save in the current cycle. This is not the date that the group was created.	From savings ledger: Fixed for this cycle
7	Group trained by: FA, PSP or APP	Describe what your title was when you did your first training for this group: FA, PSP or APP	You should know. Fixed for this group
8	Members at start of cycle	The number of group members when it started its savings and credit activities during the current cycle.	Note at the time of visit: Fixed for this cycle
9	Date of data collection	The date on which the data on this form was collected	Note at the time of visit
10	Registered members at time of visit	The number of members who are considered by the other members to be members of the group. This is not just the number of people present during the meeting (they may be absent for important reasons). This number is the sum of registered men and registered women	Register
11	Registered men at time of visit	The number of men who are considered by the other members to be members of the group, Not just those who are present	Register
12	Registered women at time of visit	The number of women who are considered by the other members to be members of the group, Not just those who are present	Register
13	No. of members attending meeting	The number of members who are present during the meeting at which the data was collected	Register
14	Dropouts since start of cycle	The number of members who have left the group for any reason at all (i.e. death, moving, deciding to leave for personal reasons, being thrown out for failure to pay a debt etc.) since the start of the current cycle.	Ask the members
15	Value of savings this cycle	This applies only to the current cycle. Record the amount of shares/savings in the savings ledger and subtract any that have been cancelled. Do NOT include interest paid or fines	Savings ledger
16	No. of loans outstanding	The number of loans with any balance remaining unpaid (whether on-time or late)	Loan ledgers
17	Value of loans outstanding	The total of all balances of loans outstanding remaining unpaid.	Loan ledgers
18	Write-off since start of cycle	The amount of any loan that the group has decided is uncollectible. This will be a cumulative figure for the cycle.	Loan ledgers or ask members
19	Loan fund cash in box & at bank	The amount of any cash in the loan fund bag in the box, plus any money allocated to the loan fund that is deposited in any type of financial institution or stored by a group on a mobile phone	Record the cash in the Loan Fund bag and look at any bank statements/deposit slips
20	Cash in other funds	Cash in all other types of funds (Social Fund, Education, Expenses, etc.) held in the box or deposited to any type of financial institution. It should not include any money that belongs to the loan fund.	Record the cash in the Social Fund bag
21	Property at start of cycle	The purchase price of physical assets (livestock, grain, furniture, equipment, buildings, etc.) which the group owned before the start of the current cycle, before it started its current-cycle savings	Ask the members: Fixed for the cycle
22	Property now	The purchase price of physical assets that the group owns at the time of collecting this data.	Ask the members
23	Debts	The total value of any money owed to anyone (individual or institution) by the group.	Ask the members
24	Village	The name of the village where the group meetings happen.	You should know. Fixed for this group.
25	Cycle	Record the current cycle (1, 2, 3 etc.)	Ask the members. Fixed for this cycle
26	Group Payment to Agent	Record the amount of cash (<i>convert goods to cash</i>) received from the group as payment for services this quarter.	You should know.

27	Payment Arrangement	Select the payment for the PSP service from the list provided	You should know.
28	Group monitored by Apprentice(<i>write name</i>)	Write the name of the apprentice who monitored the group	You should know.