



*A Toolkit for Implementing FH's Child-Focused
Community Transformation (CFCT) Model*

Acknowledgments

The Child Focused Community Transformation Model and materials were developed over several years, and required countless hours of effort. Food for the Hungry gratefully acknowledges the many people who contributed to this manual. Over fifty FH staff contributed to creating and refining what CFCT is today, and they come from every country where FH works. The following people have contributed to this toolkit specifically:

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Updates to this CFCT Toolkit will be made available and re-released. A summary of the changes, dates of the update, and the version numbers are included below so readers can be assured they have the latest copy and all the updates.

Version	Date	Changes
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Translations:

Note that this document and accompanying electronic files are available in Spanish and French. Kindly contact cfct@fh.org for more information.

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Acronyms

CFCT	Child Focused Community Transformation
VSLA	Village Savings and Loan Association
FCT	Family and Community Transformation Program (FH Bangladesh)
IGA	Income Generating Activities
PM	Promotion Meetings
TM	Training Meetings
LC	Learning Conversations
FH	Food for the Hungry
MFI	Microfinance Institution
MED	Microenterprise Development
SG-CG	Savings Groups Cascade Group (FH Mozambique)

CFCT Tool # 20: Savings Group Manual

Part 1: Overview

I. Background

Those in poverty don't just live hand to mouth, but many have very active economic lives using various tools and systems to meet their needs (McCann, 2010). The very poorest hold both savings and debt of some sort. No household in their study used fewer than four financial instruments at any given time. In South Africa the average was the use of ten instruments. (Collins et al., 2009 p.15) Families in poverty must take their modest and irregular incomes and use various financial instruments to meet their daily needs.

Stuart Rutherford discovered some surprising things about the capabilities of those in poverty. According to his article, "The Poor and Their Money":

- Poor people can and do save, even if the amounts are often small and irregular. The poor can save.
- Poor people need usefully large lump sums of money from time to time for lifecycle needs such as a wedding or funeral, to take advantage of an opportunity and when there is an emergency. The poor can be big spenders at different times.
- For most poor people, those 'usefully large lump sums' have to be built, somehow or other, out of their savings - because there is no other reliable way to get hold of them.

People in poverty have the capacity to save, but they may not have the opportunity or have the confidence in the financial systems or in themselves to mobilize their savings. Savings are a safe way to manage emergencies and opportunities. Savings are highly valued, but it is difficult for them to save. Savings groups provide discipline and accountability that help members save.

The financial services provided by Savings Group allow for asset building, investments, managing financial risks, and managing cash flows. Groups help families manage their day to day financial needs by smoothing overall consumption.

As of 2013, Savings Groups have been implemented in over 10 FH countries. FH has experience with Savings Group in all regions. Bangladesh was the FH pioneer in Savings Groups as they implemented their Family and Community Transformation program (FCT). Recently, Savings Groups in Africa have become common in the programming of many organizations.

If Cascade Groups are formed, staff can form Savings Groups after that process. Fields can decide the timing between the formation of Cascade Groups and implementation of Savings Groups. Savings Groups can be implemented at any of the Phases of CFCT Rollout.

Be aware of holidays or events such as elections that may disrupt the formation process. This should be taken into account in the FH Workplan (Tool #7, Toolkit #1) (or other tools used to plan activities) and the Promoter's activity plan. It may be easier to wait until major events are finished before promoting and starting groups.

Though this manual is designed to be used in new communities where FH is implementing, it can be used in existing communities with a small amount of adaptation (if needed at all). The target users of this manual are FH staff working to implement Savings Groups.

II. Methodology

FH has used various Savings Group methodologies. FH has chosen to use to promote the methods outlined in this manual, and use of this manual will constitute alignment to the CFCT Model. Savings Groups promoted in this manual are a time-bound ASCA (Accumulating Savings and Credit Association) that have a payout each cycle in which all group funds are shared out and books cleared.

Savings Group recordkeeping is based in the basic methodology of Village Savings and Loan Associations (VSLA) first developed by CARE in the early 1990s. VSLA is the methodology most accepted by many donors, such as USAID. The methodology has gone through various iterations. In this manual, recordkeeping and the basic group structure has been based on VSLA Version 3.2. In this version of VSLA group ledgers are no longer required and key group information is kept in individual member passbooks and memorized. Earlier versions had much more complete group ledgers. It was found that these more complete ledgers often had errors and ultimately did not add value to the group.

FH works in diverse contexts and it is recognized that some groups may want more records or less if they are in a more illiterate community. FH fields are encouraged to test this recordkeeping system before considering adaptations. The use of individual passbooks and ending fund balances written in a group notebook each meeting are very strongly encouraged regardless if additional group ledgers are used by groups. Any decision to adapt recordkeeping should be made at the country level.

One limitation of the VSLA methodology lies in the lack of promotion of values and principles. As a result, FH has adapted and incorporated material developed by the Chalmers Center for Economic Development, primarily the House of Principles. The House of Principles uses the image of a house to represent the values and principles that need to be part of a Savings Group in order for it to succeed. These include Trust, Transparency, Good leadership, Responsibility, Stewardship, Caring for each other, and Prayer. The initial Training Meetings and Learning Conversations often reflect back on the House of Principles, and seek to strengthen these principles in the Savings Group.

A. Practice

It is easy for the economic aspects to become the sole focus of Savings Groups. However, FH groups should be implemented in a way that also promotes a perspective of money and stewardship that is aligned to God's view and teaching.

Several key principles and practices that define Savings Groups in this Manual:

- Principles and values are emphasized through the House of Principles and supporting Learning Conversations.
- Groups do not receive start-up capital or matching funds from FH. (Groups only receive an initial start up kit which includes a cashbox and training from FH.)
- Groups should be able to be self-managed (managing loan fund, etc.) with no assistance from FH after two years. Its not to say the FH will have no relationship with groups afterwards, but FH will step away from a structured training with them. FH should never do what groups can do themselves.

B. How Groups Work

Self-selected Membership

The basic principle of Saving Groups is that members of a self-selected group voluntarily form a group and save money together, through purchasing shares. The savings are invested in a loan fund from which members can borrow, and repay with interest added.

Savings Groups are able to provide simple savings and loan services close to home, often in places where formal financial services are not available or accessible. Members have a safe place to save outside of their home and access loans for household and small business needs. Groups also frequently maintain a social fund that provides small but important grants or loans to members in emergencies.

Groups are autonomous and self-managing. This is fundamental part of FH's philosophy of Savings Groups and groups should therefore become institutionally and financially independent. *FH should never seek to manage a group's affairs on behalf of its members.*

Transparent Transactions

All transactions are carried out at meetings in front of all the members of the group, to ensure transparency and accountability. To ensure that transactions do not take place outside the regular meetings, a lockable cash box is used, to prevent unauthorized cash movement and the risk that records might be tampered with.

Time-bound Savings Cycles

The cycle of savings and lending is time bound. At the end of an agreed period (a "cycle"), the accumulated savings and earnings from interest and fines are shared out among the members in proportion to the amount that each member has saved throughout the cycle. The share out is critical for resolving outstanding issues, for transparency and for maintaining trust in the group. A cycle generally should not last for more than one year. Time-bound ASCAs generally are less

complicated than non-time bound groups since records are cleared out each cycle, and require less training.

Passbooks

All members have an individual passbook or individual savings and loan record. This is necessary to permit varying rates of savings and to track member loan liabilities. Only the starting and closing balances of the group social fund and the loan fund are recorded in a central group notebook, and through a system of memorization at each meeting.

Group Membership

Groups are made up of 10 - 30 members. This group size balances between being big enough to create a useful pool of capital and small enough to keep meetings manageable. The members are self-selected. Membership can be open both to women and men depending on the context and appropriateness. In the case of mixed groups, it is encouraged that at least one member of the Management Committee (not including cash box Key Keepers) is a woman. Members who hold public office should not be eligible for Management Committee positions. Also, in case of church groups, it is not recommended that influential pastors or church leaders hold Management Committee positions. In both of these cases, these leaders are generally extremely busy with their leadership role in the community, and often have such influence that can impact a group in unhealthy ways.

Regular Meetings

Groups meet at regular intervals: weekly, every two weeks, or every four weeks during the first cycle, according to the members' mutual decision. In this manual, schedules included are for groups that meet every two weeks. This is to allow those in Savings Groups to also be involved in cascade groups and other FH activities. Groups that meet monthly will generally take longer to save and build up their loan fund as members have fewer opportunities to save.

Management Committee

Savings Groups elect a Management Committee, which consists of a Chairperson, Secretary and Cashier. Members of the Management Committee are elected by the group members. Each member has one vote.

Group Rules

Each group develops a set of group rules or policies. The group rules perform two functions: first to provide a framework for governance, dispute resolution and disciplinary action and secondly to specify the conditions for savings, loans and the social fund. The group rules are developed over a period of seven Training Meetings. Rules regarding the Management Committee, Savings and Loans are developed before they engage in those activities. For examples, the rules regarding the Management Committee are developed before they elect their Management Committee. Rules regarding loans are developed before loans are given out.

Each member may be assigned one or more rules to remember, and they may be quizzed at meetings. This helps everyone to know the rules by heart after just a few months.

Groups decide on the length of the operating cycle and this is recorded in the group rules. Normally this is between 9-12 months.

Saving Shares

All members of the group save through shares. This is the core activity of the group and regularity in saving is the key to mutual confidence and success. The value of a share is set by the group. It is set at a level that allows the poorest members to reliably and regularly buy at least one share per meeting. (Example: A group might decide on a share value of 10. This means members save in increments of 10. Each increment of 10 is considered a share. A member may, for example, save 50, which is worth 5 shares. Another member may save 20, which is worth 2 shares.) However it should not be set so low that it will not satisfy the savings objectives of the majority. Training Meeting Four details how this is determined. At the start of a new cycle, and with the agreement of all members of the group, the value of a share can be increased or decreased. The use of shares helps make the payout calculations at the end of the cycle easier.

The price of a share cannot be changed during the cycle.

Loans to Members

Loans are made once a month. All members of the group have the same right to borrow from the loan fund, which is comprised of the members' share savings money, interest on loans and fines. The group sets the length of the loan repayment term, which should never be more than six months and, during the first cycle, no longer than 12 weeks. Each member should have only one loan at a time and the group should not give a member a new loan until the first loan is fully repaid. Loans should be given only to group members and not to non-members. This is because non-members are not accountable to the same rules as members and default more often than members.

The group decides the percentage rate of the service charge on loans, and makes it official in the group's rules. Interest on loans is due at once a month. The interest is applied to the balance of the loan month until fully repaid.

Loan principal payments are made once a month. The period of loan repayment is agreed when the loan is taken, but the borrower may repay early to avoid further interest if she wishes. When a borrower pays part of the balance due, the remaining balance is treated like a new loan, with the interest percentage applied to the new amount.

Social Fund

Groups are asked to create a social fund. The social fund belongs to the group and not to any member. The group agrees on a regular, equal contribution by all the members to this fund, and the conditions of its use. These decisions are added to the group's rules. The fund may provide small grants or loans without interest for specific purposes such as emergency assistance, funeral expenses and educational costs for orphans. The fund is not intended to grow, but is set at a level that covers the minimum insurance needs of the group's members. The group will decide and details under which circumstances members can receive a loan or grant from the social fund.

Anyone needing a grant or loan from the social fund makes the request publicly to the group. Approval rests with the group and may be immediately disbursed. The social fund is kept separate from the loan fund, and is not included in the end of cycle pay-out. The group will decide together what to do with the social fund at the end of the cycle. (For example, some groups have used the fund to pay for an end of cycle party, build a house for their group to meet in, buy pews for their church, or help support a local orphan.)

Memorization

Social fund transactions are memorized by group members. This is to help minimize group recordkeeping and encourage transparency and member involvement. Each member is a “Helper” to two other members and remembers the transactions of these members. They remember any missed contributions to the social fund and any amount owed if a loan was given out to the members from the Social Fund.

Memorization may also be used to help groups with loans from their general fund. The loan registers in the passbooks should be the primarily record of loan, but may be difficult to fill out correctly for some groups. Memorization can help these groups and also provides another level of accountability as “Helpers” remind the group who owes the group.

Pay-out

When the operating cycle comes to an end, the group distributes the total value of its financial assets amongst the members (except for the social fund). As the end of the cycle approaches, no new loans are issued and all outstanding loans are repaid. This is combined with any money remaining on hand and is shared out amongst the members in proportion to the number of each person’s shares. After the pay-out, members who do not want to stay in the group may leave and new members may be invited to join as the group desires.

At the end of the pay-out meeting, members who plan to continue to the next cycle may consider making a lump-sum starting contribution to the loan fund in order to initiate lending activities with a useful amount of money on hand. If they decide to do this, all members should agree to contribute the same amount at the first meeting of the next cycle, which should take place immediately. The amount of the contribution on this one occasion is not limited to the normal share ceiling. Once the start-up shares are stamped into all passbooks, deposit shares will be bought as normal, subject to the normal five-share ceiling.

(Adapted from: Allen, Hugh and Mark Staehle (April, 2009)

Key Characteristics of a Savings Group:

- *Groups have between 10-30 members, and are self-selecting.*
- *The group elects the Management Committee to help lead the group (Chairperson, Secretary and Cashier).*
- *Groups decide how often to meet. Every two weeks is ideal for CFCT, but groups can also meet weekly.*
- *Groups are time bound and they distribute all of their group funds at the end of each cycle, and then can elect to start over.*
- *Groups save using shares and can save different numbers of shares as they decide and are able.*
- *Loans are given out only once a month.*
- *Loans can be paid back early and in once-a-month payments.*
- *Groups maintain a social fund, which they pay into equally each meeting. The social fund is to help members in time of need and emergencies.*
- *Helpers are used to help the group remember loan and social fund repayments.*
- *The individual member passbook or saving and loan records are where the most important group information can be found. They are kept in the cashbox or by the members.*

C. Savings Group Development Phases

- **Preparatory Phase** (Promotion Meetings): FH meets with community leaders and potential members to present about Savings Groups. Through these meetings, potential members and groups are identified. These meetings should only happen when FH is ready to implement groups within a month. Groups can be formed anytime within the lifecycle of a project as long as there are staff trained and available. Start-up kits including the cashbox must be available to groups when they begin the Intensive Phase.
- **Intensive Phase:** Groups go through the first ten Training Meetings in which they elect their Management Committee members, develop their group rules regarding interest, savings, loan term, membership expectations, etc. Ideally, the groups should start saving after the first month or as soon as possible so they maintain enthusiasm. The exact timing of these meetings will depend on the availability of the group to meet and promoter schedules. This phase lasts about three months. The promoter is with the group at each meeting and facilitates the group through the Training Meetings.
- **Development Phase:** In this phase, the Promoter continues to visit the group and during these visits will facilitate a Learning Conversation at each group meeting. As the group goes through the Development Phase they will continue to reflect back on the House of Principles which was introduced in the Promotion Meetings and Intensive Phase and discuss how they can strengthen the principles in their group so that they are successful. The group will conduct their meetings with the Promoter present. The Promoter uses this time to continue

to support the group in learning their roles, savings/loans process, and serve as a resource if issues arise. The Promoter coaches the group, but does not do anything that the group should be doing for itself. For example, Promoters should not fill out records or count the group’s money for the group. The promoter will start the Learning Conversations in this phase. This phase lasts about 3 months when the group should be able to maintain their records and run their meeting on their own.

Strengthening Phase: This phase immediately follows the Development Phase and begins about six months after the group was formed (for groups meeting every two weeks) and finishes after the group becomes independent from FH. The group should be able run a meeting on their own and maintain their records. The Promoter now visits the group every other meeting and facilitates a Learning Conversation. Training Meetings 11-13 are completed near the end of the first cycle. The group will meet to modify their group rules and invite new members to their groups in order to restart their group in cycle two.

Savings Group Timeline (first cycle)

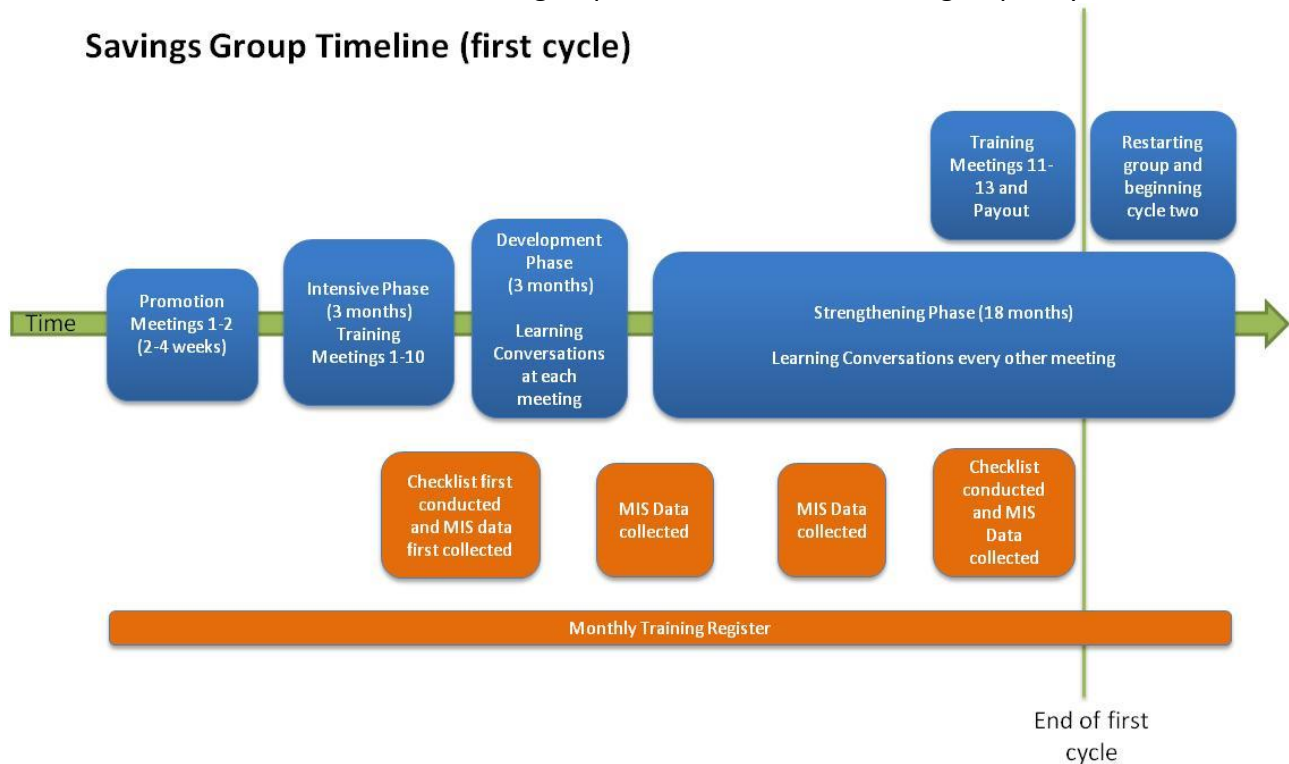


Figure 1 Savings Group Time line with Development Phases and Training in Blue and M&E tools in Orange

Training Process

Groups will go through a two-cycle training process which covers about two years. The first cycle will be focused on formation of the group, while the second cycle will be focused on building business and financial management skills. At the end of the second cycle, if the group successfully completes the graduation requirements, they will be considered independent. To graduate a group will need to have gone through all Training Meetings, both year one and year two Learning

Conversations and have a received a checklist score of at least 75%¹. This is not to say that FH will not visit or relate to the group, but means they are able to run their group independent of FH assistance.

This manual assumes that once groups have gone through Training Meetings 1-7 that they will be meeting every two weeks. It may take a group longer to complete their Training Meetings in the Intensive phase depending on the group’s availability to meet. Groups should decide the regularity of their meetings with the Promoter. Groups should not meet less than once a month as it will be more difficult for groups to accumulate sufficient funds for loans. Also, the pay-out day will be determined by the group.

The order of the Training Meetings is important. They should be done in the order that is suggested but can be combined. The order of the Learning Conversations can be carried out in the order that best reflects local needs, and don’t necessarily need to be done in the order presented here. The promoter and supervisor should decide together if there should be any change to the order of the Learning Conversations.

The Promoter (or volunteer) should be at every group meeting throughout the Development Phase, which is roughly the first six months. The Promoter will facilitate a lesson from the Training Meetings each time the group meets. After this time, the Promoter will visit the group every other meeting. Their role will be to facilitate Learning Conversations and mentor the group as they continue to learn how to operate smoothly as a group. The length of a cycle will be determined by the group, but normally is between 9-12 months.



Promoters (or volunteers) and supervisors should read through all the lessons to learn the flow and the detailed process that a group will follow. Many decisions are made by the group in the Training Meetings.

<p>Responsibility of Promoter (or volunteer)</p>	<ul style="list-style-type: none"> • Train and assist groups in forming their groups by facilitating all the Training Meetings and Learning Conversations. • Provide additional training to Management Committee members as needed so that they can fulfill their role (facilitating order of meeting, recordkeeping, etc) • Assist the group at the end of the cycle pay out. • Counsel the group when there are challenges or conflicts, and help the group
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¹ The Savings Group Assessment Checklist can be found in Appendix 41 of the manual

	<p>find a solution.</p> <ul style="list-style-type: none"> • Respect the group by not using the group for financial gain or taking loans from groups • Work in good faith and cooperation with the savings group. • Do not touch the group’s money at anytime. • Fillout the SG checklist as needed (for groups of other promoters) and collect data on their groups 4 times a year.
<p>Responsibility of the Savings Group</p>	<ul style="list-style-type: none"> • Be present for all training meetings with at least half their members • Provide an appropriate location to meet • Follow and respect the group rules that they develop • Provide group information when requested by FH staff or volunteer • Report to the FH supervisor misconduct by the FH staff and reject loan requests by FH staff • Maintain their group records accurately and ensure all members understand their rules and group financial status • Management Committee lead through their group meetings and work to solve challenge that arise in the group.

EXAMPLE : Savings Group Training and Supervision Schedule for Promoter in Cycle One																																													
(for a group that meets every two weeks)																																													
Promotion	Intensive Phase										Growth Phase										Strengthening Phase																								
PM1	PM2	TM1-7	TM8	TM9	TM10	LC1, CL, D	LC2	LC3	LC4	LC5	LC6	LC7, D	LC8	LC9	LC10, D	LC11	LC12	TM11	LC13, CL	TM12, D	TM13																								
1-3 Weeks	4 Weeks	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	1-2 weeks

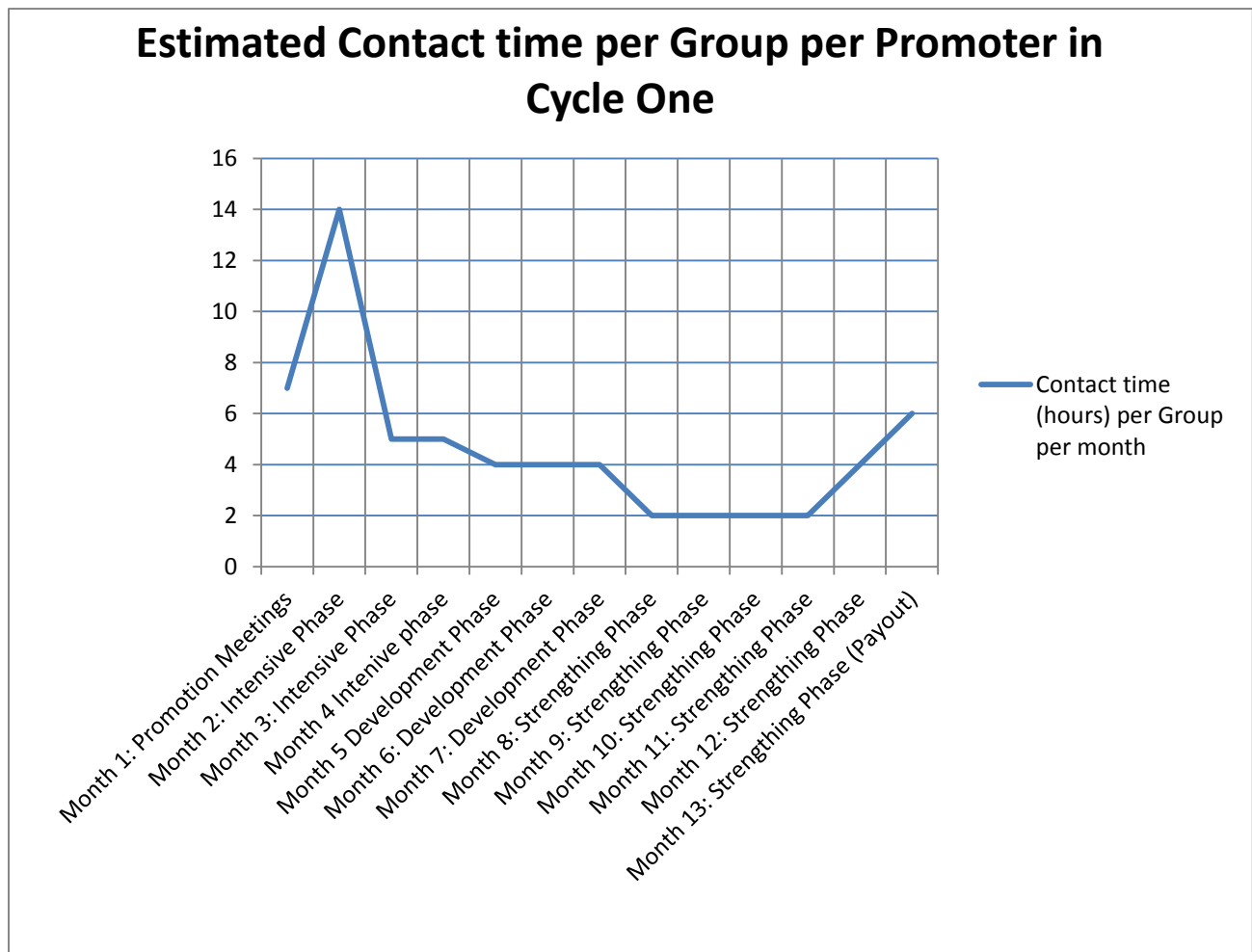
Legend			
	Savings Group Meeting	Learning Conversations (LC):	
	FH Facilitator present at meeting	LC1	Review of House of Principles
CL	Savings Group Assessment Checklist	LC2	Transparency
D	Group data collection	LC3	Honesty
Promotion Meetings (PM)		LC4	Saving More
PM1	Introducing Savings Groups to the Community	LC5	Financial Peace
PM2	Registration and House of Principles	LC6	Responsibility
Training Meetings (TM)		LC7	Prioritizing Expenses
TM1	Group Organization	LC8	Trust
TM2	Management Committee Election	LC9	Leadership Values and Principles
TM3	Group policies: Name and mission/ goal of group, meeting frequency/time/place, Membership	LC10	Using Money Productively to Benefit the Whole Family
TM4	Group Policies: Attendance, savings, fines	LC11	Conflict Resolution
TM5	Role of Helpers and Social Fund	LC12	Conflict Resolution: Role of Forgiveness
TM6	Savings Meeting process, recording savings	LC13	Care for Each Other
TM7	Group Policies: fund utilization/lending policies (First Savings Meeting)		
TM8	Loan Meeting preparation and recordkeeping		
TM9	First Loan Meetings, Payout/ distribution policies		
TM10	Managing Threats, Security of Funds		
TM11	Preparing for Payout		
TM12	Calculating Payout Amounts (1-2 days before payout date)		
TM13	Self –Evaluation of group and cycle		

III. Design Considerations

It is important have a general background on the different phases that Savings Groups experience in order to understand how each field chooses to structure their Savings Groups.

The different phases of Savings Groups require different amounts of time from staff. By far, the most intensive time falls in the first several months when groups are forming their group rules, electing leaders, and learning to save and lend. Staff should be available at the end of the cycle to help groups through their first payout and restart their group.

The contact time varies as the group moves through the different phases of development. Below is a chart that gives an estimate of the contact time required by each group. This does not include travel or time in preparation.



1. **Promotion Meetings (2-4 weeks):** Promotional meetings with the community will take staff at least 6-7 hours. Each meeting can last to two hours.
2. **Intensive Phase (3 months), Training Meetings 1-10:** The first 3 months are considered the intensive phase where groups receive the most basic and foundational training in forming their groups. The first month or so of the initial group formation is the most time intensive. A group completes the Intensive Phase when they have completed the first 10 Training Meetings (14 hours contact time)

Once the groups are formed, staff will spend a total of 14 hours of teaching time per group (Training Meetings 1-7). Adding in travel and preparation time, the time commitment for one group may be as much as 21-30 hours. The length of this initial group formation process will be influenced by the time the group has available each week to be trained and could take longer than a month. The ideal is to get through these first seven Training Meetings in the first month so the group can start saving as soon as possible. Staff should work with the group to schedule these meetings. It is possible to do several of the Training Meetings back to back on the same day if the group is able.

If the group goes through Training Meetings 1-7 within one month to be able to start saving quickly, they may be meeting a couple times a week or doing a couple Training Meetings at a time. Once a group finishes Training Meeting 7, they should establish their normal meeting schedule. (*Meeting every weekly, every two weeks, etc.*) After Training Meeting 7, groups will save shares at each meeting and then have more training on other important aspects of the group such as giving out loans and making decisions regarding the security of funds. These meetings are 2 hours and include time for members to deposit their savings.

3. **Development Phase (3 months), Learning Conversations:** The Promoter attends every group meeting and begins to facilitate Learning Conversations (30 minute lessons that promote the House of Principles and other important topics). On average, during this Phase, staff will spend 6-10 hours per month per group on Savings Group activities, including travel. At least 4 of these monthly hours will be attending group meetings—assuming the group is meeting twice a month.
4. **Strengthening Phase (1.5 years), Learning Conversations:** During these months, the group is able to do financial transactions, recordkeeping and manage meetings with very little or no assistance from FH. The Promoter begins to step back from attending every meeting to attending every other meeting. At each meeting that the Promoter attends, they will facilitate a 30-minute Learning Conversation. During this phase the group will have distributed their funds once and have started cycle two. The Promoter will spend about 4-6 hours a month per group visiting these groups.
5. **(Year two) Savings Group Volunteer supervision--if using volunteers:** Close to the end of the first cycle of the initial groups, staff and groups will together select 1-2 members from each group to be Savings Group Volunteers. FH staff will train and support these Volunteers as they begin to form new groups.

Staffing and Program Structure Considerations

It is recommended that the staff forming and facilitating Savings Groups are Promoters. In the first year they will focus on forming and supporting groups. These promoters should be supported by a supervisor who can provide guidance and assess the quality of the promoter's training using tools such as a Quality Improvement Verification Checklist (QIVC) (Appendix 40).

In general any staffing structure needs to be flexible to respond to various contexts, conditions, and budgets within FH fields. Therefore, fields will be able to decide which staffing option works best for them. FH fields should designate supervisors to provide guidance and mentoring to Promoters throughout the process of training SGs. These Supervisors should use a QIVC at least once every six months on each Promoter while they train SGs under their supervision. This checklist is used as a tool to provide Promoters feedback and encouragement through observation of scheduled trainings.

Staffing for Promoters

The CFCT Savings Group Task Team² has identified some compelling reasons for having a Promoter designated solely to Savings Groups. The main benefit of having a designated Savings Group Promoter is the potential for higher quality support of Savings Groups as they will specialize in this area. Also, it is possible that a designated Promoter may allow for more stability in support throughout the life of CFCT in a cluster as other promoters become involved in other sector activities. Therefore, this manual assumes that a designated Savings Group Promoter (SGP) will form and support Savings Groups.

As FH seeks to grow the number of Savings Groups in a particular cluster, the use of community volunteers may be a good way to form and promote Savings Groups well after FH leaves the area. In fact, the CFCT design specifications encourage the use of volunteers. Fields should consider how best to use community volunteers in their Savings Group programs.

When choosing which Staffing Option to use (having dedicated Savings Group Promoters or having existing Promoters facilitating Savings Groups along with other groups) fields will need to consider a wide range of circumstances. Budgeting, whether or not volunteers are available and practical to use, geographic layout of the area, and determine which staff option works the best. A final factor is the overall vision for Savings Groups, and how the field chooses to support Savings Groups over a longer period of time. The options are described below, along with different considerations that will help fields navigate the array of choices.

STAFFING OPTION ONE—Savings Group Promoters

² The CFCT Savings Group Task Team is a work group that has been developing this manual. Those part of the team have experience with savings group and represent all regions where FH has operations.

Savings Group Promoters are MSP level staff designated only to Savings Groups. As sector activities are implemented through the phases, Savings Groups continue throughout each phase for the life of CFCT in a cluster, and hopefully after FH finishes in that cluster. As funds become available for sector activities (in Health, Livelihoods, Disaster Risk Reduction and Education), funds may be freed up to support Savings Groups Promoters.

A key advantage to having a dedicated SG Promoter is that this allows FH to invest and support community volunteers in a focused way. Below is a summary of the Key Advantages and Key Disadvantages to having Savings Group Promoters Support Savings Groups:

Key Advantages to Having Savings Group Promoters Support Savings Groups:	Key Disadvantages to Having Savings Group Promoters Support Savings Groups:
<ul style="list-style-type: none"> • Promoters can become SG experts and focus on technical aspects of SG in a deeper way • Potential for SG to receive more focused and better quality support • Able to invest intensively in volunteers who will provide ongoing support to SGs • Allow groups more freedom as to when they would like to meet (weekly, fortnightly) • Potentially lower rate of staff burnout as Promoters concentrate on one topic (Savings Groups) 	<ul style="list-style-type: none"> • Savings Groups are limited to where the SG Promoter(s) can reach geographically which may inhibit the formation of groups in all communities in a cluster. • Potentially less integration and coordination of activities • Potentially more costly for fields

STAFFING OPTION TWO- Multi-Sector Transformation Promoter:

In this option, Promoters support saving groups and activities promoted by other sectors (Health, Livelihoods, Disaster Risk Reduction and Education). In many fields, this is already happening. These Promoters can spend anywhere between 20-70% of their time on Savings Group activities depending on the other activities they are involved in. While this is common in FH, feedback from the field shows that it can often be a challenge to balance time between Savings Group and other activities.

Below is a summary of the Key Advantages and Key Disadvantages of having Promoters dedicated to additional project also supporting Savings Groups:

Key Advantages to Having Multi-Sector Promoters Support Savings Groups:	Key Disadvantages to Having Multi-Sector Promoters Support Savings Groups:
<ul style="list-style-type: none"> • Potentially more integration of Savings Groups with other activities • Staff perform more functions for fields with small budgets • Potential for broader distribution of groups over a geographic area (greater reach and higher coverage) 	<ul style="list-style-type: none"> • Potential for imbalance of support of Savings Groups and other activities • Potentially MTPs will not learn technical aspects of Savings Group in a deeper way as they must learn and support a variety of interventions • Potential for decreased quality of support for groups and higher rate of staff burnout if staff are over loaded with other activities. • Savings Groups have periods of intense activity and this may require MTPs to concentrate on SGs as opposed to other duties.

Training New Groups

As the initial groups pass through the initial Training Meetings, Promoters can begin to train new groups. A Promoter may be able to train up to about 14-16 groups a year if the groups are meeting every two weeks in addition to their other responsibilities. The Promoter will need to stagger forming new groups since the initial seven Training Meetings are time intensive.

Example of how a Promoter might stagger the implementation of groups in the first few months.			
Month 1	Month 2	Month 3	Month 4
4 new groups	4 new groups (8 groups total)	4 new groups (12 group total)	2 new groups (14 groups total)

Role of Volunteers

Recruiting Savings Groups Volunteers has two major benefits. They can:

1. Build the local capacity in communities to support and form Savings Groups themselves. It brings an extra level of sustainability to groups.
2. Allow saving groups to grow in a more cost effective way.

Fields should use Volunteers wherever possible. They may want to pilot enrolling Volunteers to see how it may work in their context and to gain experience. Enrolling Volunteers is optional, and is up to each field to decide.

It is recognized that Savings Groups Volunteers may not be feasible in certain contexts. Also, at this moment the Savings Group training material developed is focused on literate staff. Until there are materials available for use with illiterate volunteers and groups, volunteers will need to have a certain level of literacy and be able to use the curriculum in this manual.

Potential Budget Considerations and Support given to Volunteers:

- Identification of some kind (ID, t-shirt, etc.)
- Transport if needed (bicycle)
- Initial Training in Savings Groups (2-4 days)
- Certificate after successfully completing training
- Calculator
- Work materials (notebook, etc.)
- On-going training throughout the year (Perhaps, several one day training days)

Savings Group volunteers should not receive any additional incentives than are recommended for Cascade Group volunteers (see the Cascade Group Implementation Manual for details). The incentive for many volunteers is the recognition in their community. Volunteers should also be respected as a valuable partner in FH's work. Including them in as many FH related activities (devotions, trainings, etc.) as possible can help them feel part of FH's work.

Because volunteers are not paid staff, care should be taken to not overload their schedule. They need time to work and make a living. Training events and meetings should also cater to their schedule and needs for volunteers to work outside of FH.

Volunteers should not necessarily be expected to work for FH for the life of the project. Therefore, fields may choose to ask volunteers for a specific time commitment or perhaps to form a minimum number of groups in their community. Of course, volunteers should be allowed to renew their commitment if they would like.

Below are two suggestions how volunteers may be used. There is not a required structure of how to use volunteers. Fields can look at these ideas as a source of inspiration and a resource when they are deciding how to use volunteers in their context.

1. Volunteers as implementers

Savings Group Promoters form the initial groups in the first year. These promoters will then turn their focus from implementation to supervision and training of Savings Group volunteers after the first groups in a cluster have gone through their first payout. The benefits of this structure are that it gives the promoters experience in forming a group that can help them later support volunteers, and face challenges to implementing groups. In year two, volunteers are selected from the initial groups to form new groups in their community.

Year One: FH Promoter forms initial groups (up to 14-16 groups as the fields decides is feasible)
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<p>Year Two: FH Promoter selects 1-2 members from groups to become Savings Group volunteers. These volunteers are trained and start 2-4 groups a year for several years.</p> <p>The FH Promoter provides on-going training to the initial groups they formed, and begin to supervise, train and support these volunteers.</p>
<p>Year Three and beyond: Each volunteer continues to start new groups. As groups complete their two-year training cycle, then they are not visited as frequently leaving time for the volunteer to form new groups.</p>

The number of volunteers a staff person will be able to work with will depend on if they have other responsibilities and the frequency that groups meet. One staff can supervise and train between 10-12 volunteers on a full time basis.

<p>Examples of Group Replication Scenarios: Use of only paid staff versus Savings Group volunteers (The number of groups per staff and volunteer can vary. This is an <u>example</u> only.)</p>	
Scenarios	Number of groups in ten years
One FH Promoter forming 14 groups per year	140 Savings Groups
One FH Promoter forming initial 14 groups, and 12 Volunteers implementing 2 new groups each year after.	230 Savings Groups
One FH Promoter forming initial 14 groups, and 12 Volunteers implementing 4 new groups each year after	446 Savings Groups

2. Savings Groups Cascade Group (SG-CG) from FH Mozambique

This structure is what FH Mozambique is planning to use from FY2014 onward for new Savings Groups. The structure is totally derived from and similar to (though not identical to) FH’s Cascade Group Model.

A Saving’s Group Cascade Group (SG-CG) is a group of 14-16 volunteers (selected from and by Savings Groups) who regularly meet together with a Multi-Sector Transformation (or Savings Group) Promoter for training (Initial Training Meetings and Learning Conversations) and supervision. They are different from other cascade groups in that each volunteer is responsible for training one saving group, consisting of 10-30 members. Multi-Sector Promoters will train the volunteers before they go and train their group’s members. The training schedule will be bi-weekly, as it is in the other Cascade Groups and is different than outlines earlier in this manual.

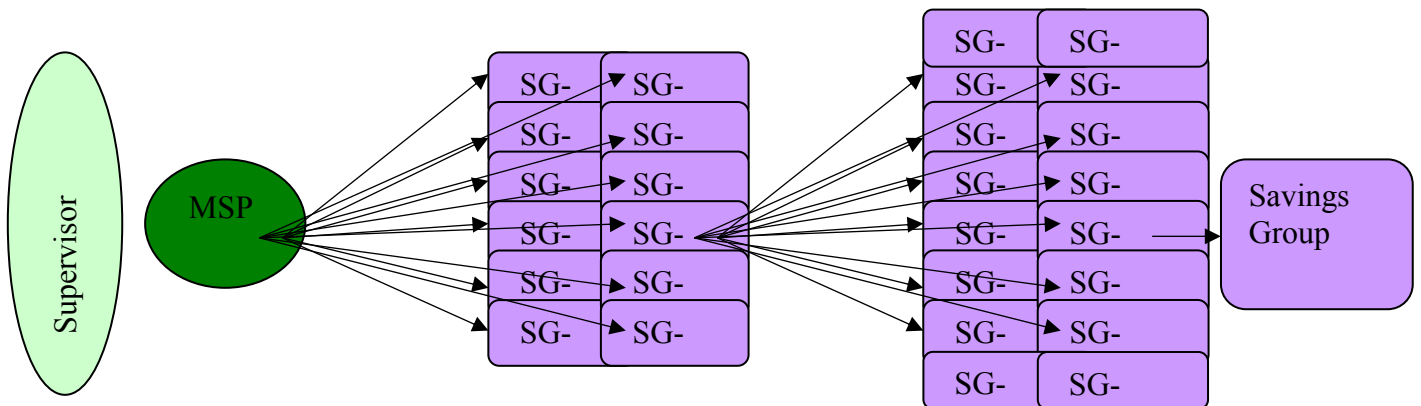
One of the most important things to keep in mind when forming SG-CG is to make sure that the SG-CG Volunteers are members of a Savings Groups and they are responsible to train only one Savings Group. The SG-CG Volunteer should be an active member of the Savings Groups to provide exemplary training. Someone who is not saving cannot teach saving behavior. Secondly, the SG-CG Volunteer should only work with one Savings Group to avoid workload and volunteer drop out as volunteer himself/herself needs time to perform his/her group commitment or obligations.

These volunteers should participate in a 2-4 day training before starting to form their group. Afterwards MSP will need to meet with their volunteers every two weeks to train them on the next meeting.

One reason to work with SG-CG Volunteers is the potential for sustainability. Working closely with a few groups will empower the local community to replicate the training and model the habit of saving in the long run. Budget is the second reason. To apply the Cascade Model as it is, one Multi-Sector Promoter would only work with maximum of 12 Savings Groups and it may require hundreds of promoters to bring the desired level of coverage. FH Mozambique currently has more than 325 Groups and it is not financially practical to hire more than 30 Promoters for Savings Groups. Otherwise, we should work with very few groups and that will limit our potential to cover a larger population. By using community volunteers, as depicted below, we will reach 384 Savings Groups through only two promoters ($2 \times 12 \times 16$), which will help us to train 8,000-12,000 beneficiaries.

Fields considering a similar structure as this need to remember that the MSP must monitor all the Savings Groups formed by volunteers that they train. This includes collecting data on a quarterly basis as is outlined in this manual, and using the Savings Group Assessment Checklist. Volunteers should not be responsible to monitor their groups. The additional responsibility of monitoring groups highly impacts the number of groups that can realistically be formed since the MSP will need time to supervise and monitor groups and volunteers.

Structure of SG-CGs:



The potential to form many groups is high with this design, but there is a higher risk of lower quality groups as the Volunteers might not have any previous Savings Group experience or be able to successfully use this manual since it is not designed for cascade group style training. Also supervision and monitoring of groups may be more difficult than other designs and will need to be considered with this type of structure.

Savings Groups and Other Activities

There are several factors that should be considered when integrating Savings Groups with other activities.

- Risk

Activities that put the group's existence or funds at risk need careful consideration and generally should be activities that groups decide for themselves (Examples of this include: credit linkages, group business using group funds, etc.). Some activities divert groups and require groups to use their funds for purposes other than their core activities and functions.

Bank linkages that include groups lending change the core nature of a group from being savings-led to credit-led. They also put the group savings at risk.

- Choice given to groups

There are some organizations that require groups to participate in other activities in order to receive support and training in Savings Groups. On the other side, groups may have total freedom and initiate activities on their own. Ideally, groups should make choices regarding their group and its future. This is especially true for high-risk activities where their group funds may be at risk.

Learning Conversation are part of this manual's recommendation for training and "graduation requirements." These on-going lessons are low risk as they only require time from the group.

- Moral responsibility of FH

The more that group funds are placed at risk and the less they have a say in the matter, the more the Facilitating Agency is accountable for the outcome (Rippey, 2011). This moral responsibility should be considered when combining groups with other activities. Fields should avoid requiring (or urging) groups to put their groups funds in high risk activities.

Example of High Moral Responsibility: One organization urged their Savings Groups to contribute their funds to start a livestock business. The group contributed together to start the business. A few months after starting their business all their livestock were stolen. The group lost their funds and members were not able to receive the amount they saved at pay-out as a result. This business activity was promoted by the organization, but they did not consider their responsibility if the activity failed. They were not required by law to help the group after their lost their business and group funds.

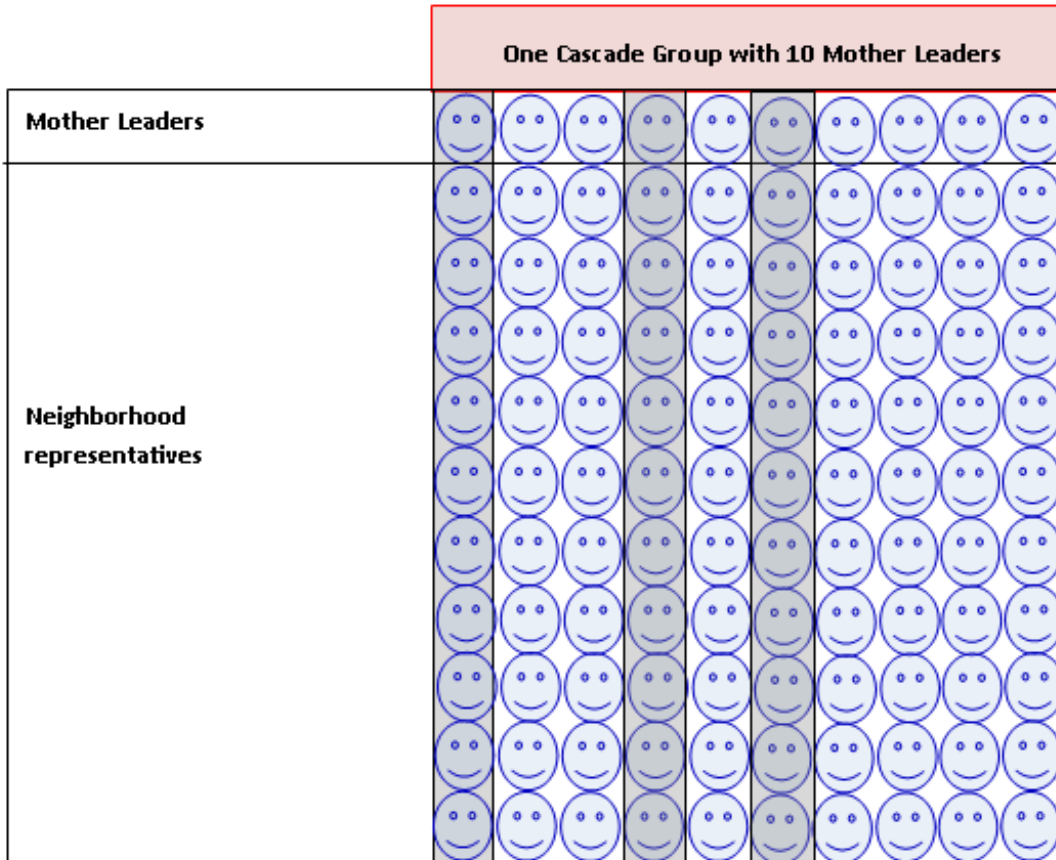
Savings Group and Cascade Groups

Cascade groups are one of the recommended strategies for implementing activities aligned to the CFCT Model. The lessons in the manual are designed so that those involved in a Cascade Group (or other groups, such as farmers groups or leaders groups) can also be part of a Savings Group. It assumes that Cascade Groups (and any other groups) meet every other week. On the weeks groups do not meet, volunteers (such as Cascade Group Volunteers) working with those groups may want to participate in a Savings Group.

Savings Groups and other FH-supported group types (such as Cascade Groups) each have individual training requirements. Therefore, it is difficult to hold Savings Group meetings and other group meetings on the same day. It may be easiest to start those other groups first, then start Savings Groups after those groups have been established.

There is no recommended format for integrating other groups with Savings Groups in CFCT. The integration of other groups and Savings Groups is relatively new and fields are encouraged to share their experiences in doing this with others in FH.

One Scenario of Integration of Savings Groups with Cascade Groups (Group Formation)



In this diagram three groups are formed through neighborhood representatives of three mother leaders (example only)

SAVINGS GROUPS: Consist of interested mother leaders, neighborhood representatives and other community members. (Mother leaders should avoid being part of leadership committee if possible.) Members should be from same or nearby neighborhoods. Saving would happen on alternate weeks as CG meetings

Staff Participation in Groups

Staff should not participate in nor receive loans from any FH Savings Group. Doing so puts FH at risk in a community³. Working with money is sensitive and often there is a power dynamic between FH staff and those we are working with that needs to be handled with great care and respect.

³ At least in one case, an FH worker took a loan from a group and did not repay it. It affected the relationship the group and community had with the FH.

Supervising staff may discuss the conditions and circumstances in which FH staff and family members can participate in their own Savings Groups where FH staff and family members are the only ones participating. There have been cases where some staff have started a Savings Group among themselves.

