

INSPIRING HOPE GROUP CONSTITUTION

DATE OF FORMATION: December 2011

P.O. BOX 54200 300

1.0 INTRODUCTION:

INSPIRING HOPE GROUP (IHG) is an affiliation of young Christians, committed to changing lives through small group savings and business development, community outreach and mission, education, fellowship, and spiritual formation.

1.1 NAME:

The name of the GROUP shall be **INSPIRING HOPE GROUP** herein referred to as I.H.G. or the GROUP.

1.2 OBJECTIVES

- Promoting the welfare and economic interest of members through savings, investment, and sustainable business development
- Identifying team members' interests and giftings and developing ministry, small business and job opportunities.
- Educating and empowering members through:
 - i) Formal and informal trainings
 - ii) Bible Study, Prayer and Fellowship groups
 - iii) Team Building Activities
- Encouraging responsible citizenship and engaging in community service
- Facilitating Christian mission and outreach among youth and growing a community of service-oriented leaders.

1.3 MISSION, VALUE AND GOALS

We shall practice mutual responsibility, equity and equality, honesty, openness, social responsibility in all our undertakings irrespective of age, gender, geographic origin, tribe, ethnicity and social status of the members.

1.3.1 VISION

Our Vision is;

“Walking together to inspire hope and build a brighter future.”

1.3.2 MISSION

Our Mission is

“To encourage and equip youth through spiritual formation, education, fellowship groups, savings, investment, and sustainable business development”

1.4 THE GROUP PRINCIPLES

The GROUP is formulated on **PERMANENT CAPITAL BASE**, which refers to the capital contributed by members and is not subject to distribution to members other than in

the event of liquidation of the GROUP.

We shall act in accordance with the following principles in order to achieve our mandate:

Voluntary and open membership;

Membership is open and on a voluntary basis without political, gender or social discrimination.

Democratic member Control

We are a democratic organization. Members enjoy equal voting rights on "One member-One vote" basis, irrespective of one's shareholding. Founder Members participate in making decisions and setting policies during general meetings.

Economic Participation by Members

Members contribute to the capital of the GROUP with the aim of benefiting from its operations to improve their living standards.

Members might borrow loans to;

- a. Develop themselves
- b. Educate
- c. Cater for their Social welfare.

Members may participate in committees to coordinate the activities of the GROUP (organizational committees) or they may form new committees to develop businesses, ministries, or other initiatives that are consistent with the vision and mission of the GROUP. Non-organizational committees may operate individual accounts registered under the GROUP. Committees may apply to the GROUP for loans or grants. Income generating activities of any committee are to contribute 10% toward the main GROUP savings.

1.5 MEMBERSHIP

- 2. Based on (*Group Principles*) above, members shall consist of;
 - a) Original members who signed the application for registration own the share capital of the GROUP and project savings as Founder Members.
 - b) Regular members subsequently admitted in accordance with the GROUP's by-laws.
 - c) Founder Members and Regular Members may be assigned to or enroll in committees to facilitate savings, investment, ministry, or business development. Apart from the main GROUP savings and investments, members maintain individual accounts with their monthly savings.
 - d) Members have voting rights within the GROUP as well as within their designated sub-groups.
- 3. A person shall be eligible for membership and should possess the following qualities
 - a) Is above 18 years of age and below 45 years at the time of registration
 - b) a holder of National ID or Kenyan Passport.
 - c) Is of good human character.

