

CONSTITUTION

(RULES & REGULATIONS GOVERNING)



Unity, Integrity & Commitment

DYNAMIC PEOPLE'S ASSOCIATION

MOTTO: Unity, Integrity & Commitment

@2019

PREAMBLE

We the members of **DYNAMIC PEOPLE'S ASSOCIATION** have voluntarily, firmly and solemnly resolved to form and be members of this society in furtherance of our mutual interests and harmonious relationship and to provide this constitution for the afore mentioned purpose, DO HEREBY give ourselves the following constitution.

This association is created on the 15th December, 2018 to assist contributors with low interest loans and also give them the avenue to invest in large capital investments, encourage saving among members and create the spirit of unity.

Cash to be kept with the Financial Accountant (Mr Alexander F. Gbenekeme) pending when an account is opened, payment is in cash or bank transfer.

1. AIM

The aim of this society is to set up a financial institution with the ability to pool resources together for the benefit of its eligible members.

2. OBJECTIVES

- 2.1. To serve as a means of encouraging members to save part of their earnings.
- 2.2. To serve as a means of pooling the resources of members together for the purpose of engaging in legitimate trade.
- 2.3. To provide reserved fund for lending to members.
- 2.4. To raise funds by issuing shares and contracting loans to members.



- 2.5. To promote co-operative spirit among members, for mutual help, self help and to work for the improvement of local, educational and living standards of members.
- 2.6. To encourage members develop the habit of target saving.
- 2.7. To undertake any other projects as may be approved by the Exco.

3. MEMBERSHIP

- 3.1. Membership is open to only income earners, either a salary earner or an active business person.
- 3.2. Application for membership shall be made through the secretary on the prescribed form. Membership fee is one thousand naira only (#1000), this amount is subject to review from time to time.

4. TERMINATION OF MEMBERSHIP

Membership of the association shall be terminated if:

- 4.1. A member wishes to withdraw from the association by giving (1) month notice to the secretary provided the member is not indebted to the association to the tune that his/her savings and share capital cannot liquidate.
- 4.2. Upon termination of membership, a member shall be paid within (1) month the amount of share capital and savings actually paid by member together with any other money or goods due to him/her from the society, after deducting from them any money or goods due from member to the association.
- 4.3. By expulsion of the member



5. EXPULSION

A member will be expelled due to the following:

- 5.1. Repeated failure to make savings as laid down in the constitution for (3) consecutive months. He/she has to re-register as a new member if they wish to rejoin the association.
- 5.2. Any other misconduct or act contrary to the stated objectives and or interest of the association as may be determined by the Exco.

6. GENERATION OF FUNDS

The funds of the association shall be derived from:

- 6.1. Application fee(s) and fines
- 6.2. Share capitals.
- 6.3. Savings and deposits from members.
- 6.4. Surplus arising from trading by the .association
- 6.5. Miscellaneous sources as may be approved by the General Assembly.

7. SHARE CAPITAL

- 7.1. Each share shall be of the value of #20.00 (twenty naira only)
- 7.2. The minimum share holding per member shall be 200 (Two hundred) unit
- 7.3. Every member is expected to make full payment of the minimum share amount within 12 months from the day of registration. Failure of any member to pay the minimum share amount as at the last day of the 12th month, that member's savings shall be deducted to cover up the balance and if the stipulated minimum share amount is



still not met, such member will not be eligible for any loan.

8. SAVINGS AND DEPOSIT

- 8.1. A minimum of #1000 (one thousand naira only) and maximum of #20,000 (Twenty thousand naira only) will be contributed at the end of every month (on or before 30th of every month)
- 8.2. Failure to pay the minimum amount by 30th of every month attracts a fine of #500 (five hundred naira only) and the #1000 for that month will be paid as well
- 8.3. Contributors can save any amount (between #1000-#20,000) within the month if they so wish but the month end contribution of #1000 (One thousand naira only) is mandatory
- 8.4. Members shall not be able to withdraw from their savings

9. LOANS

- 9.1. Application for loans shall be made on the prescribed loan form.
- 9.2. Members are to save for a minimum of six months and have paid up the stipulated minimum share amount before they can access loans.
- 9.3. A member shall be entitled to a new loan after (1) month of repayment of previous loan.
- 9.4. Interest rate for every loan is 3% with a repayment period of (3) months. Loan amount plus interest is going to be shared equally across the (3) months of repayment
- 9.5. Failure to offset loans within the stipulated repayment period attracts a fine of 10% of the outstanding amount.



9.5.1. The outstanding amount plus the 10% fine in section 9.5 above must be paid on or before the next payment period (i.e. by the end of the next month).

9.5.2. Failure to pay the amount in section 9.5.1 above; gives the association the right to deduct (the amount owed the association plus the 10% fine for defaulting loan repayment) from the defaulting member's savings.

9.6. Maximum amount a contributor can access as loan is 70% of his/her total savings. A contributor must provide a **surety** (who must be a fellow contributor) if he/she wishes to access a loan that is above 70% of his/her total savings.

10. ANNUAL GENERAL MEETING (AGM)

The AGM shall be held on or before the 30th of November, every year. And at these meetings:

- 10.1. 70% of contributors savings will be given back to them if they so wish and decisions will be made on how to disburse the surplus.
- 10.2. Annual statement of account shall be presented by the Financial Secretary/Accountant two weeks before the AGM.
- 10.3. Decisions can be made on re-selection of members' into executive positions in the association if necessary.

11. ORDINARY GENERAL MEETING (OGM)

- 11.1. The OGM can be called by the Exco anytime of the year as the need arises.
- 11.2. OGMs are held at homes of every member in rotational bases.
- 11.3. Investment decisions are made at these meetings.



NOTE: These bye laws are subject to review from time to time as the need arises.