IV. Notes to the User

A. Savings Group Manual

This manual will cover training for the formation and on-going training of groups in their first cycle/year. Year Two training lessons will be developed in the future.

1. Audience for this Manual

The target of this manual is FH Savings Group Promoters and Volunteers.

2. Tone of the Manual

The manual is written in a format that will promote dialogue and openness as groups go through the group formation process and learn key principles. Often, the group is asked to divide in small groups or in pairs to encourage participation by all, especially more timid group members. While these small group discussions take time, they are a key part of respecting and valuing members as adult leaders with experience and ideas.

3. Resources

The CFCT tools discussed in this training manual should be used if your field decides to implement Savings Groups. These tools are:

- **Quality Improvement Verification Checklists (QIVC).** A Savings Group QIVC is found in Appendix 40 of this manual. An online version of the QIVC Training and the QIVC Guidance is available at: (<http://www.caregroupinfo.org/vids/QIVCs/QIVCs.html>). Optional QIVCs in English, Portuguese, Spanish and Creole will soon be available on FH Connect.
- **Savings Group Assessment Checklist** is found in Appendix 41 of this Manual.
- **Savings Group Passbook** is found in Appendix 42 of this Manual.
- **Beneficiary Feedback Form** (currently under development).

4. Outline of the Manual

There are three parts to this Savings Group Manual and these are organized as lesson plans that should be facilitated by a Promoter (or authorized FH volunteers). The Training Meetings and Learning Conversations are organized according to the four Phases that Savings Groups experience; Preparatory Phase, Intensive Phase, Development Phase, and Growth Phase⁴. See below for details.

⁴ There is also an optional lesson for Promoters to encourage Savings Groups Members to think how Savings Groups relate to FH's Vision, Mission and Values, located in the Appendix 1.

Phase	Lesson Plans	Description	Length of the Meeting	Meeting Facilitator
Preparatory	Promotion Meetings	<ul style="list-style-type: none"> • 2 Promotion Meetings • Introduces SGs to a community • Identifies potential members • Can hold additional meetings as needed • Informal Financial Landscape Assessment may be used (see Appendix 4) 	Promotion Meeting 1 is 80 minutes; Promotion Meeting 2 is 2 hours	Promoter (attends every meeting)
Intensive	Training Meetings	<p>13 Training Meetings</p> <p>Training Meetings 1-10:</p> <ul style="list-style-type: none"> • Designed to walk with a group to establish their Savings Group • Election of Management Committee • Development of Group rules • Learn about savings and loan process and recordkeeping • Meetings 1-7 can be combined where needed and scheduled to start saving quickly <p>Training Meetings 11-13:</p> <ul style="list-style-type: none"> • Learn about the end-of-year payout and self-evaluation of the cycle 	Generally 2 hours long	Promoter (attends every meeting)

Phase	Lesson Plans	Description	Length of the Meeting	Meeting Facilitator
Development	Learning Conversations	<ul style="list-style-type: none"> • 13 Learning Conversation topics available • Occur at every meeting in the Development Phase • Designed and built on the House of Principles and other topics • In the first cycle, Learning Conversations are designed to strengthen the group's foundation. • Second cycle topics focus on practical ways members can utilize their group to strengthen their income generating activities and benefit their family and community. • Sits through entire group meeting to facilitate LC and to monitor and support groups 	30 minutes	Promoter (attends every meeting)
Growth Phase	Learning Conversations	<ul style="list-style-type: none"> • Occur every other meeting in the Growth Phase • Promoter sits through entire group meeting to facilitate LC and to monitor and support groups • 13 Learning Conversation topics available • Preparation for the group to become independent at the end of the Second Cycle 	30 minutes (every other meeting)	Promoter (who only attends the group when LCs are being taught)

The lesson plans for the Training Meetings and Learning Conversations include:

- Estimated Time: This is the estimated time it will take the group to go through the meeting.
- The Purpose of this Meeting: Provides the facilitator with the key reasons and expectations for the meeting. Includes when to conduct the meeting.
- Who Should Attend: A suggestion of who should be in attendance at this particular Training Meeting or Learning Conversation.
- Preparation and Materials: Before each Training Meeting and Learning Conversation the Promoter must prepare. Promoters should become familiar with the lesson outline and practice any skills that they may be teaching. Promoters should be very comfortable with savings and loan records before training a group. It is encouraged that Promoters practice facilitating the meetings and lessons with other staff to strengthen the quality of their training.
- Objectives: Each Training Meeting and Learning Conversation has objectives. By reviewing the objectives before the meeting, the Promoter will know what the group will need to accomplish and help them remember the core of the lesson.

Features of the curriculum:

- *(Italics font and parenthesis)*: These are notes for the facilitator with additional instructions, or information *(Do not read this text to the participants.)*
- Regular font: specific information or instructions for the facilitator to read or closely paraphrase to the participants.
- **Text Boxes**: often note a story or section to be read, or an optional section.

B. Savings Group Materials

1. Cashboxes

Each Savings Group will need a cashbox to secure the funds that the Savings Group saves. The cashbox should be large enough to hold the group's funds, passbooks and a group notebook. The box should have latches for three locks. Ideally, the box should be made of metal, or another material that is very durable.

The box itself is more about transparency than security. In Mozambique, for example, they have used locally produced wooden cashboxes.

See Appendix 5 for an example of the dimensions of a cashbox promoted by VSL Associates with VSLA groups (Allen, 18 Feb, 2006).

2. Individual savings and loan record (Passbooks)

When considering how to create these passbooks, please consider how the groups will reproduce passbooks when FH is no longer working in the community, and how durable the materials are when the passbooks are initially created.

A highly recommended option of creating these passbooks is to use small locally available notebooks instead of to using photocopied or printed passbooks. This assures that groups can easily purchase and create their own passbooks long after FH leaves the community, and encourages groups to take ownership of every aspect of their group.

Passbooks may also be photocopied and stapled together and provided to the group by FH. An outside company could also be commissioned to create the passbooks. In Appendix 6, there are instructions on how to put passbooks together. FH created passbooks should only be used in the first year and groups should be encouraged to provide their own passbooks in cycle two and onward.

3. Start-up Kits

At the beginning of the First Cycle, FH should provide each group with a Start-Up kit. Savings Group Promoters should discuss how long they will provide supplies to groups, but it is recommended that in Cycle Two, groups begin to pay for at least some of the costs themselves. A suggested list of supplies that could be given is found in Appendix 7.

C. Translation and Adaptation

1. **Materials used directly by Savings Groups** should be translated into the local language that is most widely used and understood by group members (*This is to encourage transparency. Group members should know what their passbooks say*)

This includes:

- Individual Savings records and Loan records (Passbooks)
 - Group Rules/Policies Form
 - House of Principles diagram(key principles) often used by the Promoter
2. **Savings Group Terms:** Some Savings Group terms may be difficult to translate. Most countries have organizations working with Savings Groups however. You may want to ask them how they translated certain terms. Also, talking with a local Microfinance Institution or bank may also help to know how to translate certain terms. Be aware that in certain religious contexts, the term “interest” may need to be changed to “service charge”.
 3. **Names:** The manual uses quite a few stories as examples for discussions. The names in these stories and examples should be changed to match common names used in your region.

4. **Currency:** Most record keeping lessons do not refer to any specific type of currency. You may want to insert the name of the local currency in your translated manual.
5. **Bible Verses:** There are optional bible verses and times for prayer in this manual. It is possible to substitute proverbs or other reflections if this works better in the local context.

D. Developing a positive and effective learning environment

How adults learn best is often very different than the experiences many of us have had in school growing up. As you facilitate these sessions, it is good to be aware that how your past learning experiences growing up are not necessarily the best way adults learn. There are four principles of adult learning that when are present in a learning environment, allow adults to learn best.

1. **Safety:** Learning happens best when adults feel safe to ask questions, debate, and free to give their opinion. Safety also includes physical safety as well.
2. **Respect:** Every person is made in God's image with unique skills, talents and experiences. Adults learn better when they are respected.
3. **Relevance:** What they are learning must connect to their lives and be relevant. When topics are relevant and can be applied to life or a certain situation, adults will learn better.
4. **Engagement:** They are engaged in what they are doing (learning by doing). They are doing something with the material they are learning.

Tips for reflecting these principles in our work:

- Use small groups. Small groups create safety. Quieter people feel safer to share in smaller groups.
- Always hold meetings and learning sessions in a place where groups and their funds are physically safe and members feel free to say what they think and feel.
- Create an atmosphere of openness, trust and excitement, where members will not be made to feel small or ignorant.
- Even when they say the wrong answers or have trouble understanding or applying what they are learning, do not make them feel as though they have failed. Always encourage members and groups toward a positive and truthful way.
- Be transparent: tell the groups what is coming next, explain why the context is being taught in a certain way, etc.
- Remember that you are there for the groups and the issues that concern them. Do not give orders or force your opinion. Be flexible if it seems like more time and attention needs to be given to certain topics.
- Listen first. Ask questions before you give answers.
- Encourage members to share their ideas, experiences, and opinions. Value their life experiences and stories.
- Remember that you are a "facilitator" who is helping groups discover things for themselves. You are not a lecturer telling them what to do.
- Be authentic. "Few Adults will put up with anything false in class or program. If they have the option to object or leave, they will" (Vella, 313.)

- Encourage participation whenever possible and involve as many different members as possible. The members should talk and DO more than the facilitator.
- Teach from your heart. Groups will know if you are being sincere.
- Be prepared. Give yourself enough time to prepare. Be familiar with the lesson for that day. Follow the curriculum provided but be natural (do not read it word for word). You may need to read through the lessons various times or try to practice the lesson with coworkers to help you feel well prepared.
- Do not lecture or dictate to members. They have their own experiences and have a lot of wisdom to share.
- Facilitators should always be prepared with the next activity beforehand.
- Encourage and praise group members for their efforts, even when they are not perfect.
- Be consistent and fair to all. Show equal love to all, especially those who might be difficult to love.
- Make learning fun. Have a sense of humor and make the sessions fun and exciting.
- Reflect on your own life and seek to be a positive example for the groups.

Good facilitation integrates the four adult education principles and creates a better learning environment for adults and our community leaders. Facilitation describes the process of taking a group through learning or change in a way that encourages all members of the group to participate. This approach assumes that each person has something unique and valuable to share. Without each person's contribution and knowledge, the group's ability to understand or respond to a situation may be reduced. The facilitator's role is to draw out knowledge and ideas from different members of a group, to help encourage them to learn from each other and to think and act together. (Clarke)

DIFFERENCE BETWEEN Participatory Facilitation and Conventional training (Seibert, 6)

Participatory Facilitation	Conventional Training
1. Values personal experience	1. Values facts and knowledge
2. Everyone contributes to the learning	2. Teacher gives students information
3. Participants and facilitator share power in the learning environment	3. Teacher holds all the power in a classroom style setting
4. Aims to create a safe environment for sharing experiences	4. Creates fear of authority or teacher
5. Based on respect for each other and shared responsibility between participants	5. Values obedience and “good behavior”
6. Encourages risk taking and diversity of experiences	6. Focuses on correct answers and success
7. Values cooperation among participants	7. Fosters competition between students
8. Values emotions as well as logical thinking	8. Values logical thinking and ignores emotion
9. Encourages creative thinking	9. Values memory based learning
10. Focuses on building skills that affect one’s personal life	10. Usually focuses on giving theoretical knowledge

E. Preparing the learning location

- No matter where the sessions take place (such as a classroom, church, or open space), do NOT set up the room to feel like a school classroom if possible.
- The meeting space should be healthy with good ventilation and protection from harsh weather like hot sun, wind, rain (even insects).
- Groups should not meet where they attract their attention or can be distracted, like a busy street or playing field. Also, privacy is key for groups working with money. It is important that they are able to go through cash transactions without others in the community seeing or hearing what is going on. This is for the protection of the group and their funds.
- Move chairs so that the members are sitting in a circle or semi-circle and the entire group can see each other. You should also sit or stand in the circle, not up front. Also, all members should have equal access to the learning environment and you, the facilitator.

Preparation for meetings

- Before you present it to the group, read the entire lesson (various times) and practice it until you are comfortable. You may wish to practice the session with other co-workers. This is especially true when training groups in recordkeeping.
- Arrive at least 30 minutes (or more!) before the session begins to prepare the room or space
- Have all supplies ready to pass out before you begin the session.

F. Optional Sections and Biblical Reflection

An optional prayer and/or verse from the Bible are included for group reflection, where appropriate. It may be more useful to have a moment of silent reflection, use verses from other texts (such as proverbs) that are consistent with the Bible verses, or to leave it out altogether. Promoters should meet with their supervisors to know when they are able to use the optional sections when working with a group.

There are also instances where donors restrict the use of prayer and Bible reading that is supported with their funds. If it is still appropriate in this case to pray or read the verses, you must make it optional and have it in a separate ‘time and place’ as the actual training. In this instance, you must state, “Now is the time when we will pray (or read the Bible). This is not part of this session but is optional. Anyone who would like to leave is able to do so without any penalty.” It is also recommended that you do not include prayer or Bible reading on any printed agenda if the sessions are taught by donors that restrict these activities using their funds.

As you implement this manual, we anticipate a lot of learning to take place. Please send your suggestions and feedback to cfct@fh.org

G. Program Quality Standards and this Manual

This section is under development

H. Support for Users of this Manual

This section is under development

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Part 2: Savings Group Manual

I. Promotion Meeting Guidance

The purpose of the Promotion Meetings is to introduce community leaders and members to Savings Groups so that FH can identify potential members and groups.

The Promotion Meetings can be done once the community leaders have a signed MOU with FH (see Tool X, Stakeholder Meetings and MOU).

A. Informal Financial Landscape Investigation (optional)

Before conducting the Promotion Meetings in a community, it is helpful for Promoters and appropriate staff to learn about the financial landscape of a community. This is an informal process of talking with different community members to find out what services are available and how they obtain money to cover large purchases or emergencies. Promoters should ask community members and leaders about their experiences with Savings Groups and about various financial services in their community. The goal is to find out the community's experiences with both formal and informal financial services.

Supervising staff should help coordinate how this investigation will take place and how the information gathered by Promoters will be used in the Promotion Meeting. This Investigation can help the Promoters know how to prepare for the Promotion Meetings and anticipate challenges when implementing Savings Groups. Findings from the investigation should be shared with the other staff including supervisors.

Maria asked her community about Savings Groups and their experience using different financial services. She listened to many community members and learned that three years ago an organization started Savings Groups in the community. The organization did not monitor or train the group well. As a result most of the groups failed after members took out loans and never repaid them. One cashier spent the money in the group fund on his family.

Maria and other promoters used this information when they conducted their Promotion Meetings. They were clear to point out the two-year training cycle and close monitoring of groups that FH provides that can help prevent problems from arising. They also emphasized the agreement FH has with the community leaders to be in the community long term.

Promoters can look at various financial services in the community and investigate the following questions:

- How do people pay for unexpected expenses like health emergencies?
- What is the history of formal and informal financial services in the community?
- How do people view savings?
- How do people view loans?

- How do people feel about Savings Groups?

See Appendix 4 for the Financial Landscape Investigation.

Also, fields are encouraged to meet with other organizations that are currently promoting Savings Groups in their country or region. Staff may learn from their experiences and how they have overcome local challenges.

B. Promotion Meetings Overview

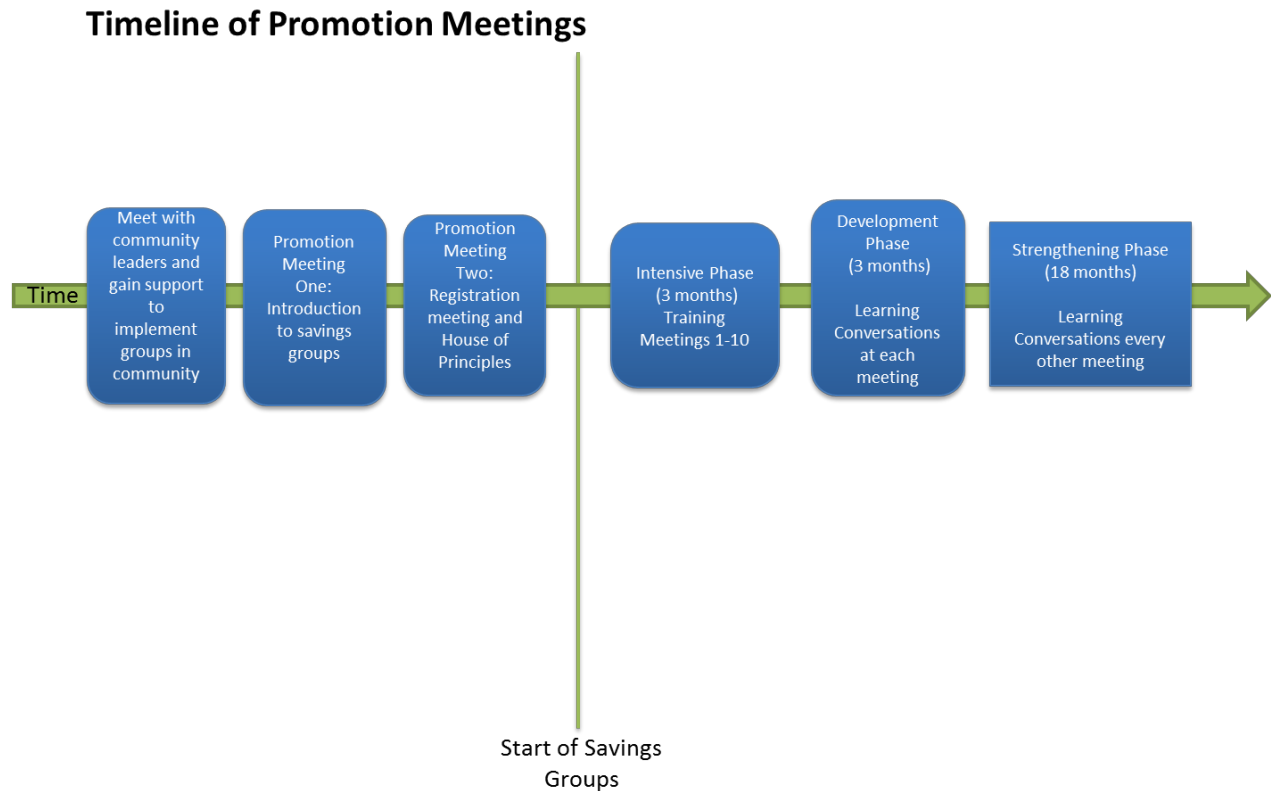
The Promotion Meetings are facilitated by the Promoter.

The Institutional Strengthening Facilitator should introduce the promoter to community leaders and as much as possible be part of the initial conversations and meetings with the community. The ISF should not facilitate the meeting, but attend as a support and to help answer questions about how FH works in a community.

Below is a summary of the two Promotion Meetings.

Promotion Meeting	Estimated Time	Purpose and Achievement Based Objectives (ABO)	Who Should Attend	When to Hold this Meeting
Promotion Meeting One: Introducing Savings Groups to the Community	80 minutes	<p>The meeting gives the community an introduction to Savings Groups and creates awareness. Community leaders and members will understand how Savings Groups work and how FH implements groups so that members will be encouraged to form groups.</p> <p>ABOs:</p> <ul style="list-style-type: none"> • Compared the activities of current savings practices with a Savings Group. • Reviewed the development process of a Savings Group and FH involvement. • Identified the importance of saving in a group. • Decided whether they want to join a Savings Group. 	Community leaders (both religious and governmental) and interested community members should attend.	After the Promoter has met with the community leaders at one of their meetings to discuss Savings Groups and gain their support to implement groups. (This is the first initial meeting in the community about Savings Groups.)
Promotion Meeting Two: Registration and “House of Principles”	2 hours	<p>Potential members review the Savings Group training process, learn how the House of Principles will be promoted in group training, and are registered into a group so that potential members will register and form a group.</p> <p>ABOs:</p> <ul style="list-style-type: none"> • Reviewed Phases of Savings Group Development • Discussed the benefits of participating in a Savings Groups • Discussed the House of Principles • Registered to join a Savings Groups 	Potential group members who are considering forming a group together or groups who are already self-identified. This meeting is held after Promotion Meeting 1.	After Promotion Meeting 1 and before conducting Training Meetings.

The diagram below shows where Promotion Meetings fall in the process of conducting Focus Groups.



C. Managing Expectations

When it comes to working with money, managing expectations is extremely important. It is even more important when there are other organizations and even the government agencies working with groups with a different philosophy and give out incentives for members to participate or where communities are used to hand-outs. For Savings Groups to be effective, Promoters must be actively engaged in managing the expectations of community members and leaders so that misunderstandings don't occur and Savings Groups remain healthy and growing. Furthermore, it is important that staff do not promise the community what FH cannot deliver.

One area that requires a lot of expectation management is the concept of giving "seed money" or startup capital. FH does not support giving seed money to groups. Capital from outside can be considered "cold money". Cold money is not respected as much. It was not part of the group or member's finances, so it is easily lost. Members may be motivated by the benefit of the grant and lose sight of what savings can truly do for them. Therefore, Savings Groups are healthier when outside or "seed" capital is not given.

There is an assumption that comes from Microfinance Institutions (MFI) and those providing microcredit that all the poor need to get out of poverty is access to capital. The desire to give

capital often comes with this assumption. We must provide some “seed” money to help them start so they have some capital for loans. However, there is little evidence recently that suggests that loans or microcredit reduce poverty by themselves. Savings is beginning to be recognized as being more empowering, and even MFIs are being encouraged to expand their services to include more savings.

Giving out capital can send a message that outside help is always needed, and further feed dependency mentalities that often exist in communities. Savings Groups can be very sustainable without all this outside influence and FH wants to promote self-sustaining, healthy independence. Furthermore, FH values assets-based development and people’s God-given potential. In this way FH recognizes the gifts and talents people do have. It also allows members to grow their fund at their pace and at an appropriate scale.

From a programmatic perspective, giving out capital reduces the ability of fields to form more groups by investing scarce resources in giving capital and less in training groups. This constrains Savings Groups from starting because it must follow the pace that FH sets, and the amount of capital FH can obtain. Also, if communities expect start-up capital, this can reduce the natural replication of groups that happens often on their own. Giving out capital is not a best practice with those working with Savings Groups. Unfortunately, it is common in some places for organizations and/or the government to provide these incentives and other gifts to groups.

It is important when implementing Savings Groups to manage expectations of the community. This may mean reduced interest in groups initially, but we can expect to see stronger and more sustainable groups in the long run.

D. Preparing for the Promotion Meetings

Before organizing Promotion Meeting One

- Meet with community leaders to explain Savings Groups, get their support, learn about the community and organize a meeting with community members. You may want to discuss with the Institutional Strengthening Facilitator to help you organize a meeting with the community leaders. If it is possible, try to initially meet with them at a normally scheduled community leaders meeting.
- Listen to community members and leaders to gauge the receptivity to Savings Groups in their community. If they have had some difficult past experiences, you will want to discuss how you will manage these obstacles and respond to mention of these experiences in the promotion meeting.

Organizing the Promotion Meeting

- Inform community members in advance of the date, time, duration and location of the meeting.
- Inform community members that both men and women are invited to attend the meeting.

- Be prepared to answer questions using stories and examples. If possible, bring a member of a Savings Group from a nearby community to talk about his/her experience and to help explain how Savings Groups work.
- Reach the community an hour before the meeting. Go around and gather people for the meeting.

E. Conducting Promotion Meeting 1

- Introduce yourself and the organization that you are representing. Explain who FH is and does, and what we are already doing in their community. (See Appendix 8 for an overview of FH that can be used as a reference)
- Facilitate Promotion Meeting 1.
- Make sure that it is clear that FH does not have any grants or gifts to give community members, but that FH can help them learn how to better help themselves. Do not promise anything that you cannot deliver.
- Make sure it is understood that Savings Groups are comprised of groups of people, formed **voluntarily**, who meet regularly to save and lend to each other. The goal is for them to manage the financial and administrative affairs of their group on their own within 12 months and become independent from FH training support after two years.
- FH does not select who is in a group, but groups should select those they trust.
- Explain that many Savings Groups also take up issues in the community depending on their interest and address them to the best of their abilities. Provide a few relevant examples.
- Before closing the meeting let people know how to register and contact you.
- Remember to thank the community leaders and members for their time.

F. After Promotion Meeting 1

- As with all formal meetings, it is a good idea to remain in the community for some time after the meeting is over to give shy community members an opportunity to ask you questions and address doubts.

For All Meetings and Events

- Be familiar with the answers to these and any other frequently asked questions.
- Be familiar with the development phases of a Savings Group.

Source Acknowledgements

Preparing for Promotion Meeting adapted from: Savings for Change (2008), *"Savings For Change: Formation of Savings Groups, Animator's Guide"*, Freedom from Hunger and Oxfam America.

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Promotion Meeting 1: Introducing Savings Groups to a Community

Time

80 minutes

The purpose of this meeting

This is the first meeting in the community about Savings Groups. The purpose is to introduce the community to Savings Groups and encourage them to form or join a savings group. This meeting should be held after you have had an initial meeting with community leaders and/or key community decision makers to get their support to form groups.

Who should participate in this meeting

Community leaders (both religious and governmental) should attend, as well as community members who have an initial interest in Savings Groups.

Preparation and Materials

- Read through the meeting outline a couple of times or practice with someone until you are comfortable.
- Copy of Who is FH (Appendix 8)
- Be familiar with Frequently Asked Questions (Appendix 3) and the summary of development phases of a Savings Group (Appendix 10).
- Decide beforehand on time and location for the next meeting (Registration meeting).
- Blank flip-chart paper (or you may draw on the ground or use chalkboard)
- Markers in two different colors

Objectives

1. Compared the activities of current savings practices with a Savings Group.
2. Reviewed the development process of a Savings Group and FH involvement.
3. Identified the importance of saving in a group.
4. Decided whether they want to join a Savings Group.

Summary

Task 1: Give welcome and discuss current savings practices (15 minutes)

Task 2: Present Savings Group activities (10 minutes)

Task 3: Discuss importance of a Savings Group (25 minutes)

Task 4: Overview of Training (10 minutes)

Task 5: Next Step and Close meeting (20 minutes)

Facilitator Notes

You should understand the methodology of savings groups and be ready to answer questions that participants will raise. You may want to practice with other promoters asking and answering potential questions that the community may have. Be sure to be familiar with the Frequently Asked Questions in Appendix 3 and Development Phases of a Savings Group in Appendix 10.

Promotion Meeting 2 happens with people who are interested in forming a group themselves or are a group of individuals interested in being part of a group. Promotion Meeting 2 may be conducted on multiple dates and locations depending on the level of interest and if there are some self-selected groups ready.

Task 1: Give welcome and discuss current savings practices (15 minutes)

Welcome all participants. Introduce yourself. Introduce FH, using the summary from Appendix 8. Explain the purpose of the meeting.

(Say) Welcome and thank you for coming. The purpose of this meeting is to explain the opportunity to form a Savings Group in your community. Savings Groups help people by providing a way:

- to save money to meet personal or family goals
- to borrow money to meet needs and improve income
- to learn about building business and money management skills
- to create solidarity to solve relevant family and community issues

Let us begin by discussing your current savings practices.

(Organize the participants in a circle. Then ask)

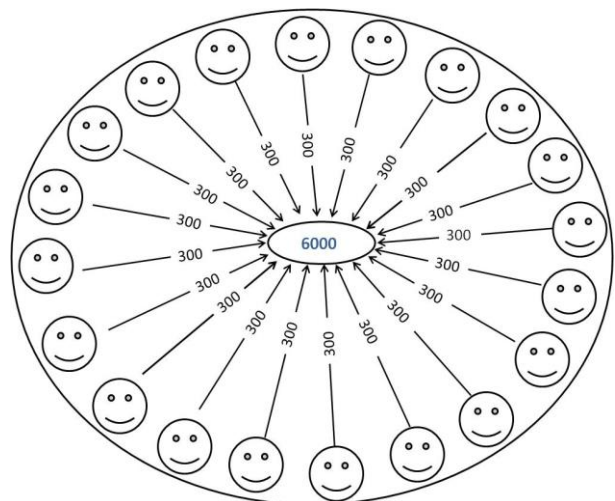
- What do you do to accumulate money when you have a large expense? How many of you save money? What do you do to save money? How do you get the money you saved when you need money?

(Invite volunteers to share their ideas with everyone. Probe for many ideas. Continue to ask questions until it is clear how money is currently being saved and made available for use.)

Task 2: Present Savings Group activities (10 minutes)

(Say) Let me tell you about a Savings Group that helps members save, earn and learn.

Follow the instructions to draw (either on a blank flip chart or on the ground) a Savings Group and present Savings Group activities:



(Presentation of Drawing on Flip Chart or on the ground)

2A: Saving at a Meeting

(Say) Here is the group. (Draw a big circle.)

This group has 20 members.

(Draw small circles within the big circle.)

Here are the members saving together in a meeting.

(Draw arrows from each member pointing into the center.)

Each member saves 300. Together they collect 6,000 ($300 \times 20 = 6000$).

(Draw an oval in the center and write 6,000 in it.)

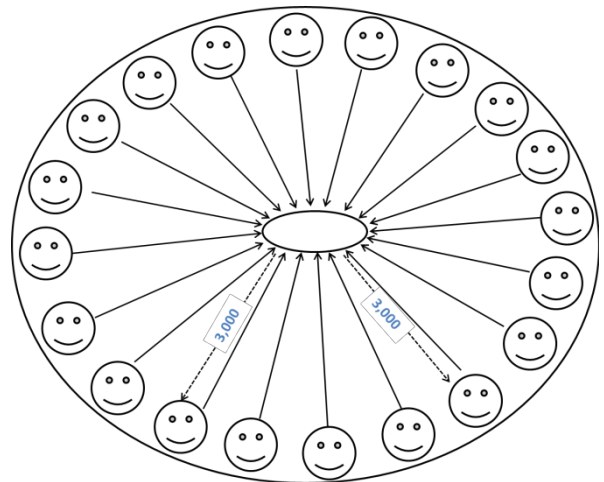
2B: Borrowing in the same meeting

(Say) Two members want to take a loan. They tell the group their ideas.

One wants 3,000 to buy soap to sell.

The other wants 3,000 to pay for transport to a bigger market where she can sell brooms that she made.

The members discuss these loan requests. They think that both the women who want to borrow can make a profit, so they decide to lend them the money.

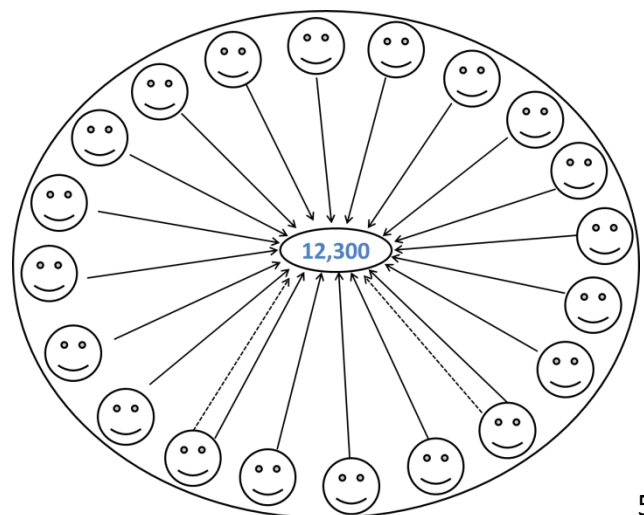


Here are the two members receiving their loans.

(Draw arrows pointing from the oval to the 2 members.)

2C: Next meeting activities

(Say) Here is another meeting. (Draw the big and little circles.)



First, the members make a savings payment.

(Draw arrows pointing from each member into the center. Draw an oval in the center and write 6,000)

Then, the members who borrowed pay back their loans with interest (10% or 300 each). (Draw arrows pointing from the two members who borrowed money to the square. If possible, make these two arrows look different from the others.)

Now the group has 12,300 ($6,000 + 6,300 = 12,300$) available to lend.

2D: Participating in Learning Conversations at the meetings

(Say) At the meetings, the members learn new ideas about how to use their money, business and other topics. These are called Learning Conversations. The group decides what topics are most important, and the Savings Group promoter helps them learn and grow. They discuss new ideas and how to use their experiences to make life better for their families and community.

(Ask) What questions do you have about Savings Groups and the Learning Conversations?

(Respond to general questions about the activities of a Savings Group.)

Task 3: Discuss importance of a Savings Group (25 minutes)

(Form small groups of 4 or 5 participants.)

(Say) In your small group, think about the presentation on Savings Groups. Discuss in your small group how to answer: What are the differences between your current ways of saving and a Savings Group?

(After a few minutes, invite and help participants share their ideas with everyone.)

(Then say) Now listen to stories about the savings practices of two women. Then we are going to discuss what you think about their practices.

The Savings Practices of Two Women

Fatima's Story:

Fatima had a goal of buying chickens. She wanted to buy chickens so she would have meat and eggs for her family, and maybe some to sell. She tried hard to save by putting any extra money in a secret place at home. Several months later Fatima decided to count her savings for buying chickens. When she looked for the money, it was gone. She did not know what happened to it. Maybe it was spent by someone in the family or stolen. She decided to start all over again, this time, looking for a safer place to store her precious savings. She was very sad and wonders how she can ever save enough.

Dina's Story:

Dina wanted to buy a goat. She wanted to sell the offspring to get money to pay for high school fees of her daughter. She saved by keeping a little cash at home but never had enough to buy it. She decided to join a Savings Group. Each member saved only a little, but the group fund grew and members began taking small loans. And her money was kept in a locked cashbox that her group managed and kept. After several months, Dina borrowed money to buy a goat. When that loan is paid, she is planning to take another loan from the group to buy a cow. She is glad she decided to save money in the group.

(Ask) What did you learn about savings practices by listening to these two stories?

(Summarize the responses. Highlight the importance of Savings Group membership: savings, loans, support from group, Learning Conversations, guidance from a promoter and regular meetings.)

In the story of Fatima: She did not have a safe place to save like a savings group or encouragement to save.

In the story of Dina, She had a group help her save by encouraging her. She had a secure place to save her money and had access to loans as well. She learned how to use her money more wisely.)

Task 4: Overview of Training (10 minutes)

(Say) We will see how Savings Groups promoted by FH also can help you save like Dina. We are going to take a few minutes to review how Savings Groups work and FH's involvement with groups. You will see that at the beginning, the FH Promoter is working closely with the group to ensure that it starts well, and grows strong. Then the FH Promoter helps the group to start managing its own group, while providing coaching and teaching topics, or Learning Conversations. Toward the end of the process, the group is mature, and is able to manage on its own with little or no help. After the First Cycle, groups can start a second cycle with no help from FH at all.

(Say) Listen to a brief summary of the different phases that a group will go through with FH.

Savings Group Training Process with FH	
Intensive Phase (Months 1 to 3)	<ul style="list-style-type: none"> • A group of 10 to 30 people who have similar goals and ideas decide to form a Savings Group to achieve their goals. • The FH Savings Group Promoter meets with the group, and guides the members to make decisions about their Management Committee, how much to save, how much interest to charge, and other group rules. • The Promoter trains the group in how to go through the savings process and record savings. • The Promoter trains members to make loans with their savings and pay back loans with interest, and how to record the loans. • The Promoter trains members at each group meeting.
Development Phase (Months 3 to 6)	<ul style="list-style-type: none"> • The Promoter attends each group meeting to coach and monitor the group as they continue to save and lend with interest. • The Promoter teaches members about key group topics and money management in 20-30 minute sessions called Learning Conversations at each meeting. • The Management Committee runs meetings with guidance as needed from the Promoter.
Strengthening Phase (6-24 months)	<ul style="list-style-type: none"> • The Promoter attends <u>every other</u> group meeting. • The Promoter continues to teach members key group topics, money management, and business in the Learning Conversations at each visit. • The Management Committee continues to run the meetings. • The Promoter is available for questions and to give advice to the group as requested. • Near payout of the first cycle, the FH promoter gives training to the group on how to prepare for pay out (payout: the group receives the profit from the loans that they gave out). • After payout the group will evaluate their group and the FH Promoter will help them restart their group. • The FH Promoter continues to give training to members every other meeting through the Learning Conversations.

(Say) Groups will walk closely with FH for the first couple of years. After groups have received all the training sessions and proved themselves to be healthy, they will graduate and FH will have much less involvement in the group since the group is able to function on their own.

(Ask) What questions do you have about FH's involvement with groups?

Task 5: Next Step and Close meeting (20 minutes)

5A: (Say) Savings Groups can be a useful tool for families as they seek to better manage their finances to best provide for their family. Also, Savings Group members can create strong relationships and support each other to reach their social and financial goals.

This meeting was intended to introduce you to the general methodology of groups promoted by FH. If you are interested in forming or joining a group please raise your hand. Also, you can talk to me after this meeting or when you see me in your community.

(Write down people's names. You may also decide to ask for people's cell phone numbers if it is helpful.)

Our next meeting will be a group registration meeting where you can sign up to join a Savings Group. This meeting will be at: *(announce time and location)*

(Ask) What questions do you have before we close our meeting?

5B: (Optional Prayer)

(Say) Let's close our time today in prayer.

God, thank you for gathering all these people together today to meet. We ask that you help guide this process of forming Savings Groups. Please guide each person as they consider joining a Savings Group. We thank you for the opportunity to begin saving and ask that you help them bless families and the community. Amen.

Source Acknowledgements

Adapted from Savings for Change (2008), *"Savings For Change: Formation of Savings Groups, Animator's Guide"*, Freedom from Hunger and Oxfam America.

Promotion Meeting 2: Registration and House of Principles

Time

120 minutes

The purpose of this meeting

This meeting is to begin to organize people into savings groups and officially register them. This meeting may occur in multiple locations within the community as needed or when there are already self-identified groups. This meeting should happen after the community has been sensitized to Savings Groups, and before members have been registered with a Savings Group. This meeting is held after Promotion Meeting 1.

Who should attend this meeting

Potential group members who identified themselves at Promotion Meeting 1. Also, other community members who have been identified and invited by community members to consider joining their group.

Preparation and Materials

- Flip chart paper
- Markers
- Savings Group registration and Training Meeting Attendance Form (Appendix 11)
- Copy of Overview of House of Principles (Appendix 12)
- Clear plastic bag with dried beans and paper bag with dried beans inside (for Task 3D regarding Transparency)

Objectives

1. Reviewed Phases of Savings Group Development
2. Discussed the benefits of participating in a Savings Groups
3. Discussed the House of Principles
4. Registered to join a Savings Groups

Summary

Task 1: Introductions (20 minutes)

Task 2: Overview of Training (10 minutes)

Task 3: House of Principles (45 minutes)

Task 4: Registration (30 minutes)

Task 5: (Close in Optional Prayer) (5 minutes)

Facilitator Notes

Clarify with your supervisor to know which optional sections you may use (such as including prayer). These optional sections are used only where appropriate and allowed.

In this Promotion Meeting, the group will learn about the House of Principles, which will be presented again once groups are formed. The Savings Group members will review the House of Principles when they develop their group rules and will continue to review the principles throughout the group's life cycle.

The ideal number of members in a group is 15-30. While groups can begin meeting with as little as 10 members, groups larger than 30 need to be split to form two groups.

Task 1: Introductions (20 minutes)

(Open with optional prayer)

(Say) Welcome! In a previous meeting we talked about how we currently save as individuals and the way we could save in a group. Let's take a few minutes to introduce ourselves.

(Allow each person to say their name. Be sure to introduce yourself, who FH is and what FH is doing in the community (See Appendix 8.)

We're going to start by quickly reviewing the stories from the first promotion meeting. Let's listen to them.

Fatima's Story:

Fatima had a goal of buying chickens. She tried hard to save by putting any extra money in a secret place at home. Several months later Fatima decided to count her savings for buying chickens. When she looked for the money, it was gone. She does not know what happened to it. Maybe it was spent by someone in the family or stolen. Now she has to start all over again. She is very sad and wonders how she can ever save enough.

Dina's Story:

Dina wanted to buy a goat. She saved by keeping a little cash at home but never had enough to buy it. She decided to join a Savings Group. Each member saved only a little, but the group fund grew and members began taking small loans. After several months, Dina borrowed money to buy a goat. When that loan is paid, she is planning to take another loan from the group to buy a cow. She is glad she decided to save money in the group.

(Say) Find 2-3 people near you to form a small group. For the next few minutes discuss the following questions. Afterwards, I'll ask each group to share a summary of their discussion.

- Why was Dina more successful in buying what she needed to meet her goals than Fatima?
- What are some reasons that you might be interested in joining a Savings Group?

(Allow for the groups to discuss, then ask) Why was Dina more successful in buying what she needed to meet her goals? What was different about Dina's approach to savings compared to Fatima? What are some reasons that people in your group are interested in joining a Savings Group?

(Allow for groups to share)

Today we will look at an overview of the training and support a Savings Group receives from FH, and discuss some key ingredients that make the group work.

Task 2: Overview of Training (10 minutes)

(Say) We are going to take a few minutes to review the development of a Savings Group and FH's involvement with groups.

(Say) Listen to a brief summary of the different phases that a group will go through with FH.

Savings Group Training Process with FH	
Intensive Phase (Months 1 to 3)	<ul style="list-style-type: none"> • A group of 10 to 30 people who have similar goals and ideas decide to form a Savings Group to achieve their goals. • The FH Savings Group Promoter meets with the group, and guides the members to make decisions about their Management Committee, how much to save, how much interest to charge, and other group rules. • The Promoter trains the group in how to go through the savings process and record savings. • The Promoter trains members to make loans with their savings and pay back loans with interest, and how to record the loans. • The Promoter trains members at each group meeting.
Development Phase (Months 3 to 6)	<ul style="list-style-type: none"> • The Promoter attends each group meeting to coach and monitor the group as they continue to save and lend with interest. • The Promoter teaches members about key group topics and money management in 20-30 minute sessions called Learning Conversations at each meeting. • The Management Committee runs meetings with guidance as needed from the Promoter.
Strengthening Phase (6-24 months)	<ul style="list-style-type: none"> • The Promoter attends <u>every other</u> group meeting. • The Promoter continues to teach members key group topics, money management, and business in the Learning Conversations at each visit. • The Management Committee continues to run the meetings. • The Promoter is available for questions and to give advice to the group as requested. • Near payout of the first cycle, the FH promoter gives training to the group on how to prepare for pay out (payout: the group receives the profit from the loans that they gave out). • After payout, the group will evaluate the first cycle and the FH Promoter will help them restart their group. • The FH Promoter continues to give training to members every other meeting through the Learning Conversations.

(Say) Groups will walk closely with FH for the first couple of years. After groups have received all the training sessions and proved themselves to be healthy, they will graduate and FH will have much less involvement in the group since the group is able to function on their own.

(Ask) What questions do you have about the Promoter visit schedule during these different phases? What needs to be clarified?

(Respond to general questions.)

Task 3: House of Principles (45 minutes)

3A: (Say) Listen to this story of a wise family who built a house on a rock.

A Wise Family who Built their House on a Rock

There was once a village located next to a large stream. When the villagers first moved there, many of the village members decided to build their houses in the sand right next to the stream. However, one family decided to build their house a short distance from the stream on a rock. The villagers wondered, “Why did they not build the house next to the river like us?”

One day, a big storm came. The wind and rain was very great. The stream flooded and the village houses fell and were swept away. However the rock held firm and the family’s house stayed strong. The rain came, the stream rose and the wind blew, but it did not fall because it had the foundation on the rock.

(Ask) What happened in this story? Why did the family’s house not fall? What is the importance of the ground under a house or building? How is it important to the structure of the house? What could happen to a house or building that is built on the wrong kind of ground?

(Say) A Savings Group is like a house. Unless the parts of the house are in place properly and the house is built on rock and a firm foundation, it cannot stand.

(Post or show a blank image of the House of Principles for everyone to see (See Appendix 12))

(Say) Let’s look at this house that we will call the House of Principles. This house is a symbol of your Savings Group and of the principles that your Savings Group will need to run well.

(Ask) What principles do you think would be important for a Savings Group to have to be successful and strong?

(Say) Thanks, those are good. There are many principles and values to follow that can help your Savings Group run well. We are going to look at some of these today and groups will look back at these principles often in the training they receive.

Optional Biblical Reflection:

(Say) Listen to these verses from Matthew 7:24-27

“Therefore everyone who hears these words of mine and puts them into practice is like a wise man who built his house on the rock. The rain came down, the streams rose, and the winds blew and beat against that house; yet it did not fall, because it had its foundation on the rock. But everyone who hears these words of mine and does not put them into practice is like a foolish man who built his house on sand. The rain came down, the streams rose, and the winds blew and beat against that house, and it fell with a great crash.” (Matthew 7:24-27)

(Ask) What is the rock on which the house is built?

(On the blank image of the House of Principles, write ‘Jesus and His Word’ on the rock under the foundation of Trust.)

(Say) **The Rock** on which the house is built is Jesus and His Word. Jesus and His Word are what give strength and stability to anything. Therefore, we should consider Jesus and His Word so that the group can be strong and successful beyond just providing good financial services, but strong and successful in how we live out our faith in our community and families

(Say) Turn to the person next to you and discuss the following question.

- What does it mean to build a Savings Group on the Rock—Jesus and His Word?

(Allow a few minutes for the pairs to discuss, then say) Let’s hear from those who wish to share what you discussed with your partner.

(Say) In everything we do we should go to Jesus and His Word. It is important that the decisions we make are honoring to God and that we pray and ask him for wisdom to have a good group.

3B: *(Say)* We just talked about a family who built their house on a rock and was saved when a big storm came. There is a reason why this house stood firm; it had a strong foundation. The foundation of our Savings Group and of the House of Principles is TRUST.

(Write ‘trust’ on the foundation of the house.)

(Ask) Turn to the person next to you and discuss quickly the following questions. Afterwards you will share your ideas with each other in the large group:

What usually happens in groups where people don’t trust each other? Why is it important to have trust in a Savings Group?

(After a few minutes, say) Let's hear briefly what you and your partner discussed. Who would like to share first?

Allow the group to discuss. You may use the following examples if needed.

(Say) Thank you for sharing. We are going to look at the House of Principles briefly today and we will refer to it often and you will be able to discuss the principles more in detail in some of the on-going Learning Conversations.

(Say) TRUST is the foundation of a Savings Group. No Savings Group can operate without trust among the members and leaders. If group members do not trust each other, they will not contribute money toward the group and the group will not last.

Trust is relying on the character and ability of other members to fulfill their word. It is the foundation and key to a strong Savings Group that runs well. Without trust a group will not succeed.

A group that has trust is like a house built on a solid foundation.

TRUST is confidence in the **character** and **ability** of others. It is the foundation and key to a strong Savings Group that runs well. Without trust a group will not succeed.
A group that has trust is like a house built on a solid foundation.

(Say) All groups and members should seek to grow trust in their group by being trustworthy in all their transactions and conversations. Members should be reliable and committed to the group.

They should be consistent and considerate to the group members. Being trustworthy benefits everyone.

A proverb in the Bible puts it this way: "A faithful man will abound in blessings, but whoever hastens to be rich will not go unpunished." (Proverbs 28:20 English Standard Version)

Members will not save and groups will not succeed when there is little trust.

What questions do you have about trust in Savings Groups?

3C: *(Say)* Look at the image of the house and imagine what would happen if you removed one of the supporting posts of your house.

(Ask) What would happen to your house?
Possible responses include: The house would fall.

(Say) The first post of our house is RESPONSIBILITY and self-discipline. Responsibility means being reliable and trustworthy. It means constantly demonstrating actions that build trust. Think about a hot day when you have worked all day and are thirsty. Picture yourself walking home when a friend calls you over and gives you a cool drink.

(Ask) How do you feel after you have that cool drink?

The Bible says in Proverbs 25:13: Reliable friends who do what they say are like cool drinks in sweltering heat—refreshing!

Turn to a person near you and take 3 minutes and share with each other about a person you know who is very responsible. What do they do that makes them reliable and trustworthy? How do people think of this person?

(After a few minutes, ask) What did you and your partner discuss? What do responsible people do that makes them reliable and trustworthy?

(Say) Thanks for sharing. Responsibility is an important ingredient in Savings Groups. Groups and members need to be reliable and trustworthy. When group members constantly repay loans and save, there is trust that the group will continue. When members stop savings or repaying loans, or skipping meetings, the group becomes weak and can more easily fail.

RESPONSIBILITY: Responsibility means being reliable and constantly trustworthy. It means constantly demonstrating actions and character that build trust.

(Write Responsibility on one of the posts of the House of Principles)

(Ask) What are ways you can demonstrate responsibility as a group member?
Allow the group to discuss, and add the following if they are not mentioned by the group.

For a group member, responsibility means:

- Saving at each meeting
- Repaying your loans
- Attending all meetings
- Considering the other members and the needs of the group as a whole

(Say) Thanks for your ideas. Remember these ideas for qualities you want in a group member.

(Ask) What questions do you have about responsibility?

3D: *(Say)* The second post is TRANSPARENCY and honesty. Look at these two bags with beans inside. What are your observations? *(Show a plastic bag with beans and the paper bag with beans.)*

(Say) Turn to a person next to you and discuss. What does transparency mean for a saving group?

(Take a couple minutes for pairs to discuss)

Listen to the following description of transparency. Transparency is sharing the truth with others and not lying. It means being open, honest, and truthful.

TRANSPARENCY: Transparency is sharing the truth with others and not lying. It means being open, honest, and truthful.