- d) Is of sound state of mind (sane).
 - e) Is a committed member of a local church.
4. Members **MUST** be ready and willing to share and disclose information regarding their residential location, business and family whenever required by the group.
 5. Every applicant for membership shall complete payment in full before his acceptance as a member (as shall be decided by the members). The applicant shall be issued with the group's by-laws and his membership is subject to acceptance by way of signing the binding by-laws and membership agreement form.
 6. An applicant shall be admitted to membership on being proposed by a registered member, seconded by a registered member and supported by one other member but shall not qualify for the rights and privileges until he has paid a non-refundable Registration fee as specified in the application form.
 7. Every member may nominate in writing one person to whom on his death his shares, deposits or any other interest shall be transferred. The name of the nominee(s) shall be entered in the Register of members recorded in a sealed envelope to be kept safely by the Secretary. A member shall have the right to change the nominee(s) in writing and signed in the presence of two witnesses. A member with more than one nominee shall state the percentage of shares each one will get.
 8. A nominee of the deceased shall not have the option of being admitted to membership unless he/she belongs to the same common bond as the deceased member. On admission of such a nominee, the shares and/or deposit of and dividend/interest due to the deceased shall be transferred to the name of the nominee who shall also be responsible for repayment of loans and other amounts, if any due from the deceased member.
If not admitted to membership the nominees shall be paid the value of the deceased member's shares and interest, less any sum due by the latter to the GROUP as soon as possible.
 9. Membership to the GROUP shall cease with effect from the date of a member;
 - a) Dying
 - b) Being expelled from membership.
 - c) Withdrawing his or her shareholding.
 - d) Ceasing to hold the qualifications stated in By-law 2 above.
 - e) Becoming certifiably insane.
 - f) Failing to contribute shares and loan repayment for a period of 6 months.
 - g) Unexcused absence from GROUP meetings for a period of 3 months.
 10. A member may at any time withdraw from the GROUP by giving written notice of at least 90 days with valid reasons.
 11. Ex-members with outstanding liabilities together with their guarantors and obligations shall continue being responsible for the respective obligations.
 12. The GROUP executive committee may suspend a member who;
 - a) Is convicted in a court of law of a criminal offence.
 - b) Is imprisoned for one year or more.
 - c) Acts in any way prejudicial to the interest of the GROUP.
 - d) Willfully fails to comply with the applicable by-laws including regular attendance of proscribed meetings.
 - e) Declares bankruptcy.
 13. A member who is expelled or withdraws shall be paid the following after deductions of any debts owed by him to the GROUP as a borrower, endorser, guarantor or otherwise;

- a) The nominal or book value of his shares, **whichever is less** provided, however, that the executive committee may require a minimum of **90 days written notice** of intention to withdraw shares.
- b) Any dividend or interest due to him/her on the date membership ceased.
- c) Any deposit or any other sum held by the group on his/her behalf.
- d) Administration of 10% of the value of the shares shall be deducted on expulsion or withdrawal.

1.6 RIGHTS OF MEMBERS

Members shall enjoy the following rights;

- a) Elect and be elected to the organs of the GROUP subject to the provisions of these by-laws.
- b) Enjoy and use all the facilities and services of the GROUP.
- c) Enroll and participate in any committee activities such as business development.
- d) Receive periodically and regularly or upon requirement and at least quarterly, a statement of account in respect of GROUP transactions.
- e) Qualify for a loan only after having been a registered member for a period of not less than six months and having consistently been contributing to the savings to the GROUP.
- f) Access all legitimate information relating to the group including internal regulations, registers, minutes of meetings, annual accounts, reports of group at any time subject to the policy and regulations per the meeting being in force.
- g) Vote on all matters put before the meeting of the group through delegate's representation or voting by proxy.
- h) All other rights as prescribed by the by-laws.

1.7 MEMBERS' OBLIGATIONS

A member of the group shall have the following obligations;

- a) Apply and observe all the provisions of the groups' by-laws and the decisions taken by the executive committee in accordance with the by laws.
- b) Pay contributions or make any other payment as provided for in the by-laws of the GROUP.
- c) Pay debts owed to the GROUP at the time they become due.
- d) Participate in group and committee meetings.
- e) Defend the interest of the GROUP against external forces.

