

BUDGET NOTES

1. **Interest from ordinary loans** – anticipating an increase on the ordinary loans interest, since the SACCO has restored lending at 2 times a member's savings and increased the loan limit.
2. **Interest on helpline loans**– the SACCO has increased allocation to helpline loans thus the interest is expected to increase.
3. **Interest on emergency loans** – this product has been discontinued.
4. **Interest on school loans** - will be determined by loans taken from the school savings, hence the more loans are made the more interest will be generated.
5. **Interest on short loans** –we intend to allow more lending since recovery period is short.
6. **Interest on Umlimi loans** – low interest is expected since it's a new product with only a few members saving.
7. **Bank Interest** – the SACCO aims on making more interest by placing more funds on call account where interest is earned.
8. **Interest from investments** – interest that is received from Stanlib, Sanlam, and African Alliance where the SACCO invests.
9. **Profit on Promotional items**- profit from resale of promotional items.
10. **Joining fee** - to recruit 25 members at E500.00.
11. **Subscriptions** – Annual renewal of membership at E145.00, part of which is paid to ESASCCO as dues.
12. **Credit life** – Loan insurance charged at 0.1325% per month of the loan issued.
13. **Penalties** – a member who defaults on payment is charged 10% on the outstanding instalment. Members who rejoin after resigning will have to pay double the joining fee (E1, 000.00) after consultation with membership and amendments of bye-laws.
14. **Initiation fee** – a fee charged for every application in order to off-set against expenses of the application.

EXPENDITURES

15. **Advertising** - these are funds for advertising AGM through media, advertise available post, printing brochures.
16. **Marketing** – the SACCO aims to undertake activities to bring more awareness of the SACCO to attract members.
17. **AGM/SGM expenses** – these represent all expenses incurred for general meetings with the membership.
18. **Audit fees** – fee charged by external auditors for their audit services.
19. **Bank charges** – administrative and service charges by the bank.
20. **Committee expenses**
- | | |
|-------------|-------------------------|
| • Meals | 20,000.00 |
| • Transport | <u>55,000.00</u> |
| Total | <u>75,000.00</u> |
21. **CCF** – Central Co-operative Fund paid to the Federation, charged at 2% of the SACCO's surplus.
22. **Computer expenses**
- | | |
|--------------------------------------|-------------------------|
| • SMS | 12,004.00 |
| • Mtatane License | 26,000.00 |
| • Mtatane Annual Maintenance @E1,150 | 13,800.00 |
| • Email hosting | 2,400.00 |
| • IT assistance | <u>6,000.00</u> |
| Total | <u>60,204.00</u> |
23. **Consulting Fees** – Consulting for expertise, which will assist in growth and success of the Society.
24. **Co-operative Expenses** - include Co-operative day and Credit Union day expenses
25. **Debt Collection** - the use of the credit bureau to obtain members' credit information, and lawyers' fees for collection of delinquent loans.
26. **Development & Training** include
- **Staff training (upgrading)** – the SACCO aims to improve staff efficiency through work related training

- Managers Meeting
- Training of the Board
- SACCO Indaba and other workshops
- Orientation of new Board members

27. **Board retreat** – A Board retreat allows a Board to meet in an environment that is unrestricted by routines or traditional approaches. It is planned for policy reviews and discussions of issues that are fundamental to the growth of the Society.

28. **Strategic plan** – funds allocated to the use of experts who will assist in formulation of a Strategic plan. We do not anticipate any spending because the current strategy is valid until 2025.

29. **Education and Training** – expenses for educating members and prospective members about the Society.

30. **Electricity** – utility expense for the purchase of electricity.

31. **Regulatory Fees**- license fee and levies paid to FSRA.

32. **Insurance and License** – credit life cover

33. **Legal fees** – fees charged by professionals for assistance with Society matters that require legal/law expertise.

34. **Office expenses**

- Office tea
- Cleaning material
- Airtime
- Toiletries
- Hospitality

35. **Printing and stationery**

- Cartridges
- Files
- Stationery
- Software expenses e.g. anti-virus
- Printer Maintenance

36. **Employment cost**

• Gross pay	416,471.21
• Medical Aid	10,344.00
• Pension	27,000.00
• SNPF	<u>6,540.00</u>
Total	<u>460,355.21</u>

Salary increment of 24.71% has been effected for all employees

37. **ESASCCO dues and subscription**

• Subscriptions	500.00
• DUES is 85.00 per member	<u>32,500.00</u>
TOTAL	<u>33,000.00</u>

38. **Sitting allowance**

• Allowance	21,203.00
• SRA (PAYE)	<u>6,997.00</u>
• Total	<u>28,200.00</u>

With the introduction of the Supervisory committee, the sitting allowance is expected to increase.

39. **Social Responsibility-** Umcenge SACCO aims to give back to society during the course of the year. Being socially responsible bolsters the image of the SACCO.

40. **Staff Uniform** – To purchase staff uniform, for identification. It is bought once in two years. The budget has been increased from the last budget to ensure that enough uniform is procured.

41. **Telephone** – these are communication expenses that include telephone and internet.

42. **Travelling expenses** – allocated for the employees for travelling on SACCO business.

43. **Elections** – allocated for the election of the Executive and the Supervisory Committees.

44. **Honorarium** – an ex-gratia payment made to the Board for their services of running the SACCO. It will be given based on their performance and that of the SACCO.

45. **Depreciation expense** – An amount set aside for the wear and tear of the assets.

46. **Loan loss provision expense** – a provisional cover for loan losses. This is in line with FSRA requirements.

CAPITAL BUDGET

47. **Furniture and Fittings** – Purchase of office furniture
48. **Office Equipment** – Purchase of printer
49. **Computer equipment** – Secretary's laptop
50. **Promotion** – Purchasing of promotional items
51. **Renovation** – Any repairs that need to be done in the office
52. **Study loan** – Loans to be given to officers to pursue their studies
53. **Central Finance Facility** - as a member of ESASCCO, the Society is expected to save E1,000 per month to the mother body for rainy days.