(Write Transparency on one of the posts on the House of Principles)

In a Savings Group we practice transparency in:

- All the transactions which are done where every member can see.
- The opening of the box which is only done at group meetings when all the members are present.
- Group members and leaders being honest with each other.

(Ask) Turn to your neighbor and discuss these two questions: What is one way a member can be honest and open with their group?

Allow the group to discuss their ideas and only add the following ideas if they have not been discussed or the group is having a hard time coming up with an example.

- *If a member is unable to repay their loan when their business did not succeed. Instead of running away from the group, they decide to be open and truthful with the other members.*

3E: *(Say)* The third post is GOOD LEADERSHIP. Good leaders are competent, honest and lead with a humble and a serving attitude. They actively guide others towards a common goal. Your group will elect a Chairman, Cashier, and Secretary. These leaders will help guide your group to achieve your goals or mission.

GOOD LEADERSHIP: Good leaders are competent, honest, and have a serving attitude. They give direction and humbly help manage the group. Good leaders serve by making sure that the group runs well.

(Write Good Leadership on the last post of the House of Principles)

(Say) Find two people and take three minutes to discuss: The characteristics the leaders of a Savings Group should have.

(After a few minutes, ask) What did you discuss in your group that you'd like to share?

(Say) Thanks for sharing.

Members have the responsibility to select people with the character, skill and attitude to lead their group. In a Savings Group, leaders serve the group and are accountable to the group as a whole. Good leadership is important to a Savings Group.

You will hear more on this topic when you elect your group's Management Committee members. What questions do you have right now regarding good leadership?

3F: *(Say)* Look at the roof of the house.

(Ask) Think about your own house for a moment. What would happen if you had no roof? How does the roof protect the house? Share your ideas in the large group.

(Write the four parts of the roof—Stewardship, Caring for each other, Learning, (optional) Prayer)

(Say) The roof consists of Stewardship, Taking care of each other, Learning, and *(optional)* Prayer. **STEWARDSHIP** means wisely managing finances and other resources you have been given. Good stewards manage their resources so that they can sustain themselves and help others.

TAKING CARE OF EACH OTHER is considering the needs of others in your group and treating them with respect and love. A Savings Group should be a place where members find support and encouragement when they face problems. When a group is able to help each other, it strengthens the relationships and trust among members. This strengthens a group.

LEARNING TOGETHER: Learning together helps groups see how to solve problems, take advantage of opportunities and grow. The group can learn from each other by sharing their experiences. Also, on-going Learning Conversations provided by FH and visiting other Savings Groups are ways groups can learn.

(Say) Divide into groups of three. Discuss: How does each of these parts of the roof protect the house? You will have 3 minutes. Then, we'll hear from all.

(Allow time for groups to discuss, then ask the groups to share a summary or key points from their discussion)

(Say) Thanks for sharing. The foundation and the pillars of the house are the principles that make any financial system work—trust, discipline, transparency, and leadership. These make the group sustainable. The parts of the roof must be in place to protect the group from problems that normally arise.

We have covered the House of Principles today. These are the ingredients that need to be in a Savings Group to be successful.

All Savings Groups should work continuously to grow in trust, honesty, responsibility, and transparency-- by abiding by their rules, discussing what they are learning, and having open discussion in their group-- so that their group will be successful and strong.

Savings Groups will look at how the principles of the House of Principles can be implemented in their group throughout their initial training and will be referred to often.

(Ask) What questions do you have about the House of Principles before we continue?

Optional Biblical Reflection:

(Say) **Prayer** is also an important part of Savings Groups. **PRAYER** is talking and listening to God. God's wisdom is greater than all people's understanding.

- We can speak to God at any time and in any place. We can speak to God in all situations.
- God speaks to people in a variety of ways. God can speak to anyone through their Conscience and through Creation.

We can talk to God. We can speak to God at any time and in any place. We can speak to God about anything.

God speaks to people in a variety of ways and we can listen to Him. God speaks to everyone through their Conscience and through Creation.

Find three people near you, and discuss the following questions:

(Ask) How do you see prayer being important to your Savings Group?? How can listening to God in prayer be important to your group?

Here are some examples you may use if the group does not mention them. In prayer:

- We can seek and receive greater wisdom than our own. He can help you make important decisions as a group
- We can ask God to protect and guide the group
- We can ask God for wisdom to know what kind of business to start and how to best run it.
- We can listen to how God may guide us as a group in decisions and how to bless our community.

(After a few minutes, ask) What discussion did your group have regarding prayer? How can prayer be incorporated into your group?

(Say) Thanks for your ideas. You may want to use some of these ideas regarding prayer in your group meetings. We can discuss this more when you develop your policies and also when we have more time on this topic of prayer in a future lesson.

(Ask) What questions do you have right now about prayer?

Task 4: Registration (30 minutes)

(Say) We will now take time to register you into a Savings Group. I am going to ask for your name and will put it on register with those who will be part of your group.

(Write each name on the Savings Group Registration and Training Meeting Attendance Form See Appendix 11). The Savings Group should have 10-30 members, which is a good group size.)

(Say) Let's take some time to discuss when you will first meet as a group. What are your thoughts and suggestions on a time and place to meet?

(Allow the group to discuss and agree on the first meeting day and time.)

(Say) Great! I will see you at the next meeting. We will meet at _____(time) at _____(place). Thank you for your participation today. I look forward to your group starting.

(Ask) What questions are there before we close our meeting?

Task 5: (Close in Optional Prayer) (5 minutes)

(Say) Let's close in prayer...

God, we thank you for the group here today. I ask that you guide them as they form their group. May the group become a blessing to their families and their community. I pray that you go forward to prepare the hearts and minds of each member as they prepare to start meeting as a group and work together. Give them a vision of how to form their group in a way that honors their family, glorifies you, and help others. Amen.

Source Acknowledgements

Adapted from Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012 (*House of Principles*)

Savings for Change (2008), "Savings For Change: Formation of Savings Groups, Animator's Guide", Freedom from Hunger and Oxfam America.

FH Bangladesh (2009, June). FH Ba's Vision and Values: Field Workers' Values' Lesson Plans for FCT and SCD Groups. Second Year Course.(Talking and listening to God

II. Training Meetings

Outline of Training Meetings

Training Meetings	Time	Achievement Based Objectives	Possible Time Frame
1. Group Organization	105 minutes	<ol style="list-style-type: none"> 1. Considered the benefits of participating in a Savings Group. 2. Reviewed the House of Principles. 3. Examined responsibilities of group members. 4. Decided whether or not to commit to being a member of the Savings Group. 5. Reviewed the training process and when they will start meeting. 6. Decided on a location and times to meet for their Training Meetings. 	2-4 weeks
2. Management Committee Election	2 hours	<ol style="list-style-type: none"> 1. Reflected on the role of the Management Committee 2. Reviewed the responsibilities of the Management Committee 3. Decided on Management Committee term lengths and election process 4. Elected members of the Management Committee 	
3. Group policies: Name and mission/ goal of group, meeting frequency/time/pl ace, Membership	2 hours	<ol style="list-style-type: none"> 1. Examined the purpose and importance of group rules/policies 2. Reflected on how group rules/policies can strengthen the House of Principles 3. Decided on a name for the group 4. Developed their financial and social goals of the group. 5. Decided on membership requirements 	

Training Meetings	Time	Achievement Based Objectives	Possible Time Frame
4. Group Policies: Attendance, Savings, fines	2 hours	<ol style="list-style-type: none"> 1. Considered the importance of attendance 2. Established group rules/ policies regarding absence and tardiness 3. Considered the importance of having a savings goal 4. Established the value of one share (minimum savings amount) 5. Decided the most shares a member can save in a meeting 6. Identified ways to encourage members to know their group rules 7. Agreed on what group information can be shared with non-members 	(continued from previous page)
5. Helpers and Social Fund	70 minutes	<ul style="list-style-type: none"> • Considered the ideal seating arrangement • Examined the role and responsibilities of helpers • Decided about starting a social fund 	
6. Savings meetings process, recording Savings	2 hours	<ol style="list-style-type: none"> 1. Reviewed the role and responsibilities of helpers 2. Practiced running a meeting 3. Practiced recording savings deposits 	
7. Group Policies: Fund utilization/ Lending policies, distribution (First savings meeting)	2 hours	<ol style="list-style-type: none"> 1. Examined sources of incoming and outgoing funds 2. Reflected on experiences taking loans or credit 3. Decided on their group's lending policies 4. Conducted first savings 	
8. Loan meeting preparation and recordkeeping	2 hours	<ol style="list-style-type: none"> 1. Reflected on lending and priorities 2. Examined the loan process 3. Practiced recording loans in the individual loan register or passbook 4. Reviewed savings procedures 5. Received and recorded member savings deposits 	

Training Meetings	Time	Achievement Based Objectives	Possible Time Frame
9. First loan meeting, Payout/distribution policies	2 hours	<ul style="list-style-type: none"> • Decided how savings and group profits will be disbursed at the end of the cycle • Received and recorded member savings deposits • Reviewed loan process • Gave out their first loan 	Should be at least a month after the first savings meeting, but will depend on the group and funds available (Around end of month two of intensive phase)
10. Managing Threats, Security of funds	2 hours	<ol style="list-style-type: none"> 1. Discussed security of funds 2. Decided on ways to manage risks to the group 3. Received and recorded member savings deposits 	In Month three
11. Preparing for Payout	2 hours	<ol style="list-style-type: none"> 1. Performed normal savings meeting activities 2. Reflected on needed steps and activities leading up to payout 3. Decided on the date for repayment of all outstanding loans 4. Reflected on group rules and House of Principles related to payout 5. Decided how they will prepare for their payout meeting 	1-2 months before end of cycle
12. Calculating Payout Amounts	2 hours	<ol style="list-style-type: none"> 1. Reviewed the steps to calculate payout amounts. 2. Calculated the payout amounts for each member 3. Decided what to do with any leftover money 	1-2 days before payout
13. Self-Evaluation of group and cycle	70 minutes	<ol style="list-style-type: none"> 1. Identified the most significant change in their family and group since the beginning of the cycle 2. Identified and ranked what their group did well this past cycle 3. Identified and ranked areas where the group can improve. 4. Brainstormed and discussed what they can do differently when they start cycle two. 	After or very close to the End of cycle

Training Meeting 1: Savings Group Organization, Overview of House of Principles

Time

105 minutes

Preparation and Materials

- Savings Group registration and Training Meeting Attendance Form (Appendix 11)
- Copy of the House of Principles (Appendix 12)
- List of group members from group registration meeting (Promotion Meeting 2)
- Copy of outline of Training Meetings and Learning Conversations (Appendix XX)

Objectives

1. Considered the benefits of participating in a Savings Group
2. Reviewed the House of Principles
3. Examined responsibilities of group members
4. Decided whether or not to commit to being a member of the Savings Group
5. Reviewed the training process and when they will start meeting
6. Decided on a location and times to meet for their Training Meetings

Summary

Task 1: Introductions and check attendance (30 minutes)

Task 2: Benefits of participating in a Savings Group (15 minutes)

Task 3: House of Principles (25 minutes)

Task 4: Responsibilities of a member (20 minutes)

Task 5: Next meeting (15 minutes)

Facilitator Notes

This meeting should happen after the community has been sensitized to Savings Groups, and there has been an initial group registration meeting (Promotion Meeting 2). This Training Meeting is to help solidify group membership before beginning to work on Group Rules and electing leaders.

Clarify with your supervisor to know which optional sections you may use (such as including prayer). These optional sections are used only where appropriate and where our donors allow them.

The group will review the House of Principles concepts as they develop their group rules and throughout the group cycle.

Task 1: Introductions and check attendance (30 minutes)

(Optional) Open with prayer.

1A: *(Say)* Welcome! This is your first meeting as a Savings Group. Today we will look at the benefits of being part of a Savings Group, review the House of Principles, discuss the responsibilities of a group member, and decide on a schedule for the initial Training Meetings.

In the next 10 Training Meetings you will learn the process and needed skills to start saving and giving loans as a group. It will be important for you to attend all these Training Meetings. We will take attendance at every meeting.

After the Training Meetings, there will be 13 Learning Conversations which are no more than 30 minutes long during your savings meetings in the first year that will help strengthen your group and help you develop your money management skills and key principles for a strong group. We'll get into some of these details more later in our meeting today.

Let us start with attendance. Please raise your hand when you hear your name.

(Go through the list of names)

If I have not called your name or your name is not correct, raise your hand now so we can correct it.

1B: *(Say)* Thank you. Let us take a few minutes to introduce ourselves and get to know each other a bit with a fun game.

Find someone close to you to be your partner. Find out from your partner the following information:

- What is your partner's name?
- What does your partner hope for in joining a Savings Group?
- What is something that makes your partner happy in life?

You will have 3 minutes each to get to know each other better. Afterwards, we'll come back together as the whole group and you will briefly introduce your partner to the group.

(Ask) What questions do you have before you find your partner and begin sharing with each other?

(Say) Thank you for participating in that game.

Task 2: Benefits of participating in a Savings Group (15 minutes)

There are many benefits to being a member of a Savings Groups. Listen as Paulina, a Savings Group member, shares her experience:

Before joining the Savings Group, I had no place to save my money and it was easy to spend money at home. But the encouragement I received from my group helped me to save a little at each meeting. We shared ideas with each other on how to save. At the end of the first year, I was surprised I had saved enough to pay for some notebooks and supplies that my daughter needed for school. I was so happy that I could pay for them.

Once my group saved enough, I was able to get a loan. I've never had a business and I was a bit scared about whether or not I was going to be able to repay the money I had borrowed. I was able to buy some soap and sugar in larger quantities to sell in front of my house. Now that I have more experience, I take bigger loans and my business has also grown. I feel confident that I can run my business and provide for my family better.

I love my group. They helped me when I was sick and have encouraged me to learn and grow. We are friends.

(Ask) Find two other people near you. Discuss the following question:

(Say) From Paulina's story, what do you hear are the benefits of being in a Savings Group?

You will have about three minutes, then we'll come back together and each group will share with the whole group.

(After a few minutes, ask) What are some of the benefits of being part of a group?

Possible responses include:

- Save
- Access to loans
- Support and encouragement of others
- Belong to a group
- Solidarity
- Access to new ideas and information

(Say) What do you think about these benefits? What benefits are most appealing to you?

(Allow time for each group to share.)

Participating in the Savings Groups can provide support that allows members to grow in their self-confidence, develop a habit of saving and learn how to manage their finances better.

What questions do you have about these benefits before we move on?

Task 3: House of Principles (25 minutes)

3A: *(Say)* At one of the Promotional Meetings you may have been introduced to the House of Principles. We are going to take a few minutes to review the principles that make up the House. These are key principles that need to be part of a Savings Group so that they may become successful and strong.

(Post on the wall a picture of the House of Principles drawn on flipchart paper.)

Remember this story of a wise family who built a house on a rock.

There was once a village located next to a large stream. When the villagers first moved there, many of the village members decided to build their houses in the sand right next to the stream. However, one family decided to build their house a short distance from the stream on a rock. The villagers wondered, "Why did they not build the house next to the river like us?"

One day, a big storm came. The wind and rain was very great. The stream flooded and the village houses fell and were swept away. However, the family's house stayed strong. The rain came, the stream rose and the wind blew, but the house did not fall because it had the foundation on the rock.

(Optional scripture reading is found in Matthew 7:24-27. You may read this scripture after reading the story.)

(Ask) What happened in this story? Why did the family's house not fall?

The foundation of the house was firm and strong. The House of Principles shows what principles need to be part of a Savings Group in order for it to stand and be successful.

Let us review each part of the house together.

3B: *(Ask)* What is the foundation of a Savings Group? How is the foundation important to a Savings Group?

(Trust is the foundation. Trust is confidence in the character and ability of others. Without trust a Savings Group will not be strong and members will not save much. It is the foundation and key to a strong Savings Group that runs well. A group constantly needs to look to strengthen the trust in the group and members must be committed to becoming more and more trustworthy.)

(Optional: The Rock on which the house is built is Jesus and His Word. In everything we do we should go to Jesus and His Word.)

(Ask) There are three posts that support the House? Which ones can you remember?
How are they important to a Savings Group?

(Good Leadership, Responsibility, Transparency are the three posts. They support the house. They help promote trust and help the group function well.)

1. Responsibility means being reliable and constantly trustworthy. It means constantly demonstrating actions and character that build trust. You will develop group rules that will encourage members to be responsible, save regularly and repay loans.
2. Transparency is not hiding the truth from anyone and not lying. It means being open, honest, and truthful. The group rules you will develop will help promote transparency in your group.
3. Good leaders are competent, honest, and have a serving attitude. They give direction and humbly help manage the group. Good leaders serve by making sure that the group runs well. Your group will be electing leaders in the next meeting.

(Say) Next, we are going to look at the roof of the house. What principles do you remember that are part of the roof? How do they protect Savings Groups?

(Stewardship, Taking Care of each other, Learning Together, and Prayer (optional) are part of the house. They help protect the group from threats by promoting good relationships, good use of resources, and a broader vision to solve problems. Also, prayer can protect the group by inviting God to guide and lead members and the group in their decisions.)

Stewardship means wisely managing finances and other resources you have been given. Good stewards manage their resources so that they can sustain themselves and help others.

Taking care of each other is considering the needs of others in your group and treating them with respect and love. A Savings Group should be a place where members find support and encouragement when they face problems.

Learning together helps groups see how to solve problems, take advantage of opportunities and grow. The group can learn from each other by sharing their experiences. Also, on-going Learning Conversations provided by FH and visiting other Savings Group are ways groups can learn.

(Optional section of the roof)

Prayer is talking and listening to God. God's wisdom is greater than all people's understanding. The group can ask God for help and wisdom as they work together.

(Say) We will refer back to the House of Principles often, throughout the Training Meetings and Learning Conversations. They are important to learn and apply to your group as you save together.

Listen to this key concept.

All Savings Groups should work continuously to grow in trust, honesty, responsibility, and transparency-- by abiding by their rules, discussing what they are learning, and having open discussion in their group.

(Ask) What questions do you have about the House of Principles before we continue?

Task 4: Responsibilities of a member (20 minutes)

4A: (Say) We have looked at the House of Principles

(Ask) As you've listened to the Principles, what can you see as some of the important responsibilities of members?

Include these **Important Responsibilities** of a Savings Group member if they are not mentioned:

- Attend meetings
- Save at each meeting
- Repay loans
- Participate in meetings and decision making
- Abide by the policies or rules (constitution) that your group will make
- Be considerate to other group members and your group

(Option: write down the responsibilities mentioned by the group on flipchart paper if the group is literate.)

4B: (Say) All Savings Groups should work continuously to grow in trust, honesty, responsibility, and transparency-- by abiding by their policies, reflecting on what they are learning, and having open discussion in their group. Find 2-3 people next to you and discuss the following questions for the next 5 minutes:

- Of the principles and responsibilities we've discussed, which ones will be most challenging for you and the group?
- What are some things you can do individually or as a groups to help each other fulfill your responsibilities?

(Allow five minutes for the group to discuss the questions)

(Say) Let us come back together as a whole group.

(Ask) What did your group discuss? What were some ways you can help each other fulfill your responsibilities?

What questions do you have about your member responsibilities?

(Ask) After looking at the House of Principles, and the responsibilities of being a Savings Group member, how committed are you to being a member of this group?

(You may ask each member to express their degree of enthusiasm of being a member of the group. For example, hold up the number of fingers, or go to one of three places (e.g., place 1 = very excited, place 2 = somewhat excited, place 3= not sure yet or have questions)

(Please confirm with each member that they would like to be a member of this Savings Group at this time.)

(Say) If you are committed to be a member of this group, please confirm by standing up.

(Say) Thank you. For those of you who stood up, repeat after me, "I promise to do my best to fulfill my responsibilities as a member and help my group grow in transparency, honesty, trust, and responsibility."

(Say) Thank you for your commitment to being part of this group.

(If there is anyone who does not want to join, please talk with them after the meeting to find out if they have questions or what their concerns may be.)

Task 5: Next meeting (15 minutes)

5A: *(Say)* Let us take the rest of our time to talk about your Training Meetings. Your group will need to have 6 Training Meetings over the next month if you'd like to start saving in a month. These meetings can be done at a slower pace, but means you will start savings later. In these meetings, you'll elect your Management Committee members (*leaders*) and develop your group policies or constitution, and how to go through your first savings meeting. Each of these meetings takes about two hours. Once you start saving, you can begin to meet at normal frequency decided by your group. After the first six Training Meetings, there are 3 additional Training Meetings before you give out your first loans and these can be done at your normal meeting time that you will choose.

After you complete these initial Training Meetings you will attend on-going lessons called Learning Conversations that will look at each of the key principles of the House of Principles. There will also be a few lessons on basic financial management, conflict resolution, and other topics. Your Management Committee will lead your group through your savings meetings as normal and I will take about 30 minutes for the Learning Conversations from your meeting time.

(Say) Listen to the following options of how often you can have Training Meetings.

(Meeting weekly provides more opportunities to save, but takes up more time. Meetings less frequently gives members more time in between meetings to work on getting money to save. The decision should be up to the group as much as possible to the frequency of meeting. However, groups that meet less frequently may not see their savings accumulate very quickly to grow the funds available for loans.)

(Facilitator: you must know your availability and schedule, and be able to commit to the option the group decides. Do not mention an option that does not fit your schedule.)

- Meet every day until all the Training Meetings are complete *(complete all Training Meetings in 13 days)*
- Meet once a week, but do two Training Meetings at a time *(4 hours of meetings, complete all Training Meetings in 6 or 7 weeks)*
- Meet a couple times a week until the Training Meetings are complete *(complete all Training meetings in under 2 months)*
- Meet once a week *(complete all Training Meetings in 13 weeks)*

(Ask) How often would you like to meet? What other options can you think of?

(Say) Also, we will discuss the best time to meet and decide on a location. The location should be central for your group and have privacy. You should not meet where others can see or hear what the group is doing. This is for the security of the group, as you save your money.

(The group may decide by consensus or by vote)

1. What is the best time of day for you to meet as a group?
2. What is the best location for your group to meet? (Groups should meet in a private location where their meetings are not observed by a passersby, or in a location that will put their funds at risk of theft.)

(Allow time for discussion and vote as necessary)

5B: *(Say) Thank you for your participation today. What questions do you have? What needs more clarification?*

I will look forward to seeing you at our next meeting. You decided will we meet _____ *(date)* at _____ *(location)* _____ at *(time of day)*. In our next meeting we will develop your group policies or constitution.

5C: *(Optional) Close in prayer*

(Say) Let us close in prayer.

God, we thank you for this group. Please help us to grow in trust, transparency, responsibility and honesty. Help us to be open and honest with each other, and our relationships. Lord, give us wisdom and strength to fulfill our responsibilities as members. We ask these things in your name. Amen.

Source acknowledgements

Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012 (*House of Principles*)

Training Meeting 2: Management Committee Elections

Time

120 minutes

Preparation and Materials

- Savings Group Registration and Training meeting Attendance Form (Appendix 11)
- Copy of the Overview of the House of Principles (Appendix 12)
- Copy of Savings Group Management Committee Qualities and Responsibilities (Appendix 13)
- Copy of Group Rules/Policy Form (Appendix 14)
- Be familiar with the stories about the Savings Groups that are contained in this Training Meeting.
- 2 containers (or boxes) with different symbols on each
- 1 stone (or bean or small object) for each member
- A curtain or private place to vote
- Flipchart paper (if working with literate group)

Objectives

1. Reflected on the role of the Management Committee
2. Reviewed the responsibilities of the Management Committee
3. Elected members of the Management Committee
4. Decided on Management Committee term lengths and election process

Summary

Task 1: Welcome and attendance. (10 minutes)

Task 2: Reflect on role of Management Committee (20 minutes)

Task 3: Electing Management Committee Members (50 minutes)

Task 4: Electing Management Committee members and selecting Key Keepers (35 minutes)

Task 5: Summarize and Close meeting (5 minutes)

Facilitator Notes

This meeting should happen after the community has been sensitized to Savings Groups, and after Training Meeting 1.

In this Meeting the Savings Group members will elect a Management Committee. The Management Committee must include a Chairperson, Secretary, and Cashier. If the group is using a cashbox, the group will need to also select three people to hold the keys, called Key Keepers.

A group may want to respect an older person by electing them to be the Chairperson. Sometimes this person is not physically capable of fulfilling the responsibilities. An option is to ask the group to

consider making them an Honorary Chairperson or Group Advisor/Counselor. It is important that the person who is selected as Chairperson has the physical capacity to fulfill their role.

The Savings Group members will vote to elect their officers. Voting should happen in a private place or you may put up a curtain for privacy as people vote. Avoid raising hands to vote publicly or any other form of public voting since members may not feel safe to vote how they really feel.

Clarify with your supervisor ahead of time if prayer is permitted and appropriate.

Task 1: Welcome and attendance (10 minutes)

(Optional) Open with prayer.

Welcome everyone and check attendance.

(Say) At our last meeting we reviewed some member responsibilities and reviewed the House of Principles. Today you will be electing your Management Committee members.

(Ask) What questions do you have from our last meeting before we start today's session?

Task 2: Reflect on role of Management Committee (20 minutes)

2A: *(Say)* Today, we will reflect on leadership for a few minutes before you start to make decisions regarding your Management Committee.

(Say) Listen to this story about a Savings Group.

Green Mountain Savings Groups Story

Members of the village Green Mountain decided to form a Savings Group. They felt that because they all knew each other there was no reason to elect a Management Committee.

After a few meetings the members tried to speed up meetings and allowed people to come and go as they wanted, so long as money was deposited to the collection bowl. A member of the group volunteered to keep records and they agreed that any spare cash would be kept in a safe place by a trusted widow.

At the next meeting there was disagreement as to how much money was owned by the group, because the money brought by the widow did not correspond to what the person keeping records claimed should be there, and when different people tried to count it the total was always different. Some members got angry and started to shout at others, who got upset and left the meeting.

A village leader had to be called to restore order and to try and find a solution.

(Ask) What stood out for you in this story? What were the problems of this group? How could they have been avoided? What does this story teach us about the need for leadership?

(Having an effective Management Committee is important to the success and organization of a group. Without a good Management Committee, groups can more easily experience conflicts, and failure.)

(Say) Listen to this next story of a Savings Group.

Big Rock Savings Group Story

This is the story of the Savings Group in the village of Big Rock.

FH staff had explained that the role of Chairperson demanded confidence; that he or she had to know how to organize and run meetings, and to maintain order and handle conflicts. The Chairperson also had to be able to represent the group to outsiders and non-members.

The group elected the daughter of a well-respected local businessman, a very honest, reliable but timid woman, as Chairperson. They did this because they did not want to offend her husband, who was a very important person in the village.

After several weeks the new Chairperson grew uncomfortable with her responsibilities and resigned. The members of the group elected a new Chairperson, but were delayed in their savings and loan activities, as the new Chairperson had to be trained.

(VSL Associates (2009), page 33)

(Ask) How could this situation have been avoided? From this story what do you see as some of the qualities that the Management Committee should have?

3E: (Say) Listen to this statement:

A Savings Group should elect good leaders by looking at the *character, skills and attitude* of potential leadership candidates-- so that their group will be more successful.

(Ask) Thinking about the story of Big Rock, what calls your attention about this statement we just read about electing leaders? What observation do you have about the “character, skills, and attitude” of the first chairperson in this story?

Task 3: Electing Management Committee Members (50 minutes)

3A: (Say) Thanks for your discussion on leadership. The Management Committee you elect will consist of a Chairperson, Secretary, Cashier and 3 Key-Keepers. This Committee is selected by your group and will help your group by leading meetings, representing your Savings Group at official

functions, maintain records and safeguard your box (or help manage the group bank account). The Management Committee will receive specialized training from FH to learn how to do their work. Management Committee members serve for at least one cycle, or around a year.

(Say) Let us now begin looking at each position of the Management Committee.

(Say) Listen to this description of the roles and responsibilities of the Savings Group Chairperson.

Role and responsibilities of the Group Chairperson:

- Call the meetings to order, announce the agenda and lead discussions
- Ensure that the meetings follow proper procedure and that the Group Rules are followed and respected
- Take attendance at each meeting
- Maintain discipline and charge fines as needed
- Facilitate discussions and ensure that everyone's views are listened to
- Resolve conflicts
- Represent the group to outsiders and non-members, including local government

VSL Associates (2009), page 30)

(Ask) What questions do you have regarding these responsibilities? What other responsibilities can you think of that the Chairperson may need to have?

(Say) Turn to the person next to you and take 3 minutes to think of the qualities or abilities that the Chairperson must have to be able to do their work well. After a few minutes I'll ask you to share what you and your partner discussed.

(After a few minutes, ask) Let's hear from some of you. What are some of the qualities that a chairperson must have?

(You may write these qualities as they are mentioned on flipchart paper for literate groups.)

(Some examples might be: respected, trustworthy, fair with everyone at all times, treats everyone equally, confident and calm, listens to others and takes their opinions into account, organized, punctual, comfortable speaking in front of others, eager to learn and willingness to serve the group, permission from spouse as necessary, be available for training from FH.)

(Say) Thank you for your responses. Remember these qualities in a few minutes when you will nominate candidates to become your Chairperson.

(Ask) What questions do you have about the qualities or responsibilities of the Chairperson?

3B: Next we are going to look at the roles and responsibilities of the group Secretary.

(Say) Listen to these responsibilities of a group Secretary.

Role and Responsibilities of the Group Secretary

- Ensure that all financial transactions concerning savings and lending take place according to procedure
- Make all passbook entries for savings and loans
- Maintain accounts of the group
- Provide a verbal summary of the finances of the group at each meeting
- Take notes or memorize key decisions made by group.

VSL Associates (2009), page 30)

(Ask) What questions do you have regarding these responsibilities? What other responsibilities can you think of that the Secretary might need to carry out?

(Say) Turn to the person next to you and take 3 minutes to think of the qualities and abilities that the Secretary must have to be able to do their work well. After a few minutes I'll ask you to share what you and your partner discussed.

(After a few minutes, ask) Let us hear from some of you. What are some of the qualities and abilities that a Secretary must have?

(You may write these qualities as they are mentioned on flipchart paper for literate groups.)
(Some examples might be: good with numbers and capable of maintaining the passbooks, trustworthy, reliable, intelligent, from a respected home, reputed for honesty, available for specialized training by FH, punctual, able to read and write)

(Say) Thanks for your responses. Again, remember these qualities in a few minutes when you will nominate candidates to become your Secretary.

(Ask) What questions do you have about the qualities or responsibilities of the Secretary?

3C: Next we are going to look at the roles and responsibilities of the group Cashier.

(Say) Listen to the responsibilities of the Cashier.

Role and Responsibilities of the Group Cashier

- Responsible for the groups' cash box in between meetings
- Verifies all movements of money both in and out of the cash-box
- Counts the money before beginning any transactions at the beginning of the meeting, and again at the end of the meeting so the group knows the final amount in the box.
- Informs the Secretary of each transaction
- Assists the Secretary

VSL Associates (2009), pages 30-31)

(Ask) What questions do you have regarding these responsibilities? What other responsibilities can you think of that the Cashier might need to carry out?

(Say) Turn to the person next to you and take 3 minutes to think of the qualities or abilities that the Cashier must have to be able to do their work well. After a few minutes I'll ask you to share what you and your partner discussed.

(After a few minutes, ask) Let's hear from some of you. What are some of the qualities that a Cashier must have?

*(You may write these qualities as they are mentioned on flipchart paper for literate groups.)
(Some examples might be: trustworthy and with a strong character, from a family with a good reputation, lives in a secure house, close to the meeting-place, able to count money, calm and organized, punctual)*

(Say) Thanks for your responses. Again, remember these qualities in a few minutes when you will nominate candidates to become your Cashier.

(Ask) What questions do you have about the qualities or responsibilities of the Cashier?

3D for groups using a cashbox (skip to Task 3E if using a bank account):

(A group should select people to be Key Keepers if they are using a physical cashbox. These positions are not needed if they save in a bank and do not need to use a cashbox)

(Say) Since you will be saving using a cash box, you will need to select 2-3 people to keep the keys to the locks, called Key Keepers. Each Key Keeper is responsible for only one key, and is not responsible for any of the other keys to the box.

(Ask) Why is it important to have several locks on a box and separate Key Keepers for each lock? Which key principles from the House of Principles does this practice support? How can you see this practice strengthening or supporting these principles?

(Possible responses include: Promotes and maintains transparency and builds trust. The various roles of the Management Committee and Key Keepers are spread out. This reduces the risk of one committee member taking control of the group for their own purposes and encourages the participation of various members who are able to see and witness how their money and group is being run. It also creates a system of accountability.)

(Say) Thank you for your responses. Let us look at the roles and Responsibilities of the Key Keepers. Listen to this description.

Role and responsibilities of Key Keepers

- Safeguards one of the keys to the cash-box between meetings
- Bring their key to each meeting

(VSL Associates (2009), Pages 30-31)

(Ask) What questions do you have regarding these responsibilities? What other responsibilities can you think of that the Key Keepers might need to carry out?

(Say) Turn to the person next to you and take 3 minutes to think of the qualities or abilities that the Key Keepers must have to be able to do their work well. After a few minutes I'll ask you to share what your partner discussed.

(After a few minutes, ask) Let us hear from some of you. What are some of the qualities that a Key Keeper must have?

(You may write these qualities as they are mentioned on flipchart paper for literate groups.)
(Examples may include: Responsible, Punctual, Trustworthy)

(Say) Thank you for your responses. Again, remember these qualities in a few minutes when you select the Key Keepers.

(Ask) What questions do you have about the qualities or responsibilities of the Key Keepers?

Thank you for your participation.

(Ask) What questions do you have regarding any of the positions or qualities we discussed? What needs clarification before we move onto the election process?

Optional Biblical Reflection

(Say) God is the source of true wisdom. He enjoys when we talk to him in prayer about our life decisions and circumstances. Let's take a few minutes to pray about the decision your group will make. In small groups of 2-3 people pray for a few minutes about the election process and ask God to give wisdom to the group in this decision. What else can we pray for?

(Say) It is good to have the habit of going to God for wisdom before making decisions.

3E: *(Say)* The Management Committee members are in their positions at least for the whole cycle or one year. I have a few questions for you to discuss regarding the terms of these positions before we get too far in the election process. As a group, once you are in agreement, you will add this to your group rules which will help guide your group.

(Say) Listen to these questions. We will then discuss each one.

Management Committee terms:

1. Management Committees serve for a "term", the period of time from when they start until they finish. A term is one cycle. How many terms (or cycles) can the Management Committee members serve?
2. What is the process of removing a Management Committee member if they are not fulfilling their role and are doing harm to the group? *(Majority vote by members, etc.)*

(Ask) A term is one cycle (*up to one year*). How many terms can the Management Committee members serve?

(Let the group decide the number of terms. Give everyone an opportunity to share an opinion. Ask what people think about the different opinions; however, do not give your own opinion, possibly influencing the group.)

Great, let us go to the next question. What is the process of removing a Management Committee member if they are not fulfilling their role and may be doing harm to the group? Doing harm to a group may include such things as stealing from the group, not showing up to any meetings, using the group for their own gain, and making critical decisions without consensus from the group.

(Possible responses include: Majority vote by members, 2/3 vote, etc.)

What other terms can you think of that would be important to discuss? What questions do you have?

(Have group members agree to remember their decision or write it in their Group Rules/Policy Form.)

Task 4: Electing Management Committee members and selecting Key Keepers (35 minutes)

4A: *(Say)* We looked at the role and responsibilities of the Chairperson, Secretary, Cashier, and Key Keepers.

Promoting Women in Management Committee: If you are starting a group with both men and women, please discuss this with the group.

(Say) All people are created with equal value and worth. Because of this, we want to encourage that your group to consider electing at least one woman to your Management Committee—as Chairperson, Secretary, and Cashier

This will allow both men and women to grow their leadership abilities

Now, you will take some time to nominate candidates for each position and then vote. You will nominate candidates for each position. If there are more than two candidates, you will need to work to reduce the number of candidates to only two. *(example: hand vote)* Each member has one vote for each position.

We will assign a symbol to each candidate. (Allow the group to decide the symbols. Draw each symbol or name on a separate piece of paper. Note: All literate groups may write down the name of the candidate instead of using symbols)

You each will put the seed or stone in the plate with the name or symbol of the person you would like to fulfill that position.

4B: *(Say)* Let us start with nominating candidates for the position of Chairperson.

(Encourage the group to narrow down the number of candidates to only two. There should be at least two candidates. Facilitate the group to decide on the symbol for each candidate.)

(Say) Great, we have our two candidates. As you vote, keep in mind the qualities that we discussed for this position. Vote one at a time until all members have voted. At the end I will count the votes in front of you.

(Go through this same process until the Chairperson, Secretary, Cashier and the Key Keepers are selected.)

(Say) Congratulations to your new Management Committee! Let us give them a round of applause and congratulate them!

4C: After your group develops your group rules, your Management Committee will learn their roles as part of your Training Meetings. It is good for the whole group to learn together what the Management Committee needs to learn. All that the Management Committee will need to learn will be covered in the Training Meetings together initially. If there are any aspects of the training that the Management Committee is not sure about and would like extra time reviewing, I can set aside extra time to meet with just them so that they become more confident in their role.

Task 5: Summarize and Close meeting (5 minutes)

5A: Today it was exciting to elect your Management Committee. At our next meeting you will continue to develop your group rules. At our next meeting you will specifically decide on a group name, discuss your mission/purpose as a group, and define the requirements for being a member of your group.

(Ask) What questions do you have from today?

(Say) Thanks for your participation today!

5B: (Optional) Close in prayer.

(Say) Let us pray together before we end our meeting today.

Dear God, We are thankful. Thank you for this group, and the election process today and our new Management Committee. We ask that you help us fulfill our group goals and help each other. We pray that as we are benefited by this group, that you help this group to also bless our communities. We ask that you help the new Management Committee in their new roles. Provide them the wisdom, skill and discernment as attitude to serve our group well. Thank you that we can talk to you when we need wisdom. Help us to grow and learn as a group so that our group is successful and can glorify you. Amen.

Source acknowledgements

Adapted from VSL Associates (April, 2009), "Programme Guide: Field Operations Manual", Version 3.2, VSL Associates.

Training Meeting 3: Group Name, Goals and Membership Requirements

Time

120 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- Attendance record
- Optional: Flipchart paper and markers/pens
- Copy of Group Rules/Policies Form (Appendix 14)
- Copy of Major topics addressed in Group Rules/ Policies (Appendix 15)

Objectives

1. Examined the purpose and importance of group rules/policies
2. Reflected on how group rules/policies can strengthen the House of Principles
3. Decided on a name for the group
4. Created the financial and social goals of the group
5. Decided on membership requirements

Summary

Task 1: Welcome and Introduction to Group rules/ policies (15 minutes)

Task 2: Role of group rules/policies and what is in group rules (15 minutes)

Task 3: Decide on group name and create group goals (45minutes)

Task 4: Decide on membership requirements (30 minutes)

Task 5: Close meeting (15 minutes)

Facilitator Notes

This meeting should happen after members have committed to be part of the group and after the group elects their Management Committee.

Ask the group's Secretary or Chairman to record the group's decisions as they develop their Group Rules. Groups should do as much as they can themselves. It is not recommended that staff type up group rules/ policies for them. Also, now that the Management Committee has been elected the promoter should turn over the responsibility of filling out the Attendance Record to the Chairperson from now on.

The rules are written and kept by the group, most likely in their group notebook kept in their cashbox.

In the first cycle, the group will learn a lot and gain experiences. Many groups will not have the experience yet to know all that needs to be in their rules and how to make good decisions about every aspect of their policies. Allow groups to learn as they go and be careful not to make decisions for them. You should really only step in firmly when a group is considering something that will put their group at high risk of failure, is unethical, or is dangerous. You may give clarification, and comment on the advantages or disadvantages of choices related to the decisions they are making. Be aware of your influence in the group. The group will have the opportunity to change and strengthen their rules after the first cycle, before they start to save in the second cycle. As a Promoter supporting these groups, you will need to use wisdom in facilitating this process.

Task 1: Welcome and Introduction to Group rules/ policies (15 minutes)

Welcome everyone. Take time to introduce yourself again and have the participants introduce themselves too.

(Optional) Open with prayer.

1A: *(Say)* It is good to be with you today again. Today you will be deciding on a group name, the mission or purpose of your group and who can be a member of your group.

Let us first check out attendance before we get started.

(Ask the Chairperson to check the attendance using the Attendance Record. The group should take this responsibility and keep the attendance record.)

Today is the first of several meetings in which you will making decisions about your group that will help govern your group activities.

1B: Listen to this story about football.

(Use an alternate story if the group is not familiar with football. Adapt any terms or names as appropriate.)

The Tigers and the Lions story

One day there were two teams from different communities who were playing in a football match. One team was called “Tigers”, and the other was called, “Lions”. Both teams could run and pass the ball well. Players on both teams all had good football skills. This wasn’t any football match; it was the final match of a local tournament to see which team was the best in the district. It was an important match!

The game started. The Tigers had the ball and were making their way down to their opponent’s goal. The Lions goalie was able to save the first shot. The goalie took the ball and threw it to one of his team members. The Tigers players were shocked when the Lions player suddenly picked up the ball up in his arms and ran to their goal carrying it under his arm. The player pushed the goalie aside and threw the ball in the net, and yelled...”Gooooaaal!”

The Tigers team members cried out and became furious.

(Ask) What did the Lions team do to make the Tiger’s team furious? Why were the Tigers players shocked by the Lions player?

(Possible responses include: the Lion’s team did not follow the rules of football. The Lions player picked up the ball and carried it which is illegal in football rules and he would not have made a goal.)

(Ask) How do rules help players and teams in a game of football? What happens when a team doesn’t follow the rules or doesn’t know the rules?

(Possible responses include: Rules help the game go smoothly, and fairly. When a player or teams do not play by the rules of the game, it creates bad relationships, and conflict. Nobody wants to play with those who don’t follow the rules.)

(Say) Rules can help us work and play fairly and maintain harmony. In the next few Training Meetings you will be developing group rules that will help your group run smoothly.

Task 2: Role of group rules/policies and what is in group rules (15 minutes)

2A: Consider these two stories (Make adaptations as appropriate).

Story One, Shady Tree: There was a Savings Group called Shady Tree. The group had decided to meet every month, but didn't meet often. Members had decided to save 200 every month, but the members weren't saving regularly. Some members took out loans, but many of them were not repaid. At one meeting when there were few members present, the Management Committee members took the money that was left in the box and lent it to a trader who was not part of the group. The trader left and never came back. At the end of the year, there was little savings and the group had many conflicts and bad feelings towards each other. In fact, some members lost all their savings.

Story Two, Green Forest: There was a Savings Group called the Green Forest They met often and members saved regularly. The group would discuss each loan and only gave what the member was capable to repay. Members respected each other and repaid their loans on time with interest. They were able to help provide a new roof for a widow in their community. At the end of each meeting the Secretary would announce how much funds were in the cashbox. At the end of the year the group saved a lot, and celebrated. Many families had improved their lives as a result. They were happy.

(Ask) Which group would you like to be a member of?

(Say) Let us look at the House of Principles and the important principles that need to be demonstrated in a Savings Group? Which principles do you remember? *(Trust, Transparency, Responsibility, Good leadership, Stewardship, Caring for each other, and Prayer)*

(Note: you may want to post a flipchart paper with the House of Principles. You may even draw on the ground a house to review the House of Principles, or refer to a nearby house or building to discuss the principles.)

Thinking of these Principles, which ones were missing in the group in the first story? In story two about the Green Forest group, what Principles were present?

Find two other people, and discuss: How can you see Group Rules supporting the Principles that are needed to have a successful Savings Group?

The promoter may mention these points if they are not mentioned. When a group develops and respects their group rules, it:

- *Builds trust*
- *Encourages responsibility (regular attendance, savings, and repayment of loans)*
- *Maintains and protects transparency*
- *Promotes good leadership*

(Say) Good Group Rules are a very important part of a Savings Group. It is important that they are respected by the group. Without rules, Savings Groups often fail or have major problems. The rules you will be developing are important and each member should know them. It is a healthy practice for groups to create the habit of reading or reciting their Group Rules at the start of each meeting. When a group needs to make a decision, they should consult their rules first to see what they say. Your rules will be kept by your group in your cashbox. You may want to write the rules in your group notebook when you are done developing all your rules.

Since this is your first cycle, your group will learn and gain experience and may want to make changes to your rules later on. Your group will decide how you would make any changes in your group and put them in your Group Rules. *(It is recommended to only make minor changes in rules during the first year, unless there is a major problem.)*

(Say) Your group should expect to review your rules at the end of the cycle and make changes before you begin your second cycle.

It is important that your group respect and abide by your rules for them to be helpful to your group. If your group doesn't respect them, it is like the football team that does not play by the rules.

2B: There will be several major topics that you will be looking at as you develop your group policies. Listen to this outline. *(Optional: Post the outline on flipchart paper for the group to follow along or bring handouts for each person.)*

Major topics addressed in Group Rules

1. Name and mission/purpose of the group. This topic includes:
 - Goals of the group
 - Meeting frequency and location
 - Date of payout
2. Membership requirements. This topic includes:
 - Who can be a member of your group
 - Conditions for when a Member leaving the group (transfer, expulsion, etc)
3. Savings policies. This topic includes:
 - Minimum savings amount
 - Emergency or social fund creation
4. Loan and lending policies. This topic includes:
 - Interest rate
 - Loan terms and repayment
 - Loan requirements
5. Group management. This topic includes:
 - Management Committee
 - Changes to Management Committee
 - Election process
 - Changes to rules
 - Loss of funds by theft or crisis
 - Operating in a disaster or conflict
6. Fines. This topic includes:
 - Not attending meeting without justification
 - Late to meetings
 - Not following group rules
 - Showing disrespect
 - Sharing sensitive group information with non-members (funds in box, location of cash box)

Your group will be going through these topics over the next few meetings. Today we'll be looking at your group name and mission/purpose, and who can be a member of your group.

What questions do you have about group rules before we start working on your group's rules/policies?

Task 3: Decide on group name and create group goals (45minutes)

3A: The first thing that your group needs to decide on is a group name.

(Ask) What names do you suggest?

(Ask the group's Secretary to record (or remember) the decisions made by the group, if possible using the Group Rules form. Facilitate the group until they decide on a name. The group may want to vote on their name if there is not a clear consensus.)

(Say) Congratulations. Your group's name is _____.

(The group will add their name to their group rules. The FH promoter should make note of the group's name for use on the Checklist and M&E tools)

3B: *(Say) As a group you will decide on your goal/s as a group. Each of you is here in order to save and help your families. Take a minute to silently think about the needs you have in your family and community. Think about how you would like to use your savings to meet these needs.*

(Ask) What are some of the needs your own family has and say how the group could meet those needs through savings this year?

(Some possible responses include: Purchasing household goods, house repairs or construction, paying for school fees, purchasing seeds, hiring labor to work in fields, etc.-)

Facilitator Note: Make a list of the needs on flipchart paper if available and the group is literate.)

(Say) Think about all the suggestions that have been proposed. Decide which ones you would like to meet.

(Ask) Are there any that are not realistic?

If there are any that are unrealistic, have the group suggest those.

(Ask) Are there any ideas that are similar? (Example: Buy new roof, repair front door, and build new house may be grouped together as "housing".)

(Ask) As a group, how do you feel about group members having different financial goals?

(A group may decide to have a single common goal or have several savings goals.)

(Ask) What will be the main goals for your group?

(Have the Secretary write down (or remember) their financial goals for the group on their Group Rules Form.)

(Say) Good job! The second part of this section is to also include a social goal that you will work on together as a group. This goal should help the group or your community in a social aspect. Your group can encourage you in other areas than just finances. Members enjoy the benefits of their group, and they can also help their community. This goal should be something that you are

committed to actually doing. Having a social goal will help the group grow not only in financial aspects, but also in other areas. The social goal will help the group impact others in their family and community as well.

(Some social goal examples include: All our members will grow a kitchen garden. Our group will provide the school supplies for an orphan in our community. Our group will keep the road to the school free of brush.)

(Say) When you agree on these, your Secretary will record them on your Group Rules Form.

Optional: The group may decide to have a third goal related to their faith, especially if this group is part of a church or religious group. They may include a goal of how they are going to grow and live out their faith through their group.

(Some examples of a faith goal may include: take prayer requests each week and pray for each other, to memorize together scripture that is meaningful to the group, etc.)

(Say) Good Job! You now know what your goals are for the year.

(Ask) What questions do you have regarding group goals?

Task 4: Decide on membership requirements (30 minutes)

4A: A group that is less than 10 people has a harder time building their savings fund. But a group that is over 30 members is hard to manage. The ideal group size is between 15-25 members.

(Ask) How does your group compare to this ideal size of 15-25 members?

(Ask) Turn to the person next to you and discuss two questions: What size group would be ideal for your group? What can your group do to maintain this number?

(Ask for the pairs to share their ideas of an ideal group size and their ideas of how to maintain this group size. Ideas may include: the Management Committee or other members visit members who are struggling so they don't drop out, members try hard to fulfill their responsibilities and strengthen the key principles (from the House of Principles) in their group, or the group may decide to form two groups if there are more than 30 people.)

(Say) Decide now as a group what is the ideal size you would like to maintain your group at and have the secretary record it.

4B: (Say) Let us form groups of 3-4 people. Each group will discuss several questions that will help your group develop your rules about membership. Afterwards each group will share their ideas. After all have shared, you will decide which criteria are most important to you.

(Say) In you groups discuss the following questions:

- The minimum and maximum size of our group is:
- To be a member of this group you must have these characteristics:

(Examples: Eligibility to be a member may include being of the same sex, same economic level, same neighborhood, same church or mosque, age limits, and those who are honest and hardworking. Those who cannot be a member are known criminals, etc.)