1.8 INSPIRING HOPE GROUP STEERING COMMITTEE

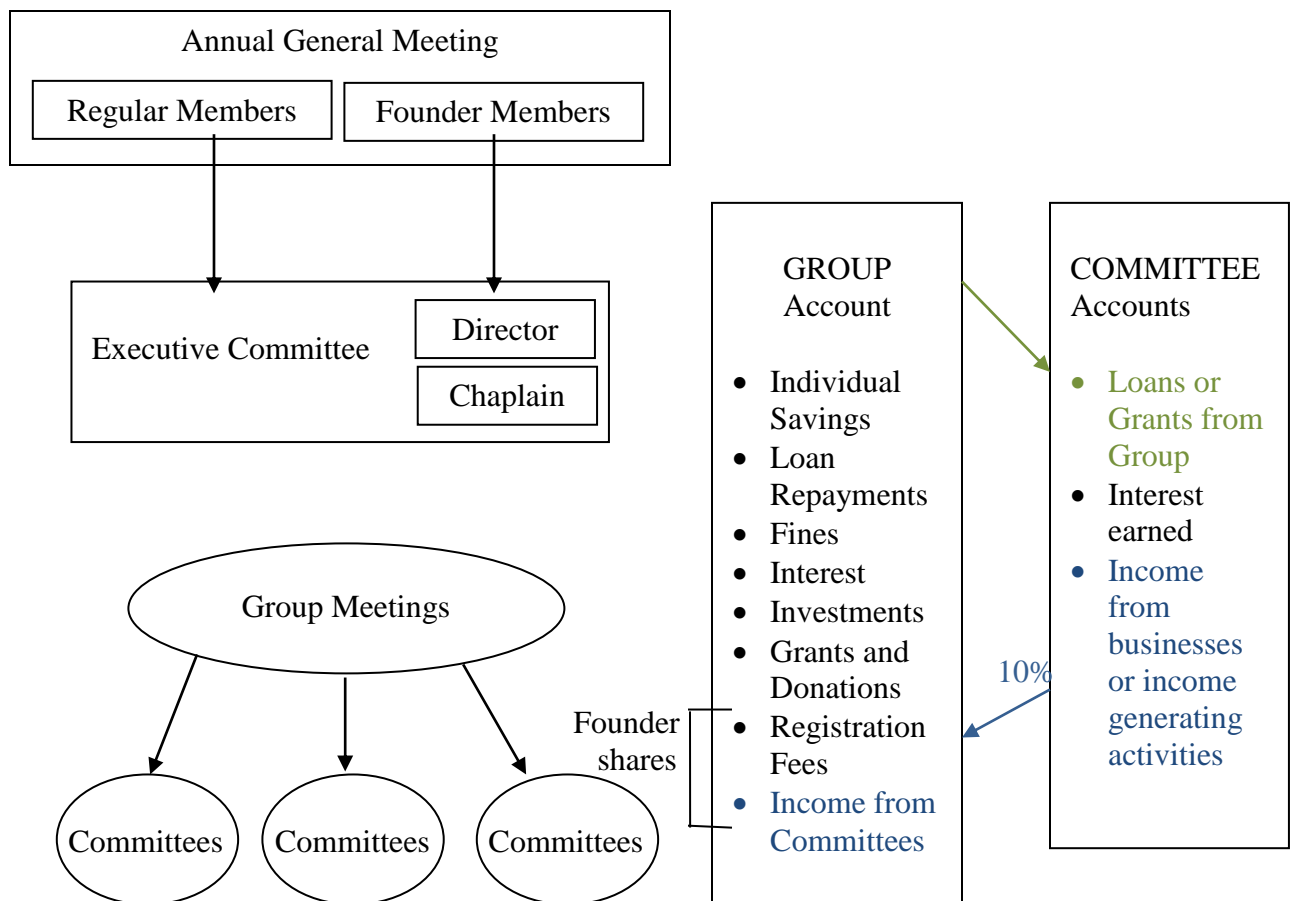
The executive committee shall be the governing authority and subject to members directions and approval. It shall direct the affairs for the GROUP. Its procedures, powers and duties shall be prescribed in the rules and in particular it shall;

- a) Be made up of the incumbent office bearers.
- b) Observe in all its activities these by-laws and prudent business procedures.
- c) Generally manage all the affairs of the GROUP.
- d) Act upon all applications for membership.
- e) Ensure that the true and accurate records are kept of the GROUP's money and its properties, capital reserves, liabilities and income and expenses.