- Our group will accept new members according to the following process and criteria:

(Examples: New members can start at the beginning of each new cycle, or in the intensive phase. If new members enter mid-cycle they have to pay the same amount into the social fund or have certain level of savings. New members cannot join after 4 months.)

(Give the groups 5-7 minutes to discuss.)

(Say) Let us hear from each group, then you will discuss together who can be a member of your group. *(You may want to write up the groups' ideas on a flipchart.)*

(Have the Secretary write their requirements in their Group Rules Form.)

(Share some other potential rules with the participants and ask if they want to include them. Note: allow the group to decide which rules to choose.)

Potential additional rules for consideration can include:

- *Members can prepare and clean the meeting place by rotation*
- *Pray before meeting, etc.*
- *Participants should not bring their personal or non-group related issues into the group.)*

When the group decides which (if any) additional rules to include, make sure they are written down on the Group Rules form, or the Secretary remembers them if they aren't written down.

(Say) You've done a lot of work to complete the section on membership for your Group Rules. At our next meeting your Secretary will read the rules at the beginning of the meeting. It is a good idea for your group to read through the Rules you decided on. You can do this at the beginning of every group. We will keep adding to the rules in future Training Meetings, so you will need to bring the notebook or form that you are using to write down the rules to every meeting. You will want to keep the Rules in the cashbox or other secure location in between meetings.

(Ask) What questions do you have about membership before we begin to close our meeting?

Great! Thanks for your great work. In our next Training Meeting you will decide on your savings rules and establish penalties for missing meetings.

Task 5: Close meeting (15 minutes)

5A: *(Ask)* What questions do you have about what we did today?

What did we do today? Who would like to summarize what we did today?

(Possible responses include: Today we looked at the purpose of rules and how they can help our groups. We looked at how rules help our Savings Group and contribute to the key principles (House of Principles) needed in a successful group. We created a name for our group, and decided on our group's financial and social goals. Lastly, we decided who could be a member of the group)

(Say) Listen to these statements:

All Savings Groups should work to fulfill their goals by abiding by the rules they create. All Savings Group members should keep their promises and be trustworthy.
--

You have just begun to develop your Group Rules.

(Ask) Turn to a person next to you and take 4 minutes to discuss these questions: How committed are you to fulfilling your group goals and helping each other to fulfill these goals? What are some ideas of how you can help each other reach your group's goal?

(If they do not seem very committed, ask what the group can do to become more committed to their goals...or if they need to re-examine their goals.)

(After five minutes, ask) Who would like to share what they discussed with your partner with everyone?

Thanks for your commitment to your group. I encourage you to remember these ideas and encourage each other towards your goals as your group meets.

5B: *(Say)* Repeat after me.

We promise to help each other and our group to reach our financial and social goals by abiding by the rules that our group creates.

(Say) Our next Training Meeting is _____ *(time)* at _____ *(location)*. At this next Training Meeting, you will be deciding on your policies regarding savings and loans.

5C: *(Optional)* Close in prayer.

(Say) Let us pray together before we end our meeting today.

Dear God, Thank you. We are thankful for this group and ask that you help us fulfill our group goals and help each other. We pray that as we are benefited by this group, that you help this group to also bless our communities. We ask for wisdom, skill and good attitudes to serve our group well. Thank you that we can talk to you as we need wisdom. Help us to grow and learn as a group so that our group is successful and can glorify you. Amen.

Source acknowledgements

Adapted from Savings for Change (2008), *“Savings For Change: Formation of Savings Groups, Animator’s Guide”*, Freedom from Hunger and Oxfam America.

VSL Associates (April, 2009), *“Programme Guide: Field Operations Manual”*, Version 3.2, VSL Associates.

Training Meeting 4: Attendance, Fines and Saving

Time

120 minutes

Preparation and Materials

- Copy of House of Principles picture (Appendix 12)
- Copy of the Group Rules form (Appendix 14)
- Pieces of paper or index cards (deciding minimum savings amount/ share value)
- Optional: Flipchart paper and markers

Objectives

1. Considered the importance of attendance
2. Established group Rules regarding absence and tardiness
3. Considered the importance of having a savings goal
4. Established the value of one share (minimum savings amount)
5. Decided the maximum shares a member can save in a meeting
6. Identified ways to encourage members to know their group rules
7. Agreed on what group information can be shared with non-members

Summary

Task 1: Welcome and Review of Group Policies (10 minutes)

Task 2: Importance of Attendance (30 minutes)

Task 3: Setting a savings goal (30 minutes)

Task 4: Setting a minimum savings amount (20 minutes)

Task 5: Knowing group rules and Keeping group information safe (30 minutes)

Task 6: Close meeting (5 minutes)

Facilitator Notes

This meeting should happen after members have committed to be part of the group and after the group elects their Management Committee, and before the group begins any savings deposits or lending. Typically this is after Training Meetings 1-3.

At every meeting, as time permits review the House of Principles or relate the Rules that they are working on back to the House of Principles.

Task 1: Welcome and Review of Group Policies (10 minutes)

1A: Welcome back everyone! This is our fourth Training Meeting. In this meeting we are going to look at setting individual savings goals, and developing rules for your group regarding savings, and attendance.

(Optional) Open with prayer.

(Say) Before we get started, I'm going to ask the Chairperson to take attendance.

It is good to have the habit of reciting or reading your group rules at the beginning of each meeting. We are going to review what your group has done so far. We will be developing more rules as you go through each Training Meeting until your rules are complete.

(Ask) What rules has your group established so far?

(When everyone who wants to share has had a chance to, ask the Secretary to read the rules that have been created so far. The group may decide to ask each member to remember one to several rules. They should have already discussed rules regarding the Management Committee, and membership, and discussed their group name and mission/purpose.)

(Ask) What questions do you have regarding the rules you've created so far?

(Say) Your group will be making more decisions today. The Secretary will need to take note of your decisions and record them in your Group Rules. We will review the decisions you will make today at the end of this meeting.

Task 2: Importance of Attendance (30 minutes)

2A: (Say) Listen to the following two stories.

Story One: Muddy Waters

The group Muddy Waters started strong with 25 members. But, over time, members started missing meetings frequently. After a while, there were only a few members regularly attending the meetings. The Chairperson had a hard time running the meetings with so few members attending. Saving deposits were low and the loan fund never grew.

One day when there were five members present at a meeting, the group decided to give a small amount of their funds to contribute to the construction of a community center so they might be able to meet there.

At the end of the cycle the group had not saved much and there was a lot of confusion. Some members were angry about how the group used funds to help the construction of the community center but many of them hadn't attended regularly. The group failed.

Story Two: Happy Day

The group Happy Day started with 25 members. They followed their group rules and members paid fines if they did not attend meetings without justification. They did not always find it easy to fine other members since they were friends, but they knew that the fines helped the members to be

responsible. Members who missed a couple meetings were visited by the Management Committee. The Chairperson ran the meetings smoothly.

The group discussed any decision regarding their funds. They decided together to contribute a small portion of their savings to send a member to a workshop on small business management in a nearby town. They only asked the member to share what she learned with the rest of the group.

At the end of the cycle, the group had saved a lot of money. They learned a lot from the workshop after hearing what happened there. Their payout was smooth and they had a celebration. The group was a success.

(Ask) Turn to two people next to you. Discuss for a few minutes the following questions: What called your attention in the two stories? What did the group Happy Day do that helped them to be a successful group? What do these stories say about the importance of attendance?

Allow time for the groups to discuss the stories.

(Say) Let us hear what your groups discussed. Who would like to share first?

(Possible responses include: The group Muddy Waters did not honor their group rules. Members did not know what decisions were made and didn't agree with the decision to use group funds to contribute to the community center. When members do not attend meetings regularly, the group does not function as well as it could and the benefits of the group are reduced. The group Happy Day understood that attendance is important to their group's health. While it was hard to fine members, they realized it would help the member and the group in the long run.)

(Ask) Let us look at our House of Principles again. How does attendance and following the Group Rules help strengthen the House of Principles or weaken it? Which principles are affected?

(Say) Attendance is important. Savings Groups should promote good attendance at meetings by following their Group Rules. Good and faithful attendance encourages savings and helps to build trust. When members are present, they are able to see and hear what is going on with their funds, and be part of decisions that the group makes. It helps promote transparency. When members are together and present, their relationships get stronger too.

2B: *(Say)* We are now going to make a few decisions regarding attendance. We will discuss what are acceptable reasons for a member to be absent and what reasons are unacceptable. In the case of unacceptable absences, your group will issue a fine. A fine is a penalty and it is usually in the form of money. You will include these decisions in your Group Rules.

(Say) Listen to these questions.

1. What fine will you give a member who is absent for a reason that is not accepted by the group?
2. What fine will you give a member who is late to a meeting?

(Ask) Find two people near you and discuss these questions for several minutes:

What questions do you have about fines?

(Wait a few minutes, and then say) Let us hear what each small group discussed. After we hear from each group, as a group you will decide what fine your group will impose on members who are absent without a good reason, and for a member who is late to a meeting.

(Let each group share briefly, then lead the group towards deciding what fines they will give a member who is absent without a reason that is accepted by the group. Once the group has decided, ask the Secretary to record their decision in the Group Rules Form (or have the Secretary remember them.)

(Say) Good job! What questions do you have about the decision you just made regarding attendance and fines?

2C: *(Say)* Sometimes members leave a group before the cycle is over. Your small group will now discuss how to handle members who abandon the group for different reasons. Listen to these questions. In your same small group discuss these situations for the next few minutes.

(You may want to write these situations down on flipchart paper for all to see or have the small groups discuss these one question at a time.)

Situations for the Small groups to discuss:

- Our group will handle the savings and outstanding loans of a member who leaves the group for reasons they cannot control (Examples include: work transfer, sickness) in this way:
- Our group will handle the savings and outstanding loans of a member who abandons the group without justification by:
- Our group will expel a member for the following reasons:
- Our group will handle the savings and outstanding loans of an expelled member in the following way:
- Our group will handle the savings and outstanding loans of a member who dies in the following way:

(After a few minutes, say) Let us hear from each group regarding the first question.

How do you think your group should handle the savings and outstanding loans of a member who leaves the group for reasons they cannot control?

(Allow each group to share, then lead the group to make a decision regarding this first question. Then lead the group through the same process of sharing and making a decision for the other questions until they have addressed all five of the questions. Ask the Secretary to record their decisions in the Group Rules Form.)

(Say) Great work! These rules will help you in this first cycle and in the future. It may be a lot of work discussing these rules now, but they will help your group.

Your group will review the Group Rules at every meeting. Remember to follow all the rules you create. Let's review the Rules you have created today.

(Allow the Secretary or group review out loud the decisions they made)

What questions do you have about attendance and absences?

Task 3: Setting a savings goal (30 minutes)

3A: *(Say)* You have just finished deciding your rules regarding attendance and absences. Next, your group will look at setting a savings goal and then decide on a minimum savings amount.

Listen to this African proverb.

Little by little, a bowl is filled.

(Ask) What can we learn about savings from this proverb? According to this proverb, what is the way to fill up the bowl?

Optional Biblical Reflection:

(Say) listen to this Proverb.

“Dishonest money dwindles away, but whoever gathers money little by little makes it grow.”

(Proverbs 13:11 NIV)

(Ask) What can we learn about saving in this Proverb? According to this proverb, how do we make our money grow?

3B: (Say) Listen to this story.

Teresa worked hard every day getting up before dawn and going to bed late. She didn't think she could save anything for the future since she found it difficult to provide food for her family at times. When she became a member of her Savings Group, she began to see how she could save. While there were many needs in her family, she decided to save money to buy sheets of tin to repair her leaky roof because every time the roof leaked, the house was in danger of collapsing.

Teresa and her group encouraged each other to remember their goal. Teresa was motivated to save for the tin to repair her roof. Each meeting as she made her savings deposit, she reminded herself that she was saving to repair her leaky roof.

(Say) In your small group, take the next ten minutes to discuss the following questions related to the story. What goal did Teresa have for her savings?

Then, think about what personal goals you want to have for your savings as an individual member. Decide on 1-2 personal goals for yourself that will help your family. Each person in your small group should decide on at least one realistic goal you can commit to saving for this year. This will be your personal goal as a member.

Once each person has identified 1-2 savings goal, discuss what the group needs to do to reach these goals. If there are barriers to reach the savings goals, brainstorm how the group can get reduce that barrier.

If there is time it is good to discuss how they can manage the hungry or lean times, when their spouse is sick or there is unexpected sickness in their family.

What questions do you have about this exercise?

(Give the groups 10 minutes to discuss, and then say) Let's come back together and hear from each of the groups. What are some of your goals? What do you need to do to reach them?

(Allow each group to discuss their goals, barriers, and things they need to do to reach their goals. You may want to write situations and ways to manage onto a flipchart paper for the group to reference later.)

(Say) Thanks for your discussion. Let us remember the savings goals that are mentioned.

(Ask) As a group, how can you help each other reach your goals?

(Allow the group to discuss. Ask them if they would like to implement any of their ideas.)

(Say) What questions do you have about your saving goals? Thanks for your hard work.

Task 4: Setting a minimum savings amount (20 minutes)

4A: *(Say)* Next you will decide on the minimum savings amount that each member must save at each meeting.

(Ask) How often will your group save? What did your group decide in the last meeting regarding your normal savings meeting frequency?

(They will have decided in Training Meeting 1 the frequency of their meetings, and the day and time when they meet to contribute toward savings. They should know this.)

(Say) Now we will discuss 'shares'. Listen to the following description:

Description of a 'share'

Everyone will save in shares. A share is the value of the smallest and minimum amount that members will save. A member will contribute to their savings every meeting. The share value should be set at an amount that all members can afford to save each meeting. Members must save in multiples of this amount (multiple shares). A member cannot save less than the minimum amount, but can save more than one share at any meeting. For example, if a share is 10, a member can save 10, 20, or 30 (multiples of 10). They cannot save 11, 12, or 13 since it is not a whole share.

For example, Mary just sold some items and has money she wants to save. She has more than the minimum amount that her group has set to save every meeting. Her group decided that one share. Let us say a share value is 10. Mary has 50, so she decides she wants to save all 50 toward her purchase of a goat. She knows that the more she saves, the more interest she will get at the payout. At the next meeting, Mary saves her 50, and this means she has 5 shares ($5 \times 10 = 50$). If a person saves 50 in five different meetings, he/she has 5 shares. People would not be able to save half shares or portions of shares. In other words, if the share value was 10, then people would not be allowed to save 11, 12, 13, 14, 15, 16, 17, 18, or 19. It would have to be a number like 10, 20, 30, 40, 50, etc.

You will decide later how many shares members can save in one meeting.

4B: *(Say)* Think for a few minutes about how much you would like to save (or the amount) at each meeting. As you think about how much you want to save, remember what you discussed about your savings goal.

(For literate groups: you may have a member write this down on index cards or pieces of paper. They will pass the cards back to you. You may write each member's response on a flipchart paper for all to see.)

(Allow members to think for a couple minutes, then say) Let's hear from each of you how much you would like to save at each meeting.

(Allow each member to share how much they want to save.)

(Say) If your group sets the share amount too high, members may have a difficult time saving at each meeting. If you set it too low, the group may not save as much as it can. It is important that members are able to save at each meeting, so you will need to decide an on minimum savings amount that considers this.

(Ask) What questions do you have about shares? What amount would you like to set as the minimum amount? Remember that you will have to contribute this every time you meet, and it is the minimum amount for saving.

(Allow for discussion.)

(Some members may be timid. Encourage these members to participate and share their questions and thoughts.)

(Say) Please note that the number of shares save does not influence the number of votes you have or influence the power you have in a group. However, those who save more shares, will receive proportionately more of the interest earned at pay out.

(Summarize, and say) Your minimum savings amount is_____.

4C: *(Ask)* What do you see as the benefit of having a limit to the number of shares a member can save in a meeting?

(Allow for discussion. Contribute the following ideas if no one mentions them: If one member saves a lot more than another member, his savings is at higher risk of being lost if members do not repay. This member can manipulate how much profit she gets if she saves a lot suddenly at the end of the cycle.)

(Say) Your group will need to now decide the maximum number of shares a member can save in one meeting. The recommended number of shares each can save at one meeting is up to ten in the first year.

(Ask) What will be the most shares a member can save in one meeting?

(Allow discussion and a decision to be made, ask the Secretary to record the decision in the group rules/policy form.)

(Say) Good job. You have decided that your minimum amount you'll save each week –the share amount- is _____ While limiting the number of shares a member can put limitations on a member, it will help your group stay strong.

4D: *(Ask)* Why is it important for members to save at each meeting? What might happen to a Savings Group when members don't save? How does saving regularly support the House of Principles?

(Only add the following to the discussion if members do not mention it: Saving at each meeting helps the sustainability of the group. It helps members to grow in self-discipline. When members begin to not save, it threatens the sustainability of the house. Also, it reduces the amount money the group can save and earn. A weak member may weaken a group.)

(Say) Thank you for your ideas and discussion.

(Ask) How can you encourage members to save at each meeting, even when it is difficult? What do you think about adding a fine or penalty for skipping saving?

(Example: a group may fine or give penalty to a member for skipping savings if it is not justified. Groups may decide to expel a member who does not save for a certain number of meetings. In general, groups may need to change meeting frequency or minimum savings amounts if many members cannot save regularly.)

(Say) Listen to this statement.

Our group will handle a member who does not save the minimum savings amount at each meeting in the following way:

(Ask) What would you like to do if a member does not save the minimum amount?

(Allow for discussion. Ask the Secretary to record the group's decision in the Group Rules.)

(Say) Good job! What questions do you have about saving policies before we move to the next topic?

Task 5: Knowing group rules and Keeping group information safe (30 minutes)

5A: We have a couple more areas to discuss today such as how to ensure your group knows the Group Rules and what group information you allow non-members to know.

(Ask) Why is it important for members to know the Group Rules?

(Let the group discuss this. If they do not mention it, include that knowing group rules is the first step to helping a group function smoothly. Group members must also respect and abide by their group's rules. Group rules encourage groups to be disciplined and function as a healthy group.)

(Say) Savings Group members should know and abide by their Group Rules so that their group can function well and be successful.

(Ask) What can your group do to make sure everyone knows the Group Rules? What needs to be included in your Group Rules about this, if anything?

(Allow the group to discuss and come up with their decision. Encourage the group to commit to one or more ways to encourage everyone in their group to learn their group rules. Some groups decide to have each member memorize and remember at least one rule that they recite at the meeting. It is up to the group how they want to encourage their members to know their group rules.)

(Say) Great! It is important for members to know their Group Rules. They cannot abide by their rules if they do not know them. It would be like playing football with a team that does not know the rules of the game. I encourage you become very familiar with your rules as you continue to develop them.

5B: *(Say)* Let us continue. Listen to this Proverb about the wisdom of being careful what you talk about.

“Whoever keeps his mouth and tongue keeps himself out of trouble” (Proverbs 21:23)

(Say) Turn to the person next to you to discuss the following questions for a few minutes: What lessons do you hear in this proverb? What trouble have you seen people get into by not being wise about what they say to others?

(Allow at least several pairs to share, but watch your time so the pairs can discuss the next situation.)

(Say) Consider the following situation.

Big Tree Savings Group story

Big Tree Savings Group was growing a lot. Over the course of their meetings, they saved a lot and members were excited about the upcoming payout date. One member told a neighbor, who was not a member, about how much their group had in the cashbox. This neighbor told another neighbor until the whole community knew how much was in the group’s cashbox.

(Say) Turn to your partner again and discuss these questions for a few minutes: What happened in this story? How would you feel if your whole community knew how much your group has in your Group Fund? How can this create a problem for this group?

(Allow for group discussions. If the group does not share you may add to the discussion by saying that in some cases if the whole community knows how much the group has in their group fund, it could put their money at risk of being stolen. In many areas, groups should be very cautious about who knows the amount of funds in the cash box and which member keeps the cash box.)

(Wait a few minutes then ask) What is acceptable for non-members to know about your group? What information do you want to keep private--and not discussed with non-members?

What would you like to put in your Group Rules about this topic?

(Allow time for the group to discuss this.)

(Ask) What questions do you have still before we close our meeting for today?

Task 6: Close meeting (5 minutes)

(Say) Let us hear a summary of the decisions you made as a group today. The Secretary will read all the Group Rules that you have made so far together at the beginning of the next meeting, but we will end with a review of the decisions you made today only.

(Ask the secretary to summarize the decisions made by the group today and add anything to the Group Rules before the meeting ends.)

(Say) Great work today! In small groups of 2-3 people, take 3 minutes to discuss what part of today's discussion was important to you and why. Select one person to summarize your discussion in one or two sentences.

(Wait a few minutes, and then say) Let us hear from a few of your groups and what you discussed.

(Allow for groups share. Allow for extra group discussion if there are important themes or questions that come up.)

(Say) Today we covered the importance of attendance, and established Group Rules regarding attendance. Also, you identified at least one savings goal, and decided your group's minimum savings amount. You also discussed how your group will encourage members to know your Group Rules and discussed what information you would like to keep within the group and not discuss with non-members.

(Say) In our next meeting your group will discuss fund utilization and lending policies. Thanks for your hard work today. What questions do you have before we end our meeting for today?

(Optional) Close in prayer.

(Say) Let us close our time in prayer.

Dear God- Thank you for the time we had today to discuss together attendance and other issues that will help our group run smoothly. We ask for your wisdom and strength as we work towards our savings goals. Please help our group to grow and become strong. We ask that you continue to guide our meetings and help us to be wise in the decisions we are making for our group. In His name we pray, Amen.

Source acknowledgements

African Proverb Reference (Task 3A):

http://wps.ablongman.com/long_carson_aal_1/27/6980/1787029.cw/content/index.html

Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012 (*Selecting minimum savings amount*)

Training Meeting 5: Seating Arrangements, Social Fund, and Helpers

Time

120 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- Copy of Group Rules form (Appendix 14)
- Flipchart paper and markers/pens
- Read through and become familiar with the Scripture verses in Task 4A if you plan to do the *optional* Biblical reflection
- (Optional) Bible

Objectives

1. Considered the ideal seating arrangement
2. Examined the role and responsibilities of helpers
3. Decided whether to start a social fund and what the value of the fund should be

Summary

Task 1: Welcome and Review of Group Policies (10 Minutes)

Task 2: Seating arrangement and Helpers (10 minutes)

Task 3: Decide about Social Fund (30 minutes)

Task 4: Helpers, Social Fund and House of Principles (15 minutes)

Task 5: Close meeting (10 minutes)

Facilitator Notes

This meeting should happen after the group has decided on their savings share amount (see Training Meeting 4). This meeting is focused on training the Management Committee to lead a meeting and how to do the savings process with the group present. Keep a focus on the Management Committee as they learn.

The group will make decisions regarding having a social fund and rules associated with the fund. This fund is *encouraged, but not required*. Note that it is common for the social fund payment to be between 20% and 40% of the single share value.

Task 1: Welcome and Review of Group Policies (10 Minutes)

1A: Welcome back everyone!

(Optional) Open with prayer.

Before we get started, I'm going to ask the Chairperson to take attendance for your group and let you review and recite your rules.

(Allow time for the Chairperson to take attendance and for the rules to be read or recited or for the group to do what they decided in Lesson 4 to help members remember the Rules. The most important thing is that Rules are recited and reviewed at every meeting somehow.)

(Ask) What questions do you have regarding the rules you've created so far?

(Allow time for group members to ask questions.)

(Say) Your group will be making more decisions today. The Secretary will need to take note of your decisions and record them in your group rules. We will review the decisions you will make today at the end of this meeting.

(Say) This is our fifth Training Meeting. In this meeting we are going to review the roles and responsibilities of the Management Committee, then you will discuss if your group would like to establish a Social Fund in your group, which is a fund to help people in your community.

Task 2: Seating arrangement and Helpers (10 minutes)

2A: *(Say)* We are going to take a few minutes to talk about the seating arrangement of a Savings Group. I'd like to ask for two volunteers.

(Say) I'm going to ask the volunteers to arrange the group members in the way that they think a Savings Group should sit. The volunteers will indicate where the Cashbox and Management Committee will be. They will move you around until they are satisfied.

(Allow time for the volunteers to move people around. If the volunteers move people into a circle, then ask question A. If they move people into rows, then ask question B.)

Question A: What is the advantage of meeting as a group in a circle?

(Allow the group to discuss, before adding anything. If they do not mention it, add by saying that in a circle all people can see and hear what is going on. Every member is equally important and so a circle also represents this. The most important factor is a circle encourages transparency and allows all to see and hear what is going on in the group. It also is easy for groups to have conversations.)

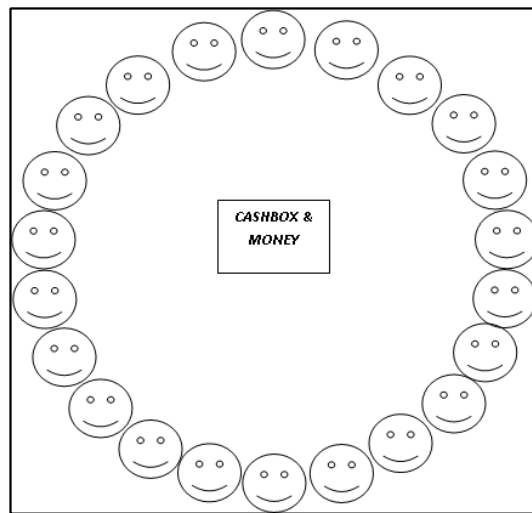
Question B: How does this shape help or hinder transparency—that is, not hiding anything from others or being open?

(Allow for discussion, and only add if it is not mentioned. Be careful not to shame the volunteers.)

(Say) A circle is the best shape for a group meeting. Sometimes it is necessary to meet in rows or another shape depending on the location you are meeting it. Rows make it more difficult for conversations and for members to see what is going on.

(Thank the volunteers.)

(Say) The cashbox and money transactions should be in the center or in a location that all members can see.



2B: (Say) Let us sit in a circle for the rest of the meeting.

(Allow them to move to arrange into a circle if they are not already.)

(Say) For the next few Training Meetings you might want to sit in the same spots to help get used to the Social Fund memorization process. Once your group gains more experience and as your secretary allows, members may sit in a different order.

(Say) Listen to this story.

Eva's Helpers

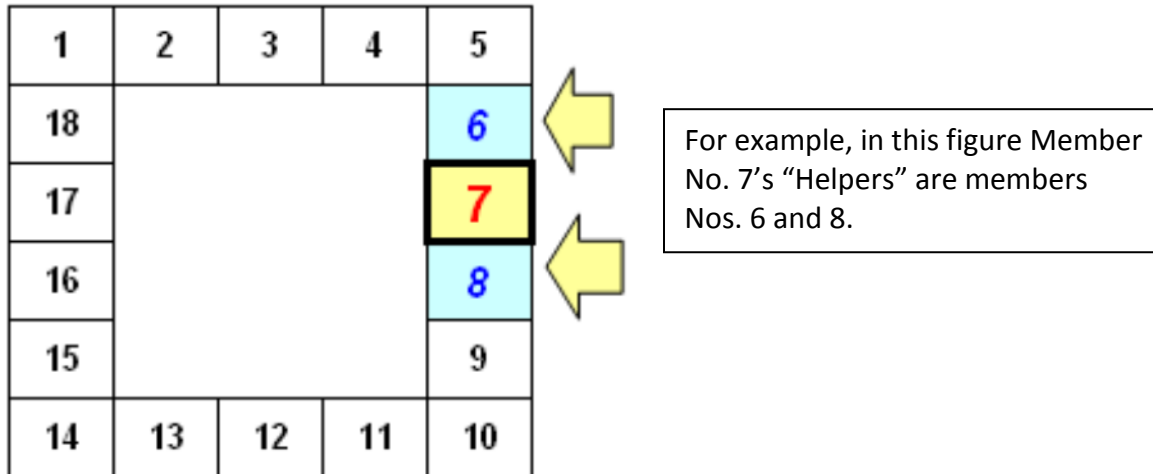
Eva is an active member of her Savings Group. She took out several loans throughout the cycle to help grow her small business. Talia and Sara were members of Eva's group and were chosen to be Eva's Helpers. They remember how much Eva owed and when her loans were due. Eva has not had trouble repaying her loans. She finds that it motivates her to know that Talia and Sara were actively following her loans. Talia and Sara found that their role as Helpers encouraged them to participate in group meetings.

(Ask) What do the Helpers do? How can they help the member and group?

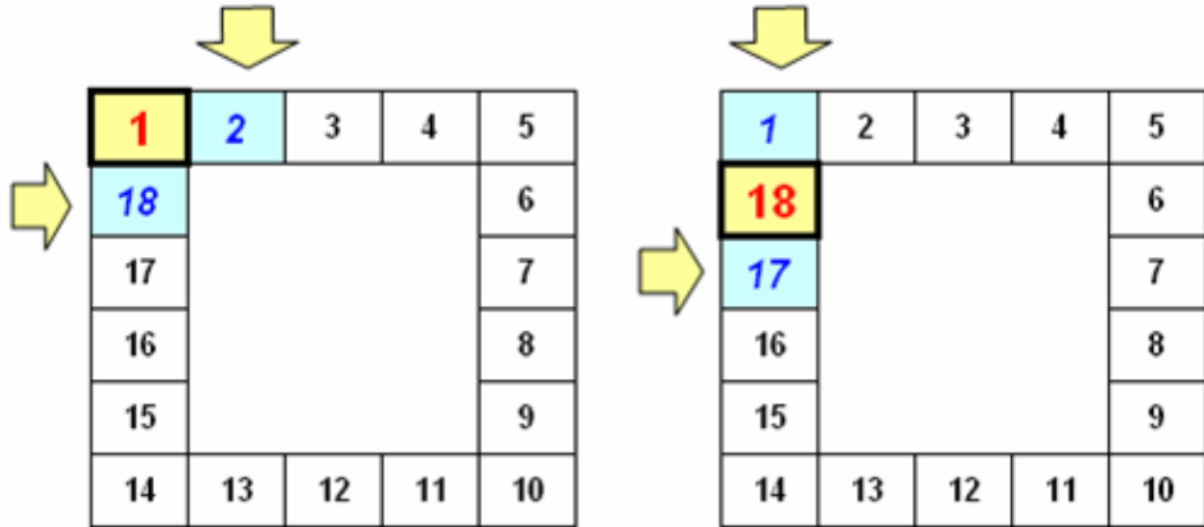
(Allow for responses.)

(Say) There may be times that group members need to remember payments or fines that need to be made. Each of you will help remember these by being a Helper to two members and have two Helpers of your own. Helpers are members of your own savings group. Helpers remember the loan amount, loan due dates, and any fines that their member has. This system of memorization will be how missed contributions and loan payments from the Social Fund will be managed. You may use this same system to help remember normal loans from your group fund if you wish, but it will be required to manage the Social Fund.

The system is based on the person who has missed a contribution or has an outstanding loan. The two members sitting next to the debtor are that person’s “Helpers”. This never changes throughout the cycle.



‘Helpers’ for first and last members, by number



(Say) Look to the person to your right and left. You will be their Helper for the rest of the cycle. You will be responsible to remember if they owe any fines or payments. Let's make note of any absent member to make sure they are assigned to be Helpers for two people and have two Helpers assigned to them.

(Review with the group afterwards who the Helpers are for several members. Call on a few people, and ask who their helper is, or who they are a helper for. The group may have the secretary write who are helpers for each member if they want to, but it is not required as long as the members are able to remember who they are Helpers to.)

(Ask) What questions do you have about the seating arrangement or being a helper?

Task 3: Decide about Social Fund (30 minutes)

3A: (Say) Listen to this story about a social fund.

Story of Strength in Unity

Savings Group Strength in Unity decided they needed another fund that members could get small loans from in case of emergencies. They also decided that they would use the funds for group expenses such as purchasing a calculator.

Each member paid into the fund equally and it was in addition to their normal savings. This fund didn't belong to any individual member; they agreed it belonged to the group.

They clearly wrote in their Group Rules what the fund could be used for and how much members could use. When a need arose the group followed their rules. For example, they gave some small loans without interest for a couple members who had very sick family members.

However, when a member's husband passed away they gave her a small amount to help with the initial burial cost. They didn't require her to repay this amount; it was to help her family cover his funeral cost. The group also spent time visiting her.

They had decided in the beginning of the cycle that any money left in the Social Fund at pay-out would be used to help pay for the school fees of an orphan in their community. It felt good to help a child in need in their community. At the end of the cycle they felt good about their group.

(Ask) Find two people near you and discuss the following questions together for the next few minutes: How was this fund useful to this group? How did they use these funds?

(Say) Listen to this definition of a social fund.

A social fund is an optional small fund established by the group to help members in an emergency. It can also be used to help others outside the group. Group members contribute equally at each meeting to the fund. The amount is normally smaller than the group's share amount. The fund belongs to the group itself, and not to any individual member. The group decides together how to manage this fund.

The group may choose to offer grants or interest-free loans to members for emergencies. The group also decides what kind of emergencies will be covered and what members can receive from the fund. Since this fund belongs to the group, some groups have also used it to help pay for group expenses, and help support an orphan in their community.

(Say) Stay with your small group and discuss what you think about establishing a social fund in your group. Remember having a social fund requires that members contribute the minimum savings amount or share AND that they contribute to the social fund. Also, a group must add to their group

rules how they will manage this fund. Take a few minutes to discuss with your partners, and then we will hear from each group.

(Allow the small groups to discuss for a few minutes.)

(Say) Let's hear what each small group discussed. Afterwards, your group can discuss together and make a decision about establishing a social fund in your group. If you do, we will immediately discuss and decide how you would like to manage your fund. These decisions would be added to your group rules.

(Allow the group to share and discuss, and make their decision.)

(If they decide not to have a social fund, go to Task 4 about the savings process and skip to the end or Task 4.)

3B: *(Say)* So, you've decided to establish a social fund in your group. We'll now go through some discussion about this fund. You will add your decisions to your group rules.

(Say) The social fund is not treated like the Savings Group loan fund. It will be kept separate from the other money. It is never used for normal loans that the group will make, so it will be available for emergencies. Some money must stay on hand so that your group can help a member in a time of need. Each member will contribute equally to this fund.

You will decide how much you will contribute each meeting to this fund in a few minutes, but first we will need to discuss in what kind of emergencies you will allow members to access the social fund.

(Ask) In your small groups again, discuss what are the types of emergencies and circumstances for which you will allow a member to access the group funds? What do you think about using the fund to give a grant or a loan to a member in need?

(Allow time for the small groups to discuss.)

(Say) Let's hear from each group and then you'll discuss what type of emergencies your group will use your social fund for. Once you know what type of emergencies you want to use your social fund for, it will help you decide on the contribution amount.

Once you have decided on which types of emergencies your social fund will help, also discuss if your group will use your fund for anything else besides emergencies such as group expenses, etc.

(Allow time for discussion. Have the secretary list out what emergencies they allow and if they will give loans or grants.)

(Say) Next, let's discuss the amount that you'd like to contribute each meeting to your social fund. This amount is normally less than a share or the minimum savings amount. *(often 20-40% of the share amount)* Remember that this amount will need to be given by each member at each meeting. You will need to consider how you'd like you use your social fund and what amount each member can contribute. You may adjust this amount later in the cycle if your group decides it needs to contribute more or less.

In your small group, take a few minutes and decide on an amount you would like to see. Then you'll share the amount. Then, together as a group you will decide what amount works best for the group.

(Ask) What questions do you have about the Social fund contribution amount?

(Allow a few minutes for the small groups to discuss and decide on amount, then say) Let's take the next few minutes for each small group to share the amount they would like. Then you will need to decide on the final amount.

(Allow for discussion and the group to decide. This should be an amount that everyone can pay along with the minimum savings amount/share amount.)

(Say) Funds given to a member as a loan must be paid back. We'll take a few minutes to discuss the terms of loans taken from the social fund.

(Ask) What will be the repayment terms for the social fund?

(Allow discussion and the group to decide their repayment terms.)

(Say) Good work. Next, you will need to discuss how you will handle a member who joins your group late. What will new members need to do regarding their contribution to the social fund if they join in the middle of the cycle?

(Allow for discussion and the group to decide how they will handle a new member joining in the middle of a cycle. Once these decisions are made, make sure that they have been recorded by the Secretary on their group rules/policy form.)

Social Fund Management:

1. Our social fund will be used for the following purposes:

(Example: Group expenses such as calculator or pens, loans can be given in health emergency or personal crisis, some funds may be given as a gift in case of a death or special need as seen by group)

2. The amount members will contribute at each meeting to our social fund is: _____
3. The social fund repayments terms are the following:

(Example: no interest for first 3 months, should be paid in 3 months or at harvest)

4. A new member who joins after the group has started to contribute to the social fund will need to contribute to the social fund in the following way:

(Ask) What questions do you have regarding the social fund so far?

3C: (Say) The social fund will be kept separately and as a separate fund. The social fund is normally not a very big amount, so there really isn't a need to have written records. The ending balance will be announced at the end of every meeting so each member will know how much is in the fund.

(The group can decide to have written records, but it is not necessary if they use the system of Helpers. It is highly encouraged that they have Helpers and wait to at least the second cycle to decide whether they want written records for the Social Fund.)

You will use a system of "Helpers". The "Helpers" have only one job and that is to remember if anyone fails to make a contribution to the social fund or repay a loan from the social fund.

(If decide to ask members to review what they just covered regarding Helpers and how their Helpers are and who they are Helpers to.)

(Ask) What questions do you have about this system and the social fund before we continue to discuss the savings process?

Task 4: Helpers, Social Fund and House of Principles (15 minutes)

4A: You've done a lot today. We are going to close this meeting in a few minutes.

(Say) In your small groups, take a few minutes to discuss the House of Principles. Look at the House of Principles. *(You will want to have a House of Principles posted somewhere)* How do you see the things we covered today about Helpers and the social fund support the House of Principles and make a Savings Group strong? Take 3-4 minutes to discuss this.

(Allow time for groups to discuss)

(Say) Let's hear what each of your groups discussed.

(Allow for some discussion. If they do not mention these points, you may mention the following: Helpers can help the group maintain transparency and be good stewards of their funds by helping to remember payment information. Helpers can encourage members to be responsible for their loans and payments. The social fund can help a group take care of each other. It can provide needed help to members in need.)

(Say) Thanks for sharing. The House of Principles contains principles vital to a group's success. Each of the Training Meetings seeks to set up the group in a way that supports these principles. It is helpful for groups to look back on the House and see how what they are doing supports or destroys the principles.

Optional Biblical Reflection:

(Say) Listen to these scriptures. *(Or you may ask several people read them if they are comfortable.)*

1. "Carry each other's burdens, and in this way you will fulfill the law of Christ." (Galatians 6:2)
2. "For the whole law is fulfilled in one word: You shall love your neighbor as yourself"(Galatians 5:14)
3. "A new commandment I give to you, that you love one another; as I have loved you, that you also love one another. By this all will know that you are My disciples, if you have love for one another" (John 13:34-35).
4. "Do nothing out of selfish ambition or vain conceit. Rather, in humility value others above yourselves, not looking to your own interests but each of you to the interests of the others. " Philippians 2:3-4
5. "And let us not grow weary of doing good, for in due season we will reap, if we do not give up." (Galatians 6:9)

(Say) In your small group, discuss the following questions.

- How does the system of Helpers and Social Fund help you carry each other's burdens? How else can we carry each other's burdens in your group?
- Why do we carry the burden of others?
- In what ways do you find yourself tired in helping others? How can we avoid getting tired? What can we do if we are tired so that we can keep on helping others?

(Allow groups to discuss the questions together)

(Say) Let us hear what your groups discussed.

(Allow for discussion and each group to share.)

(Say) Think for a moment now, what is one thing you commit to doing this week as a result of our conversation. Take a couple minutes to think about what you would like to commit to this week. Then, find one person to share what you will commit to doing this week.

(Allow them to think about their commitment and share with a partner before moving on to close the meeting)

Task 5: Close meeting (10 minutes)

5A: (Ask) Thanks for your participation today.

(Say) I have one last exercise before we close. On the count of three, I want you to point to the people you are Helpers for. One, two, three.

(Allow time for members to point to who they are Helpers for.)

(Say) Next, when I count to three, I want you to point to the people who are your Helpers. One, two, Three...

(Allow time for members to point to members who are their Helpers.)

(Say) Great! Throughout the cycle you will need to remember who you are a Helper for.

(Ask) What questions do you have from today?

(Say) Remember your next meeting is _____ (say date, time and location of meeting). You will learn about the savings process and how to record your savings.

5B: (Optional) Close in prayer.

(Say) Let us close our time with prayer.

Dear God- Thank you for this group and the decisions they made today. I ask that you give this group the discipline and resources as they begin to save to reach their savings goal. Give those on the Management Committee wisdom as they learn to serve the group through their leadership. Help us to see the opportunities we have to carry each other's burdens and help each other. Protect and grow this group so that it can be a blessing to members and community alike.

Source acknowledgements

Allen, Hugh and David Panetta. (2010) "Savings Groups: What are They?", Saving Led Financial Services Working Group, The SEEP Network.

Adapted from VSL Associates (April, 2009), "Programme Guide: Field Operations Manual", Version 3.2, VSL Associates. (*seating, social fund procedures*)

Training Meeting 6: Savings meeting process, and Recording Savings

Time

120 minutes

Preparation and Materials

- Practice recording savings records with other FH staff before training groups
- Copy of Group rules/policy form (Appendix 14)
- Copy of the House of Principles (Appendix 12)
- Copy of a printed passbook (Appendix 42 of manual) following instructions in Appendix 6
- Flipchart paper and markers
- Copies of Mary's savings record for each member if possible (Appendix 18) or copy Mary's savings record onto flipchart paper.
- Beans or stones for savings process practice (*at least 10-15 beans/stones for each member*)
- Two plates or bowls for simulation
- Draw a blank Group Members Savings Record onto a flipchart paper (*See Appendix 17 of a blank copy of a savings record*)
- Find out what is the assigned number for this group. (This number will not change and will identify the group in our group tracking system.)

Objectives

1. Reviewed the role and responsibilities of helpers
2. Practiced running a meeting
3. Practiced recording savings deposits

Summary

Task 1: Welcome and Review of Group Policies (15 Minutes)

Task 2: Savings Process (90 minutes)

Task 3: Close meeting (20 minutes)

Facilitator Notes

This meeting should happen after the group has decided on their savings share amount. This meeting is focused on training the Management Committee on how to lead a savings meeting and how to do the savings process. Keep a focus on the Management Committee as they learn.

Important Note: Recordkeeping can be intimidating and so make yourself available to meet with them again outside a Training Meeting to go over any parts that are difficult and they would like to practice.

Some groups may want more records. While it is the group's decision, please approach keeping additional records with caution. All members should understand the records, if they don't it reduces transparency in a group. Records are not helpful if they are so complicated that there are errors or the majority of the group does not understand them. It is tempting to have more written records, but it does not necessarily benefit the group.

Initial Savings Group methodologies started out using many written records, but it was found that the records did not benefit the group and were often inaccurate. New methods, like we are promoting, do not have a central group ledger and groups only record the balance kept in the cashbox and social fund. Critical savings and loan information is kept in the members' records/passbooks only. Helpers also help the group by remembering loans and payments due.

Encourage the group to go through this first cycle using the system we are promoting before adding other records.

Savings Process Practice:

You will first train how to keep the savings records. Then, you will guide the group through a simulation of the savings process. If the group elected to have a social fund, you will include the process the group will use to contribute to their social fund. In this meeting you will not go through the loan disbursement process. That will be done in Training Meeting 8-9.

It is wise to practice leading this simulation together with other FH staff before guiding a new Savings Group through it. Practicing beforehand with other staff will make your training more effective and increases your confidence in leading it. As you go through the simulation, there may be questions that come up from group members. Practicing with other staff will help you practice responding to questions.

You may go through this simulation a couple times if needed if you think it will help the group grasp the process and time allows. Allow group leaders to take their role in the process and prompt them throughout the process to practice their role. If the Management Committee would like, you may go through these sections with them together in a separate meeting to get more comfortable. The Management Committee will most likely be a bit nervous about how to carry out their role. Please encourage them, and walk with them closely.

The secretary has an important role in keeping the passbooks. Be sure to walk at the pace of the secretary in training her in recordkeeping. A group may also want to train a second person in recordkeeping in case the secretary is sick or absent.

Task 1: Welcome and Review of Group Policies (15 Minutes)

1A: Welcome back everyone!

(Optional) Open with prayer.

Before we get started, I’m going to ask the Chairperson to take attendance and for your group to read or recite the rules you have in place so far.

(Allow time for the Chairperson to take attendance and for the rules to be read or recited.)

(Ask) What questions do you have regarding the rules you’ve created so far?

(Ask) From the last meeting, who are helpers and what do they do?

(Helpers remember the payments and loans owed by members. They help keep members accountable and help the group by remembering these payments and loans. There are two helpers that remember for each member.)

If you decide to take a loan out from the social fund, who are your helpers who would remember this loan? Why is it important for them to remember your loan?

(Take time to review who are the Helpers for each member. If any member was absent at the last meeting, make sure they know who they are helpers to, and who their helpers are.)

(Say) This is our sixth Training Meeting. In this meeting you will go over the meeting process, and specifically the saving process, including how to record each member’s savings deposit.

Task 2: Savings Process (90 minutes)

2A: (Say) In your next meeting you will begin saving and contributing to the social fund (if you elected to have one). The rest of our meeting is to go through the process that you will go through each meeting. Management Committee members, your role will be to guide your group through this process each meeting. Maintaining a transparent process is important to maintain the group.

Your group will need to purchase or borrow two plates or bowls that will help you in your financial transactions during the meeting. One bowl will be used to deposit fines. Another bowl will be used for the group funds.

Listen to this outline of what happens at a meeting:

Order of Savings Group Meeting
1. Open meeting
2. Recite group rules
3. Learning Conversation (on-going lesson) or other business
4. Open cashbox
5. Social Fund transactions
6. Collect fines and payments
7. Share/Savings collected
LOANS will be given out once a month, when loans are disbursed

and payments received. Skip steps 8 and 9 on loans if it is not a loan meeting. <i>(More details of how to go through a loan meeting will be covered in a Training Meeting in about a month—in Training Meeting 8).</i>
8. Loan repayment and interest payments
9. Loans Recorded and Disbursed
10. Count remaining money
11. Close Cashbox
12. Close meeting

(Ask) What questions do you have initially have about this process? We will practice the savings process using beans *(or stones)* as shares so you can see the steps more closely. Each step has specific actions that your Chairperson will be learning to guide you through.

Before we do a simulation of this savings process, we need to cover how the passbooks are filled out. We are going to focus just on parts in the passbooks that are about savings. When we have the training about loans, we'll cover how to keep record of loans.

2B: *(Say)* I'm going to show you what a passbook looks like where you will record your savings and loans. *(Hold up and show the group, or pass around one passbook so members know what a passbook looks like).* Your group may want to include a fine or penalty in your group rules for a member who loses or doesn't take proper care of their passbook. It will be your responsibility to take care of it. *(Some groups keep their passbooks in the cashbook, others at home individually.)* FH is providing the group Passbooks in this first cycle, but your group should be prepared to provide your own passbooks in future cycles.

We are going to first practice filling out a passbook together. Then we will go through the whole savings process. We will need to be patient with the secretary as they learn their tasks. I will be focusing my attention to make sure the secretary is following. I am going to give each of you a sheet from a passbook to practice with. At the end of this exercise, each of you will be given a passbook that you will use for this cycle.

Your passbook has a place for your group name and number, and the member's name and number. Your group number is _____. There is also a place for the share amount or minimum savings amount. Your group chose _____ as your share amount.

Member Name _____	Member number _____
Group Name _____	Group number _____
Share amount _____	

(All members will be participating in this lesson, but please give special attention to the Secretary who will be responsible to fill out passbooks in the meetings.)

(Say) Next we are going to look at how to record savings.

In this passbook example there is room for a maximum of ten shares. This means that the maximum number of shares a member can save is ten. Your group has already selected the maximum number of shares a member can save.

Let's listen to the story of Mary, a Savings Group member. (Post flipchart paper with a copy of Mary's passbook drawn on it.)

Mary is a very responsible member and saves at each meeting. The share amount her group decided on is 10. At meeting one she saved one share, or 10. In the second meeting she saved two shares, or 20. The total number of shares that Mary saved so far is 3, or 30.

(Ask) What do you notice about the savings record?

Mtg	Shares bought per meeting									
1	→									
2	→	→								

(Allow time for discussion, then explain or summarize their discussion)

(Say) The first column is the meeting number or date. You can see meeting one and meeting two. Next to the meeting number, on the same row, you can see a number of arrows. Each share of 10 has a stamp or symbol. In this case, one arrow is one share. In meeting one, Mary saved one share so there is one arrow on the line for meeting one. On the row for meeting two there are two arrows, representing the 20 that Mary saved during that meeting. There is a line going through the rest of the line and empty spaces. This is to discourage fraud in the future.

(Ask) After two meetings, how many shares has Mary saved? What is the value of all her shares so far?

(Answer is three shares. This represents the total of 30 that she has shared.)

(Ask) What questions do you have so far?

(Say) Listen to the next part of Mary’s savings story.

Mary continued to save faithfully each meeting. In Meeting three she saved 3 shares, in Meeting four she struggled a bit when she has some extra expenses that week, but she was able to save one share.

(Ask) How would we record these meetings? Who would like to try?

(Encourage the secretary to record the meeting on the flipchart even if other members explain how to record these shares.)

Mtg #	Shares bought per meeting									
1	➡									
2	➡	➡								
3	➡	➡	➡							
4	➡									

(Ask) What questions do you have?

(Say) Listen to this last part of Mary’s savings story.

Mary continued to save faithfully and remember her savings goal. In week five she brought 30 (currency) to save. In week six, her business did better and she was able to bring 50 (currency) to save.

(Ask) In this section of the story, we talk about the currency that Mary brought to meetings five and six. How would we record these amounts in Mary’s savings record?

(Encourage the secretary to record the savings on the flipchart paper. If the secretary doesn’t understand how to record the savings, ask if someone in the group can help. Ask the secretary or member to explain how to record savings. If members and the secretary are unsure, go through this task again using another example.)

Mtg #	Shares bought per meeting									
1	→									
2	→	→								
3	→	→	→							
4	→									
5	→	→	→							
6	→	→	→	→	→					

(Ask) How many shares has Mary saved? What amount of money has she saved so far?

(The answer is 15 shares. Mary has saved 150.)

(Say) Listen to the last part in Mary’s story.

In meeting seven Mary did not have anything to save. Her business did poorly, and her husband was taken to the hospital for treatment. While she still attended the meeting, she was not able to save.

(Say) While it is important for members to save regularly, we know that sometimes it is simply not possible for a member to save. When a member cannot save, it is still important to record this. You record this by simply putting a line through the whole row.

7										
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What questions do you have about recording shares or savings?

(Say) Let’s practice recording savings by looking at Mary’s next three savings meetings. Listen to what happened.

Mary was disappointed that she was not able to save during the last meeting, but she didn't get discouraged. She worked hard the next week and saved one share in week eight. She continued to work hard and cut back on some snacks so she could save. In Week nine she was able to save 3 shares and in meeting ten saved 1 share.

(Ask) How would we record the savings for these three meetings?

(Encourage the secretary to work on this, but allow them to work with the group to record these savings for these last three meetings.)

(Say) There is one more section on the savings record to look at today. This section will be filled out after the page has been filled or when it is time for payout. In our example, there were ten meetings. Since this is the first page of the savings record, we put zero. (If this was our second page of savings for Mary, we would put the net number of shares from the previous record on the line for starting number of shares.) For the second line we need to count the number of shares saved in those ten meetings. Mary saved 20 shares. The net number of shares is 20 since there are no starting numbers of shares.

(Ask) What questions do you have?

(Say) One thing to remember is that members cannot go back to save for past dates. For example, if you missed the last meeting, you cannot save two shares today and apply them to the last meeting you missed. The money you have with you today will be recorded only in the line for today's meeting.

(Say) In the next meeting you will begin saving. Remember your share amount is _____. I will be attending your meetings for the next few months and will support and assist you, however I will not do your records for you. I will explain how to do them, but I'll expect your Management Committee to do the recordkeeping, especially after all the Training Meetings are complete. In this next savings meeting, it may take a while to go through the first savings process.

(Say) At the end of each meeting the secretary will record the end balances of the social fund and the group fund in the group notebook. This is the amount physically present, not what is out in loans.

Member Name <u>Mary Faithful</u>		Member number <u>2</u>								
Group Name <u>Living Water</u>		Group number <u>XX</u>								
Mtg #	Shares bought per meeting									
1	→									
2	→	→								
3	→	→	→							
4	→									
5	→	→	→							
6	→	→	→	→	→					
7										
8	→									
9	→	→	→							
10	→									
A. Starting number of shares		0								
B. Total number of shares bought during this period		20								
C. Net shares to be carried over (A+B=C)		20								

(You may want to draw on flipchart paper how the secretary should record these balances.)

Example of how the Secretary will record the ending balances
Date: <u>25/1/2014</u>
Social Fund Balance: <u>435</u>
Group Fund Balance: <u>3,570</u>

(Ask) What questions do you have about the savings record or how the secretary will record the ending balances in the group notebook?

(Allow for questions. Make sure the secretary is able to ask their questions. If the secretary seems overwhelmed, you may suggest meeting with them another time separately to work through these again. If you meet separately with the secretary, encourage another member to join so there can be at least two people who can do the registers confidently.)

2C: *(Say)* Next, we will go through a practice meeting. I'll ask the Management Committee to take their roles. We won't use physical records for this simulation, but will walk through the general steps.

The Chairperson has the responsibility to lead the meeting agenda and walking the group through the various steps of a meeting.

(If you have cashbox, keys and three bags available, you may want to use them to help in the simulation to make the simulation more real. You will need 10-15 beans/stones for each member, and three plates or containers)

(Say) Each of you will be given 10-15 beans or stones that will represent money. When we practice saving they will represent a share.

If your group has decided to implement a social fund, when we go through the social fund deposit process, you will use the beans or stones to represent the value your group decided on.

(Facilitator, you will walk the group through the following steps. Encourage the group to actually do each step the best they can without recordkeeping. The purpose of this is for the Management Committee and members to learn the process of a savings meeting. You will not go through the loan process in this meeting. That will be covered in another meeting.)

Savings Meeting Process (no loans)	
1. Open meeting	<ul style="list-style-type: none"> • Chairperson opens the meeting (<i>opening prayer is optional</i>) • Chairperson takes attendance
2. Recite group rules	<ul style="list-style-type: none"> • Chairperson asks the group to recited or read their rules • Secretary or group recites their group rules.
3. Learning Conversation (<i>on-going lesson</i>) or other business	<ul style="list-style-type: none"> • The chairperson announces that this is the time for a Learning Conversation. • Learning Conversation by FH promoter.
4. Open cashbox	<ul style="list-style-type: none"> • Chairperson announces that it is time to open the cashbox and asks the cashier to put the box in the middle of the group where all can see. • Key Keepers give keys to cashier. • The Chairperson asks the members to call out the amount of money in the cashbox left from the last meeting. • Members call out the value of funds in the box. • The cashier opens the box. • The cashier or money counters count the money that is in the box to verify the funds in the box is the same as what the members remember and recorded by the secretary. The amount in the cashbox is announced to the group.
5. Social Fund (if the group has one)	<ul style="list-style-type: none"> • The Chairperson announces that it is time to give to the social fund. • The social fund is counted. The members and secretary verify the amount in the fund. (<i>for the first meeting, of course there are no funds</i>) • The secretary calls members one by one using their number or name. The cashier collects the social fund contribution of members and puts it in the plate where all members can see it. • Once everyone has contributed, the cashier counts the money. This is money available in the social fund right now. • The cashier or secretary announces the funds available in the social fund to the group. • If there is a need, this would be the time the member would ask for a loan. The group needs to approve it. • The remaining funds are counted and put in the cloth bag designated for the social fund. • The secretary or cashier announces the amount to the group, so they remember it. The secretary will record this ending balance in her group notebook. • Helpers take note and remember those who did not contribute and who has a loan out.

Savings Meeting Process (no loans)	
6. Collect fines (for this exercise, there are no fines/payments to be made)	<ul style="list-style-type: none"> • The Chairperson announces that this is the time to pay fines payments. • The members call out who needs to pay fines. • Cashier counts and announces any received fines and payments. • Payments of loans are recorded by the secretary in the member's passbook.
7. Share/ Savings collected	<ul style="list-style-type: none"> • The Chairperson announces that this is the time when shares/savings are collected. • The individual passbooks are given to the secretary. • The secretary calls each member by number or name one by one. The member gives the cashier their money. The cashier receives money, verifies the amount, and announces out loud for the secretary to record in the passbook and ledger, and for members to hear. <i>(Example: "Maria saved four shares")</i> Allow time for the secretary to call each member and the cashier to receive their "money" or beans/stones. • The secretary records the number of shares in each member's passbook. (For this exercise the secretary can skip this or pretend they are recording each deposit.) • The money collected from fines and savings are combined and counted. This amount is announced to the whole group. This is the amount that is in the loan fund.
8. (Loan requests and disbursement)	(You will not address this process in this meeting. Loans will be covered in another meeting)
9. Count remaining money	<ul style="list-style-type: none"> • (After the loans are disbursed, the money is counted again) • The cashier counts the remaining funds that are in a group fund and puts it into a cloth bag designated for the loan/savings fund. • The secretary records the social fund balance and balance in the group fund in the group notebook and announces the amount for all members to remember. <i>(The secretary only needs to write the date, and the balance of the social fund and group fund in the notebook.)</i>
10. Close Cashbox	<ul style="list-style-type: none"> • The chairperson asks the Cashier to close and lock the box • The cashier closes and locks cashbox.
11. Close meeting	<ul style="list-style-type: none"> • The chairperson announces the end of the meeting • Close meeting with any announcements • (Optional) Close in prayer.

(Say) Good job! You have just practiced going through a savings meeting. At the next meeting you will go through the same process saving your own money. Remember that your group will be

starting to save the next meeting and you'll need to bring your first deposit to the social fund if your group decided to have one, and also your first savings.

(Ask) Think back to the House of Principles. *(You may want to have a House of Principles posted somewhere.)* How do you see the things we covered today about the savings process that supports the House of Principles and makes a Savings Group strong?

(Allow for some discussion. If they do not mention you may mention the following. The savings process can help maintain transparency when the transactions are done openly. This can promote trust. Leaders play an important role in a group as they lead the group through the group meetings. Effective leaders guide their groups through the savings process in an open and transparent manner.)

(Ask) What questions do you have about the savings process?

Task 3: Close meeting (20 minutes)

3A: *(Say)* You have done a lot today. We are going to close this meeting in a few minutes. But, first, remember to when we talked about your savings goal. Let's recall the goals you made and review them.

(Say) In this meeting we covered the savings process. At your next meeting you will begin saving, so it is good to begin to think more about your savings goal and how much you can save.

(Say) Turn to two people near you and discuss the following questions for the next 5-7 minutes: What is your personal savings goal? What will you do to have money to save at the next meeting? How does your personal goal fit with the group's financial goals? Take a few minutes to discuss.

(Allow the small group to discuss their goals.)

(Say) We have time for a couple people to share. Who would like to share their plan to have money to save at the next meeting? I hope each of you have had a chance to discuss how you will be able to save at the next meeting. In a future Learning Conversation we will discuss some strategies that can help you save.

(Ask) Thanks for your participation today. What questions do you have from today?

(Say) Remember your next meeting is _____ *(say day and time of meeting, and location)*, You will begin saving at this meeting.

I will ask the Chairperson to close our meeting today.

(Allow the Chairperson to officially close the meeting and dismiss the group.)

3B: (Optional) Close in prayer.

(Say) Let's close our time with prayer.

Dear God- Thank you for this group. I ask that you give this group the discipline and resources as they begin to save to reach their savings goal. Give those on the Management Committee wisdom and clarity as they learn to serve the group through their leadership. Give to each member opportunities, motivation and resources as they begin to work to have money to save at the next meeting. Lord, grow and develop this group so that they will be a blessing to the members and the community, and will honor you. Amen.

Source acknowledgements

VSL Associates (April, 2009), "Programme Guide: Field Operations Manual", Version 3.2, VSL Associates.

Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012

Training Meeting 7: Group Funds and Lending Policies, First Savings

Time

120 minutes

Preparation and Materials

- Copy of Group rules/policy form (Appendix 14)
- Picture of cooking pot from Appendix 20 (you may use an actual pot and stones/beans)
- 4 copies of the Stories and Questions from Appendix 19
- Copy of House of Principles (Appendix 12)
- Copy of Savings process from Training Meeting 6 (Appendix 16)
- Start-up kit (cashbox, 3 locks and keys, 2 cloth bags, pens, stamp, ink pad, passbooks, group notebook)
- (Optional) Flipchart paper and markers
- (Optional) Bible for *optional* Biblical reflection

Objectives

1. Examined sources of incoming and outgoing funds
2. Reflected on experiences taking loans or credit
3. Decided on their group's lending policies
4. Conducted first savings

Summary

Task 1: Welcome and Review of Group Policies (10 Minutes)

Task 2: Group Funds (25 Minutes)

Task 3: Loan Policies (40 minutes)

Task 4: First Savings Process (60 minutes)

Facilitator Notes

This meeting should be after Training Meeting Five. The Management Committee and group should have received the training on how to keep their savings record and how to go through a savings meeting.

Notes on Loan rules:

There are some rules that Savings Groups have used to help maintain their loan fund. It is up to the group to decide what is best for them, but here are some ideas.

- Group members cannot take out loans larger than twice the amount they have saved, or cannot take a loan for more than they have saved individually.
- A member cannot take a loan out that is more than 20% of the group's total loan fund.

- The Management Committee visits members who are struggling to repay their loan to learn what is going on at home.
- The group offers support and help to those who are willing to repay, but are truly struggling.
- In the case of larger loans, group members must present collateral that could be sold for the amount of loan requested.

Task 1: Welcome and Review of Group Policies (10 Minutes)

1A: (Say) Welcome back everyone! This is our sixth Training Meeting. In this meeting we are going to look at your group fund and how your group will handle loans. Once we have done this, you will experience your first savings meeting.

(Optional) Open with prayer.

(Say) Before we get started, I'm going to ask the Chairperson to take attendance and the Secretary to read your group rules. You will be adding more rules today regarding lending.

(Allow the time for the Chairperson to take attendance and the Secretary to read the group rules.)

Task 2: Group Funds (25 Minutes)

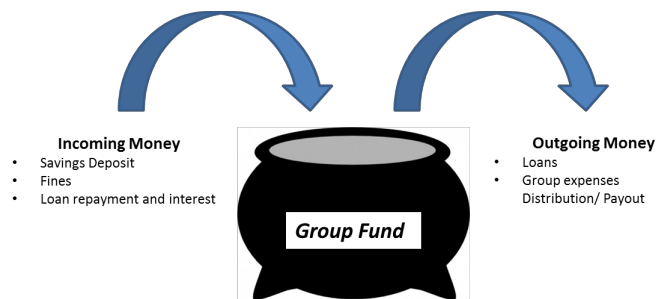
(Either have an actual cooking pot or container available and a stones/beans or picture of a pot from Appendix 20.)

2A: (Say) Your group will be accumulating funds as you save together. It is helpful for groups to distribute their funds at least every year.

Let us think about how your group funds grow and what keeps your group healthy.

(Ask) Where does the incoming money come from?

(Add the following sources of incoming money if the group does not mention them: Savings deposits, fines, loan repayment, and interest on loans. If you have an actual pot or container available, add a small handful of stones/beans into the pot representing funds going into the pot.)



(Say) Great! Yes, these are some ways that money will come into your group fund.

(Ask) What are some of the reasons that money leaves the group fund?

(Add the following reasons that money leaves the group fund if the group does not mention them: Loans, group expenses (such as pencils/pens, notebooks, calculator, fee to open account at bank, etc.), distribution or payout. If you have a real pot/ container available, take some of the stones/beans out of the pot to represent money going out of the group funds.)

(Say) Turn to a person next to you and discuss for a few minutes: What will happen to a group if there is more money leaving the pot, than being added to the pot? How can your group ensure that funds will always be available to your members and not run out?

(Allow groups to discuss these questions for a few minutes and then say) Let us take some time to share and discuss the conversations you had with your group. Which group would like to share first?

(Allow for the groups to discuss their ideas. You may want write down the group's ideas of how they can ensure that money will always be available in their group fund.)

(Add to their conversation if they have not mentioned that if more money is leaving the pot than coming in the group will fail over time. It is common for members to be eager to receive loans. It takes work to repay back their loans and to save.)

2B: (Say) Listen to these stories:

Story One—Muddy Waters	Story Two—Happy Day
<p>Muddy Waters started out as a strong group and saved each week. Members were eager to take out loans. In time, members found it difficult to repay back their loans. A couple members had more than one loan, and one member took a very large loan for more than half the value of the group fund.</p> <p>At the end of the cycle, there were many problems getting members to repay their loans. It delayed the distribution or payout of their funds. They did not get much in return from their savings. The situation created bad feelings. Many members did not want to continue the next cycle. The group was a failure.</p> <p>Questions for group discussion:</p> <ol style="list-style-type: none"> 1. Why did this group fail? 2. How could group policies help this group? 3. What group policies do they need or need to enforce? 	<p>Happy Day was a strong group with wise and responsible members. The members of the groups were very good at respecting and following their group rules.</p> <p>In their group, members could only take one loan at a time. Each person wanting a loan had to explain to the group how they were going to use the loan and how they planned to repay the loan. The group was careful about the loan size they gave to members.</p> <p>Members were able to repay their loans and interest. At the end of the cycle they each received their savings plus a portion of the money left over that was earned by fines and interest. They celebrated and made plans to start a new cycle.</p> <p>Questions for group discussion:</p> <ol style="list-style-type: none"> 1. What did this group that helped them be successful? 2. How did their group policies help them? 3. What group policies do you see that they had about loans?

(Say) Form groups of 3-4 people. Several groups will look at Story One, and other groups will look at Story Two. There are separate questions for each Story. Each group will discuss the questions corresponding to the Story they have been assigned. After all the small groups have discussed the questions, we will come back together to hear from each group. We'll take about five minutes for your group to discuss.

(Take time to assign groups to read and answer questions about Story One or Story Two. You may give them a copy of the Stories and questions that are found in Appendix 19 or ask the groups to memorize the questions they will need to answer.)

(Ask) Let us start with the groups that discussed questions regarding Story One about Muddy Waters. Who would like to share about your group's discussion?

(Allow for discussion. After groups have shared about their discussion about Story one, ask the groups who had Story two to share. You may want write the ideas that are shared by each group on one flipchart paper if it might help the group.)

(Say) From what all that the groups shared, what do you see as the most important ideas that were shared that will help your group maintain its group fund in a healthy way? What might you want to consider including in your group rules?

(Guide them to decide what they would like to put in their group rules. Have the secretary record it on the group rule/policy form.)

What questions do you have about these stories and discussion?

Task 3: Loan Policies (40 minutes)

3A: (Say) Good job. It is important to discuss how to maintain your group fund in a healthy way. Your group rules will help to do this. People are often very eager to receive loans from their group.

(Ask) Think of a bank or microfinance institution, what information do they need to know before they are willing to lend someone money?

(Allow the group to call out their responses. Add to the conversation only if they don't mention the following points: The interest rate or service charge, length of the loan, payment schedule, size of loan, and fines or consequence of not repaying the loan on time—all need to be clearly understood. The group needs to be aware of what the loan will be used for, and how the member plans to repay the loan.)

(Say) Your group will decide some of these loan policies and put them in your group rules.

(Say) Listen to these two stories.

Story One: The group Muddy Waters listened to several members who asked for loans. One member who was the wife of a prominent religious leader asked for a very big loan with a 12 month period for a business. The group was not sure, but they gave the loan to her anyway since she was the leader's wife. The loan represented more than 50% of their total group fund. As they continued to meet, the group discovered that the group fund was never large enough for all the members who wanted a loan. At the end of the cycle, the member's business was not successful and she could not repay the loan. This created a lot of tension in the group. The group eventually disbanded.

Story Two: The group Happy Day was a very strong group. In the beginning member were looking forward to taking loans out. One member asked for a very large loan for 8 months. The group discussed at length this loan, and decided not to give it to her. While she was a leader in the community, they wanted to be careful with their money and give loans that they knew could be repaid. They asked her to take a smaller loan for 2 months, and once she paid that loan they would allow her to take out another loan. This allowed other members to also take out loans.

At the end of the cycle all the members were able to pay back their loans. They earned a lot of interest during the cycle. They celebrated their success and made plans to start savings again.

(Ask) Find two other members to form a small group. Discuss the following questions together, and afterwards we will hear a summary from each group.

What happened in these two stories? What did the group Happy Day do differently than Muddy Waters that enabled them to be successful as a group? What is one lesson you learned from this story that you may want to include as a group rule?

3B: *(Allow each group to share briefly, then say)* Thanks for sharing your ideas and what you learned. Next your group will take what you learned in these stories and decide on some policies regarding loans.

Optional Biblical Reflection:

(Say) The Bible does not prohibit us from borrowing, but does give us some warnings, especially to avoid borrowing money without having a sure way to repay it. Listen to these scripture verses.

“The rich rule over the poor and the borrower is the slave of the lender”. (Proverbs 22:7)

(Say) Turn to two people near you and discuss the following question.

- How can a person taking a loan become like a slave?
- What examples do you have from your own life or community of harm or hurt that can happen when someone borrows a loan and does not repay?
- What can we learn about borrowing from these verses that you can implement into your group?

(Allow group to discuss the questions)

(Say) Let’s hear what your groups discussed.

(Ask) How does this discussion influence how your group gives out loans?

(Say) In your small group, discuss the following question. As you discuss this question keep in mind the stories you heard about Muddy Waters and Happy Day? *(And the optional Biblical reflection)*

- What is the maximum length of a loan?
- Should the loan be paid in monthly payments or in one lump sum?

(After a few minutes, say) Let us hear from each group.

(After the groups have shared, lead the group to summarize and decide on their repayment terms. This may be done by consensus or vote depending on the group and context. The group’s decision should be recorded by the Secretary in the Group Rule/Policy form.)

(Summarize their decision, the say) Great job! Stay in the same small group. You will discuss the following questions just like before and then each group will briefly share.

- What interest rate do you want on loans given out by your group?
- How often would you like interest payments to be made?
- How will you decide the largest loan that a member can receive?

(After a few minutes, say) Let us hear from each group.

(After the groups have shared, lead the group to summarize and decide on their interest terms and maximum loan size. This may be done by consensus or vote depending on the group and context. The group's decision should be recorded by the Secretary in the Group Rule/Policy form.)

(Say) Great job! Your group has one more decision to make for today.

In your small groups, discuss how you would like your group to handle a member who does not repay their loan on time or at all. In a few minutes we'll come back together to talk about this.

(After a few minutes, say) Let us hear from each group.

(After the groups have shared, lead the group to summarize and decide how to handle a member that does not repay a loan on time. This may be done by consensus or vote depending on the group and context. The group's decision should be recorded by the Secretary in the Group Rule/Policy forms.)

Questions to create Loan policies: (Have the Secretary record the group's decision in their group rule/policy form)

- What is the maximum length of a loan?
- Should the loan be paid in monthly payments or in one lump sum?
- What interest rate do you want on loans given out by your group?
- How often would you like interest payments be made?
- How will you decide the largest loan that a member can receive?
- How will your group handle a member who does not repay their loan on time or at all?

(Say) Great Job everyone! You have just finished your rules about loans. At the next meeting your Secretary will read these rules along with the others you've already made. Each member should learn and know these and all your rules.

What questions do you have about loan rules before we continue? What needs to be clarified, if anything?

Task 4: First Savings Process (60 minutes)

4A: The last part of our Training Meeting will allow you to go through your first savings meeting. As you go through this process it will become faster and easier. Expect the savings process today to go a bit slow as your secretary and Management Committee gets used to the process.

(Ask) What do you remember are the steps in a savings meeting? What step is first?

(Allow for feedback, when they get it correct, ask them what the next step is, until they have gone through all the steps. Only help them if they get stuck and simply don't remember the step.)

Order of Savings Group Meeting
1. Open meeting
2. Recite group rules
3. Learning Conversation (on-going lesson) or other business
4. Open cashbox
5. Social Fund (if the group has one)
6. Collect fines and payments
7. Share/ Savings collected
LOANS will be given out once a month, when loans are disbursed and payments received. Skip the steps 8 and 9 on loans if it is not a loan meeting. <i>(More details of how to go through a loan meeting will be covered in a Training Meeting in about a month—in Training Meeting 8).</i>
8. Loan repayment and interest payments
9. Loans Disbursed
10. Count remaining money
11. Close Cashbox
12. Close meeting

(Say) Turn to a person next to you. Discuss the following questions for just a few minutes: How does the order of the meeting support the House of Principles? How does the order of the meeting encourage trust and transparency? Leadership? Responsibility? What about the principles that are part of the roof?

(Post a copy of the House of Principles where all can see.)

(Say) Let us hear from a few of you what you discussed.

(Allow for a few pairs to share their discussion. Only add the following suggestions if they are having a hard time making a connection.

- Good leadership is required to guide and lead each meeting smoothly. Effective leaders keep all group transactions open and understandable by all.
- The order of a meeting encourages transparency as it allows for all members to see and hear what is happening with their money. Counting the money at the beginning and end of a meeting assures members that their money is still in the cashbox at the next meeting. This promotes trust.
- The order of meetings is to help the group to steward or manage their funds well through a purposeful process.)

4B: *(Say)* This savings process is purposeful and helps support the House of Principles that makes a group strong. We are now going to go through the first saving process.

I'd like us to get in a circle and in the same order as the last meeting. This process might take some time as I help the secretary record each passbook.

(The chairperson has already opened the meeting and the group should have already recited the rules they have. So you can ask the Chairperson to open up the meeting to take up deposits for the social fund (Step five) if they decided to have one. Otherwise you may start at step six.)

First Savings Meeting Process (no loans)	
<p>The group will already have recited or read their rules. Start with step five if the group has a social fund or go to step six if they do not have a social fund. Place the box, locks, plates, and cloth sacks in the middle of the group. Since there are no funds in the box, you will skip step four, only for this meeting. Counting and verifying funds is important and should never be skipped in future meetings.</p> <p>Lead the group through this step, allowing the Chairperson to announce the time for the social fund, etc. Allow the Management Committee to take their role. Take your time going through the savings process and don't rush it. Go at the pace of the group.</p>	
5. Social Fund (if the group has one)	<ul style="list-style-type: none"> • The Chairperson announces that it is time to give to the social fund. • The social fund is counted. The members and secretary verify the amount in the fund. <i>(For the first meeting, of course there are no funds)</i> • The secretary calls members one by one using their name. The cashier collects the social fund contribution of members and puts it in the plate where all members can see it. • Once everyone has contributed, the cashier counts the money. This is money available in the social fund right now. • The cashier or secretary announces the funds available in the social fund to the group. • If there is a need, this would be the time the member would ask for a loan. The group needs to approve it. • The remaining funds are counted and put in the cloth bag designated for the social fund. • The secretary or cashier announces the amount to the group, so they remember it. The secretary will record this ending balance in her group notebook. • Helpers take note and remember those who did not contribute and who has a loan out.
6. Collect fines	<ul style="list-style-type: none"> • The Chairperson announces that this is the time to pay fines. • The members call out who needs to pay fines. • Cashier counts and announces any received fines.
7. Share/ Savings collected	<ul style="list-style-type: none"> • The Chairperson announces that this is the time when shares/savings are collected.

	<ul style="list-style-type: none"> • The individual passbooks are given to the secretary. • The secretary calls each member by name one by one. The member gives the cashier their money. The cashier receives money, verifies the amount, and announces out loud for the secretary to record in the passbook and ledger, and for members to hear. <i>(Example: "Maria saved four shares")</i> • The secretary records the number of shares in each member's passbook. (It might be tempting, but avoid doing the recordkeeping for the secretary. If the secretary is having difficulty you may instruct them what to do, but do not be the one who writes or stamps the passbook.) • The money collected from fines and savings are combined and counted. This amount is announced to the whole group. This is the amount that is in the loan fund.
8. (Loan requests and disbursement)	(You will not address this process in this meeting. Loans will be covered in another meeting)
9. Count remaining money	<ul style="list-style-type: none"> • (After the loans are disbursed, the money is counted again) • The cashier counts the remaining funds that are in the group fund and puts it into a cloth bag designated for the loan/savings fund. • The secretary records the social fund balance and balance of the group fund in the group notebook and announces the amount for all members to remember. <i>(The secretary only needs to write the date, and the balance of the social fund and group fund in the notebook.)</i>
10. Close Cashbox	<ul style="list-style-type: none"> • The chairperson asks the Cashier to close and lock the box • The cashier closes and locks cashbox
11. Close meeting	<ul style="list-style-type: none"> • The chairperson announces the end of the meeting • Close meeting with any announcements • (optional) Close in prayer.

(When they have complete the savings process, say) Great job! You have just completed your first savings meeting. This process will become easier and faster in time.

What questions do you have from today, before we end our meeting?

Task 4: First Savings Process (60 minutes)

5A: *(Ask)* Thanks for your participation and work today. What questions do you have from today?

(Say) In the next meeting we will discuss how loans will be given, and how you will distribute your funds at the end of the cycle.

5B: *(Optional)* Close in prayer.

(Say) Let us close our time with prayer.

Dear God- we thank you for the first saving meeting. Please help us to follow our rules about loans. We ask that you protect our group and funds. Give each member the knowledge, strength and ability to save at each meeting so our group can help our families and others. We ask these things in your name. Amen.

Source acknowledgements

VSL Associates (April, 2009), "Programme Guide: Field Operations Manual", Version 3.2, VSL Associates.

Adapted from: Mask, Russell, (2004), Principles and Practices of Christian Microfinance and Microenterprise Development" Chalmers Center for Economic Development. (*Group Pot*)

Training Meeting 8: Preparing for Loans and Savings Meetings

Time

120 minutes

Preparation and Materials

- Copy of House of Principles (Appendix 12)
- Copies of blank loan register (Appendix 21)
- Copies of Loan register and Facilitator Notes for the example of Peter (Appendix 22)
- Flipchart paper with a loan register drawn on it to practice recording the loans.
- Copy of Savings process from Training Meeting 6 (Appendix 16)
- (Optional) Calculator
- (Optional) Copy of additional lesson on keeping record of loans (Appendix 17)

Objectives

1. Reflected on lending and priorities
2. Examined the loan process
3. Practiced recording loans in the individual loan register or passbook
4. Reviewed savings procedures
5. Received and recorded member savings deposits

Summary

Task 1: Welcome and Review of Group Policies (10 Minutes)

Task 2: Loan process (60 minutes)

Task 3: Savings (60 minutes)

Task 4: Close meeting (5 minutes)

Facilitator Notes

This meeting should be after Training Meeting Seven. The group will have started to save and have developed their loan policies beforehand.

The facilitator will take the group through a demonstration of how to fill out the loan records for one member (Peter). Walk through each step at a pace that everyone can keep up with and repeat each step as needed. Especially make sure the secretary understands how to fill out the register.

There is an additional exercise on filling out the loan register in Appendix 21 (Example of Fatima). This additional exercise can be done within the meeting or as a separate training with just the Management Committee. The group should be given the choice of how to use this exercise. In this second exercise, you should take a step back and invite members, especially the secretary and Management Committee, to fill out the register on the flipchart. Resist the urge to do the register for the secretary. If they have trouble, you may ask other members to help them. If the whole group

is not able to help, then instruct them verbally how to fill out the register, but allow them to fill it out.

Task 1: Welcome and Review of Group Policies (10 Minutes)

1A: *(Say)* Welcome back everyone! This is our eighth Training Meeting. In this meeting we are going to discuss how your group can protect itself from some risks. Also, today you will save, but before that we will go through the loan process and how to record loans. At the next meeting you will be able to give your first loans as a group.

(Optional: Open with prayer.)

(Say) Before we get started, I’m going to ask the Chairperson to take attendance and the Secretary to read your group rules.

(Allow the time for the Chairperson to take attendance and the Secretary to read the group rules.)

Task 2: Loan process (60 minutes)

2A: *(Say)* Right now we will discuss what your group will do to get ready to give out loans in your next meeting. Then you will make your savings deposits.

Listen to these stories.

Story One	Story Two
<p>Eva asked her Savings Group for a loan, even though she wasn’t sure what she would use the money for. To her surprise they gave her one. She was so happy to have money in her hand. When she received the loan, she spent a good part of it on new clothes, and snacks for her family.</p> <p>When her first payment was due, she ignored it and carried on. She paid part of the second payment. She didn’t want to repay the loan and eventually stopped going to her Savings Group.</p>	<p>Tina needed a loan to pay for the transportation of some vegetables her family harvested to get them to market. She received a loan from her group.</p> <p>She planned to save part of the profits from selling the vegetables to pay for the loan. She was able to repay her loan and take another one later on.</p>

(Say) Turn to the person next to you and discuss these two stories. What were some differences between the loan Eva took and the one Tina took? What could a group do to avoid a situation like Eva’s?

(Allow for discussion for a few minutes then ask them to come back as a whole group.)

(Ask) What did you and your partner talk about?

(Allow a few minutes for discussion.)

(Say) Listen to this verse from the Bible.

It is better to say nothing than to make a promise and not keep it.
(Ecclesiastes 5:5 NLT)

(Ask) What lesson can we learn about taking out loans from this verse?

(Allow for discussion.)

(Say) Your group will need to be honest with each other. Savings Group members should only use loans for healthy and productive purposes and not for passing pleasures. Savings Group members should only take loans out that they would pay back and have a plan for how they will repay the loans. When you take out a loan, you are making a promise to repay the money you borrowed. It is better not to ask for a loan if you don't think you will pay it back.

We'll come back to this topic in a few minutes. What questions do you have before we begin to go through the steps you will take to give out loans?

2B: (Say) Listen to this quick outline of what will happen in a meeting when loans are given out. Then we will go through the steps regarding loans one by one.

Overview of a Loan meeting
Open meeting
Group rules recited or read
Learning Conversation
Count funds
Social Fund transactions
Fines collected
Savings deposits made and recorded
Loan repayments and interest paid on outstanding loans
Count funds available in group fund
Loan requests made and discussed
Loans recorded and disbursed
Funds counted and announced
Close meeting

(Ask) What questions do you have about this order?

(In general, all incoming funds such as savings, repayments, interest, and fines happen before loans are given out.)

(Say) Loans are given out once a month in this first cycle. This is to simplify the recordkeeping. This means the loan repayments and interest payments, are also done once a month. For, example, if the group policy allows three months for repayment, the member can decide to repay the loan in one month installments or at the end of three months. If they do not make monthly payments, interest is still calculated for each month and added to the principle.

(For example, Joanna has a 100 loan with 10% interest rate. if Joanna does not make ANY payment until her loan is due, after one month she would owe 110. In month two, she would owe 121, at the end of three months she would need to pay 133.1 to cover the principles plus interest. The interest is added on a monthly basis, not for the payment period of the loan.)

After savings deposits are made and recorded, there will be time for loan repayments and interest payments to be made and recorded. Since you have not made any loans yet, you will not need to worry about this step today.

After all the savings deposits and other payments have been made, the cashier will count the money that is available and present the group fund. This will be the amount available for loans. In the beginning the amount available will be very small, but as the group saves, it will become larger. You need to be patient as your money grows.

2C: *(Say)* Once your money has been counted, your Chairperson will announce that it is time for loans. She or the cashier will announce the money available for loans. The chairperson will then ask for those who would like a loan to come forward or raise their hand.

(Say) When your group begins to lend out your money, you will need to ask members how they plan to use the loan and how they plan to repay the loan. Everyone wants a loan. It is very easy for money to leave the group, but repaying loans is much more difficult. Since the money being lent belongs to you, you will need to take care that members are able to repay loans. Denying a loan to a member is difficult. However, it is more difficult if a member does not repay. This can create bigger troubles for your group than if the initial loan request was gently denied or the amount negotiated. The length of each loan should be determined in this conversation if your group has not put anything about loan length in your group rules. You will need to prioritize when several members want a loan, but the group fund does not have enough in it to cover all the desired loans.

(Say) Listen to this situation.

Maria is a group member who wants a loan of 100. She wants a loan to buy some tomatoes to resell in the market.

Lotus also is a member who wants a loan of 150. She wants a loan to pay for school fees for her son.

The fund available for loans is 200.

(Ask) Find 2-3 people near you and discuss this story for a few minutes. Discuss the following questions: If Maria and Lotus were in your group, how would you distribute the loans? What kinds of loans will you give priority? What other factors would you also consider in your decision?

(Allow a few minutes for groups to discuss, then say) Let us hear from several of you about the discussion your small group had. Who would like to start?

(Allow for discussion. Decisions about loans can be made in many ways. Some loans might be given priority because of urgency, what the loan is going to be used for, if they contribute to the goals of the group, etc. Here, both loans are legitimate needs. The group may decide that Maria's loan is too big and ask her to reduce it. Or perhaps a group would ask Lotus take a smaller loan. There are many ways to make this decision, but the group should discuss what they will prioritize. Their group rules also will help guide them in these decisions too.)

(Say) Your group will need to have open discussions about how to make these decisions.

(Ask) How will you prioritize loans in your group?

(Allow them to discuss. The secretary may want to take notes of any decisions, but it is mostly to give the group a chance to think about what kinds of loans they will give priority to and what to do if they don't have enough funds.)

Things to consider when prioritizing a loan:

- Severity of need
- History of payments and loans of member
- Person who applies first should be considered first

2D: *(Say)* Once your group has decided on the loans to be disbursed, the secretary will need to record the loans in a member's individual passbook or loan record. We are now going to go over how to record loans.

(Post a blank flipchart and then work through the example of Peter (Appendix 22) slowly. Explain each loan meeting one at a time.)

1st Loan Meeting	<p>Peter asked for a loan of 150 for his new business of repairing bicycles. He wanted a loan to buy a tool. The group approved the loan. His group had decided on interest of 10%.</p> <p>The interest amount is 15 or 10% of 150</p> <p>150 (loan amount) + 15 (interest)= 165 (amount owed)</p> <p>A member can only take one loan at a time. Peter cannot take another loan from the group until he pays this one. If Peter wanted to pay off his loan at the next loan meeting he would need to pay 165 to cover the loan amount and interest.</p> <p>The secretary signs the passbook after each loan register transaction. Peter should observe the Secretary entering in his loan information into the register and when he makes any payment on his loan.</p>
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(Peter’s loan would be registered in the following manner.)

Meeting date or number	Category	Amount	Signature of Secretary
1	Loan Amount	150	
	+ Interest	15	
	= Amount Owed	165	Maria

(Ask) What questions do you have about registering the initial loan amount?

(Say) Next we are going to look at the second loan meeting. Remember loan meetings happen once a month, so this second loan meeting is one month later than the first one.

Second Loan meeting	<p>In the second loan meeting, Peter pays 75 towards the loan.</p> <p>$165 \text{ (amount owed)} - 75 \text{ (Amount paid)} = 90 \text{ (loan amount)}$</p> <p>$90 \text{ (loan amount)} + 15 \text{ (Interest)} = 105 \text{ (amount owed)}$</p> <p>Note: The interest is always 15 because it is a flat interest rate. It is the interest calculated using the initial loan amount. This is the easiest way to calculate interest. It is recommended that groups use this way of calculating interest for at least the first cycle. It is important that all members of the group understand how interest is calculated. This relates to the principle of transparency.</p> <p>There are other ways to calculate interest. It is important that all members know how interest is calculated. Groups should avoid using ways of calculating interest rates that not all members understand.</p>
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(The payment is recorded in the register in the following way.)

Meeting date or number	Category	Amount	Signature of Secretary
1	Loan Amount	150	
	+ Interest	15	
	= Amount Owed	165	Maria
2	- Amount Paid	75	
	=Loan Amount	90	
	+ Interest	15	
	= Amount Owed	105	Maria

(Ask) What questions do you have regarding recording this second loan payment? What is not clear?

(Say) Next we are going to look at the third loan meeting.

Third Loan Meeting	<p>In the third loan meeting, Peter paid 90 towards the loan.</p> <p>$105 \text{ (amount owed)} - 90 \text{ (amount paid)} = 15 \text{ (loan amount)}$</p> <p>$15 \text{ (loan amount)} + 15 \text{ (interest)} = 30 \text{ (amount owed)}$</p>
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(This payment is recorded in the following way.)

Meeting date or number	Category	Amount	Signature of Secretary
1	Loan Amount	150	
	+ Interest	15	
	= Amount Owed	165	Maria
2	- Amount Paid	75	
	=Loan Amount	90	
	+ Interest	15	
	= Amount Owed	105	Maria
3	- Amount Paid	90	
	=Loan Amount	15	
	+ Interest	15	
	= Amount Owed	30	Maria

(Ask) What questions do you have about recording this payment?

(Say) Next we will look at the fourth loan meeting. At this meeting Peter pays off his loan.

Fourth Loan Meeting	<p>In the fourth loan meeting, Peter paid 30 and pays off his loan completely.</p> <p>$30 \text{ (amount owed)} - 30 \text{ (amount paid)} = 0 \text{ (amount owed, loan is paid off)}$</p> <p>To signify that the loan is paid, the secretary draws a line through the whole loan record. Peter has paid his loan and owes nothing.</p>
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(This last payment is recorded in the following way.)

Meeting date or number	Category	Amount	Signature of Secretary
1	Loan Amount	150	Maria
	+ Interest	15	
	= Amount Owed	165	
2	- Amount Paid	75	Maria
	=Loan Amount	90	
	+ Interest	15	
	= Amount Owed	105	
3	- Amount Paid	90	Maria
	=Loan Amount	15	
	+ Interest	15	
	= Amount Owed	30	
4	- Amount Paid	30	Maria
	=Loan Amount	0	
	+ Interest	0	
	= Amount Owed	0	

(Ask) What questions do you have about the payment in this loan meeting? What needs to be clarified?

(The group's rule/policies should say how many months a member has until they need to repay their loan—or the group will have discussed the loan length when they approved and disbursed the loan. In this example Peter repaid 3 months after the loan was taken.)

An **additional Loan Register Practice lesson** is available in Appendix 15. This additional lesson can be done now if the group would like, or at another time. It may be done with the Management Committee alone or with the whole group.

2E: (Say) Once the loans have been recorded, they can be disbursed. The cashier counts the money and gives it to the member. The member counts and verifies that the amount is correct immediately after receiving it from the cashier. All these transactions should be done in front of the group and in the open. As each amount is being given to the member, the secretary should announce to the group the following for each loan given:

For each loan the Secretary announces to the group:
_____ (name) is taking a loan for _____ (amount). The loan will be paid back in full in _____ (number of months). She will pay _____ (interest amount) each month in Interest until the loan is paid.
For example:
Peter is taking a loan for 150. The loan will be paid back in full in three months. He will pay 15 each month in Interest until the loan is paid.

(Say) The secretary will ask the member's helper to remember this information about the loan. It is important that the helper listen carefully to the loan information. *(There is not a written record of the loan except for what is in the individual's loan register or passbook and what the Helpers remember.)*

(Ask) What questions do you have about the loan process?

(Say) Once the loans have been handed out, the Chairperson will ask the cashier to count the remaining money in their group fund. The Chairperson will announce and ask the members to remember this amount. At the next meeting the members will be asked to verify that this amount is still in the cashbox when they count their money at the beginning of the meeting.

(Say) Once the money has been counted, the cashbox can be closed and locked. The Chairperson may then close the meeting.

(Ask) What questions do you have about the loan process before you begin the savings process?

Task 3: Savings (60 minutes)

3A: *(Say)* You now will make your savings deposits.

(You will guide the Management Committee through the savings process. Allow the Management Committee to take their roles. Prompt them and guide them as needed. The chairperson already took attendance and the group should have already read or recited their rules. You may start the savings portion at step one of opening the box.)

Savings Process	
12. Open cashbox	<ul style="list-style-type: none"> • Key Keepers give keys to cashier. • Members call out the value of funds in the box. • The cashier opens the box. • The cashier or money counters count the money that is in the box to verify the funds in the box is the same as what the members remember and recorded by the secretary. The amount in the cashbox is announced to the group.
13. Social Fund (if the group has one)	<ul style="list-style-type: none"> • The social fund is counted. The members and secretary verify the amount in the fund. • The secretary calls members one by one using their number or name. The cashier collects the social fund contribution of members and puts it in the plate where all members can see it. • Once everyone has contributed, the cashier counts the money. This is money available in the social fund right now. • The cashier or secretary announces the funds available in the social fund to the group. • If there is a need, this would be the time the member would ask for a loan. The group needs to approve it. • The remaining funds are counted. • The secretary or cashier announces the amount to the group, so they remember it. The secretary will record this ending balance in her group notebook. • Helpers take note and remember those who did not contribute and who has a loan out.
14. Collect fines	<ul style="list-style-type: none"> • The Chairperson announces that this is the time to pay fines. • The members call out who needs to pay fines. • Cashier counts and announces any received fines.
15. Share/ Savings collected	<ul style="list-style-type: none"> • The secretary calls each member by number or name one by one. The cashier receives money, verifies the amount, and announces out loud for the secretary to record and members to hear. • The secretary records the number of shares in each member's passbook.
16. Count remaining money	<ul style="list-style-type: none"> • The cashier counts the remaining funds that are in a group fund. The secretary records this in the group ledger and announces the amount for all members to remember.
17. Close Cashbox	<ul style="list-style-type: none"> • Close and lock cashbox.
18. Close meeting	<ul style="list-style-type: none"> • Close meeting with any announcements. • <i>(Optional)</i> Close in prayer

(Say) You have just ended the savings part of the meeting.

Task 4: Close meeting (5 minutes)

4A: *(Ask)* Thanks for your participation and work today. What questions do you have from today?

(Say) Remember as you give out loans in your next meeting: Members should only use loans for healthy and productive purposes and not for passing pleasures. Members should only take loans out that they will pay back and have a plan for how they will repay the loans.

All savings and loan transactions should be done in the open with the group present to maintain transparency and trust.

(Say) In the next meeting you will give out your first loans and also discuss the end of cycle payout.

4B: (Close in optional prayer)

(Say) Let's close our time with prayer.

(Close in optional prayer.)

Optional Prayer: God we thank for you for this group and ask that you protect them. Protect their families. We ask that you continue to give them wisdom in how to manage this group. Give them wisdom as they get closer to give out their first loans. We thank for the time we had today to learn about loans. May this group honor you as they save for their family and business needs. Amen.

Source acknowledgements

Adapted from VSL Associates (April, 2009), "Programme Guide: Field Operations Manual", Version 3.2, VSL Associates.

Training Meeting 9: First Loan Meeting, Payout and Sharing Profits

Time

120 minutes

Preparation and Materials

- Copy of House of Principles (Appendix 12)
- Copies of blank loan register (Appendix 21)
- Copy of Savings and Loan process from Training Meeting 6 (Appendix 16)
- Review Training Meeting 8 about registering loans and process
- *(Optional)* Calculator

Objectives

1. Decided how savings and group profits will be disbursed at the end of the cycle
2. Received and recorded member savings deposits
3. Reviewed loan process
4. Gave out their first loan

Summary

Task 1: Welcome and Review of Group Policies (10 Minutes)

Task 2: Making Payout Decisions (30 minutes)

Task 3: Savings (40 minutes)

Task 4: First Loan meeting (30 minutes)

Task 5: Close meeting (10 minutes)

Facilitator Notes

This meeting should be after Training Meeting Seven. The group will have started to save and have learned how to register loans in their loan register.

Task 1: Welcome and Review of Group Policies (10 Minutes)

1A: *(Say)* Welcome back everyone! This is our Ninth Training Meeting. In this meeting you will discuss some things regarding the end of the cycle when you will payout.

(Optional) Open with prayer.

(Say) Before we get started, I'm going to ask the Chairperson to take attendance and the Secretary to read your group rules.

(Allow the time for the Chairperson to take attendance and the Secretary to read the group rules.)

Task 2: Making Payout Decisions (30 minutes)

2A: *(Say)* We need to discuss how your group will distribute its funds. At the end of the cycle each person receives the total amount they saved throughout the cycle and a part of the group profits. These are the profits your group will make on interest and fines. There are two ways to share the group’s profits.

Listen to these stories. As you listen don’t worry about how the calculations are made yet, you will receive training on how to do this closer to the end of the cycle. Focus on the advantages and challenges of each way.

<p>Story One: Sharing profits according to shares saved</p>	<p>Story Two: Sharing profits equally among members</p>
<p>Living Waters Savings Group has ten members who have earned 500 as a group in interest and fines during its cycle. Together as a whole group they saved 100 shares. To calculate how much each member receives in profit they calculated how much each share would receive in profit.</p> <p>They calculated that each member would receive 5 for each share they saved during the cycle.</p> <p>This meant that Luisa, who saved the most shares at 20 shares, received 100. Regina who was a member who saved 10 shares received 50. Grace, who saved the least at 5 shares, received 25.</p> <p>The member who saves more receives a larger part of the profits than a member who saves less.</p>	<p>Steep Mountain Savings Group has ten members who also earned 500 as a group in interest and fines during its cycle. Together as a whole group they saved 100 shares. They wanted to divide up the group profits equally among members.</p> <p>They calculated that each member would receive 50.</p> <p>This meant that Maria, who saved the most shares at 20 shares, received 50. Teresa who was a member who saved 10 shares also received 50. Nina, who saved the least at 5 shares, received 50.</p> <p>Each member received the same amount of the profits.</p>

(Say) Turn to a person next to you. Discuss for a few minutes what you liked and disliked from each story. What group shared their profits in a way that you liked most and why? Afterwards, we’ll share together what you discussed with your partner.

(Allow for pairs to discuss the stories for a few minutes, then say) Let us come together now and talk about your thoughts about these two stories.

(Ask) Which story or way of sharing profits did you like most? Once those who want to share, we will discuss how you would like to share your profits as a group. Once you have a decision, your secretary will add them to your group rules.

Story Two is an ideal situation when all members have saved the same number of shares. In order to do this every member should save the same amount at each meeting. What do you think of this?

(Allow for the group to decide.)

(Say) Also, if you have not decided already, we will decide on a date when you would like to receive your savings and profits (*Payout*) and clear out your books. This will be end of the cycle. Before starting a new cycle you will have a chance to elect new leaders or re-elect your leaders, modify your group rules, and accept new members and let some members quit.

Remember your savings and group goals when you decide on the payout date. For example, if a group wants to save to pay for school fees for their children, the group should decide on a date close to when those fees will be needed.

(Allow the group to decide on a date now if they have not done so already. Ask the secretary to add these decisions be added to the group rules.)