- f) Receive reports and generally oversee affairs of the organizational committees and business committees of the GROUP.
- g) Decide the amount and kind of security (surety) that shall be required of the treasurer, secretary and other members having the custody of, or handling funds or property of the GROUP.
- h) Determine from time to time the interest rates on loans, the maximum maturities and terms of payment or amortization of loans to members~ and the maximum amount they may be loaned with or without security to any member.
- i) Lay before the meeting a balance sheet and final accounts together with the proposals for the disposal of the net surplus (if any), and the GROUP shall deliberate on the same.
- j) Inform the members immediately of any alternative proposals for disposing of the surplus and ask for their comment.
- k) Perform such other duties as the members may from time to time direct.
- l) Perform or authorize any action consistent with the rules and by-laws unless specially restricted from doing so.

1.9 GROUP'S STRUCTURE

The group shall consist of all Founder and Regular Members who hold equal voting rights in the Annual General Meeting and are eligible to participate in the various committees. The group's structure and accounts are summarized below:



The GROUP shall consist of an executive committee which includes:

- Chairperson
- Business Development Officer
- Treasurer
- Secretary
- Communications Officer
- Missions Officer
- Director
- Chaplain

2.0 ROLES

2.0.0 CHAIRPERSON

Duties of the Chairperson shall be;

- a) He/She shall chair all the meetings of the group and in his /her absence, the Business Development Officer or any other member appointed to do so by the members present in his absence.
- b) Providing general leadership to the group and ensuring the objectives of the group are met by the members
- c) He/she is responsible for calling for meetings.
- d) He is a signatory to group bank account(s)

2.0.1 BUSINESS DEVELOPMENT OFFICER

The duties of the Business Development Officer shall be;

- a) To provide direction on viable projects for investment subject to members' approval
- b) To research on potential sources of funds such as loans that can help the group succeed in attaining set goals/objectives
- c) To assist committees in developing and managing businesses and income generating activities and to advise on tax obligations and status.
- d) To liaise with the chairperson in ensuring timely communication with members concerning proposed projects to undertake
- e) He/she is a signatory to the group's bank accounts
- f) To assist the chairperson in carrying out the above duties
- g) perform other duties as may be assigned to him/her from time to time by the chair

2.0.2 TREASURER

The duties of the treasurer shall be;

- a) To manage or cause to be managed the financial affairs of the group in a competent manner.
- b) To maintain full and complete records of all assets, liabilities, income and expenses of the group including any committees.
- c) To ensure safe-keeping of the group's money, securities and books of accounts as well as ensuring proper banking is carried out.
- d) To ensure that all payments and expenditures are duly authorised.
- e) To coordinate with the legal affairs committee and ensure that the GROUP operations are compliant with Kenya Revenue Authority.

- f) To issue quarterly statements on uncollected monies, fines
- g) He/she is a signatory to the group's bank accounts.

2.0.3 SECRETARY

The duties of the secretary are;

- a) To record minutes of the Executive Committee and the General Meetings.
- b) To receive copies of minutes from any other committee.
- c) To ensure that the groups correspondence are promptly and correctly attended to.
- d) To ensure timely communications with members on activities and updates
- e) To liaise with and assist the Treasurer in managing the Group.
- f) To oversee the elections
- g) He/she is a signatory to the group's bank accounts.

2.0.3 COMMUNICATIONS OFFICER

The duties of the communication officer are;

- a) Shall be the public relations officer of INSPIRING HOPE GROUP.
- b) He /She shall be required to prepare plans and programmes in connection with the public relations of INSPIRING HOPE GROUP.
- c) He/she shall be required to see the timely production and distribution of the handouts or any other print outs and act as a link between the executive board and any editorial work.
- d) He/she is to perform any other functions that the Chairperson, with the recommendation of the executive board, may assign to him/her.

2.0.4 MISSIONS OFFICER

The duties of the missions officer are;

- a) To liaise with churches and communities, conduct needs assessments, and engage in field work.
- b) To assist in identifying and recruiting potential new members.
- c) To survey, plan, and coordinate annual outreach and missions activities for the GROUP.