Payout decisions to be added to the group rules:

1. Our group will distribute savings and profits on the following date:

(Note: does not need to be exact day, could be the month, a particular week in a month)

2. Our group's profits (through interest and fines) will be shared in the following way:

(Example: *proportion to each member's savings, or equally*)

2B:(Ask) Consider the House of Principles. How do you see the decisions you made regarding the payout date and profit sharing support the House of Principles? Which principles are being supported in the decisions?

(Allow for discussion, you may add to the discussion if they do not mention the following. Decisions regarding payout encourage transparency since it is clear to all members when they will distribute their funds and how they will share their profits. Knowing this also promotes trust within the group and avoids conflicts in the future.)

(Ask) What questions do you have about the payout date or sharing of profits, or the House of Principles?

Task 3: Savings (40 minutes)

3A: (Say) Next you will go through the savings process, then you will give out your first loans.

Since the rules already have been recited or read, I will ask the Chairperson to begin the savings process and ask that the cashbox be opened.

Outline of Savings Process	
19. Open cashbox	<ul style="list-style-type: none"> • Key Keepers give keys to cashier. • Members call out the value of funds in the box. • The cashier opens the box. • The cashier or money counters count the money that is in the box to verify that the funds in the box is the same as what the members remember and recorded by the secretary. The amount in the cashbox is announced to the group.
20. Social Fund (if the group has one)	<ul style="list-style-type: none"> • The social fund is counted. The members and secretary verify the amount in the fund. • The secretary calls members one by one using their number or name. The cashier collects the social fund contribution of members and puts it in the plate where all members can see it. • Once everyone has contributed, the cashier counts the money. This is money available in the social fund right now. • The cashier or secretary announces the funds available in the social fund to the group. • If there is a need, this would be the time the member would ask for a loan. The group needs to approve it. • The remaining funds are counted. • The secretary or cashier announces the amount to the group, so they remember it. The secretary will record this ending balance in her group notebook. • Helpers take note and remember those who did not contribute and who has a loan out.
21. Collect fines	<ul style="list-style-type: none"> • The Chairperson announces that this is the time to pay fines. • The members call out who needs to pay fines. • Cashier counts and announces any received fines and payments.
22. Share/ Savings collected	<ul style="list-style-type: none"> • The secretary calls each member by number or name one by one. The cashier receives money, verifies the amount, and announces out loud for the secretary to record and members to hear. • The secretary records the number of shares in each member's passbook.

(Ask) What questions do you have about the saving process?

Task 4: First Loan meeting (30 minutes)

4A: (Ask) What do you remember from our last meeting about the loan process?

(Encourage the group to share what they remember regarding loans from the last meeting.)

(Say) Loans will be given out once a month. This also means that once a month loan and interest payments are received. Loans will always be given out after the savings process.

I will ask the Chairperson to ask members who would like a loan to present their requests. Then your group will discuss each loan and make a decision on who will receive loans, and when each loan is due. The secretary will then record each loan in the member's loan register in their passbook and then announce the terms of each loan out loud for all to hear. The Helpers will need to remember the loan amounts and terms.

Outline of Loan Process	
Since this is the first loan meeting you will skip step 1 and the group will start at step 2.	
1. Loan repayment and interest payments	<ul style="list-style-type: none"> • The Chairperson announces this is the time for loans, and repayments are first. • The Helpers indicates who has a repayment or interest payment due. • The Cashier receives the payments and announces it for the secretary to record payments in the member's passbook. • The cashier will count and announce all available funds available in the group fund.
2. Loans Disbursed	<ul style="list-style-type: none"> • Chairperson indicates that it is time for loans and asks members to present their loan requests to the group. • All members requesting loans present their loan requests including the amount requested, how they will use the loan, and their repayment plan. • The group discusses each loan request and approves/denies requests. • The Secretary records the loan amount in the passbook of the individual taking the loan and announces the terms for each loan out loud to the group. The Helpers remember when the loan is due. • The loans are disbursed by the cashier to the members.

Remember for each loan given, the secretary will announce the following information about the loan:

For each loan the secretary announces to the group:
 _____ (*name*) is taking a loan for _____ (*amount*). The loan will be paid back in full in _____ (*number of months*). She will pay _____ (*interest amount*) each month until the loan is paid.
 For example:
 Peter is taking a loan for 150. The loan will be paid back in full in three months. He will pay 15 each month until the loan is paid.

(Allow the Chairperson to lead their group through this process. As a facilitator only assist the Chairperson if you are asked or when there is something wrong. Allow the secretary to record the loan and avoid filing out any loan register.)

Task 5: Close meeting (10 minutes)

5A: (Ask the Chairperson to continue to lead the group and close the meeting. The Chairperson should announce each step. Example: “Next we will count the money that is left in our box. Cashier, will you please count the money that is left?”)

3. Count remaining money	<ul style="list-style-type: none"> • The cashier counts the remaining funds that are in a group fund. The secretary records this in the group ledger and announces the amount for all members to remember.
4. Close Cashbox	<ul style="list-style-type: none"> • Close and lock cashbox
5. Close meeting	<ul style="list-style-type: none"> • Close meeting with any announcements • (Optional) Close in prayer.

Source acknowledgements

VSL Associates (April, 2009), “Programme Guide: Field Operations Manual”, Version 3.2, VSL Associates.

Training Meeting 10: Managing Threats and Security of Funds

Time

120 minutes

Preparation and Materials

- Copy of Group rules/policy form (Appendix 14)
- Copy of House of Principles (Appendix 12)
- Optional: Flipchart paper and Markers
- (optional) 10 seeds/stone
- (optional) Reference Training Meeting 12 regarding example of using 10 seeds/stones to rank

Objectives

1. Received and recorded member savings deposits (Including Social Fund)
2. Identified threats to their group
3. Decided on actions they will do as a group to manage/reduce threats

Summary

Task 1: Welcome and Review of Group Policies (10 Minutes)

Task 2: Managing Threats (40 Minutes)

Task 3: Savings (60 minutes)

Task 4: Close meeting (5 minutes)

Facilitator Notes

This meeting should be after Training Meeting 9. The Management Committee and group should have received the training on how to keep their savings record, how to go through a savings meeting, and have given their first loans.

Task 1: Welcome and Review of Group Policies (10 Minutes)

1A: *(Say)* Welcome back everyone! This is our tenth Training Meeting. In this meeting we are going to look at how your group can handle threats to your group and group funds. Once we have done this, you will go into your savings meeting.

(Optional) Open with prayer.

(Say) Before we get started, I'm going to ask the Chairperson to take attendance and the Secretary to read your group rules. Today you will be discussing threats to your group and what your group can do to minimize them. After the discussion, you will make your savings deposits.

(Allow the time for the Chairperson to take attendance and the Secretary to read the group rules.)

Task 2: Managing Threats (40 Minutes)

2A: *(Say)* For the next few minutes we're going to look at some common threats that groups face. Listen to the following short stories.

1. There was once an active Savings Group in a village. One night their cashier's house, where their funds were kept, caught on fire. The funds that were in the cashbox were lost.
2. The nephew of the cashier was staying with her for a few weeks. When he learned that his aunt held the cashbox he became interested. The day of the next Savings Group meeting the cashier found that the group's box was not to be found. It was stolen by her nephew.
3. The Savings Group in one village was worried about the rain that was coming down in a storm. It didn't take long when the river near their village flooded and they were forced to leave their home. Everyone in the group lost their homes and were displaced in different nearby villages. The cashbox was safe, but members were scattered all over.

(Ask) Form a small group with 2-3 other people. I will give each group *(it is okay to have several small groups discussing the same story)* one of these stories to discuss. You will discuss the following questions in your small group. After 3 minutes, we'll talk about each of these stories together.

- What is the threat to the group?
- How could the group have prepared for the event or prevented the situation?

(Allow the groups to discuss for a few minutes, then bring them together, and say) What were the threats the groups faced in these stories? What did your groups discuss about preventing or preparing for these situations?

Facilitation note: Allow for discussion, you may add a few of the following ideas if they do not mention them.

- General: One way groups keep their funds safe is by keeping the minimum amount of money in their cashbox by taking loans out.
- Story One: The group could have tried to look for a more secure house to keep their cashbox. They needed to keep the location of the cashbox secret. They could've relocated the cashbox while family was visiting to remove the temptation.

- Story Two: The cashbox and its location should be a secret. It's possible that the house did not have a safe place to keep the box and the group could've kept it at a more secure location.
- Story Three: If flooding is common, the group members could try to relocate their houses to a safer location. The group could make a disaster plan to know how to contact each other after a disaster.

(Say) Since we are people, we have the ability to plan ahead to avoid threats or minimize them. Groups can plan ahead to discuss how to prevent and reduce threats to their group. The security of group funds is a major concern for many groups.

(Ask) What are some threats to your group funds?

(After the group has identified some threats, ask) What are some ways your group can protect them?

(Allow the group to discuss their ideas. Encourage them to implement one or two of them, especially if they live in an area particularly vulnerable to threats.)

(Allow for discussion; only suggest these if the group clearly needs some ideas.)

The following are some ideas groups have had to protect their funds. Not all these ideas are appropriate in all places or contexts.

- Lend out most or all of the funds in their group fund so there is little or no money in the cashbox. This is the most common and easiest way to keep funds safe in the middle of the cycle.
- Keep a portion of their money in a local bank.
- Secretly move the cashbox from one member's house to another. Only the cashier knows where it goes.
- Use two cashboxes so funds are divided.
- Bury the cashbox for safekeeping in conflict areas.
- Divide up the money in proportion to each member's savings for safe keeping.

2B: *(Say)* Thanks for your discussion. Find 2 other people and discuss what two ideas you are willing to implement now. Take 5 minutes to discuss, then we will hear from each group.

(Allow small groups time to discuss, then say) Let us come back together as a group and hear what each small group has discussed. Who would like to share what your group decided?

(Say) From what each small group has shared, what ideas are most members willing to implement? What are 1 or 2 ideas you can do now as a group?

(Look for connections and themes. If the group has no consensus, they may not be ready to commit to one idea yet or just have different ideas. You may decide to have the group rank their ideas by using 10 seeds/stones to identify which idea is most accepted by the group.

To rank them, give each member 10 seeds/stones. You will need to write or have an object that represents each idea. Members will put their seeds/ stones next to the idea they most would like to implement, and less seeds on those that they are less interested in. You may want to see Training Meeting 12 for an example of how to use 10 seeds to rank.)

(Say) The idea that you selected should be written in your group rules or recorded in your group notebook. *(Ask the Secretary to record the group's decision in their group notebook or group rules.)*

(Say) This was a short amount of time for your group to begin to think about how to prepare and protect yourself from potential threats to your group. While we can't guess every threat, we can avoid some.

Your group can go back and discuss threats at any time, especially if your group sees a new threat that needs to be addressed.

(Ask) What questions do you have about threats?

Task 3: Savings (60 minutes)

3A: *(Say)* You now will make your savings deposits.

(You will guide the Management Committee through the savings process. Allow the Management Committee to take their roles. Prompt them and guide them as needed. The chairperson already took attendance and the group should have already read or recited their rules. You may start the savings portion at step one of opening the box.)

Savings Process	
23. Open cashbox	<ul style="list-style-type: none"> • Key Keepers give keys to cashier • Members call out the value of funds in the box. • The cashier opens the box. • The cashier or money counters count the money that is in the box to verify the funds in the box is the same as what the members remember and recorded by the secretary. The amount in the cashbox is announced to the group.
24. Social Fund (if the group has one)	<ul style="list-style-type: none"> • The social fund is counted. The members and secretary verify the amount in the fund. • The secretary calls members one by one using their number or name. The cashier collects the social fund contribution of members and puts it in the plate where all members can see it. • Once everyone has contributed, the cashier counts the money. This is money available in the social fund right now. • The cashier or secretary announces the funds available in the social fund to the group. • If there is a need, this would be the time the member would ask for a loan. The group needs to approve it. • The remaining funds are counted. • The secretary or cashier announces the amount to the group, so they remember it. The secretary will record this ending balance in her group notebook. • Helpers take note and remember those who did not contribute and who has a loan out.
25. Collect fines	<ul style="list-style-type: none"> • The Chairperson announces this is the time for fines. • The members call out who needs to pay fines. • Cashier counts and announces any received fines and payments.
26. Share/ Savings collected	<ul style="list-style-type: none"> • The secretary calls each member by number or name one by one. The cashier receives money, verifies the amount, and announces out loud for the secretary to record and members to hear. • The secretary records the number of shares in each member's passbook
27. Count remaining money	<ul style="list-style-type: none"> • The cashier counts the remaining funds that are in a group fund. The secretary records this in the group ledger and announces the amount for all members to remember.
28. Close Cashbox	<ul style="list-style-type: none"> • Close and lock cashbox.
29. Close meeting	<ul style="list-style-type: none"> • Close meeting with any announcements. • <i>(Optional)</i> Close in prayer

(Say) You have just ended the savings part of the meeting.

Task 4: Close meeting (5 minutes)

4A: *(Ask)* Thanks for your participation and work today. What questions do you have from today?

(Say) I will let the Chairperson close today's meeting.

4B: *(Optional)* Close in prayer

(Say) Let us close our time with prayer.

Lord, we thank you for this group and the opportunity to save. We ask that you direct us and keep our group and funds safe. Give us the wisdom to know how to respond to threats to our groups and keep our group strong and safe. Amen.

Training Meeting 11: Preparing for Payout

Time

115 minutes (including time for savings process)

Preparation and Materials

- Copy of House of Principles (Appendix 12)
- Copy of Savings and Loan process from Training Meeting 6 (Appendix 16)
- (optional) Flipchart paper and markers

Objectives

1. Performed normal savings meeting activities
2. Reflected on needed steps and activities leading up to payout
3. Decided on the date for repayment of all outstanding loans
4. Reflected on group rules and House of Principles related to payout
5. Decided how they will prepare for their payout meeting

Summary

Task 1: Welcome and Review of Group Policies (10 Minutes)

Task 2: Payout (45 minutes)

Task 3: Savings (60 minutes)

Facilitator Notes

This meeting should be after Training Meeting 10 and will be following at least several months of normal savings/loan meetings where groups will also go through some Learning Conversations. This Training Meeting should be planned 1-2 months before the group's payout. If the group has had a difficult time repaying loans you may want to do this meeting 2 months before the group's payout. This will give the group time to develop a plan on how to encourage members to repay their overdue loans.

Coordinate with the group the day that you will do this session with them since it will lengthen their meeting time. Avoid holding this meeting during a loan meeting as loan meetings often take longer than just saving.

The Management Committee will have had some time to learn their roles. Allow them to lead and guide the meeting.

Task 1: Welcome and Review of Group Policies (10 Minutes)

(Optional) Open in prayer.

1A: (Say) I will ask the Chairperson to start and lead your meeting.

(Allow the Chairperson to start and lead the meeting. The group should read or *recite* their rules. Allow the Chairperson to introduce this training section.)

(Say) You are a getting close to the end of your cycle when you will receive the money you have saved plus a share of the group profits. Today we will take some extra time to discuss how you will need to begin to prepare for this day. After this discussion, you'll have time to go through your normal savings and loan process.

Task 2: Payout (45 minutes)

2A: (Say) While it may seem that the end of the cycle is still far away, it is not too early to begin to think about it and begin preparing for it. Closer to the payout meeting, you will receive training on how to calculate the amount each member will receive. Today we will just talk about what you need to do now to prepare for payout.

Listen to this story of the group Tree of Life.

Tree of Life

The group Tree of Life is nearing the day when they will receive the money they have saved all year and to share their group profits. A month before the payout day they stop giving out loans. They begin to only take repayments and savings deposits. They take time in one of their meeting to begin to talk about the end of the cycle.

They have a couple members who are behind on repaying their loans. The group decides that the Chairperson and one other member will visit each member who are behind and talk to them. They know that if loans are not repaid that could mean a loss for the group and make the group weak. They decide on a date when all outstanding loans will be due.

They decide that they want to invite a couple community leaders to the payout meeting. They want to make it a time of celebration. A couple members volunteer to organize the food for that day. They would like have some snacks available as part of their celebration. The Chairperson and secretary works with the group to create an agenda for the special day.

A couple days before the payout date, the group has a special meeting to calculate the savings and profits each member will receive. At this point money doesn't enter or leave their cashbox. On the payout day, they have a great celebration together and everyone receives their savings and part of the group profits. They all go home happy at the end of the meeting.

(Say) Find two people next to you and discuss this story for a few minutes. What did the Tree of Life group do to get ready for the end of the cycle?

(Allow time for the groups to discuss.)

(Say) Let us hear from a few groups on what you talked about. (Allow time for the groups who want to share to do so. You may also write on flipchart paper what they groups share if the group is literate.)

(Ask) Considering what you just shared, what would you like to discuss today regarding payout preparation?

(Allow the group to begin discussing their plans. You may ask them to discuss items on the following outline if they are not sure, or forget some of the items. Encourage them to make some firm decisions regarding outstanding loans and payout date.)

Preparing for Payout:

At least one month before:

- Decide on last day to repay outstanding loans
- Discuss how to resolve any overdue loans.
- Decide on date for the payout meeting if it is not already decided in group rules
- Discuss the plan or agenda for the payout meeting
- Discuss plans and desires for next cycle

About one week before:

- Finalize plans for payout meeting
- Receive all outstanding loans

At least one day before:

- Calculate money to be received by each member (savings and portion of profits)
- Prepare funds for payout

(Say) Think about all that we have discussed. Think for a moment about your group rules and the House of Principles. What else might you need to consider as you prepare for payout when you think about your rules and the House of Principles?

(Examples: You may have to consider what to do with the social fund. To ensure a transparent process, the group might make sure the meeting to do the payout calculations is done with members present.)

2B: (Optional) Time of Prayer

(Say) Let's spend a few minutes praying for your payout and for the protection of the group during these last few weeks of the cycle.

(You may have the group pray as a whole, or divide in small groups. Pray in a way that is most comfortable for the group.)

(Ask) What questions do you have about preparing for payout before you begin your savings process?

Task 3: Savings (60 minutes)

3A: *(Say)* I will let you now go through your normal savings procedures and close your meeting as normal.

(As the group goes through the savings procedures, observe them. The Management Committee should be able to go through the savings procedures with ease by now. However, take notice of any major procedures that were not done correctly. Depending on your context, you may gently correct the Management Committee afterwards with the whole group, or privately.)

(Allow the Chairperson to lead and close meeting.)

Training Meeting 12: Calculating Payout Amounts

Time

120 minutes

Preparation and Materials

- Calculator (*at least one*)
- Copy of Final Register in Appendix 25
- Review and have copy of Payout Steps and Guidance in Appendix 24
- Copy of Example Payout Calculations (Appendix 24)
- Flipchart paper and markers
- Coordinate with the group's Chairperson and Management Committee the time and date of this meeting. They should open and close the meeting as they normally do.

Objectives

1. Reviewed the steps to calculate payout amounts.
2. Calculated the payout amounts for each member
3. Decided what to do with any leftover money

Summary

Task 1: Introduction (10 minutes)

Task 2: Calculating Payout (90 minutes)

Task 3: Close meeting (10 minutes)

Facilitator Notes

This meeting should be after Training Meeting 10 and will be following at least several months of normal savings/loan meetings where groups will also go through some Learning Conversations. It should be very close to the payout day. This meeting will be done with the group to calculate their payout amounts.

Before entering this meeting, make sure the group does not have more money that is entering or leaving the group fund. All loans or payments to the group should be done before this meeting. Outstanding loans will be a loss for the group, or deducted from the member's savings.

All the group and individual records should be present at the meeting.

Do not handle any of the groups' money in this process. The Management Committee, and especially the Cashier, should be handling the money at this point. Your role is to help the group prepare their money for payout in an open, fair, and transparent process.

If the group has a social fund, the group should follow their group rules as to how they will handle the money left in the fund at the end of the cycle.

Task 1: Introduction (10 Minutes)

(Allow the group's Chairperson and Management Committee to open this meeting.)

1A: *(Say)* Your group's payout date is coming soon. A few weeks or a month ago, we talked about how to prepare for your payout meeting.

(Ask) What decisions did you make in that meeting?

(Say) After today, you will be one step closer to receiving the money you have been working hard to save over the past several months.

Task 2: Calculating Payout (90 minutes)

2A: *(Say)* You are close to your payout. One important task is calculating the amount of money each member will receive. Each member will receive the amount they saved and an amount of the group profits.

Listen to this story.

Tree of Life

Tree of Life was a successful Savings Group. They started to prepare early for their payout. The day before the actual payout day, they met together to calculate how much each member would receive. The members talked about their savings goals, and were excited about their plans.

Alma, the Chairperson asked that the cashbox be opened. They had already resolved how to handle all overdue loans. No more money entered or left the cashbox. Alma then asked the cashier to count all the money in the group fund and social fund. They verified that all the funds were in the cashbox since the last meeting. The amount in group funds was 2,155.

Then Alma asked that all the members give the Secretary their individual savings and loan record. Members knew that this was a very important meeting and had their records with them. The records were put in a neat pile.

Alma asked the secretary to count how many shares each member had saved. The secretary took each individual record. And in the group notebook she wrote the name of each member and how many shares they saved. Each member verified the number with the secretary. Once she had listed the names and share amounts, she counted up the total shares saved by the whole group. The whole group was interested to hear the number of shares and was watching and listening intently. The cashier counted once more to verify the number. They had saved 1345 shares in total.

Alma and the Secretary worked together. They divided the total amount saved into the total number of shares save and saw that the value of each share at payout was 1.60

One member, Dona Fatima, saved 75 shares. Each of her 75 shares was worth 1.60. They multiplied the 75 shares by 1.60 to get 120, the amount Dona Fatima saved and her portion of the profits. The group calculated what each member receives.

Everyone started to get excited to see how much money they were getting. It was more than they saved. The Secretary and Cashier worked together with the rest of the group watching to count out the amount each member was receiving and put it into a piece of paper which they folded up with the members' name and amount on it. They were ready for the payout celebration to begin the next day.

(Ask) What steps did you hear the group go through to calculate the amount each member will receive on the payout day? What was not clear?

(Allow for discussion. You may write the steps they heard and questions they have on flipchart chart paper for literate groups. Once you have heard their questions you may respond to them.)

(Say) You will be going through this process today. We'll need to be patient as we go through each step together. I encourage you to be attentive through the process.

2B: (Say) Let us start by reviewing the steps we'll go through today very briefly, then we will go through them together to make the payout calculations. *(Relate the steps the group identified from the story to these steps.)*

Listen to these steps.

Payout Calculation Steps:

1. Make sure all the money of the group is present. No money should leave or enter the cashbox now. Loans have been paid and resolved.
2. Count the money in the group fund.
3. Count the number of shares saved by the whole group
4. Calculate the value of each share at payout.
5. Calculate the amount to be received by each member.
6. Prepare the amount to be given to each member.
7. Wait for payout day or give money to members

(Ask) What questions do you have about these steps before we do each of them?

(Say) **Step One** is confirming that all the money of the group is present. This means all loans and payments have been resolved. If they are not and your group still would like to distribute your funds, realize that the amount owed will be a loss of profits and potentially savings to your group.

At this point we need to make sure there is no more money coming into your group funds.

(Ask) Has your group resolved all your outstanding loans or other payments to the group and ready to distribute your money? (If not, ask if they are willing to take a loss on the amount still owed. If they are not willing to take a loss, do not proceed with distributing any money until they are satisfied with how it has been resolved.)

(Say) **Step Two** is counting all the money in the group fund. I will ask the Chairperson to start this process. You may appoint someone to help the Cashier count the money.

Once you have the fund counted and verified, we'll go to the next step.

(Allow time for the funds to be counted and verified. Counting all the money can take time. Once the group is satisfied that the funds accounted for, you may take them to Step 3.)

2C: (Say) Before we start with Step Three, we need to see if any members need to deduct an outstanding loan from their savings. How many members do you have in this situation?

(If there are members in this situation, ask the member to give their individual savings and loan record to the Secretary. Work through this example below together with the group, and then work together on doing this for each member who has a loan to be deducted from their savings. Once this has been done for all members with outstanding loans, the group can move to Step Three. Encourage the Secretary and Management Committee to do the calculations themselves using a calculator if needed. Avoid doing the calculations for the group, besides the first example.)

If there are no members with outstanding loans, acknowledge that it is a good thing and continue to Step Three.)

Example of how to deduct a loan from a member's savings:

For this example, assume the share value is 10. Doris saved a total of 75 shares, or 750 in the last cycle. She owes her group 125 for a loan she cannot repay. *(Write these details on a flipchart)*

1. First, we must calculate how many shares the loan is worth. This is done by dividing the loan amount by the share value. *($125 \div 10 = 12.5$)*

In this case, the share value of the overdue loan equals 12.5 shares

2. Deduct the loan amount from the member's savings. In this example, take away the 12.5 shares from the 75 shares to get 62.5. *($75 \text{ shares} - 12.5 \text{ shares} = 62.5$)*

3. Use this new share amount in the payout calculations (Step Three). Doris will receive money only for 62.5 shares.

(If the loan owed by the member is more than what they have saved, the group will need to consult their group rules on how to manage this. If the group cannot recover loan, it will be a loss to the group.)

(Ask) What questions do you have still about deducting loans from a member's savings?

2D: *(Say)* We are ready for **Step Three**. In this step, all the members' individual savings and loan records will be collected. The Secretary will count up the number of shares each member saved.

(If the group would like the Secretary can write the member name and the total number of share each member saved on the register in Appendix 21.) All the shares will be added together to get the total number of shares saved by the group. In the case of the story we heard earlier of the group Tree of Life, this number was 1345.

(Ask) What questions do you have about this step before we move on?

2E: *(Say)* So we now have the total amount of money in the group fund and the number of shares the whole group saved. In **Step Four**, you will find out how much each share is worth now at payout. This amount will be different than the share amount you decided on as a group. This amount will

include your original share amount and a portion of profits. You will use this amount to find out how much money each member will receive. To find the Share value at payout, you divide the amount of money into the number of shares.

Using the example from the story about Tree of Life, they ended with 2155 in their group fund. As a group, they saved 1345 shares. So to find the value of a share at payout, they divided 2155 into 1345.

Amount in group Fund \div Total Shares saved by Group = Value of a Share at Payout
 Example from the story of Tree of Life: $2155 \div 1345 = 1.6022$

(Allow time for the group to calculate the value of a share. Encourage the secretary and Management Committee to do the calculation themselves using a calculator.)

(Say) Great job! This share value that you just calculated is important in finding out how much each member will receive.

(Ask) What questions do you have about this share value before we continue to the next step?

2F: (Say) This next step is the most intensive. In **Step Five**, you'll take the number of shares each member has saved and multiply it by the share value you just calculated. You'll need to do this for each member. This is the amount the member will receive.

From our story of Tree of Life, Dona Fatima, for example, saved 75 shares. Each of her 75 shares was worth 1.60. They multiplied the 75 shares by 1.60 to get 120, the amount Dona Fatima saved and her portion of the profits.

Total shares saved by member \times Value of Each Share = Amount Given to Member
 Example from Tree of Life for Dona Fatima: $75 \times 1.60 = 120$ (The amount that Dona Fatima will receive.)

(Ask) What questions do you have about this step before you begin to figure out the amount each member will receive?

(Answer any questions, then allow the secretary and Management Committee begin to calculate the amount each member will receive. They may want to use the register in Appendix 21 to help them.)

2G: (Say) Great, now that you know the amount each member will receive, in **Step Six**, you will prepare the amounts to be given to each member. It is important to prepare the amounts to give to each member before giving members their payout. If you find that there is not enough money in the fund, then it most likely means an error in the math and you'll have to recheck your calculations.

(Ask) If your group needs to make change as you prepare the individual payout amounts, what are some ways you can assure that this is done in a way that assures transparency and supports the House of Principles?

(Allow them to discuss. They need to assure that these transactions are done in the open where everyone can see.)

(The formality and process done in Step Six will vary from group to group, and context. Work with the Chairperson and Management Committee to assure the process is transparent. Allow the group freedom to choose the process that works for them. For example, some groups like to put the money for each member in an envelope which is sealed and handed out at payout. Some groups don't want to spend the money or don't have access to envelopes and have another way.)

(Say) Now, Let us take time for you to prepare the payout amounts. What questions do you have before you do this?

(Allow the time and process for the group to prepare the payout members. Do not handle money in this process.)

2H: *(Say)* You most likely have a little money leftover in your fund after making all the calculations. This is normal.

(Ask) If you have not discussed before, what would you like to do with this money that remains?

(Allow for discussion and decision by group. Groups handle this small amount in various ways. Some may try to divide the remainder evenly among group members and other groups leave it in the cashbox for the next cycle.)

(Say) Unless you are giving out the money today, you will need to put all the money back in the cashbox and lock it up while you wait for the payout meeting.

(Ask) What questions do you have about today's work in calculating the payout amounts that members will receive?

Task 3: Close meeting (10 minutes)

3A: (Optional) Close in prayer.

(Say) Let us take a few minutes to pray for the payout and thank God for how he has helped you to save this cycle.

(Allow the group to pray as they feel most comfortable. You may want to close the prayer time praying for the group as well.)

3B: *(Say)* I will let your Chairperson and Management Committee discuss with you about the payout meeting agenda and anything else that might need to be done in preparation for the payout celebration.

You can take this time for announcements and close our meeting.

Training Meeting 13: Self Evaluation of Group and Cycle

Time

70 minutes

Preparation and Materials

- Copy of House of Principles (Appendix 12)
- Flipchart paper and markers
- Ball or object to pass around in introduction
- 10 seeds or stones for each member of the group
- Coordinate with the group's Chairperson and Management Committee the time and date of this meeting.

Objectives

1. Identified the most significant change in their family and group since the beginning of the cycle
2. Identified and ranked what their group did well this past cycle
3. Identified and ranked areas where the group can improve.
4. Brainstormed and discussed what they can do differently when they start cycle two.

Summary

Task 1: Introduction (10 Minutes)

Task 2: Identified and ranked strengths and areas of improvement (60 minutes)

Task 3: Close meeting (10 minutes)

Facilitator Notes

This meeting should be after Training Meeting 11 and very close to the group's payout day. It can be before or after the payout date. This meeting should happen before the group restarts their next cycle and potentially brings in new members. This meeting, unlike most savings meetings, will be facilitated by the FH staff or volunteer with the group's secretary recording some of the group's decisions.

This meeting will help the group reflect on the group's strengths and weaknesses so that they can celebrate what they did well, and learn the areas they would like to strengthen when they start their second cycle. The materials produced by this meeting should be used when the group restarts their next cycle.

Task 1: Introduction (10 Minutes)

(Optional) open with prayer.

1A: *(Say)* Hi Everyone. This is the last Training Meeting for this cycle. Great work getting to this point. Today we will be reflecting back on the past cycle.

(Say) The rest of the time today we will be reflecting back at the cycle. We will look at what your group did well and what areas need improvement. As you reflect on the year, the secretary may want to take notes to keep a record of your ideas for the next cycle. In the next cycle you can change your group rules. Some of the ideas that come out of our time together today will help you when you start your next cycle.

What questions do you have before we start?

Task 2: Identified and ranked strengths and areas of improvement (60 minutes)

2A: *(Ask)* What can you remember about the House of Principles? Why have we looked at it so often this cycle?

(Allow for responses. If they don't mention in their discussion you may add to the discussion. The House of Principles represents the principles that need to be working in their Savings Group for it to function well and be healthy.)

(Say) Turn to the person near you. You'll have 5 minutes to discuss the following questions reflecting on your group this past cycle: What are 1-2 things that your group did well this year? *(strengths)* What are several things that your group needs to improve?

- | |
|---|
| <ol style="list-style-type: none">1. What are 1-2 things that your group did well this year?2. What are several things that your group needs to improve? |
|---|

(Allow 5-7 minutes for pairs to discuss)

(Say) Let's come back together and hear what you discussed with your partner. We'll make a list together of what you all see as some of the strengths of your groups and what areas you see that your group needs to work on and strengthen. Afterwards, you'll identify which areas are most important for you to consider in the next cycle.

(Facilitator: Draw a line down the center of a flipchart paper. Write down the strengths that the group shares on one side, and area of improvement on the other side. If the group is illiterate, you may ask the group to assign a symbol or object to represent the strength or the area that needs to be strengthened.)

Example of list	
Strengths of group	Areas of Improvement
<ul style="list-style-type: none"> • We saved regularly as members • Our meetings were well run • We were good at helping each other remember loans and payments due 	<ul style="list-style-type: none"> • We were not always good at repaying loans on time • We didn't all know how much was in our cashbox each week

2B: (Say) Next we will take the first list of strengths and reflect on them. I will ask that your secretary take note of these because you will look at them again when you start your next cycle.

(Ask) What contributed to your group doing well in these areas? What can you do to make sure that these strengths continue the next year? What are threats to these strengths? Where do these fit in the House of Principles?

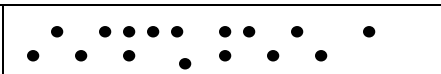

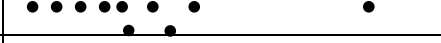

(Allow for discussion, then ask) What questions do you have before we move on?

2C: (Say) Next we will look at the areas for further growth. First let's go through each item and see where it fits in the House of Principles.

(Go through list of items one by one and ask the group to identify where they fit in the House of Principles)

You will rank these to identify the most critical areas. After, you will discuss some things your group can do to grow in these areas in your next cycle.

(Say) We will review the list and then each of you will receive 10 seeds or stones. You will then place the seeds/stone according to how important you think each item is to your group. Put more seeds/stones next to items that are more important and fewer seeds/stones next to items that you see as less important.

We were not always good at repaying loans on time		16
We didn't all know how much was in our cashbox each week		6
We were late to meetings often		10
Meetings went slowly and took up lots of time		5

(In this example we can see that the group thought that the most important area of improvement was repaying loans on time. Tardiness was the next important area)

(Ask) What questions do you have before you rate these items?

(Allow time for members to place their seeds/stones. Once everyone has placed their seeds/stones, ask the secretary or cashier to count the seeds/stones related to each items. Write down the number of seeds/stones next to the item for all to see.)

(Say) Find two people near you and discuss the following questions for the next 5 minutes.

- What calls your attention when you see this ranking?
- Looking at this ranking, which part of the House of Principles needs more attention?
- For the item that had the highest score, think of several ways the group can address this in the next cycle?

(Allow time for groups to discuss)

(Say) Let's come back together and hear what your groups talked about. Which group would like to share first? As each group shares their ideas for the next cycle, I will ask the secretary to record them, so you can discuss them again when you restart as a group and update your group rules.

(Encourage each group to share what they discussed, and especially any ideas they have for the group in the next cycle.)

(Ask) From these ideas that were shared, which ones do you think will be most important for next cycle?

(Allow the group to discuss and identify a few key ideas they have. Encourage the secretary to record this in the group records)

(Say) Thanks for your participation today.

Task 3: Close meeting (10 minutes)

3A: *(Say)* You've reflected on what your group has done well, and what areas your group needs to improved next cycle. Also, you've identified the most significant change in your group.

(Ask) Let's take the next few minutes as we end our session to look at what your group can celebrate. Let's stand in a circle. Let's go around the circle and each person will share what are the things that make you most proud of your group or what is one thing that you like most about your group?

(Allow a few minutes for members to share.)

(Say) Thanks for sharing. It is good to remember what your group has done well and remember your strengths. You have finished your first cycle, or very close to finishing. That is a great accomplishment.

Turn to a person next to you and congratulate them on work well done this year.

(Say) This will be our last meeting before the next cycle begins. I will see you at the beginning of the next cycle when we will go through your group rules and make any changes.

3B: (Optional) Close in prayer.

(Say) Let's take a few minutes to pray and thank God for how he has helped you to save this cycle.

(Allow the group to pray as they feel most comfortable. You may want to close the prayer time praying for the group as well.)

Source acknowledgements

Jayakaran, Dr. Ravi I (April, 2002). *The Ten Seed Technique*. World Vision China.

III. Learning Conversations

Outline of Learning Conversations

Learning Conversations	Time	Achievement Based Objectives
1. Review of House of Principles	30 minutes	<ol style="list-style-type: none"> 1. Identified the parts of the House of Principles 2. Applied the House of Principles to group policies
2. Practicing Transparency in Life	30 minutes	<ol style="list-style-type: none"> 1. Defined Transparency 2. Considered the advantages of Transparency 3. Identified personal difficulties in being transparent 4. Committed to do one thing to be more transparent in one life situation
3. Practicing Transparency in Life-Honesty	30 minutes	<ol style="list-style-type: none"> 1. Reviewed the meaning of transparency 5. Defined Honesty 6. Reflected on how honesty affects transparency and trust 7. Identified ways to be more honest in difficult situations 8. Committed to being more honest in at least on one situation or area
4. Saving More	30 minutes	<ol style="list-style-type: none"> 1. Analyzed different ways to increase savings. 2. Selected a savings strategy
5. Financial Peace	30 minutes	<ol style="list-style-type: none"> 1. Identified things to consider before asking for a loan 2. Considered how much debt is too much for a family 3. Identified ways that someone can become free from debt
6. Responsibility	30 minutes	<ol style="list-style-type: none"> 1. Identified ways that responsibility keeps the group strong 2. Reflected upon the application of responsibility within the group
7. Prioritizing Expenses	35 minutes	<ol style="list-style-type: none"> 1. Analyzed sources of income and expenses 2. Prioritized expenses to eliminate or reduce by using a Money Decision Tree

Learning Conversations	Time	Achievement Based Objectives
8. Trust	30 minutes	<ol style="list-style-type: none"> 1. Discussed the meaning of trust 2. Identified challenges to trust 3. Identified practical ways to show trust
9. Leadership Values and Principles	35 minutes	<ol style="list-style-type: none"> 1. Discussed Savings Group leadership 2. Examined principles for Savings Group leaders 3. Decided how to support and keep Savings Group leaders accountable
10. Using Money Productively to Benefit the Whole Family	30 minutes	<ol style="list-style-type: none"> 1. Identified some productive ways of spending money 2. Identified how they can develop their children's potential through Savings Groups
11. Conflict Resolution	30 minutes	<ol style="list-style-type: none"> 1. Identified causes of conflict 2. Listed benefits of resolving conflict 3. Reflected on the three responses to conflict and the steps to resolving conflict
12. Conflict Resolution: Role of Forgiveness	30 minutes	<ol style="list-style-type: none"> 1. Identified reasons why relationships are broken in families and in the community 2. Reflected on a story of Thomas 3. Considered the importance of forgiveness 4. Discussed how to forgive and overcome obstacles to forgive 5. Decided where to apply forgiveness in their family and community
13. Care for Each Other	30 minutes	<ol style="list-style-type: none"> 1. Considered the strength of being in a group 2. Reflected on caring for the whole person 3. Committed to one thing they will do to meet the needs of someone in their Savings Group or family

Learning Conversation 1: Review of House of Principles

Time

35 minutes

Preparation and Materials

- Copy of picture of House of Principles
- Copy of Overview of House of Principles (Appendix 12)
- The group should have their rules/policies available

Objectives

1. Identified the parts of the House of Principles
2. Applied the House of Principles to group policies

Summary

Task 1: Identify the parts of the House of Principles (10 minutes)

Task 2: Analyze group policies in regard to the House of Principles (20 minutes)

Task 3: Close (5 minutes)

Facilitator Notes

Learning Conversations take place after they have completed the Training Meetings. They should have a good or excellent score on their Checklist before proceeding to the Learning Conversations. If they do not, the promoter should review the aspects of the Training Meetings that they are having difficulties with before starting these lessons.

The House of Principles has a couple of optional additions for Church affiliated groups. Confirm with your supervisor what is allowed and appropriate before you begin your training.

Task 1: Identify the parts of the House of Principles (10 minutes)

(Start with optional prayer)

1A: *(Say)* Today, we will further discuss the House of Principles and our group policies.

(Say) In review, what is the purpose of the House of Principles? Call out your responses.

(The House of Principles symbolizes the necessary parts of a strong Savings Group.)

1B: *(Ask)* What are the parts of the House of Principles?

(Post illustration for all to see, pointing to each part of the house as you review.)

THE HOUSE OF PRINCIPLES

The foundation is trust.

The posts or walls are responsibility, transparency, and good leadership.

The roof is stewardship, caring for each other, and learning together.

Optional Biblical Reflection:

The house is set on the Rock of Jesus and His Word.

THE ROCK on which the house is built is Jesus and His Word. Jesus and His Word are what give strength and stability to anything. Therefore, we should consider Jesus and His Word so that the group can be strong and successful beyond just providing good financial services, but strong and successful in how we live out our faith in our community and families.

1C: *(Say)* With a partner, define trust, discipline, transparency, and leadership.

After two minutes, we'll listen to the definitions of those pairs who would like to share.

(Allow the group to share their definition. You can use the following definitions to review the principles if you believe the group is missing the full meaning of a principle.)

TRUST is confidence in the character and ability of others. It is the foundation and key to a strong Savings Group that runs well. Without trust, a group will not succeed. A group that has trust is like a house built on a rock.

Trust is the foundation of every financial system. If group members do not trust each other, they will not participate in the group. No financial system can operate without trust among the members and leaders.

RESPONSIBILITY means being reliable and constantly trustworthy. It means constantly demonstrating actions and character that build trust.

It means honoring your commitments before God and others. Members must practice responsibility by saving money regularly and repaying loans. The group will not have any savings if you do not have discipline to add money.

If a member does not continue to save, it not only damages the reputation of the member, but, can harm the group because it cannot continue providing the service. Members will contribute savings or repay loans if they believe that the service will continue to be provided.

TRANSPARENCY is not hiding the truth from anyone and not lying. It means being open, honest, and truthful.

It means hiding nothing from the other members. All financial transactions involving saving, loans, and other payments should only be made during group meetings. Without transparency, members and/or leaders can take money from the group and use it improperly.

GOOD LEADERSHIP: Good leaders are competent, honest, and have a serving attitude. They give direction and humbly help manage the group. Good leaders serve by making sure that the group runs well.

Leadership means giving direction and humbly helping to manage the group. The chosen leaders serve by making sure that the group runs well.

1D: *(Say)* We are going to do something a bit fun and silly for a moment. Stand up and repeat after me: “Trust! Responsibility! Transparency! Leadership!”

Say it again while marching or jumping in place, “Trust! Responsibility! Transparency! Leadership!”

(The group may find it helpful to create a song that they can sing to remind them of the principles in the house.)

Task 2: Analyze group policies in regard to the House of Principles (20 minutes)

2A: *(Say)* I’d like the secretary to read *(or ask the group to recite the rules/policies)* through your group rules/policies one more time. As you listen to the rules, think about how they support the House of Principles. Afterwards we will form 4 groups. Each group will discuss one principle from the house. *(Divide the group into 4 groups. Assign each one of the following principles: Trust, Responsibility, Transparency or Good leadership).* In your groups discuss the following questions:

- How does each section of the rules support your principle?
(An example of this may be: The rule to fine members when they are late is to support the principle of Responsibility. Members are encouraged to be disciplined and come on time.)

- What changes to your rules need to be considered to better support your principle? (What changes in your rules could better promote Trust in your group, for example.)

After 5 minutes, we'll hear from each group.

(After the groups have had a chance to discuss, Say) Let's hear from each group. After all the groups have shared, we'll discuss what rules you would like to consider changing as a group.

(Allow each group to share. It may be helpful in literate groups to list any recommendations of changes on a flipchart paper for all to see. Afterwards, the group can prioritize which changes they would like to make to their group rules.)

(Say) Of all the suggestions each group made, which ones stand out as a change that you'd like to make now? *(If any)*

(Allow the group to discuss. If they decide to make a change to their rules, remind them to follow their group rules in the process.)

2B: *(Say)* Let us look at the roof of the house now. The roof protects a house from rain, sun, and storms. In the same way, these principles protect a Savings Groups from threats in the midst of challenges.

(Ask) What are the principles that make up the roof?

(Allow the group to respond. You may use the following section to explain the principles more in depth if you believe they are not grasping the meaning behind each principle.)

STEWARDSHIP: means wisely managing finances and other resources you have been given. Good stewards manage their resources so that they can sustain themselves and help others.

TAKING CARE OF EACH OTHER is considering the needs of others in your group and treating them with respect and love. A Savings Group should be a place where members find support and encouragement when they face problems.

When we encourage one another, we build trust in our group. This allows us to grow in our relationships with one another and can lead to financial success.

LEARNING TOGETHER: Learning together helps groups see how to solve problems, and take advantage of opportunities and grow. The group can learn from each other by sharing their experiences. Also, on-going Learning Conversations provided by FH and visiting other Savings Group are ways groups can learn.

(Optional Biblical comments) Through reading God's Word, we can better understand who we are as God's children made in His image. Learning together helps us to grow in our relationship with God and have a better understanding of ourselves. Even those who don't yet know God can learn more about His purpose for their life.

(Optional) **PRAYER** is talking and listening to God. God's wisdom is greater than all people's understanding. A group can ask God for help and wisdom as they work together.

Prayer allows us to seek God's wisdom and receive His direction, helping us to grow in our relationship with God.

(Say) Turn to a person next to you. Discuss the following question for a couple minutes:

- What are one or two things your group can do to make sure that the roof protects the house?

(Allow the pairs to discuss the question for a couple minutes.)

(Say) Let's hear some of your ideas.

(Allow time for several pairs to share.)

(Ask) Which ideas do you see as most important? Which one would you like to try to do as a group?

(Do not force a group to do one of the ideas. If they want to adopt, encourage them to choose just one they think they can commit to as a group.)

(Ask) What questions do you have before we close this lesson?

Task 3: Close (5 minutes)

3A: (Say) Thanks for your participation today. Strengthening the principles of the house in your group can help your group be strong and successful.

Please repeat the following statement after me:

All Savings Groups should work continuously to grow in trust, honesty, responsibility, and transparency—following their rules, discussing what they are learning, and having open discussion in their group-- so that their group will be successful and strong.

Source Acknowledgements

Adapted from: Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012

Learning Conversation 2: Practicing Transparency in Life

Time

30 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- List of group members from group registration meeting
- Copy of examples for Task 3B from Appendix 27
- Mask or Transparency picture with Mask (Appendix 28)
- (Optional) Ahead of time, meet with two members to prepare the role play in Task 2B

Objectives

1. Defined Transparency
2. Discussed the advantages of Transparency
3. Discussed personal difficulties in being transparent
4. Committed to do one thing to be more transparent in one life situation

Summary

Task 1: Review and Introduction (5 minutes)

Task 2: Identify Transparency in stories and advantages of Transparency (10 minutes)

Task 3: Discussing Personal Difficulties in being transparent (15 minutes)

Task 4: Commitment and Close Lesson (5 Minutes)

Facilitator Notes

You may want to have a copy of the House of Principles posted for reference.

Task 1: Review and Introduction (5 minutes)

1A: *(Say)* During our last lesson, we looked at the House of Principles. Who would like to try to describe the house and label the parts of the house?

(Encourage volunteers to try to label the house, if there are none, encourage the group to work together to label and explain the house.)

(Say) Transparency is one of the three posts of the House of Principles. Today we will discuss transparency and how we can be more transparent with each other.

Task 2: Identify Transparency in stories and advantages of Transparency (10 minutes)

2A: *(Say)* Turn to a person next to you and share what Transparency means to you. Take a minute to do this.

(Allow time for pairs to share with each other, then say) Let's hear what several of you discussed. Who would like to share first?

(Say) Thank you. Listen to these stories.

(Say) Sometimes we try to hide our true situation from others in order to impress them and make others think we are better than we really are. This is like wearing a mask.

(You may either use a mask to demonstrate or use the picture of a person with a mask on.)

(Put on the mask and say) Now you cannot see my face behind the mask. You don't know what my real feelings are but my mask shows the feeling I want you to think I am feeling. Sometimes people wear masks when they want to hide the truth or want to impress people.

(If you are using the picture please say the following: When this person is behind their mask you cannot see their face and their real feelings. They are hiding their true feelings and thoughts. Now you cannot see my face behind the mask. Sometimes people wear masks when they want to hide the truth or want to impress people.)

(Say) Think silently for a few moments of situations where you sometimes hide the truth.

(Allow the group to think silently for a minute, then say) When we hide the truth it's like wearing a mask. When we are transparent we don't wear masks.

- Transparency means being open and not hiding the truth. It is being open, honest and truthful.
- Transparency means not trying to pretend so that others think I'm better than I am.

2B: *(Say)* Listen to this story about Transparency:

(You may also ask a couple members to prepare this ahead of time as a role play.)

Before leaving for work Mario calls to his pregnant wife, "Rest as much as you can. I will come straight home after work and help you prepare dinner."

After work he meets a friend who says, "Hello brother, I haven't seen you for many days. Come and drink with me."

Mario tells his friend, "I'm sorry I do not have time today." He explains, "I promised to help my wife prepare the meal and look after the baby. She's pregnant and very tired these days."

His friend laughs and says, "Are you crazy? That's women's work."

Mario starts on his way home and says, "Why not walk with me and I'll tell you why."

(Ask) In this story, how do you see transparency? How difficult do you think it was for Mario to be honest with his friend?

(This husband was being transparent and didn't hide the truth even when he thought his friend would laugh.)

(Allow the group to answer, then say) Transparency means being open and not hiding the truth. It is being open, honest and truthful.

(Say) Listen to this next story:

Maria just got married. Her Mother-in-law finds her crying in the kitchen and realizes that Maria doesn't know how to cook the fish.

She tells Maria, "Don't cry. If you like, we can cook together. For the first 3 months after I was married, my cooking was terrible but my husband was very patient. Everything will be OK. Don't worry."

(Ask) In this story, where do you see transparency?

(Allow the group to answer, then say) Transparency means not trying to pretend so that others think I'm better than I am. This Mother-in-law was being transparent.

(Ask) What do you think would be the advantages of acting with transparency in these two stories?