2.0.5 DIRECTOR

The duties of the director are;

- a) To provide leadership and vision in guiding the executive committee.
- b) To represent the GROUP in public forums.
- c) To assist in networking and building relationships with potential partners.

2.0.6 CHAPLAIN

The duties of the chaplain are;

- a) To assign and coordinate prayer and fellowship groups.
- b) To coordinate worship and spiritual formation activities during group and executive committee meetings.
- c) To ensure that committee programmes or activities adhere to the group vision and mission.

2.1 ELECTIONS

- a. All offices are subject to election apart from the positions of Director and Chaplain who are appointed by the Founder Members of the group.
- b. Elections shall be by secret ballot.
- c. There shall be an election held to get office bearers as described in the structure
- d. Office bearers shall be of high integrity, knowledgeable, honest.
- e. No salaries, allowances or wages shall be paid to any of the office bearers unless subscribed by the members and changed in the constitution.
- f. Elections shall be held yearly
- g. Any official shall be ejected from office by a two thirds majority (**2/3**) due to misconduct.
- h. Any office bearer can resign from the office in writing and with explanation as to why and issue notice of 30 days
- i. Upon resignation or ejection of the Director and/or Chaplain, the positions will be dissolved and their roles absorbed by other members of the executive, namely the Chairperson and Missions Officer respectively.
- j. An official shall hand over any information to be presented in a meeting should he be absent or when resigning.
- k. All members present shall vote one person one vote.

2.2 COMMITTEES

There shall be the following organizational committees:

- Executive committee
- Loans committee
- Research and communications committee
- Social activities and missions committee
- Legal advisory committee.
- Disciplinary committee.
- Each committee shall be headed by at least one member of the executive committee along with any other members
- The loans committee shall be responsible for scrutiny and approvals of member's loans in accordance with the group's by-laws.
- The loans committee shall be responsible for loan repayments and follow ups.
- The loans committee shall consist of the treasurer, an assistant, and any other member.
- The research and communications committee shall be responsible for sourcing for loan partners, best and easy terms, reliable partners, business

opportunities, print and electronic media, and link the group with financial and other institutions.

- The research and communications committee shall consist of the Communications officer and any other members.
- The social activities and missions committee will be responsible for planning and coordinating team building events, community outreaches and missions, and group social activities and retreats.
- The social activities and missions committee will include the missions officer and any other members.
- The legal advisory committee shall be responsible for advising the group on legal aspects covering the group's registration, businesses, loan securities and repayments. They shall cover all ventures of the group.
- The legal advisory committee shall link the group to auctioneers, police and appoint lawyers for the group.
- The legal committee shall also appoint accountants and auditors for the group.
- The disciplinary committee shall consist of the Director, and any other members.
- The disciplinary committee shall be responsible of effecting disciplines described in the constitution.
- In the absence of the formation of any of the said organizational committees by members, the Executive Committee will assume their responsibilities and functions.

2.3 MEETINGS

- Meetings shall be held regularly on a monthly basis by all members two Sundays per month with exemption of special summon for an urgent meeting.
- Committee meetings will be held as decided by committee members and are to be reported to the GROUP secretary. In some instances committee meetings may take the place of the normal group meeting.
- At least 8 members of the group shall form a quorum for the disposal of business.
- Meeting agenda shall be communicated to the members by email and SMS communication.
- All group meetings shall be chaired by the chairman, where in his absence; it shall be chaired by Business Development Officer or Secretary.
- Committee meetings will be chaired by their executive members or any member decided by the committee.
- All members shall agree on the venue. If a member fails to attend 3 consecutive meetings without giving notice and being excused there from, or otherwise fails to perform his/her duties, his/her person may be expunged and his position declared vacant.
- The chairman in consultations with officials can call for crisis/emergency meeting any day with at least 3hours notice.

2.3.0 MEETINGS- DISCIPLINARY ACTION PROCEDURES

- All members are required to attend all meetings without failure.