(Give time for Volunteers to call out answers)

Task 3: Discussing Personal Difficulties in being transparent (15 minutes)

3A: *(Say)* Find two people near you to form a group of 3 or 4 people. In your group, take the next 5 minutes to discuss the following questions together:

- Which situations do you find to be most difficult to be transparent?
- What are some reasons for the difficulties?

(Allow groups time to discuss the questions together.)

(Say) Let us come back together to share what your groups discussed. Which group would like to share what they discussed about the difficulties of transparency?

(Thank each group for sharing.)

3B: *(Say)* We are going to play a game to help us practice removing some of our masks.

(Say) I will ask you to come up with an example from your group of wearing a mask or hiding the truth and not being honest. I'll ask a volunteer to wear the mask and give a demonstration of that mask. Afterwards, as a group we'll discuss what the situation would be like if she removed the mask and was not hiding, or being closed and dishonest.

Watch and listen as I demonstrate first.

(Give this demonstration.)

1. One day in our group we learned about serving each other. When I get home from work a family member asks me: "What did you learn in your Savings Group today?" Because I'm feeling tired and want to rest I might put on a mask (*Put on mask*) and say: "Oh we were just talking about a part of the House of Principles. Now I'm going to rest."
2. *(Remove mask and say)* To be transparent I should say: "Actually today we discussed ways of serving others. Is there something I could do to help you?"

(You may use the scenarios in Appendix 27 if the group has difficulty coming up with an example.)

(Ask) What is an example from your group of wearing a mask?

(Once they have shared an example, ask) Who would like to volunteer to wear the mask and give a demonstration of that?

(Thank the volunteer and give them applause for their demonstration.)

(Ask) What would be different if she removed the mask?

(Allow the group to share, and then you may ask for another example of a mask and go through the exercise again.)

Optional Biblical Reflection:

(Say) Listen to this verse from 1 Samuel 16:7:

".... The Lord does not look at the things man looks at. Man looks at the outward appearance, but the Lord looks at the heart."

(Ask) What can we learn about transparency in this verse? What does this say about what is important to God?

Task 4: Commitment and Close Lesson (5 Minutes)

4A: *(Say)* Following an honest path and communicating with no masks is difficult. But these values can guide our lives in all situations whether we are poor or rich. In our Savings Group, transparency in the different aspects we have demonstrated earlier will help make our group strong and serve the purpose with which we have formed it to have. It will also help us gain/ increase our trust towards one another and with the group, which would further reinforce and strengthen our house.

(Optional Faith Statement) If we are committed to have integrity and transparency as our value, God will help us to be honest and transparent when we are tempted to be dishonest. Remember that God takes care of those who obey and trust Him.

(Say) Take the next couple minutes to think silently. Think about a situation in your life that you would like to be more transparent in. Think of one thing you can do this next week to be more transparent in that area. Afterwards, find one person in the group to share what you will do to be more transparent.

(Say) Find one person in the group to share your commitment with and then we will finish our session.

(Close with optional prayer.)

Source Acknowledgements

Adapted from FH Bangladesh. (2009, June). FH Ba's Vision and Values: Field Workers' Values' Lesson Plans for FCT and SCD Groups. First Year Course.

Learning Conversation 3: Honesty

Time

30 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- *(Optional)* Flipchart paper
- *(Optional)* Markers
- *(Optional)* Additional Scripture Verses for reflection (Appendix 29)

Objectives

1. Reviewed the meaning of transparency
2. Defined Honesty
3. Reflected on how honesty affects transparency and trust
4. Identified ways to be more honest in difficult situations
5. Committed to being more honest in at least one situation or area

Summary

Task 1: Review of last lesson and the meaning of Transparency (5 minutes)

Task 2: Define Honesty (10 minutes)

Task 3: Reflect on how Honesty affects Transparency and Trust (10 minutes)

Task 4: Close lesson (5 minutes)

Facilitator Notes

There are additional Scripture Verses with questions for reflection in Appendix 29. These are optional and the group may decide whether they would like to look at these or not.

In the next Learning Conversation (Saving More), you will need two volunteers to prepare a role play. You may want to ask for two volunteers at the end of this lesson and plan a time to meet with them to prepare the role play. The role play is found in Learning Conversation 4, Task 2A.

Task 1: Review of last lesson and the meaning of Transparency (5 minutes)

1A: *(Say)* We are going to take a couple minutes to remember back to the last lesson on Transparency.

What do you remember about Transparency from the last lesson? In the last lesson you were asked to think about a situation in your life that you would like to be more transparent in and one thing you can do to be more transparent in that area. Who would like to share how that went? What happened?

(Allow the group to recall and share what they remember from the last lesson. Allow any member to share how they have been doing with their decision to be more transparent in an area of their life.)

(After they have shared, say) Transparency means being open and not hiding the truth. It is being open, honest and truthful. Transparency means not trying to pretend so that others think I'm better than I am.

Task 2: Define Honesty (10 minutes)

2A: *(Say)* Turn to the person next to you and discuss someone you know that is honest and the qualities they have.

(Allow pairs to discuss for a few minutes then, ask) Who would like to share with us what you discussed about someone you know who is honest and their qualities?

Honesty means speaking the truth; being honest all the time even when no one is around; being consistent in all areas of life, and being morally upright.

(Say) Listen to these stories.

Story One: Julia is cooking the evening meal. She says to herself, "It was great to see Tabitha when she visited this afternoon but tonight's meal is going to be very late." She is worried that her husband and mother-in-law will be angry.

She says to herself, "Mother was sleeping and it would be easy to lie to her and my husband. I could say that the baby was crying a lot and I had to walk outside to comfort him." She thinks some more and says, "But that would be dishonest. I'm going to tell the truth when my husband comes home and hope he understands and when Mother notices I'll tell her too. I'll have some tea ready and tell them I'm sorry the meal is late."

Story Two: Joseph is a member of a Savings Group who has a business fixing bicycles. His business is not doing as well as his group thinks. He would like to ask for a loan of 200 from his group, but he knows that this amount will be difficult to repay considering how his business is doing. He decides to ask for the 200 but his stomach does not feel good about it.

Story Three: Juana is a Savings Group member. She took out a loan of 250 several months ago. She has only repaid half of it and the loan is due this week. Juana's business has not been doing well and she does not know how to repay it. She decides to tell members in her group that she is sick and can't attend the meeting. She does not want to face her group about her situation.

(Say) Find a partner and talk about these stories for a couple minutes. Where do you see honesty or lack of honesty?

(Allow the pairs to discuss for a few minutes then, say) Let's hear from several of you what you discussed with your partner. Where did you see honesty or lack of honesty in these stories?

(Allow those who wish to share an opportunity to do so. Julia was honest by telling the truth to her husband and mother-in-law that she was late getting dinner started. Joseph was not honest because he did not explain the truth of the situation of his bike repair business. Juana was not honest about her situation either. Joseph and Juana hid the truth and were not honest.)

(Ask) How could Joseph or Juana benefit from being more honest?

(Joseph would benefit from being more honest about his business by having more peace. He could feel more peace and be able to easily pay off his loan if he was honest and asked for a lower loan amount. Juana could benefit from being more honest about her difficulty paying. Her group could decide to try to help solve her problem with her business, or work with her to come up with an acceptable repayment plan.)

Task 3: Reflect on how Honesty affects Transparency and Trust (10 minutes)

3A: *(Say)* Listen to this quote:

"Oh, what a tangled web we weave, when first we practice to deceive."

(Say) Turn to your partner, and discuss what we can learn about honesty from this quote. How is dishonesty like weaving a web? From this quote, what can we see as a benefit of being honest?

(Allow the pairs a few minutes to discuss, then say) Let's hear from several pairs about the discussion you had about this quote.

(When we deceive or are dishonest, we don't tell the truth. We can create a web of lies that can entangle us. You may have a story to tell about how a web of lies entangles.

Here is a short story that may be used as an example: Joanna finds a gold necklace on the ground at a soccer game and decides to keep it instead of trying to find the owner. She puts it on and several friends ask her about it. She tells one friend she bought it. She tells another friend it was a gift. And she tells another friend that she is borrowing it. At the end of the soccer match all her friends were with her when her mother walks up to her and asks about the necklace. She stumbles and can't reply to her mother. Her mother and her friends know right then she didn't tell them the truth. Her mother tells her to ask around to find the owner, who is happy to get it back. Her web of lies trapped her when her mother and friends were all together.)

Optional Biblical Reflection:

(Say) Listen to this scripture from Proverbs 10:9.

“Whoever walks in integrity walks securely, but he who makes his ways crooked will be found out.”

(Ask) What does this scripture say about honesty? How is it that an honest person can walk securely?

3B: *(Say)* Take a minute to think about honesty: How does it relate to the House of Principles? How do you see honesty affecting transparency and trust? Then, I will ask for some of you to share your thoughts.

(Allow members to think and reflect for 1-2 minutes.)

(Ask) Who would like to share your thoughts about honesty, and how it affects transparency and trust?

(Allow several members to share. If members seem timid to share, you may ask them to share with someone next to them.)

Honesty encourages transparency and trust. When others know that someone is not honest, there is little trust between them. When we are being truthful, we are being transparent and not hiding anything.)

3C: *(Say)* Sometimes, it is difficult to be honest. We are afraid to hurt others, or expose ourselves. No one is honest all the time even though we know it is good to be honest.

(Ask) What are some situations you’ve seen or experienced where it is difficult to be honest? What makes it so difficult?

Find two people near you and form a small group. For the next few minutes, discuss these situations that were just shared. Choose one or two of the most important or challenging situations that is relevant to your small group. Then, think of several things that you could do to be more honest in those situations.

(Allow the groups to discuss with each other.)

(Ask) Which group would like to share with us a little about your discussion?

(Allow one or two groups to share. All groups do not need to share.)

Task 4: Close lesson (5 minutes)

4A: *(Say)* We have had an interesting discussion about honesty today. Honesty means speaking the truth; being honest all the time even when no one is around; being consistent in all areas of life, and being morally upright.

Think about your honesty with your family, community, and Savings Group. Think of one thing you will commit to doing in the next two weeks to be more honest with your family or community.

Turn to your small group and share with them an area in which you will commit to being more honest.

(Take a few minutes for the groups to share their commitment with each other.)

Once you have shared your commitment with your group or at least one person, your group can continue its meeting.

(You will need two volunteers to prepare a role play for Learning Conversation 4 (Saving More). You may want to ask for volunteers and coordinate a time to meet with them before you end this lesson.)

4B: *(Close lesson with optional Prayer.)*

(You may pray together as a whole group or in small groups. Ask members to pray that God will help them to become more honest and to help each other grow in their honesty.)

Source Acknowledgement:

Adapted from FH Bangladesh. (2009, June). FH Ba's Vision and Values: Field Workers' Values' Lesson Plans for FCT and SCD Groups. First Year Course.

Quote in Task 3A accessed from <http://www.gardenofpraise.com/godseg11.htm>, accessed from the internet on July 11, 2013.

Learning Conversation 4: Saving More

Time

35 minutes

Preparation and Materials

- Before the meeting, ask two members to volunteer to do the short role play.
- Copy of picture of House of Principles (Appendix 12)
- *(Optional)* Flipchart paper
- *(Optional)* Markers
- *(Optional)* Fake money or objects that represent money for role play

Objectives

By the end of this lesson, Savings Group participants will have:

- Analyzed different ways to increase savings.
- Selected a savings strategy.

Summary

Task 1: Review last lesson on Transparency (5 minutes)

Task 2: Discuss strategies for saving more (15 minutes)

Task 3: Analyze and choose strategies for saving more (10 minutes)

Task 4: Finding new savings strategies and telling others (5 minutes)

Facilitator Notes

You will want to organize ahead of time a couple members to prepare the short role play in Task 2A.

You may want to have a copy of the House of Principles posted for reference.

Task 1: Review last lesson on Transparency (5 minutes)

1A: Today we are going to talk about how to save more. Before we begin, let us remember back to our last lesson on transparency.

In our last Learning Conversation, you were asked to think about your honesty with your family, community, and Savings Group. You were asked to think of one thing you will commit to doing in the next two weeks to be more honest with your family or community.

(Ask) How did you do with your commitment? Who would like to share their experience?

(Listen to the group members' responses. If you hear an obvious barrier or obstacle that prevented a member from completing their commitment, you may decide to ask the group to brainstorm ideas

to overcome them. If members are interested, you may ask them to commit again to try, if they were not able to fulfil their initial commitment.)

Task 2: Discuss strategies for saving more (15 minutes)

2A: *(Say)* There are different ways to save more. Here is the story of two women who are saving differently to pay for the school fees of their children. Be prepared to tell me what the woman in each situation is doing.

(Ask the two volunteers who prepared the role play in advance to act it out.)

Role-Play

(Give each volunteer the same amount of money.)

Volunteer 1: decides to leave a little of her money at home, before going to market. She puts some of her money aside. Then she goes to market. She spends all the money she brought with her and returns home.

Volunteer 2: goes to market without leaving any money at home. She buys tomatoes and groundnuts, and at the end she buys some lovely mangoes. The mangoes were very cheap. She spends all her money at the market.

(When the volunteers finish, thank them for their participation.)

(Ask) How much money was the first woman able to save? How much money was the second woman able to save? Why?

(The first woman saved a little because she left some of her money at home. The second woman did not save any money because she brought all of her money with her and spent it all.)

Setting aside some money before going to the market is one way to increase your savings.

2B: *(Say)* Form groups of four or five people right now. In your groups please discuss as many ways as you can think of to save more. You have five minutes.

(After 5 minutes, invite several participants to share with the group the ideas they discussed. Praise and summarize their ideas. Share the strategies in the following box if they are not mentioned:)

Important Saving Strategies

- Make a decision to save a certain amount of money every week or month.
- Use your savings goals as your main motivation to save.
- Find ways to spend less and save the unspent money.
- Open a savings account.
- Save more when your income is high.

Task 3: Analyze and choose strategies for saving more (10 minutes)

3A: *(Say)* You had many ideas about how to save. Thank you for sharing them.

(Ask) Which of these ideas would be easy for you to try? Why?

(Encourage two or three participants to answer and summarize their suggestions.)

(Ask) Which is the most difficult way for you to save? Why?

(Ask) What can make the difficult way easier?

Give two or three participants an opportunity to share.
Thank you. These are great ways to increase your savings.

Optional Biblical Reflection:

(Say) Listen to this verse from Proverbs 13:11.

“Dishonest money dwindles away, but whoever gathers money little by little makes it grow.”

(NIV)

(Ask) What savings strategy is used in this verse? What can we learn about saving from this verse?

(Say) Go back to your groups and answer this question: What is one thing you and your family are going to do to save more this next month? You have five minutes.

(After 5 minutes, encourage one volunteer from each group to share the strategy that she and her family are going to use.)

Task 4: Finding new savings strategies and telling others (5 minutes)

4A: *(Say)* Today, you stated how you plan to save more. Each time you see a member of the group, you can tell her how well you are doing with your savings. Raise your hand if you are willing to make this commitment, “I commit to looking for new ways to increase my savings and telling others!”

(After participants raise their hands, praise and thank them for their participation and commitment.)

4B: *(Close in Optional Prayer.)*

God, thank you for how you provide for our needs. We recognize that all we have comes from you and belongs to you. Help us to manage our money in a way that honors you and helps our family. We ask that you help us save more so we can be prepared for when emergencies and unexpected expenses come. Help us to encourage each other to find ways to save more towards our savings goals. Amen.

Source Acknowledgements

Adapted from Freedom From Hunger (2008) "Savings: Every Day Count: Technical Learning Conversations--Facilitator's Guide", CA.

Learning Conversation 5: Financial Peace

Time

30 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- Flipchart paper
- Markers
- *(Optional)* Copy of Debt Limit from Appendix 30 (You may want to hand one copy out to each member to fill out at home.)
- *(Optional)* Draw the Debt Limit table from Appendix 30 onto Flipchart paper
- *(Optional)* Calculator

Objectives

1. Identified things to consider before asking for a loan
2. Considered how much debt is too much for a family
3. Identified ways that someone can become free from debt

Summary

Task 1: Review last lesson (5 minutes)

Task 2: Considering a loan and debt (20 minutes)

Task 3: Commitment and close lesson (5 minutes)

Facilitator Notes

Task 2C, regarding calculating debt limit, is optional. The debt limit can be a challenging concept. Consult with your supervisor about whether to include this task. Also, you may decide to do Task 2C at another meeting if you think the group will need more time to grasp this.

The debt limit is the amount of recommended debt to income ratio that a person should have to avoid being trapped by debt. For this lesson we have chosen 20% of a family's income, though a healthy range is considered between 20-30%. This percentage is *a guide* to help in making decisions and *should not be seen as prescriptive*.

Task 1: Review last lesson (5 minutes)

(Say) Today we are going to talk about what you should consider before asking for a loan and discuss how to live free from some of the hardships of debt. Before we begin, let us review the previous lesson on saving more.

You were asked to commit to one thing that you and your family were going to do to save more in the next month.

(Ask) Who would like to share how they did? What challenges did you face? How were you able to overcome them?

(Allow members to share their experiences of both success and failure. You may decide to discuss the barriers and obstacles that people experience, and ask the group to think of ways to overcome them. Encourage those who were not able to save more to try again this next month with a new commitment.)

Task 2: Considering a loan and debt (20 minutes)

2A: (Say) It is common for families to have debt today. But, having debt can cause hardships for families. Every borrower is at risk of having their loan become a hardship. Turn to the person next to you and share a story about hardship caused by debt that you know about. What happened? You will have 5 minutes to share with your partner.

(Allow pairs to share their stories with each other.)

(Say) Now, let's listen to this story about Marta and her friend Lily.

Story One: Marta asked her good friend Lily to lend her some money. Lily gave her the loan and asked it to be repaid in two months because she needed it to pay for her school registration. Marta agreed. However, Marta did not repay Lily after two months like they agreed. Lily needed the money and so she went to talk to Marta. Marta promised her the money next week. But after a week, Marta still had not repaid. Months passed and Lily still was not repaid even a small amount.

Lily became frustrated with Marta. Marta began to avoid seeing Lily and stopped visiting her. A year later, Marta saw Lily on the street walking toward her at a distance. She felt ashamed. She crossed over to the other side of the road and didn't look at Lily or greet her.

(Say) Form groups of three people and discuss the following questions. You will have 5 minutes

- What happened to Marta's relationship with Lily?
- How much peace do you think that Marta felt inside?

(Allow the group to discuss the story.)

(Ask) Which group would like to share a quick summary of the discussion you had?

Optional Biblical Reflection:

(Say) Listen to this verse from Proverbs 22:7

“Just as the rich rule the poor, so the borrower is servant to the lender” (New Living Translation)

(Ask) What can we learn about borrowing from this verse? How is a borrower a servant or slave to the lender?

(Say) Listen to this verse from Romans 13:7-8

“Give to everyone what you owe them: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor. Let no debt remain outstanding, except the continuing debt to love one another, for whoever loves others has fulfilled the law” (NIV)

(Ask) According to these verses, how does God want us to live? What do these verses teach us about loans?

(Ask) From these verses we just read, what challenges you the most?

2B: *(Say)* While it is common to ask for loans from family, friends and our Savings Group; it is important to be very careful to repay back loans. When we repay our loans, we can live in peace with others and ourselves. We are meant to live in peace.

(Ask) What are some things that we need to consider before asking anyone for a loan? Call out your ideas.

(You may want to write down the responses on flipchart paper. If they do not mention them, please add the following points:

- Do we have a realistic plan of how we will repay the loan?
- Have we been honest with ourselves about our intention of repaying the loan?
- Have we considered the consequences if we are not able to pay the loan for any reason?
- Will the loan help our business be more productive?
- What size loan can we afford?)

(Say) Thank you for your responses. It is easy to be tempted by loans since it is easy to get the money you need quickly. However, if you are not able to repay your loan, you may find yourself trapped in a circle of debt and not able to live at peace. Every borrower is at risk of being trapped by debt so carefully consider every loan.

(Say) There are two ways you can reduce the risk of being trapped by debt:

1. Calculate the amount of debt you can afford to reduce the risk of hardship.
2. Save regularly so you can don't always have to borrow.

(Say) In your groups of three, discuss the following question:

- How much debt is too much for a family?
- What are some ways people who are trapped in debt can be freed?

(If someone has loans that are outstanding, they may want to consider avoiding taking new loans until they are paid off and prioritize their expenses so they might have money to repay their loans. We will cover how to prioritize your expenses in one of our future lessons--Learning Conversation 7—Money Decision Tree.)

(Say) Thank you for your ideas. What questions do you have regarding debt?

2C: (Optional: Calculating debt limit)

Calculating how much you can afford to borrow - or your debt limit - can help you to know how much you can have in debt each month. Anyone who borrows is at risk of being trapped by debt, but this can help reduce that risk.

(Say) We are going to calculate the debt limit for a family in your community. We are going to start by listing the income sources and the amount of money a family would receive in a normal month.

(Encourage them to think of an average family in their community, one who is neither the poorest nor the wealthiest. List each income source and amount on flipchart paper. Then, ask a volunteer to add up the amounts to get the total income. See the example below of a family income list made by Josefa.)

(Example of Josefa) Monthly Family Income List	
Source of Income	Estimated Amount
Selling produce	200
Daily Labor	50
Selling Livestock	50
Business	700
Total Income:	1000

(Say) Now we have an estimate of the income for a family in your community for one month. Next, to calculate how much we can afford to take in a loan, we first multiply this number by 20%. This will give us an estimate of how much we can afford to be in debt-including all our loans.

In the example we can calculate how much Josefa can afford to borrow by

1. Multiplying her total family income by 20%. ($1000 \times 0.20 = 200$)
2. 200 is the amount Josefa can safely afford to have in debt each month. This is her debt limit.

Remember this debt limit amount is just a guide. There can still be emergencies or unexpected circumstances that arise. However, this number can help us make decisions about if we should borrow money. Knowing your debt limit can help you decide on whether you should take a loan. Keeping your total amount of loans below this limit can help you to avoid having problems with too many debts and not being able to pay them back.

(Ask) What questions do you have about this calculation?

Task 3 Commitment and close lesson (5 minutes)

3A: (Say) We have talked a lot today about borrowing. It is common for families to borrow, but it is important to pay back what you owe. We are meant to live in peace. When we can't repay our loans, we can find ourselves in a hardship.

Take a couple minutes to think about your financial situation in your family.

- How willing are you to try during the next two weeks to improve your family's debt situation?
- What is one thing you can do to help free your family from being trapped by debt or reduce your risk of debt?

(Allow individuals to think about their family's situation.)

(Say) If you are willing, share with one person before you leave your meeting today what you are going to try in the next two weeks to improve your family's debt situation.

3B: (Close in optional prayer)

Dear God- Thank you that you are the owner of all we have. We ask for your help in managing what you have given us so we can provide for our families. Help us to make wise decisions about taking loans. We ask for your help as we seek to try different ways to improve our families' debt situations this next week. Amen.

Source Acknowledgements

Microfinance Opportunities, Freedom From Hunger, and Citi Foundation (2006) *Debt Management: Handle with Care*. Financial Education, from poverty to prosperity.

Learning Conversation 6: Responsibility

Time

30 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- Copy of Scenarios for Group Activity (Appendix 31)
- *(Optional)* Flipchart paper and markers
- *(Optional)* Bible

Objectives

1. Identified ways that responsibility keeps the group strong
2. Reflected upon the application of responsibility within the group

Summary

Task 1: Introduction/Review (5 minutes)

Task 2: Identify ways that responsibility keeps the group strong (10 Minutes)

Task 3: Application of responsibility within the group and close (10 minutes)

Task 1: Introduction/Review (5 minutes)

1A: *(Say)* Today, we will discuss responsibility in the context of your Savings Group. Before we begin, let us remember back to our last lesson. We discussed what we should consider before asking for a loan and learned how to calculate a debt limit.

(Ask) What things do you remember that we should consider before asking for a loan?

(Some things we should consider before asking for a loan are:

- Do we have a realistic plan of how we will repay the loan?
- Have we been honest with ourselves about our intention of repaying the loan?
- Have we considered the consequences if we are not able to pay the loan for any reason?
- Will the loan help our business be more productive?
- What size loan can we afford?)

(Say) In the last lesson you were also asked to try something to improve the debt situation of your family. How did you find your experience? What obstacles did you experience?

(Allow members to discuss their experiences. Encourage the group to come up with solutions to any barriers or challenges. You may decide to encourage members to try again to calculate their debt limit, and ask others in their group for help if they need it.)

1B: (Say) Today we are going to talk about responsibility.

(Ask) What is the meaning of responsibility? When a person is called responsible, what does that mean? Call out your responses for discussion.

Responsibility means being reliable and constantly trustworthy. It means constantly demonstrating actions and character that build trust.

(Encourage the group to discuss responsibility and the characteristics of a responsible person. Only add the following characteristics if they do not mention them: truthful, honest, loyal, hardworking, dependable, competent, ask for help when they need it.)

Task 2: Identify ways that responsibility keeps the group strong (10 Minutes)

2A: (Say) Divide into four groups. Each group will receive a different scenario. You will have five minutes to read your scenario and then discuss the following questions. (If the group is not literate, you may choose to read the scenarios out loud to the whole group.)

- Where do you see responsibility present or absent in your scenario?
- How did responsibility strengthen the group in this scenario? How does it keep a group strong?
- What are some challenges to being responsible as a group and as a member?

(Allow the group to discuss their scenario and questions.)

2B: (Say) Let us come back together and hear from each group. Who would like to share briefly what their group talked about?

(Some possible ways that responsibility can help a group are: Members will pay their savings on time, thus loans can be given on time. Members will know what happens in meetings and good records will be kept. Members will be trustworthy by being faithful to the policies.)

Task 3: Application of responsibility within the group and close (10 minutes)

3A: (Say) Recite the following definition of responsibility together:

Responsibility means being reliable and constantly trustworthy. It means constantly demonstrating actions and character that build trust.

3B: (Say) Consider this definition and the discussion we had today. Form groups of three. For the next few minutes think of one thing your small group will commit to doing to be more responsible as members? After a few minutes I'll ask each group to share their commitment.

(Say) Who would like to share their commitment with everyone?

(Ask) From all the commitments we heard, which one would you like to try as a whole group for the next month? *(On top of the commitment made by the small groups.)*

(Say) Great! At our next meeting, I'll ask how you are doing with your commitment.

(Ask) What questions do you have before we close this time?

3C: (Close in Optional Prayer.)

God, we thank you for your faithfulness and grace towards us. We know that we sin. We make mistakes and struggle to do the right thing. Please allow your Word, your people, and your Holy Spirit to help each of us to be more responsible in our group and in our personal lives. Help us to do the right thing to help strengthen our group and relationships that we have with our families. Thank you for your grace. Amen.

Allow for several volunteers. Then, close with prayer.

Optional Biblical Reflection:

(Say) Listen to the following verse from Hebrews:

“It is never fun to be corrected. In fact, at the time it is always painful. But if we learn to obey by being corrected, we will do right and live at peace.” Hebrews 12:11 (Contemporary English Translation)

What could happen in your group as a result of lack of responsibility? Share your ideas in the large group.

Failure to enforce policies in pay-ins, pay-outs, attendance, participation, and record keeping limits the group. These limits are not only financial but also relational as we seek success that positively impacts all of our relationships.

(Ask) How can God help us to be more responsible? Discuss your ideas in the large group.

Knowing that we are weak, God is gracious. He has given us His word and each other for support. More importantly, He has given His children the Holy Spirit to help us live disciplined lives—within this group and in our personal lives.

Pray that His Word, His people, and His Spirit would help each of us to practice discipline in our group and in our personal lives.

Source Acknowledgements

Adapted from: Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012

Learning Conversation 7: Money Decision Tree

Time

35 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- Flipchart paper
- Markers
- Draw the money decision tree from Appendix 32 onto a sheet of Flipchart paper
- Tape
- 50 Small index cards, sticky notes, or copy paper cut into 6-8 pieces

Objectives

1. Analyzed sources of income and expenses
2. Prioritized expenses to eliminate or cut by using a Money Decision Tree

Summary

Task 1: Review last lesson (5 minutes)

Task 2: Money Decision Tree (20 minutes)

Task 3: Commitment and close lesson time (10 minutes)

Facilitator Notes

When prioritizing expenses, women will have different views from men and older people may differ from younger ones. It may be useful and interesting to get different members of the household to make separate cash decision trees and compare the results. You may want to prepare ahead of time several trees drawn on flipchart paper if you wish to do this.

Alternative: On top of listing out sources of income and expenses, you may also add the money value of them for a particular month. If you do this, you may ask the group to think of an average family in their group or community—one that is neither the poorest nor the wealthiest.

You may add up the value of the sources of income with the value of all the total expenses to compare. The group can then not only decide which expenses to eliminate, but how much they can cut back on certain expenses.

Task 1: Review last lesson (5 minutes)

(Say) Today we are going to talk about prioritizing expenses. Before we begin, let us review the previous meeting.

During our last lesson, you were asked as a group to think of one thing your small group will commit to doing to be more responsible as members in this next month. What was your commitment? How has your experience been in keeping this commitment?

(Allow for the group to discuss their experiences. You may decide to have them think of ways they can fulfill their commitment if they have not been able to do it. If they need to, they may decide to change their commitment. Encourage them to try again to fulfill their commitment this next month and not to give up if they are having trouble.)

Task 2: Money Decision Tree (20 minutes)

2A: *(Say)* Our family income and expenses are like this tree. Just as water is drawn into the roots, up the tree and along the different branches, so money comes into a household and has to be channeled towards a variety of expenses.

(Say) Let us take a few minutes to identify the sources of income that are common in your group. These sources of income are what we will call the roots of our tree. I'd like to ask for a volunteer to write down your responses on the tree. *(Use symbols or simple drawings to represent the sources of income.)* Who would like to volunteer by writing down your responses on the tree?
(Once you have a volunteer, say) Call out your different sources of cash income.

(Thank participants for their contributions. Thank the volunteer.)

Optional Biblical Reflection:

(Say) Let's reflect back on these sources of the income you've listed for a moment. Psalm 24: 1 says "The earth is the LORD's and everything in it, the world, and all who live in it"

With this scripture in mind, what around us belongs to us?

(Allow for some responses, then say) None of it belongs to us. God is the owner of everything we have and everything around us. All that we have is from God who has entrusted us to manage.

Listen to this scripture from 1 Chronicles 29: 11-14:

"Yours, O LORD, is the greatness, the power, the glory, the victory, and the majesty. Everything in the heavens and on earth is yours, O LORD, and this is your kingdom. We adore you as the one who is over all things. Wealth and honor come from you alone, for you rule over everything. Power and might are in your hand, and at your discretion people are made great and given strength. O our God, we thank you and praise your glorious name! But who am I, and who are my people, that we could give anything to you? Everything we have has come from you, and we give you only what you first gave us!" 1 Chronicles 29:11-14 (NLT)

(Say) Turn to a person next to you and discuss this question for a couple minutes: How does this scripture (*1 Chronicles 29-11-14*) challenge your view of the money and income you have?

(Ask) Who would like to share one thing from the conversation with your partner?

(Ask for only one pair to share, to manage the time.)

(Say) This scripture challenges our view that our income or money is ours. God is owner and giver of all we have. God has given us income and resources to take care of our family, honor him, and bless others.

2B: *(Say)* Next, let's label the branches with what your family spends money on throughout the year. These are your expenses. I'll ask the volunteer to help write your responses on cards or sticky notes. Once you are done, we will work together to prioritize them. *(You may use symbols or drawings to represent expenses.)*

(Once they have a good list of expenses, say) Now you have a good list of expenses or what we spend your money on. Next, I'm going to ask you to prioritize the expenses and put the most important items on the lower branches and those of less importance on the higher branches. I will ask the volunteer who wrote the expenses down to post the expenses on the branches where you think they should go.

(Give the volunteer tape to stick their expenses on the branches. This generally leads to much debate and differences of opinion. Do not be the person who posts the expenses on the branches, let the volunteer from the group do this.)

(Ask) How did your group determine which expenses were most important and which expenses were less important?

2C: (Say) Great job! We now can see the sources of incomes and expenses your families face. Let's go back to the metaphor of a tree or plant.

(Ask) What happens when the roots of a tree are too shallow or when the fruit and branches of a tree need more nutrients than the roots can provide?

(Allow the group to respond, and only add the following if they do not mention it: The tree or plant can fall over or it will wilt, or die. It will not grow or prosper.)

(Ask) As a farmer, what are things you can do to help a tree or plant in this situation?

(Allow for discussion, and add the following only if it is not mentioned: A farmer can prune back the branches so the roots can support it better; they can encourage the roots to grow deeper.)

(Say) Our family financial situation is similar. There are times that the roots or our income cannot support the branches or expenses. We are left with two choices to keep our families strong. 1- Deepen the roots and increase the income and income sources. 2- Prune back the branches and cut expenses.

Today, we are going to look at cutting back expenses. Let's say that our income is not enough to support all our expenses and forces us to cut back on 5 expenses. We can work to eliminate some expenses completely, or just reduce them. When you are thinking of which expenses to cut, you may find it helpful to ask yourself-- How can I best take care of my family in these decisions?

(Optional version: How can I best take care of my family and honor God in these decisions?)

Let's identify the expenses that are necessary for our family's basic survival. Which ones would you say they are? I'll ask the volunteer to mark those with a marker pen.

(Example: Food, clothes, shelter/house.)

Next let us identify expenses we can eliminate completely or reduce. Those expenses are less important. I will ask the volunteer (*use name*) to put an X or a mark on those expenses that can be reduced or eliminated.

(Allow the group to decide which expenses can be eliminated or reduced.)

(Ask) What questions do you have about prioritizing expenses?

Task 3: Commitment and close lesson time (10 minutes)

3A: (Say) Great job! You have looked at one way to prioritize expenses.

Let's take a minute to think about prioritizing and cutting expenses in your family. What is one action that you commit to take in the next two weeks to prioritize and cut back expenses your family has? Take a minute to think about it, and then I will ask you to share with one other person before you leave.

(Allow members a minute to think about their commitment, and then ask them to share their commitment with another person.)

3B: (Say) Before we close, think back to the House of Principles. Which principles do you see today's lesson addressing?

(Stewardship is the primary principle. Learning together is another.)

The primary principle today's lesson addresses is stewardship. Stewardship means wisely managing finances and other resources you have been given. Good stewards manage their resources so that they can sustain themselves and help others. Today we talked about prioritizing our expenses. We can wisely manage our finances when we prioritize our expenses and make sure we can pay for those that can help our family the most.

Another principle that we were also able to address is the benefit of learning together from each other. We were able to see that though we have different families and situations, there are similarities in our experiences. And as we come together and share our experiences, we help each other in the process as we are able to learn from each other, as well as find ways to address the problems or obstacles that we face, or of how to make our life easier.

(Ask) What questions do you have from today's lesson?

3C: (Close in optional prayer)

(Say) Let's close our lesson in prayer.

Dear God, we see that you are owner of everything and have given us everything we have. Thank you for your provision. Help us to use our money wisely and in a way that honors you, helps our family and blesses others. I ask that you help us this week to prioritize our expenses and to commit to cutting expenses that do not help our family or don't honor you. Amen.

Source Acknowledgements

Adapted from: Food and Agriculture Organization of the United Nations (2002), *The Group Savings Resource Book: A practical guide to help groups mobilize and manage their savings*. (Part B: Tools, Cash Decision Tree)

Learning Conversation 8: Trust

Time

30 minutes

Preparation and Materials

- Copy of picture of House of Principles
- Flipchart paper and markers (*optional*)
- Bible (*optional*)

Objectives

1. Discussed the meaning of trust
2. Identified challenges to trust
3. Identified practical ways to show trust

Summary

Task 1: Review last Lesson (5 minutes)

Task 2: Discuss the characteristics of a trustworthy person (15 minutes)

Task 3: Identified challenges to trust (10 minutes)

Task 1: Review last Lesson (5 minutes)

1A: (*Say*) Today, we will discuss the foundation of the House—trust. Before we begin, let us review. Who can recall what we discussed in the last meeting?

(*Say*) We looked at the Money Decision Tree and prioritizing expenses. You were asked to commit to one action you would take in the next two weeks to prioritize and cut back expenses your family has.

(*Ask*) How well did you do prioritizing and cutting back expenses? What was your experience?

(*Allow* members to share their experiences. You may decide to ask the group to think of ways to overcome any barriers to cutting back expenses. Encourage them to try again over the next month to cut an expense or prioritize their expenses if they were not successful.)

Task 2: Discuss the characteristics of a trustworthy person (15 minutes)

2A: (*Say*) Form groups of 3-4 people, and discuss the following:

- Who is someone that you know who is trustworthy? How do you know that person is trustworthy? What characteristics do trustworthy people have?

You will have 5 minutes.

(Allow groups to discuss, and then ask) Who would like to share some of the characteristics you see in a trustworthy person.

(Encourage a few groups to share. You may want to write the characteristics mentioned on a flipchart paper for all to see.)

(Say) These are all good characteristics of a trustworthy person. Trust is a key principle to any successful relationship and Savings Group. Trust in a relationship starts by being trustworthy yourself.

Trust is confidence in the character and ability of others. It is the foundation and key to a strong Savings Group that runs well. Without trust a group will not succeed. A group that has trust is like a house built on a rock.

(Say) Trust is the foundation of the House of Principles. It is very important for our group. Without trust your group will not be very successful. It's the same for the important relationships that we have such as with our husband or wife. Where there is little trust, there will be trouble.

2B: *(Ask) How does having trust keep the group strong? We'll hear all of your ideas.*

(You may decide to write their ideas on a flipchart paper for all to see.)

Task 3: Identified challenges to trust (10 minutes)

3A: *(Say) Listen to the following quote:*

“Trust comes from action. It must be made and remade, and thereby reinforced, over and over again.” by Stuart Rutherford

Alternative to Quote (Story of Karim)

Karim owned a clothing shop in a small town. He opened his shop in the town where business was good, but left his family in a neighboring town. Karim's assistant, Rahim, lived close to the shop and kept the shop on the days he would go home to visit his family.

One day Karim received an urgent phone call from home. He had to rush home. Rahim kept the shop as normal. He thought Karim would come next day, but Karim did not. Nor did Karim return the next day or the next. Karim did not come back for a very long time. Rahim looked after Karim's shop very faithfully. He sold garments as Karim usually did and bought new ones. He was successful and earned a good profit, but he took only the wages Karim used to give him. Rahim increased the capital of the business. He expanded the area of the shop and decorated it nicely. People thought that the shop was his.

15 years later, an old man with a white beard came to the shop. He talked to Rahim, but Rahim did not recognize him. So, Karim, the old man, introduced himself. Rahim was so happy to see him. He gave Karim the key of the shop and all the cash that he had earned in the 15 years. Rahim thanked him for allowing him to work in his shop.

Karim was so pleased to see and hear from Rahim, he hugged him. He looked at Rahim and said, "I'm too old now to have the responsibility of the shop. I had to go jail because one of my neighbors accused me falsely. I was in prison for 15 years because of that false case. I'm so please to see your faithfulness and honesty. Please don't force me to take this money. You have been faithful and this shop belongs to you. Let me work as your assistant in my old age.

3B: (Say) Turn to a person next to you and discuss what we can learn from this quote. What do you see as the most challenging part of this quote? After a few minutes, we'll hear from a few of you who want to share their experiences.

(If using the story of Karim as an alternative, say: Turn to the person next to you and discuss what we can learn about trust in this story? What made Karim trustworthy? What do you see as some challenges to being trustworthy? After a few minutes, we'll hear from a few of you who want to share their experiences.)

(Ask) Who would like to share what they discussed with their partner?

(Allow several members to share, and then you may add the following to the conversation. To build trust in a group, we must first be trustworthy ourselves. We must do the things that promote trust such as be honest, open, and transparent. For example, we must save regularly, not just one time. We must repay back our loans, not just make one payment. We must tell the truth all the time, not just one time. Trust requires us to demonstrate our trustworthiness over and over again.)

3C: (Say) Call out some ways that your group can ensure trust. We'll note some of your ideas on the chart.

(List the group's ideas on flipchart paper. Make sure if they do not mention it, to include being faithful to group rules/policies on the list.)

(Ask) Which things on this list would you like to commit to doing for the next month, that you are not already doing?

(Allow for discussion and decisions to be made by the group.)

Task 4: Commitment and close (5 minutes)

4A: (Say) We have talked a lot today about trust as a group. Before we close our meeting, we are going to take a couple of minutes to think silently on the need for trust. Think about how trustworthy you are. Think of one way you can commit to being more trustworthy as a Savings Group member and in your family. Afterwards, if you feel comfortable, find someone to share your personal commitment with before leaving the meeting.

(Allow for a couple minutes of silent reflection.)

(Say) Thank you for your participation and discussion today. Trust is an important part of any strong Savings Group and relationship.

4B: (Close with Optional prayer)

Dear Lord- We thank you that you are always trustworthy and never fail. You never change. May your Holy Spirit reveal to us where we are not honest. We ask that you help us and give us the strength to be trustworthy. Lord, we ask that you build the trust in this Savings Group and within our families. Amen.

Source Acknowledgements

Adapted from: Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012

Learning Conversation 9: Leadership Time: 35 minutes

Preparation and Materials

- Copy of picture of House of Principles (Appendix 12)
- Markers
- Tape
- blank flipchart paper
- Sticky notes or cut copy paper into 4-6 squares
- Pens/pencils or markers for each member
- Copies of Leadership Stories from Appendix 33
- *(Optional)* Optional Biblically based Alternative to Stories for Leadership Lesson (Appendix 34)

Objectives

1. Discussed Savings Group leadership
2. Examined principles for Savings Group leaders
3. Decided how to support and keep Savings Group leaders accountable

Facilitator Notes

You may want to have a copy of the House of Principles posted for reference.

Task 2C: You may modify this task for those with less literacy by making the members share their observations verbally rather than writing them down.

Task 3A: This task can be difficult in some contexts for its directness, please modify or omit where it is not appropriate. Read through Task 3A and decide on any changes you would like to make before the meeting. You may also decide to have members write down their responses on sticky notes or pieces of paper that are later posted and discussed.

Task 1: Review last lesson and Introduction (5 minutes)

1A: *(Say)* Today, we will discuss leadership and accountability. Before we begin, let us review. Who can recall what we did during the last lesson?

In our last lesson you were asked to think of one way that you were going to commit to being more trustworthy as a Savings Group member and in your family.

(Ask) How did you do with your commitment? How was your experience?

(Allow anyone to share. You may decide to ask the group to think of ways to overcome barriers that are mentioned if it seems appropriate. Encourage the group to continue to try to be more trustworthy.)

Task 2: Review last lesson and Introduction (5 minutes)

2A: *(Say)* Today we are going to talk about principles for Leaders. Think of your leaders. Call out strengths of your group leaders—Chairperson, Secretary, and Cashier.

(Ask) How has each been helpful to you? What do they usually do? Share your ideas in the large group.

Let us thank our leaders by applauding them.

Task 2: Examine principles for leaders (20 minutes)

2A: *(Say)* Divide into three groups.

Distribute leadership examples, one to each group.

2B: *(Say)* Prepare a drama according to the person you have on the paper. You have five minutes to prepare a two minute drama. Then, we'll observe each group's drama. Afterwards, we'll make a list of principles for leaders that you observed.

(After each group has performed, thank the group for their hard work and creativity.)

2C: *(Ask)* What principles for leaders did you observe? Write each one on a piece of paper.

Then, post on the wall. Include anything more that you can learn from the verses on your paper. After 3 minutes, we'll walk around and observe the ideas of others.

(Allow members a few minutes to walk around.)

(Say) You posted many good principles. Listen to this statement regarding good leaders:

Good leaders are competent, honest, and have a serving attitude. They give direction and humbly help manage the group. Good leaders serve by making sure that the group runs well.

Task 3: Decide how to support and keep leaders accountable (10 minutes)

3A: *(Say)* We are going to discuss something a bit serious about leaders in general. When group members have questions or concerns about the actions of a leader, what do they usually do? Share your ideas in the large group.

Imagine that a group member sees a leader act in ways that are not right—for example, they might not properly enforce an important policy. What might the group member do? What are some reasons the member might not want to share his or her observations?

(Embarrassment, lack of confidence or understanding, or fear in questioning or challenging an elected leader.)

(Ask) How might reluctance to share affect the group?

(Risk of mismanagement, failure to hold leaders accountable, establishing a habit of weak communication.)

(Ask) Why might a leader ignore, avoid responding, or offer a partial response to a question from a group member?

(Pride, disdain for lack of knowledge or understanding, protect a fellow leader, or embarrassment at leader's own lack of knowledge.)

3B: (Say) In your small group, you will discuss several question. Afterwards, we'll share our ideas in the large group. The questions for your group to discuss are:

- What particular leadership challenges do we face in our group?
- What is one step can we take to overcome these challenges?
- What are 1-2 things we can do to support and help our leaders?

(To have good leaders and to keep the post of leadership strong, leaders must be supported and held accountable.)

(Ask) Who would like to share a summary of what your group discussed?

(Thank members for sharing.)

3C: (Close in optional prayer.)

(Say) Turn to a person next to you. Take a couple minutes to pray for each other, and also pray that your group will support and hold the leaders accountable to fulfill their responsibilities.

(Allow for several minutes of prayer. Then, close the group in prayer.)

Source Acknowledgements

Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012 (*House of Principles, Section D- Leadership*)

Learning Conversation 10: Using Money Productively to Benefit the Whole Family

Time

30 Minutes

Preparation and Materials

- Flipchart paper
- Markers
- Copy of House of Principles for reference

Objectives

1. Identified some productive ways of spending money
2. Identified how they can develop their children's potential through Savings Groups

Summary

Task 1: Review from last lesson (5 minutes)

Task 2: Productive ways of spending money (10 minutes)

Task 3: Commitment and Close (5 minutes)

Facilitator Notes

This lesson touches on stewardship or wise management of money and resources. Stewardship is part of the House of Principles.

Task 1: Review from last lesson (5 minutes)

1A: *(Say)* We are going to review what we discussed during our last lesson. Then, we will be talking about productive investments and how we can help our families.

(Ask) What do you remember from our last lesson?

(Say) In the last lesson, you were asked to think of 1-2 things you could do to support and help your leaders.

(Ask) How have you been able to do those things since our last lesson? What has been your experience doing these things?

(Allow for discussion. Encourage the group to continue to support and help their leaders as they talked about.)

Task 2: Productive ways of spending money (10 minutes)

2A: (Say) Find a person next to you and discuss the following question: What was the largest sum of money you have ever received at once? How did you spend it? You will have three minutes.

(Allow a few minutes for pairs to share with each other.)

(Ask) Who would like to share with the whole group what you shared with your partner?

(Encourage 1-2 people to volunteer to share with the group.)

(Say) Now we will listen to two stories about spending money:

Odongo's Story:

Odongo sold agricultural produce from his garden after a good yield. It gave him a lot of money. He decided to have some fun and spent some of the money to buy new clothes for himself. The rest of the money was spent on drinking alcohol and treating his friends at the bar. A few days after the money was all gone, his children were thrown out of school because he did not pay their tuition fees.

He avoids going home because he has continuous fights with his wife. She is not in agreement with how he spent the money. There is not peace in his house.

Okello's Story:

Okello like Odongo, sold agricultural produce from his garden. It also gave him a lot of money. He sat down with his wife and planned for how they would use the money. They agreed to use some of the money to pay tuition fees for their two children in secondary school. They invested the remaining part of the money into an income generating activity. Their children are happily attending school. They use the profits they earn from their business to take care of other daily expenses. Together, they have joined a Savings Group and are able to save more than others on a weekly basis.

Some of his friends laugh at him for planning with his wife how to spend their money. But he doesn't care. His wife is happy and his children are in school. He enjoys much peace and happiness at home.

(Ask) How did Odongo and Okello spend their money differently? What was the result of the decisions that they made?

(Encourage several people to volunteer to share with the whole group. If they do not mention it you may include the following points: Odongo did not consider his whole family. He looked only to his own needs. As a result, his wife was not happy and his children were kicked out of school. Okello, on the other hand, included his wife in making decisions. They looked at ways to spend the money in a way that benefited the whole family. As a result, Okello's wife is happy and his kids are in school. *He is at peace and is happy.*)

2B: (Say) Form groups of 3 people. You'll have the next five minutes to discuss the following:

- How do you make decisions in your house about spending money? What are some ways that you and your family can spend money more productively and in a way that benefits the whole family?

(We know there are some counterproductive activities that people spend money on but we would like to focus on good practices. Please avoid mentioning negative activities.)

(Ask) Which group would like to share a summary of their group's discussion?

(Encourage several groups to share. You may want to write the list of ideas they come up with for reference and to help them. If they do not mention them you should add the following points on how they can use their money productively.

- Investment into income generating activities
- To take care of the medical bills
- To pay tuition fees for the children
- To contribute to charity
- To accumulate assets
- To pay off debts etc.)

(Say) When you and your family discuss how to spend your money, remember that the way you spent your money should benefit the whole family. We are to look out for the needs of others before our own. Odongo was selfish and looked out to his own needs and desires. Okello demonstrated respect to his wife by including her in the decision making. He also looked out for his family before his own desires.

2C: (Say) We are going to talk about our families for a few minutes. Many of you have children under your care at home.

(Ask) What are some responsibilities we have for the children under our care?

(Allow a few volunteers to share. If they do not mention them, please add to the discussion the following ideas. As parents, we are to care for the child in a way that they can grow well physically, emotionally, socially and spiritually.)

(Say) Every child is unique, special and full of potential. It is important that we use our money in ways that develop their potential.

(Ask) What ways can we spend our money that develop our children's potential?