- All apologies must be communicated at least one day in advance to the secretary.
- For late loan repayment, members must advise in advance for further action.
- Failure to make loan repayments may result in fines, deductions from savings, or after a period of 6 months expulsion from the group.
- For late savings, members must advise in advance to avoid a fine of 15% of savings.
- All fines will be put in the groups' accounts and all documentations filled by the treasurer during the meeting.
- Fines may be exempted in case of:
 1. Burials
 2. Courts/Legal sermons
 3. Sickness
 4. Other explanation approved by the disciplinary committee.
- All other monies required shall be made in time irrespective of other cases.
- Mobile phones **MUST** be switched off and any other interruptions will not be entertained during meetings.

2.4 EXPULSION

- Expulsion of a member will be communicated to the member in writing.
- A member can be expelled from the group and his/her securities confiscated if:
 1. Jailed
 2. Declared bankrupt by the court of law
 3. His/Her conduct in business or in person is affecting the groups running negatively.
 4. Declared by 80% of the group as a nuisance.
 5. Failure to attend meetings without apology or communication for three consecutive months.
 6. In breach of the constitution

2.5 RESIGNATION

- The member must write in details his/her reasons for resigning.
- A member may resign voluntarily after clearing with all the financiers and the GROUP.
- The GROUP shall not harass or hold the members savings after clearing with all the stakeholders.
- The member shall present a letter from stakeholders that he or she has been cleared.
- The GROUP shall refund the members savings held at the financiers account due to guarantor ship from GROUP account to facilitate quick and easy resignation.

- The financiers will write a cheque addressed to the GROUP with details of the resigned member's savings after all guaranteed members finish servicing their loans.

2.6 FINANCES AND SAVINGS

The funds of the GROUP shall consist of

- a) Registration fees
- b) Deposits or loans from members.
- c) Funds obtained through businesses (committees) run by the GROUP.
- d) Funds obtained from miscellaneous sources.
- e) Surplus resulting from the operations of the GROUP.

The GROUP shall operate two types of accounts, namely group account and committee accounts. The group account will include general group funds, mission funds, business development funds, individuals savings, and other project funds. Committees within INSPIRING HOPE GROUP may also open accounts following the approval of members. Any committee accounts will be managed and operated by INSPIRING HOPE GROUP.

- The group account will account for group savings, development grants, and individual savings and loan repayments. The account shall also receive all fines.
- The committee accounts may be established to account for income generating activities of any committee of the GROUP.
- The committees will transfer 10% of gross revenue from any income generating activity to the GROUP account on a monthly basis.
- The Treasurer or a designated member of the Executive Committee will serve as a mandatory signatory to all accounts.
- Funding will be sourced from NGO's, Government youth fund, banks, microfinance institutions, and donors.
- Accounts shall be held at banks with favorable terms and conditions.
- All financial details must be handled by the treasurer.
- All cash savings to the GROUP account shall be handed over to the treasurer during meetings.
- All savings shall be recorded, banked by the treasurer and reported to the executive committee.
- All committee income shall be receipted, banked and reported to the treasurer and executive committee.
- Partial savings can be done directly to the bank accounts and bank receipts produced to the treasurer for recording during meetings.
- All payments in savings or loan repayments must be entered in the members pass book immediately and signed by financier officers and GROUP officials.
- Any GROUP expenditure must be approved by the Executive Committee or if in excess of 5,000 KES by all members in the meeting.
- Committee expenditures must be approved by the committee members and reported to the treasurer.
- Any transaction or withdrawal affecting the GROUP's account shall be approved by the Executive Committee or if in excess of 5,000 KES by all members in the meeting.
- All accounting records are open for inspection by any member of the group.
- Members shall decide what to do with the groups account.

- Committee members shall with the approval of the Executive decide what to do with the committee accounts.
- Members shall decide an amount to contribute regularly towards the groups activities.
- All collected monies and income shall be made public by the treasurer in the meetings.

2.7 EXTERNAL AFFAIRS

- The GROUP shall welcome independent banks, micro finance institutions, donors, government agencies and well wishers who would like to partner with us.
- Any partnerships, funding or financing shall be done through our executive committee and within a legal framework.
- Any partnerships, funding or financing shall be approved by the members and it shall be beneficial to the members.
- Although the GROUP shall welcome outsider's ideas, the group is independent with its own constitution and shall not entertain outsider's rules and regulations.
- The GROUP is open to relate with individuals where it finds it fit to do so.

2.8 INTERNAL AFFAIRS

- Individual members shall be independent to his/her business.
- Any member is free to express his/her views, opinions and suggestions without intimidation.
- Any member is allowed to criticize the organization positively and suggest amendments.
- In case of loans, an agreement shall be done by the group to individual members.
- The GROUP's duties shall not interfere negatively to individuals private businesses.

2.9 LOAN APPLICATION, PROCEDURES AND APPROVALS

- All individual loan applications must be announced and done through the executive committee or loans committee whereby the applications shall be received by the treasurer.
- Applicants for loans will be required to have at least 3 guarantors from the group.
- The treasurer shall report to the executive committee all the application and the committee shall vet applicants member.
- The secretary and the disciplinary committee shall report to the group about the applicants conduct in regards to lateness, absence and general discipline.
- The chairman shall ask members for opposition towards application.
- The applicant shall then fill in the application forms from the group, detailing his/her securities, loan purpose, etc as per application form.
- The executive committee shall assess the applicant's business premises, inspect securities and make recommendations.

- The applicant shall fill in the 2nd form from the financier, which shall be approved by the executive committee and signed by all executive members.
- All committee loan applications must be recommended by the Executive Committee and forwarded to the GROUP for approval.
- The group shall have the powers to cancel or hold the applications should any irregularities arise in the processing of the loans, and only issued after clearance of the same.
- The loans committee shall ensure the use of the loan is done according to the application.
- The committee shall be doing incognito surveys and assessment towards the borrower's project or intentions, to ensure success for the member and the group.
- The loanee shall ensure monthly repayment is done without failure.

3.0 LOAN DEFAULTS AND ITS MANAGEMENT

- Shall the loanee fail to repay the monthly required installment; the legal advisory committee shall undertake the matter and report to the group.
- The group shall then approve measures recommended by the legal committee for action.
- The legal committee shall then proceed with the groups lawyers to take the necessary approved action.
- The loan recovery shall be done through: Individual savings, Personal belongings and other securities, which shall be held by the groups appointed lawyers.
- Failure by the loanee to commit towards loan repayment, the group shall then engage its appointed auctioneers and auction the securities/properties to recover the amounts.
- Should there be a balance from the auction, after all expenses that include the lawyers/auctioneers fee; the amount shall be remitted back to the member or his/her next of kin.
- The member's membership shall therefore be reviewed and necessary recommendations made. The recommendations shall be:
 - i) Resignation,
 - ii) A fresh start
 - iii) Expulsion
 - iv) Suspension.

3.1 BENEVOLENT FUND

- This fund shall be accessible to all members bereaved. should there be emergencies such as:
 1. Death of a member: 10,000
 2. Death of spouse, child or parent: 5,000
 3. Serious accident: 5,000
- This fund is contingent on the availability of group savings and will not be

- withdrawn from individual savings or committee accounts.
- The group may elect to offer additional forms of benevolence funding using group savings with approval of the executive and loans committee and a 80% majority vote of the regular meeting
 - The group shall hold an annual retreat
 - The group shall participate in community outreach activities on (at least) a quarterly basis and hold (at least) one mission annually
 - Members will be eligible to participate in group health care or group insurance policies on a volunteer basis and in accordance with group policies.

3.2 AMMENDMENT OF THE CONSTITUTION

Any additional or amendment to any clause or part of the constitution can only be affected by **two thirds (2/3)** of the existing, active members.

3.3 DISSOLUTION:

The group shall not be dissolved except by a resolution passed at a General Meeting by at least 80% of the members at the Annual General Meeting. A one month notice of dissolution must then be given in writing to all members and committees prior to a Meeting of Dissolution. After settlement of the group's liabilities, founder member shareholdings, and individual member savings, the remaining assets shall be disbursed by committee or in such a manner as may be resolved by the Meeting of Dissolution.