(Encourage them to share their ideas. Please include the following ideas if they are not mentioned by the group.)

Here are some additional ideas on how you can spend money in ways that develop your children's potential.

- By paying their tuition fees to develop their intellectual potential
- By paying their medical bills so that they are healthy.
- By investing in a balanced diet for the children, through investing in growing different types of crops which are nutritious to our children or buying them in the market.

(Ask) What questions do you have about using your money in productive ways that benefit your family and help your children grow?

Task 3: Commitment and Close (5 minutes)

3A: (*Say*) Today, we have talked about using your money for productive investments and helping your children develop. Take a minute to think about one idea that you heard in our discussion today that you want to commit to trying. What is one thing you will commit to doing to spend your money in more productive way?

(Allow the group to think for a minute.)

(*Say*) Turn to a person next to you and share with them your commitment to trying this new idea.

Good stewardship or management of our resources means we look to take care of our family and help others (*and honor God*). At our next meeting, we will share how we are doing with the commitment you made today and discuss how we can overcome any challenges you encountered.

Thank you for your participation today.

3B: (Close in optional prayer.)

Dear God- Thank you for the discussion we had on spending our money in a way that can benefit our family and honor you. We ask for your help as we look to try to improve the way we spend our money. Help us to look out for others before ourselves. Thank you that you can give us wisdom and strength to spend our money in a better way. Amen.

Learning Conversation 11: Conflict Resolution

Time

30 Minutes

Preparation and Materials

- Flipchart paper
- Markers
- Tape
- Copy of House of Principles for reference (Appendix 12)
- Responses to Conflict from Appendix 34
- Steps to Resolve Conflict from Appendix 35

Objectives

1. Identified causes of conflict
2. Listed benefits of resolving conflict
3. Reflected on the three responses to conflict and the steps to resolving conflict

Summary

Task 1: Review from last lesson (5 minutes)

Task 2: Responding and Resolving Conflict (15 minutes)

Task 3: Commitment and Close (5 minutes)

Facilitator Notes

Conflicts are to be expected in groups. Preparing the group to manage conflict is important so that their group can maintain healthy relationships and trust.

When a group is facing a conflict, encourage groups to first refer to their group policies, and manage conflict in a healthy way such as is promoted in this Learning Conversation.

Depending on the context, you may ask the group if they see a benefit in asking someone they respect to be a third party mediator to help in certain conflicts. Some groups have asked a respected elder or church leader to be a counselor or mediator for conflicts that the group cannot resolve on their own. These third parties, as much as possible, should be familiar with how Savings Groups work. It would be ideal if they have experience in a group. It is important for groups to ask these people if they are willing to serve in this role before the group has any need.

Also, it is important that community leaders know about Savings Groups operating in their community so they may be able to help in conflicts. Encourage groups to do everything they can to resolve conflicts within their group before approaching those outside their group for help.

Task 1: Review from last lesson (5 minutes)

1A: (Say) We are going to review what we discussed during our last lesson. Then, we will talk about conflict.

(Ask) What do you recall from the last lesson?

(Say) In our last lesson we discussed how to invest our money productively to benefit our whole family. You were asked to commit to doing one thing to spend your money in a more productive way.

(Ask) What has your experience been in keeping your commitment? What barriers have you experienced?

(Allow members to share as they are comfortable. You may decide to ask the group to think of ways to overcome the most pressing barriers that are mentioned.)

Task 2: Responding and Resolving Conflict (15 minutes)

2A: (Say) Turn to the person next to you and take the next couple minutes to discuss conflicts that happen in your community (*can be Savings Group, community, or family*). Which conflicts are most common? What causes them?

(Ask) Who would like to share some of the causes of the conflicts you discussed with your partner?

(Conflict can be caused by differences, competition, and disharmony. It can result from unmet expectations or desires.)

Optional Biblical Reflection

(Say) Listen to these verses from James 4:1-2

“What is the source of conflict among you? What is the source of your disputes? Don’t they come from your cravings that are at war in your own lives? You long for something you don’t have, so you commit murder. You are jealous for something you can’t get, so you struggle and fight...” (*Common English Bible*)

(Ask) How do these verses compare with what you shared before about the causes of conflict?

(Say) Listen to this quote:

“Where there are two or more people, there will be conflict”.

(Ask) What does this quote say about conflict?

(Say) Conflict is normal and should not be surprising to us. Each person is born with different personalities, gifts, and backgrounds. While we celebrate and love how people are different, these differences create potential for disagreements. Not all disagreements are negative and can reflect the unique needs, values, and desires of each person.

Conflict should not surprise us. It is a natural part of living out life in relationship with others. Every one of us is not perfect and fails at times. *(We are all sinners.)*

2B: *(Say)* Listen to this story of a Savings Group member.

Dasi took a loan out from her savings group. A good part of the loan was spent on her daughter's wedding.

At the end of the month, when her loan payment was due, she decided not to attend her group's meeting seeing that she did not have the money to make a payment.

The next morning, she overheard a woman who was part of her group discuss her situation with another woman in her community. At home another neighbor mentioned that she had heard about her situation.

Dasi concluded that her situation had been circulated around the community. She was angry and hurt, and decided to quit the group. Dasi asked for a loan from someone in the community to pay off her loan with the group. She paid off her loan and resigned from the group.

(Say) Form groups of 3 or 4 people. Take several minutes to discuss the following:

- Why did this situation happen?
- What was the result of not addressing the conflict?
- What results have we seen from unresolved conflict from our experiences?

(Say) Who would like to share what your group talked about?

(Ask) What are the benefits of resolving conflict?

(Allow the group to call out their responses. Resolving conflict allows us to restore and strengthen relationships. It can preserve trust. We are able to live in peace. We can develop problem solving skills and increase our understanding of others. We honor the dignity and value of others when we seek to resolve conflict.)

2C: *(Say)* Look at this picture. (Responses to Conflict from Appendix 34)

(You may want to draw the chart onto flipchart paper so all can see. Or if you use the photocopied chart, make sure you walk around slowly showing the chart to the group)

(Say) This picture shows three categories of responses we can have in a conflict.

1. **Escape:** When a person does not want to face the problem they run away from it and avoid it. This response may include: denying that a problem exists or not acknowledging the problem, moving away to avoid creditors, separating from spouse, quitting a job. These may be ways to avoid facing conflict. *However, these* responses do nothing to resolve the conflict.
2. **Fight:** When a person is controlling and wants to get their way, their response may be about attacking others. They may use physical force or words. This response may include gossip, slander, and cursing others. This response often makes the situation worse.
3. **Work it out:** When a person wants to solve a conflict, they look for solutions and seek to restore their relationship with the other person. Depending on the situation, they may decide to overlook an offense. If they cannot overlook an offense they seek to talk to the person about the problem and may even ask a third person to help. This response may include confession, repentance, forgiveness, and negotiation.

Resolving conflict in a healthy manner means working with the other person to come up with a satisfying solution through a respectful process.

Optional Biblical Reflection:

(Say) Listen to these verses.

1. "If your brother or sister sins against you, go and correct them when you are alone together. If they listen to you, then you've won over your brother or sister. But if they won't listen, take with you one or two others so that every word may be established by the mouth of two or three witnesses. But if they still won't pay attention, report it to the church. If they won't pay attention even to the church, treat them as you would a Gentile and tax collector." Matthew 18:15-17 (*Common English Bible*)
2. "A soft answer turns away wrath, but a harsh word stirs up anger" Proverbs 15:1 (*English Standard Version*)
3. "Be angry and do not sin; do not let the sun go down on your anger." Ephesians 4:26 (*English Standard Version*)
4. "Leave your gift there before the altar and go. First be reconciled to your brother, and then come and offer your gift." Matthew 5:24 (*English Standard Version*)

(Ask) How can we relate these verses to the three responses to conflict we just talked about? (*Escape, Attack, and Work it out*) How are these verses challenging to you?

Listen to these steps you can take to resolve conflict respectfully:

(You may want to write these steps on flipchart paper for all to see.)

Five steps to take to resolve conflict:

1. Prepare (get help, develop options, pray).
2. Show concern and respect for others.
3. Understand the other person's concerns, desires, needs and fears.
4. Look for creative solutions.
5. Evaluate options objectively and reasonably.

(Say) Go to your small group again. Take 5 minutes to discuss the story of Dasi.

- How do these steps compare to what Dasi and her group did in the story?
- How could Dasi and her group have used these steps to better resolve their problems?

(Say) Who would like to share what their group talked about?

(Dasi could have developed options to her financial problem with her group. She could have put herself in the place of her fellow group members by understanding their frustration of her using her loan money to pay for her daughter's wedding and not being able to pay back the loan. They were fearful of losing their money. Dasi could work with her group to evaluate the options and together reach a solution.

The group members who gossiped were using an attack response. In this case, it made the situation worse when Dasi resigned from the group. They could have taken time to think of options and put themselves in Dasi's place. If they asked her, she might have told them that she had a plan to sell the produce from her field to pay off the loan, but insects destroyed it. She was ashamed that she was not able to repay her loan. They could've respected her by not gossiping with other community women and keeping the situation within the group. The group could have called Dasi to a meeting to look at options and find a solution.)

Task 3: Commitment and Close (5 minutes)

3A: (Say) Today we have talked a lot about conflict and some steps to resolve it. In your Savings Group it should be no surprise when conflict comes. The way that you respond to it and take steps to resolve it can be an opportunity for your group to grow stronger. It can take time and practice to get used to resolving conflict using these steps.

In groups of 3-4 people, thinking of the discussion today, decide on one thing your group can do to be better prepared to handle conflict in a healthy manner. Take 3 minutes.

(Say) Let us hear from each group what you decided on. (You may want to write each groups suggestion on flipchart paper for all to see.) Once we have heard from each group, you will decide on 1-2 things you'd like to do as a group this next month.

(Allow each group to share, and encourage the group to choose 1-2 things that they can implement in their group to help them better prepare to resolve conflict.)

Thank you for your participation today.

(Ask) What questions do you have about conflict before we close our lesson time?

3B: (Close in optional prayer.)

Dear God- Thank you for creating each of us different and unique. We recognize that we are not perfect and are sinners. We ask that you help us when we face conflict. May your Holy Spirit reveal where we have contributed to the conflict through our attitude and response. Give us the love and patience to respond in a good manner and work through the steps to resolve it. Help us as a group to respond and resolve conflicts in a healthy manner that might glorify you. Amen.

Source Acknowledgements

Adapted from Peacemaker Ministries, www.peacemaker.net, accessed July 30, 2013. (*Slippery Slope, and PAUSE principle*)

Care Uganda and FSDU (March, 2004), Training Guide for the formation of Savings and Loans Associations. (*Lesson 4, Conflict*)

Learning Conversation 12: Conflict Resolution--Role of Forgiveness

Time

35 minutes

Preparation and Materials

- Flipchart
- Markers
- Tape or tack (if training conducted in a room and it is possible to tape flipcharts to wall)
- Copy of Story of Thomas (Appendix 37)
- Prepared cards from Appendix 38

Objectives

1. Identified reasons why relationships are broken in families and in the community
2. Reflected on a story of Thomas
3. Considered the importance of forgiveness
4. Discussed how to forgive and overcome obstacles to forgiveness.
5. Decided where to apply forgiveness in their family and community.

Summary

Task 1: Review the previous lesson (5 minutes)

Task 2: Forgiveness and Unity (20 minutes)

Task 3: Commitment and Close (10 minutes)

Facilitator Notes

You may decide to use another Unity and Diversity picture that better represents your context. This picture should be used at least in your cluster to maintain consistency and should be coordinated with other facilitators and your supervisor.

A longer version of this lesson is also part of the Community Leaders Training manual in Module one.

Task 1: Review the previous lesson (5 minutes)

1A: *(Say)* Today we will think about unity in our family and Savings Group. Before we begin, let us remember our last lesson.

(Ask) What do you recall from the last lesson?

(Say) In our last lesson we discussed conflict. We talked about different responses to conflict and steps we can follow to resolve conflict. You were asked to decide on one thing your group could do to be better prepared to handle conflict.

(Ask) How have you been able to implement what you decided on? What barriers have you experienced?

(Allow members to share as they are comfortable. You may decide to ask the group to think of ways to overcome the most pressing barriers that are mentioned.)

(Display the Unity and Diversity picture and point to the hands in the middle)

1B: *(Say)* Today, we will think about Unity in our family and Savings Group.

(Say) We will discover how we can restore broken relationships and so have more **unity** in our families and Savings Group.

(Ask) How do you see this topic being useful to you as a leader and in your family?

(You may review concepts from session two, Activities Part Two regarding key relationships. One aspect of our definition of poverty includes broken relationships with others. As a result, looking to reconcile relationships is important.)

Task 2: Forgiveness and Unity (20 minutes)

2A: *(Say)* Listen to this story about a restored family relationship. This is the story of Thomas.

(Read the story of Thomas from Appendix 37.)

(Ask) What do you think was the most surprising thing in this story?

(Thank each person and repeat the answers given.)

(Say) We are going to divide into groups of 2-3 people and discuss the following questions. You will have five minutes to discuss within your group and then one person will share a summary of what their group talked about.

- Which obstacles do you think the father had to overcome to forgive his son?
- What helped him to forgive and accept his son back into the family?

(Have the cards for feedback prepared-- found in Appendix 38.)

(Ask each group one by one) What obstacles do you think the father had to overcome to forgive his son?

(Thank each person and repeat the answers given, and give the relevant card to hold in front of them.)

(Ask) What helped him to forgive and accept his son back into the family?

(Thank each person and repeat the answers given, and give the relevant card to hold in front of them.)

(Say) The father's love helped him to overcome all the obstacles.

(Say) Forgiveness is necessary to restore relationships. Restored relationships are crucial for unity in families and Savings Groups.

(Ask) How is this story relevant to you as a Savings Group?

2B: *(Say)* Return to your same group of 2 or 3 people and discuss the following questions. You will have about 5 minutes to discuss then I will ask one person from each group to summarize your conversation.

- How can we overcome the obstacles to forgiveness in our families and communities?
- How can we in this Savings Group help each other restore broken relationships?

(Ask) How can we overcome the obstacles to forgiveness in our families and communities? How can we help each other in this Savings Group restore broken relationships?

(You may add your ideas and suggestions after the members have given their ideas.)

Task 3: Commitment and Close (10 minutes)

3A: *(Say)* Forgiveness is not easy, but it is important to restore relationships. In your group, each person should tell their group one thing they will commit to doing this next week as a result of this lesson on forgiveness. Take a few minutes to do this.

(Allow groups to share their commitment with their group.)

(Say) Forgiveness is necessary for restored relationships. Restored relationships are crucial for unity in families, communities—and Savings Groups.

3B: (Close in optional prayer.)

God, thank you for forgiving our sin. Thank you for Jesus who takes our sins so that we may be forgiven by you. We pray that you will help us to restore broken relationships in our life and group by forgiving each other. Help us to forgive those who have wronged us, and help us acknowledge where we have hurt others.

Optional Biblical Reflection:

(Say) Let's read the story from Luke 15: 11-32.

This story also shows the greatness of God's love for us and His forgiveness.

(Say) Think silently and ask God for help.

1. For a few moments now, you can ask God to forgive you for what you have done wrong.
2. Now you can also ask God to help you forgive those who have treated you unjustly.

(Give members a few minutes to pray.)

(Say) Restored relationships with others are God's will for us. God can help us to forgive others.

(Other verses for reflection: Matthew 18.21-35.)

Source Acknowledgements

Adapted from: FH Bangladesh. (2009, June). FH Ba's Vision and Values: Field Workers' Values' Lesson Plans for FCT and SCD Groups. Second Year Course.

Learning Conversation 13: Caring for Each Other

Time

30 minutes

Preparation and Materials

- Copy of picture of House of Principles
- Copy of picture “Care for the Whole person” from Appendix 39
- Flipchart paper and markers (*optional*)
- Bible (*optional*)
- Prepare ahead a couple proverbs or sayings that relate to caring for others to be used in Task 2A

Objectives

1. Considered the strength of being in a group
2. Reflected on caring for the whole person
3. Committed to one thing they will do to meet the needs of someone in their Savings Group or family

Summary

Task 1: Review of previous lesson (5 minutes)

Task 2: Caring for each other (15 minutes)

Task 3: Personal Reflection and close (10 minutes)

Facilitator Notes

The members will think of a cultural proverb or saying that relates to caring for others. You should prepare a couple proverbs ahead of time to add to the discussion.

You may want to have a copy of the House of Principles posted for reference.

Task 1: Review of previous lesson (5 minutes)

1A: (*Ask*) What are some things about forgiveness that you remember from our last Learning Conversation?

In our last lesson we talked about forgiveness. At the end of the lesson, each of you thought of one thing you would do as a result of the lesson.

(*Ask*) How have you been able to do what you decided on? What barriers have you experienced?

(Allow members to share as they are comfortable. You may decide to ask the group to think of ways to overcome the most pressing barriers that are mentioned.)

Task 2: Caring for each other (15 minutes)

2A: *(Say)* Today we are going to talk about caring for each other.

(Ask) Where on the House of Principles can we find this value?

(Encourage the group to share. It is part of the roof.)

(Ask) Why do houses have roofs? What is the purpose of a roof? (A roof protects a house from sun, rain, and storms.)

(Ask) How does Caring for Each Other protect a group like a roof protects a house?

(Caring for Each Other helps build trust as relationships are strengthened.)

(Say) Listen to this story.

Kia's story:

Kia is part of a Savings Group in her small community. They have formed strong relationships and help each other over the couple years they have been together. Last year, Kia was sick during the most critical time to prepare the fields. When her group saw it she was forced to stay in bed during this time, they all took one day and prepared her field for her. It was a big help and it helped Kia plant her field on time. Another time, Kia and her group helped another member by taking care of her children for a day when she had to travel unexpectedly to attend a family member's funeral in a nearby town.

Kia finds that being in a Savings Group helps her save more than before. They encourage each other to save each week and save as much as they can. She is happy to be in her group and feels hopeful about her future.

(Say) Take a couple minutes and think of a proverb or saying that you have heard that talked about caring for others.

(Ask) What proverbs or sayings did you think of?

(Contribute the proverb you prepare on if the group members had a difficult time thinking of a proverb or saying.)

Optional Biblical Reflection:

(Say) Listen to these verses from the Bible.

“Two are better off than one, because together they can work more effectively. If one of them falls down, the other can help him up. But if someone is alone and falls, it's just too bad, because there is no one to help him. If it is cold, two can sleep together and stay warm, but how can you keep warm by yourself. Two people can resist an attack that would defeat one person alone. A rope made of three cords is hard to break.” Ecclesiastes 4:9-12 *(Good News Translation)*

(Say) In groups of three people, share your own life experiences in:

- Working together in a group toward success
- Receiving help in a challenging time
- Being comforted when feeling sorrow
- Receiving help or protection when being attacked or defeated

You will have five minutes and then we will come back together.

(Allow the small groups to discuss, then say) I am sure that all of your groups have some good experiences about receiving help. Keep in mind the experiences that you have heard as we continue.

(Show picture of “Care for Whole Person” to group.)

2B: *(Ask)* What do you see in this picture?

(Allow members to call out answers. Thank each person, repeat answers and ask for next one.)

(Explain the meaning of each symbol.)

- The heart is our symbol for **emotional care**.
- The book with the flame means the light of wisdom and is a symbol for **mental care**
- Food is our symbol for **physical care**
- The family is our symbol for **social care**
- The two hands raised in prayer is symbol for **spiritual care**

2C: *(Say)* Next, recall the experiences you shared in your groups, and the story we listened to.

(Ask) What kinds of needs were met?

(Encourage members to share their experience or an experience they heard in their group. Example: In the story of Kia, she has received emotional, social, mental and physical care in her group. The

group helped prepare her field when she was sick and reflects physical and emotional care. The way her group helps each other demonstrates how they provide social and mental care to each other as well. Kia's hopefulness for the future shows how she has felt her needs met.)

(Say) For people to reach their (*God-given*) potential these different kinds of needs have to be met. This is true for all of us, and our family. Consider what you have heard.

(Optional: Reflect upon God's role in group relationships- 10 minutes)

(Ask) Would two volunteers please come and assist me? (*Have three cords ready.*)

(Give two cords to the first volunteer, then say) _____ (*name of volunteer 1*): Twist these two pieces of rope together. Hold it up for the group to see. Then, release the bottom.

(Ask) What happens to the ropes? (*The ropes unravel.*)

(Give three cords to the second volunteer, then say)

_____ (*name of volunteer 2*): Braid these three pieces of rope together. Hold it up for the group to see. Then, release the bottom. What happens to the ropes?

The ropes remain together.

2B: Listen to the verses from Ecclesiastes again. Would a volunteer please read it?

"Two are better off than one, because together they can work more effectively. If one of them falls down, the other can help him up. But if someone is alone and falls, it's just too bad, because there is no one to help him. If it is cold, two can sleep together and stay warm, but how can you keep warm by yourself. Two people can resist an attack that would defeat one person alone. A rope made of three cords is hard to break." Ecclesiastes 4:9-12 (*Good News Translation*)

(Say) Recall the rope demonstration. What do you hear from these verses? Call out your ideas. (Encourage the group to share their ideas.)

The verse begins by mentioning two people, but ends in talking about a rope of three cords. Two people can be strong together. But, three are even better. Having God and the group as the 'third person' in our relationships strengthens us and binds us together.

(Ask) What do these stories tell you about the power of being in a group? Share your ideas in the large group.

Task 3: Personal Reflection and close (10 minutes)

3A: (Say) Consider how you can better support one another and care for each other. Remember that every person has various needs and we should seek ways to provide physical care, social care, mental care, emotional care, and spiritual needs.

We are going to take a minute to be quiet. During this time, think silently and decide on one thing you will do in the next week to meet the needs of someone in your Savings Group or family. Afterwards, you will share your commitment with one other person before we close.

(Also, they may want to commit to praying for someone whose needs they are not able to meet.)

(Allow members to think for 1-2 minutes, then say) Take a couple minutes to share with one person near you one thing you commit to doing this next week to care for someone in your Savings Group or family.

(Allow for members to share their commitment with each other, then say) Who would like to share their commitment with the group?

3B: (Close with optional prayer.)

God, we thank you for caring for us and meeting our various needs. Please help us to see and meet the needs of those around us in our group and in our families. Help us to love and care for others like you love us. This week, we ask that you help us to meet the need that we promised we would. Amen.

Source Acknowledgements

Adapted from FH Bangladesh. (2009, June). FH Ba's Vision and Values: Field Workers' Values' Lesson Plans for FCT and SCD Groups. First Year Course.

Chalmers Center for Economic Development (2012), Promoting Church-Centered Savings and Credit Associations, Facilitator's Guide v.2012 (*Section D: On-going Group Training*)

Appendix 1: Staff Lesson—VMV and Savings Groups

Who

FH staff members, Savings Group promoters and supervisors. (This lesson is designed for a group that has at least 12 people. You will need to modify the lesson for smaller groups.)

When

This lesson can be done anytime as long as staff have experience or some training in Savings Groups.

Time

1 hour

Preparation and Materials

- Read the lesson through and try to personally answer the questions for each group. Review FH's VMV.
- Copy of *Five Core Components* cut out to give one component to each group
- Have a copy of the values to hand-out to groups (*Values Group Discussion*)
- Flipchart paper
- Markers (at least 6)
- 6 Bibles (one for each group)
- FH Orientation Handbook for reference (*optional*)
- Ball or object to pass around

Objectives

1. Identified ways a saving group program can demonstrate the Vision, Mission, and Values of FH
2. Reflected on FH values.

Tasks

Task 1: Review the Vision and Mission of FH (5 minutes)

Task 2: Reflect on the Five Core Components and FH Values (40 Minutes)

Task 3: Application and closing (10 minutes)

Task 1: Review the Vision and Mission of FH (5 minutes)

1A: (*Say*) Today we are going to have a time to talk about our vision, mission and values and to talk about how the program of Savings Groups helps us fulfill them.

(*Ask*) What is the vision and mission of FH? Who would like to try to state it?

(Our Vision: God called and we responded until physical and spiritual hungers ended worldwide Our Mission: To walk with churches, leaders and families in overcoming all forms of human poverty by living in healthy relationship with God and His creation.)

(Say) Thanks, our vision is to eradicate physical and spiritual hunger

(Say) The mission and vision statements have been broken down into Five Core Components. You may remember these from your FH orientation. Listen to the five core components.

1. Our Foundation is God.
2. Our ultimate focus is the Most Vulnerable in the World
3. Our work is relational
4. Our understanding of poverty is Wholistic.
5. Our approach is to examine ALL aspects of our lives and seek to align them to God.

Task 2: Reflect on the Five Core Components and FH Values (40 Minutes)

2A: (Say) We are going to divide into 5 groups. I am going to give each group one of the five key components. In your small group, read together the statements regarding your core component. Then, discuss the following questions. When you have answered the second question, write your response onto a notecard or sticky note. You will have 8 minutes to discuss and write down your response to:

1. How does the core component you've been given motivate you to do your work with Savings Groups differently.
2. What is one thing that that your office can do to integrate this core component into the implementation of Savings Groups? Write your response to this question onto a sticky note or notecard.

(Say) Let us hear from each group about the one thing that your office can do to integrate your core component with the way you implement groups.

(Allow each group to share. Post their responses on flipchart paper or wall for all to see)

(Ask) Which ones of your ideas from question two would you like to see happen the most? What would take for you to implement this idea?

(Say) By facilitating a Savings Group, we are given a great opportunity to walk with a variety of people from the communities we work in. Savings Groups provide an opportunity for us to encourage reconciliation of the four key relationships.

2B: (Ask) What are the 6 values of FH?

(Grace, Christ-centered, Stewardship, Excellence, Wholistic, and Servanthood)

(Say) Stay in your same group. I am going to give each group at least one of these value. One group will be given two values. Each group will read the Scripture and discuss the questions. Once you have read and discussed the questions, appoint one person to share with the large group the main points you discussed.

Allow the groups 10 minutes to discuss their value and answer the accompanying questions. Then, have one person from each group share the main points and answers to their group's questions. Reinforce with the following information.

Because of Grace we should be able to:

- Recognize the gift of grace daily
- Rest in the freedom to fail
- Raise and resolve difficult issues
- Repent of sin
- Reach out to accept and forgive one another
- Remember the poor (Galatians 2:10) and our own poverty as an expression for grace (Matthew 5:3; Revelation 3:17).

To help live a Christ-Centered life we can:

- Pray over everything we do, looking for what is God's plan
- Practice Biblical morality as expressed in Scripture
- Preach the gospel everywhere, by example and word
- Posture ourselves as servant leaders

To be Wholistic is:

- To engage with the whole person spiritually, physically, mentally, socially; seeking healing, restoration and redemption in "all things" and in all spheres of society, culture and creation
- To endeavor to serve as a catalyst for the Holy Spirit to transform everyone and everything we touch
- To embrace God's call to do justice, love mercy & walk humbly
- End to end; integrating action and reflection (wisdom); thinking systemically from presupposition to practice

Good Stewardship is:

- Aiding all people in discovering and stewarding their God-given resources
- Acknowledging that all people are made in the image of God and therefore:
- Need safety, security and protection
- Deserve equal and transparent treatment
- Encouraging, inspiring and supporting those in crisis
- Applying appropriate resources for the right situation
- Adapting to achieve balance of efficiency and effectiveness
- Accepting resources with gratitude
- Accounting through self-evaluation and transparency

To practice Excellence is to:

- Live and work “Coram Deo” (before the face of God) and to His glory – every task done with excellence
- Lead and innovate for greater impact
- Be a Lifelong learner
- Listen and respond to needs and requests
- Link and integrate capabilities and strengths
- Learn from best practices

In Servanthood we submit to:

- Jesus Christ and one another
- His example of service
- His work of redemption
- His Word
- His work in transformation of the heart
- One another, consulting first, then deciding

(Say) Thanks for all your participation today. It is important to remember our FH identity as we work with groups. Savings Groups can impact much more than the economics or physical aspects of a member’s life. Savings Groups may allow members to grow closer in relationships with others, and with God, and practice wise stewardship of resources God has given them. They can be about much more than economics.

Task 3: Application and closing (10 minutes)

(Say) Before we close, I’d like you to take a minute to be quiet and think of all that has been shared. Think of one thing you would like to commit to doing for the next month as a result of our discussions today. You may want to write it down and put it in a place that will remind you of your commitment.

(Allow participants to think and reflect on the discussions they had)

(Say) Let us make a circle. To close our time, I’d like us to pass the ball around until everyone has shared either their commitment or one thing that stood out to them.

(After everyone has shared, you may close in prayer)

Source Acknowledgement

FH Association (2009), Welcome to the FH Family: An Orientation to Our Ministry and Organization. Phoenix AZ.

Appendix 2: Five Core Components

Our Foundation is God:

This means we build our work on God's truth which is our foundation. Our understanding of life, of people, of culture, or resources, of poverty, and its solution, ultimately flows from our understanding of God through our relationship with God and His revelation to us in the Bible. God is our source for understanding what is true and real.

- Our understanding of poverty and its solution is rooted in our understanding of God and His plan.
- True reality is found in God.
- Transformation is God's work and His plan.
- God's transforming gospel plan is to redeem and restore all this broken by sin.
- God calls His people to participate in His plan.
- There are other competing views of reality that exist in all cultures.

Our ultimate focus is the Most Vulnerable in the world:

Vulnerability means exposure to risk and the lack of ability to cope with the consequences of the risk of physical death.

- The Bible reveals God's heart for the poor, the vulnerable, the forgotten, and the needy and his call to all people to share this focus.
- Our focus is people and communities.
- Our directional goal is to alleviate severe poverty.
- We seek to alleviate severe poverty through respectful, healthy relationships.
- We measure transformation through perception change, behavior change and well-being objectives.

Our work is relational:

FH walks with leaders, churches, and communities. There are four key relationships that were broken with sin. (Our relationship to self, with others, with creation, and with God.)

The Godhead (Trinity) is relational and we are made in His image. We are made for relationship with God and others. These relationships were broken and this brokenness has brought poverty. The restoration of our relationships with God and His creation will bring transformation, blessing, hope and life, and will alleviate poverty. In bringing transformation to humankind, Jesus himself came and walked with us. God uses people in relationship with one another to bring about His Purposes.

Our approach is to examine ALL aspects of our lives and seek to align them to God:

- We believe that all truth is God's truth. He is the source of truth. God's truth can powerfully transform individuals, communities and nations.
- Transformation is God's work and plan.
- Sustained positive change (transformation) occurs in an individual, community, and institution as beliefs, values, knowledge, skills and behavior align to God's truth.
- There is a direct cause and effect nature between our beliefs, values, and knowledge, skills and behaviors.

Our understanding of poverty is Wholistic:

There are many forms, expressions and layers of poverty. Poverty is complex. We see to uncover and address the various causes of poverty-physical, spiritual, social, and personal.

- We see to understand poverty from God's Reality.
- Poverty is the result of sin.
- Every area of life was affected by the Fall.
- FH approaches poverty and its causes holistically.
- We much look at our own sin and how it contributes to the poverty of others.
- Christ is God's answer for sin, brokenness and poverty.

Values Group Discussion

Grace

Read: Romans 8:1-4; Ephesians 1:3-10

Discussion Questions:

1. What is grace?
2. In what practical ways can the participants in a Savings Group demonstrate grace to one another?
3. How can a promoter working with a Savings Group encourage its members to show one another grace? (For example: reach out to others, discuss difficult issues/deal with conflicts, forgive one another, etc).
4. How can you as a promoter demonstrate more grace towards your family, co-workers and those you serve in the community?

Christ-Centered

Read: Ephesians 1:20-23 and Philippians 2:9-11

Discussion Questions:

1. What does it mean to be Christ-centered?
2. How can you as Savings Group promoters model a life that has Christ at its center?
3. What can you do to become more Christ-centered?

Wholistic

Read: Luke 2:52, Genesis 1:26, Colossians 1:19-20

Discussion Questions:

1. How do Savings Groups address the whole person of the participants?
2. How can we carry-out God's call of doing justice, loving mercy and walking humbly through our interaction with Savings Groups?

Stewardship

Read: I Chronicles 29:10-14; Genesis 2:15, Luke 19:11-27

Discussion Questions:

1. What is good stewardship?
2. In what ways will participants learn to practice stewardship in Savings Groups?
3. How can we demonstrate good stewardship in our work with Savings Groups?
4. How can stewardship apart from the financial aspects be taught to the participants?

Excellence

Read: Colossians 3:17, 23; Exodus 35:30-36:7; Ephesians 2:10

Discussion Questions:

1. How can a Savings Group inspire excellence in its participants?
2. Why is it important for the promoter and the group leaders to work with excellence?
3. What is one way we can demonstrate excellence in our work with Savings Groups

Servanthood

Read: Mark 10:45; Romans 1:1; Philippians 1:1; 2:1-11

Discussion Questions:

1. What can we do to show God's love to the Savings Groups in serving them?
2. How can you practically model servanthood in your work with Savings Groups?
3. How can we encourage group leaders to grow in servant leadership?

Appendix 3: Frequently Asked Questions

Does FH give our group start-up or seed money?

No, the group belongs to its members and the members will build up their savings and use that same savings to give-out loans.

Who can join the group?

Any community member who the other group members trust can be a part of the group.

Will the FH staff come and collect our savings and keep it safe for us?

No, the group will have a box with 2-3 locks and a group member will keep the box in their home between meetings. The group may also decide to keep their money in a bank if one is available.

How do I register?

Continue to come to the next registration meeting and there will be an opportunity to sign-up.

How many people can be in the group?

The group needs a minimum of 10 members and a maximum of 30. Groups smaller than 10 members have a more difficult time saving enough capital to be useful for loans, and groups bigger than 30 members makes the management of the group challenging.

Do we have to have a lot of money to join a group?

No, anybody can save, the group will decide on a minimum and a maximum amount to be saved every meeting.

Who will be in my group? Groups are self-selecting. You will be in a group with others who have agreed to come together to save. FH does not dictate who can or cannot be part of a particular group. Each group decides who will be a part of their group.

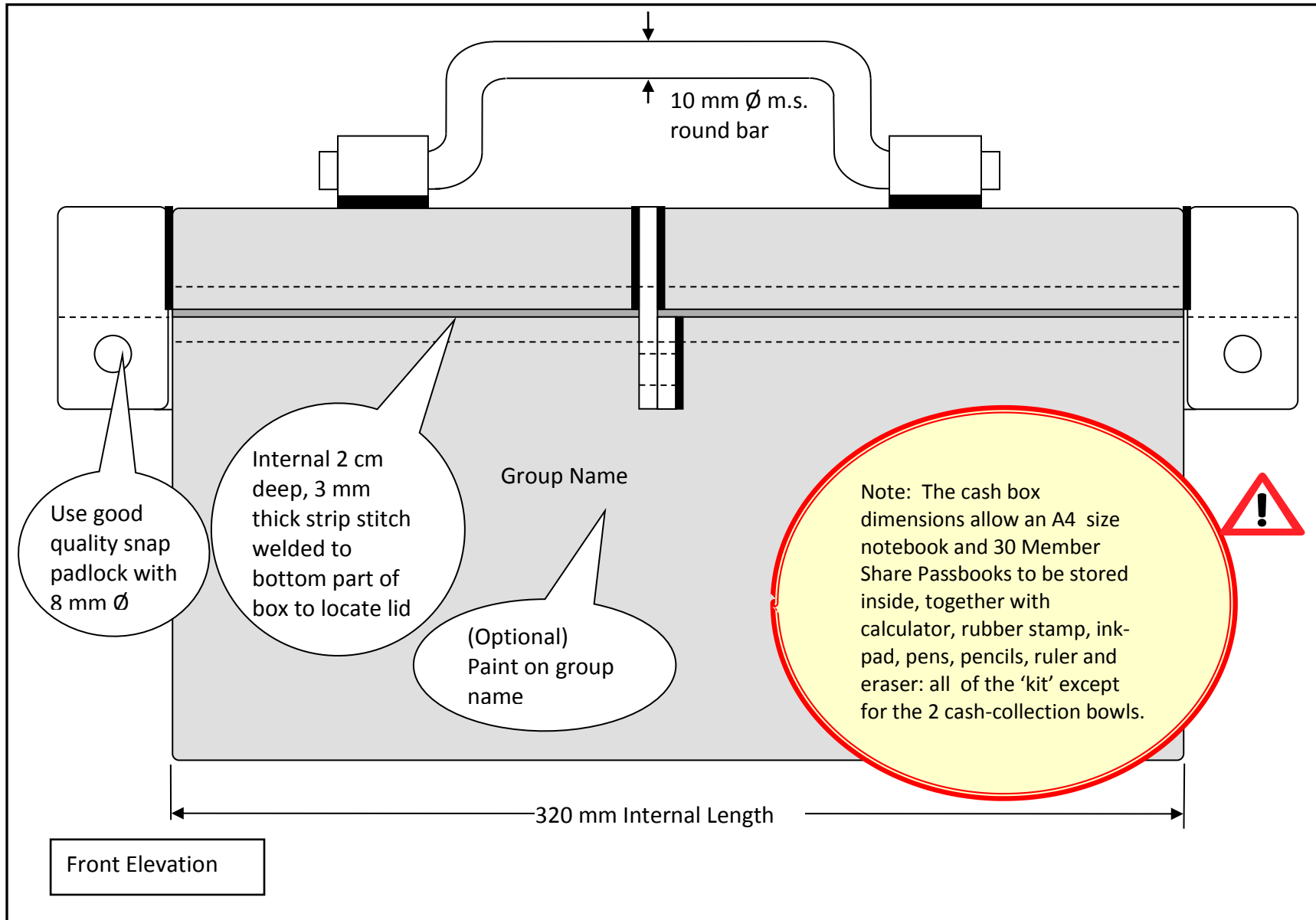
Appendix 4: Financial Landscape Investigation

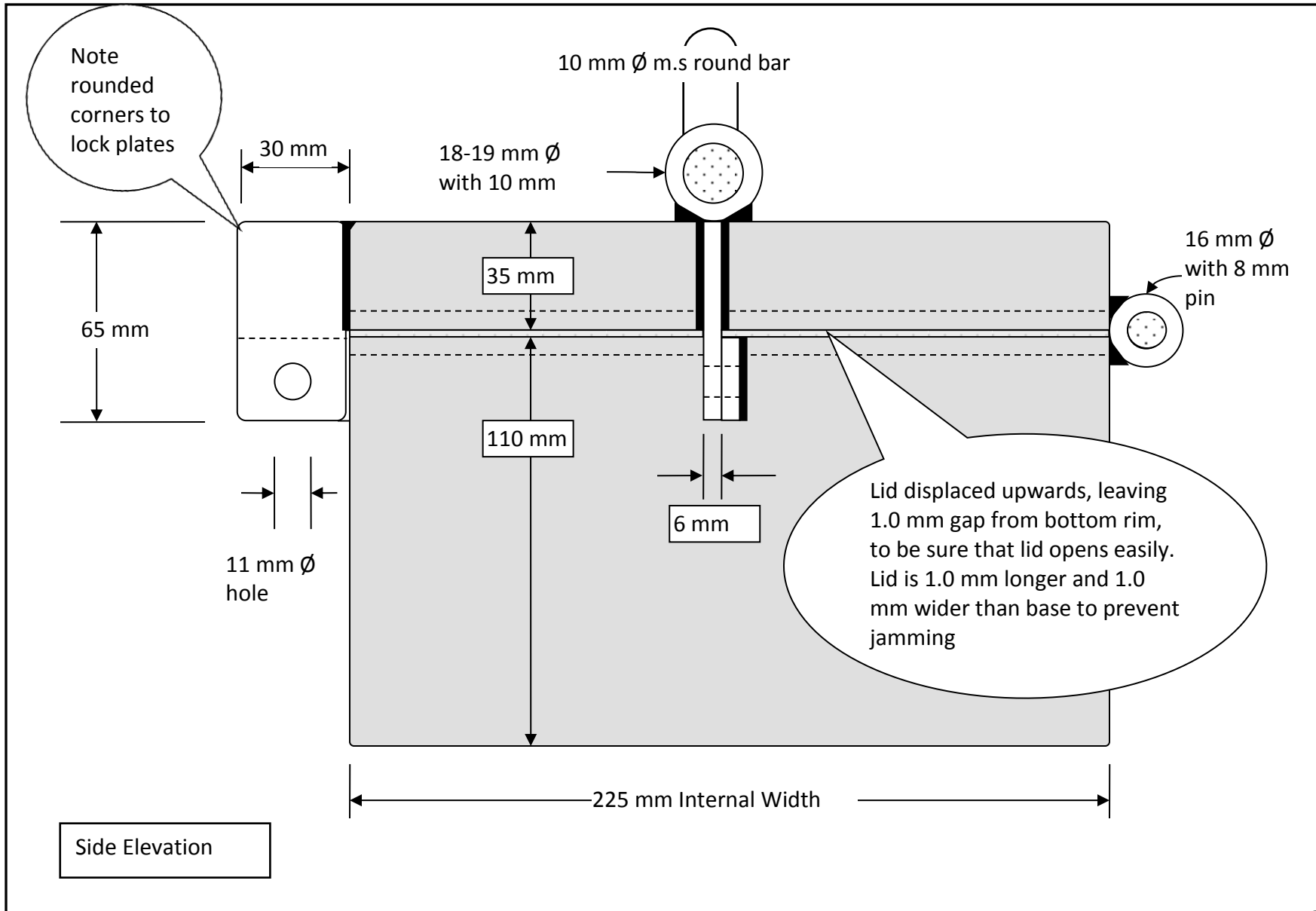
Financial Service Providers	What is the reputation of this service?	What is the history of this service in the community?	Who are not able to use this service? (And why?)
Money Lenders			
Traditional Savings Schemes, (eg, Merry Go Rounds)			
Savings and Credit Associations (eg, VSLA)			
Savings and Credit Cooperatives			
Microfinance Institutions			
Commercial Banks			
Borrowing from Family/ Friends/ Neighbors			
Store Credit			
Other			

- How do people pay for unexpected expenses like health emergencies?
- What is the history of formal and informal financial services in the community?
- How do people view savings?
- How do people view loans?
- How do people feel about saving groups?

Adapted from the Chalmers Center of Economic Development.

Appendix 5: Example of Cashbox dimensions





Appendix 6: Instructions for Constructing Passbooks

Each member will need an individual passbook. Since a central group ledger is minimized, the individual passbooks become a very important record to the group and members of their savings and loans. It is imperative that each member has their own passbook. The passbook is found in Appendix 42 of this manual.

The passbook should be translated into the language that is most widely used by the group members. It is important that the members understand their passbooks.

Passbook Construction

The passbook is used for one cycle. A new passbook is needed for each cycle.

1. The passbook included in the toolkit is created by printing it double-sided on 8.5"x11" and then folding them together to create a booklet. (You may need to adjust margins for A4 sized paper.) Each passbook uses three sheets of 8.5"x11" or A4 paper.

The passbook cover can be made from cardstock if there is budget to provide some durability, but normal weight copy paper is acceptable.

Pages:

- Front: Title page with member and group information
- Inside cover: Space for notes
- Pages 3-7: Savings Record (five savings records)
- Pages 8-10 Loan Record (three loan records)
- Back inside cover: House of Principles
- Back cover: Blank

2. Staple them together along the fold so it creates a booklet.

Passbooks from School Notebook

Fields may also decide use small school notebooks as passbooks. When using a school notebook, you will need to transcribe all the savings and loan records into the book. It is recommended to work with the group secretary to do this. It is important to have a ruler available so the records can be transcribed neatly into the notebook.

The notebooks should have at least five pages of savings records, and at least 3 pages of loan records—following the outline of the sample passbook provided.

This option takes extra work to transcribe the records, but may be easier and cheaper in the long run for groups if it is difficult to get copies of passbooks made or where photocopy costs are higher than school notebooks. It also allows the group to use local materials. If you decide to use a school notebook, provide the group with a blank copy of the savings and loan record that they can keep as reference.

Appendix 7: Suggested List of Supplies for Savings Groups

- Cashbox
- Three locks with keys
- Two cloth sacks (for group fund and social fund)
- Notebook (for group decisions)
- 2 pens (black or blue)
- Stamp
- Ink pad
- 30 passbooks (individual member savings and loan record)
- Calculator

Appendix 8: Who is FH

Description of FH

Food for the Hungry (FH) began in 1971. FH operates relief and development programs in 26 countries with a focus on seeing the most vulnerable, and especially children thrive.

Our vision: God called and we responded until physical and spiritual hungers ended worldwide.

Our Mission: To walk with churches, leaders and families in overcoming all forms of human poverty by living in healthy relationship with God and His creation.

The way FH works

FH's approach is holistic and addresses various parts of life (such as social, emotional, physical and spiritual).

We believe that poverty is complex and more than just a lack of material resources. We understand poverty as being defined by broken relationships in **four key areas**. We experience brokenness in our relationship to self, others, creation, and in our relationship with God. We seek to see these four areas restored and see transformation.

Transformation happens within a person, group or community when there has been a change in the behaviors, attitudes and worldviews of individuals, communities or cultures towards living in healthy relationship with God, others and creation.

Ultimately we realize that we all experience broken relationship, and we need healing and restoration in our relationships (with creation, self, others, and with God). We want to see transformation happen not only in our partner communities, but also within ourselves and within the people around the world who support our work. Therefore, we seek to enter in a process of **mutual transformation** in our partnerships where we can walk together and encourage transformation in each other.

This means our work is relational. We desire to walk with community leaders, churches and families. When you walk with someone you seek to grow a strong intimate relationship. When we walk with a community we also recognize that our work is a process. Transformation in a person's life or in the life of a community usually does not happen in an instant. It takes time.

The people with whom we are called to walk are all image-bearers of God and are to be valued and appreciated. FH believes that each person and community has God-given potential. All people (men, women, children, young, old, disabled, poor, rich, etc.) are of equal value to God. We believe that God has given us all that is necessary for a good life here on earth, and we need to work together to find these gifts and how to use them.

Our focus is to work with the most vulnerable populations in a community. In all cases this means children. Our aim is to see them living out their God-given potential. **Community Transformation** is when the families, churches, and leaders in a community are functioning as God designed, nurturing and providing for all their children. The defining evidence of this is improved well-being in their children. That is, their children are increasingly thriving as God intends.

We want to work with communities that wish to change and walk with us, and not just seek handouts. FH sees that permanent positive change ultimately can happen when people and communities are living to their God-given potential and broken relationships are restored. This means that in many cases FH will be working to train or facilitate community groups, and work less in physical or infrastructure projects, for example.

One aspect of FH that is distinct is our **child sponsorship** program. We often offer communities the opportunity to participate in this program. The families of children sponsored are invited to participate in many of our programs that will benefit their families, such as health, and agricultural training. Registered children may also participate in afterschool programs organized by FH. Children that are registered in the program are connected with an individual or family living in the US or Canada who can write to the child, and even visit. We find that these relationships are an encouragement and can be life-changing to the child and their family, and the sponsoring individual or family.

We are also an organization committed to the Christian faith. We do not insist that people listen or respond to the Christian message in order to get assistance. FH's projects are open to the participation and benefit of all community members regardless of their religion, sex, culture, and beliefs.

CFCT and Model Implementation Summary

To encourage community transformation FH is utilizing a model called **Child-Focused Community Transformation (CFCT)** that focuses our efforts on outcomes that benefit the most vulnerable-- children. In this model we focus on the four areas of Disaster reduction, Education, Livelihoods, and Health/Nutrition. Integrated into these areas, FH is also committed to the protection of children and women, environmental stewardship, and promoting gender issues.

As we work in different areas, we seek to see that ultimately children's' well-being is improving. Parents and guardians are meant to be the primary educators of and providers for their children. Our work seeks to strengthen and build the capacity of parents and the community in their responsibilities.

It would be difficult for FH and communities to address all these areas at once. In CFCT there will be various phases in which activities would occur in your community. Each phase will be about a year long. FH will utilize community volunteers in many activities.

In general, the phases would look like this:

Phase One: Community leaders training and Disaster reduction. In this phase, community leaders receive training in leadership and develop a community strategic plan, an annual plan, and also form a disaster work group. Together with FH staff, the leaders identify areas in which the community would like to address and also develop a disaster reduction plan.

Also in Phase One, children will be registered to be part of the sponsorship program.

Phase Two: FH would work with leaders in their community plan, and also begin to work to teach community members some important health topics. Also, the community may have the opportunity to participate in savings and credit associations.

Phase Three: Livelihood activities facilitated by FH staff would begin. These activities may include training in agriculture, livestock management, and economic development.

Phase Four: FH and the community will begin programs in education depending on the needs of the community. This may include the beginning of an afterschool program, etc.

Appendix 9: Frequently Asked Questions

Does FH give our group start-up or seed money?

No, the group belongs to its members and the members will build up their savings and use that same savings to give-out loans.

Who can join the group?

Any community member who the other group members trust can be a part of the group.

Will the FH staff come and collect our savings and keep it safe for us?

No, the group will have a box with 3 locks and a group member will keep the box in their home between meetings. The group may also decide to keep their money in a bank if one is available.

How do I register?

Continue to come to the next registration meeting and there will be an opportunity to sign-up.

How many people can be in the group?

The group needs a minimum of 10 members and a maximum of 30. Groups smaller than 10 members have a more difficult time saving enough capital to be useful for loans, and groups bigger than 30 members makes the management of the group challenging.

Do we have to have a lot of money to join a group?

No, anybody can save, the group will decide on a minimum and a maximum amount to be saved every meeting.

Who will be in my group?

Groups are self-selecting. You will be in a group with others who have agreed to come together to save. FH does not dictate who can or cannot be part of a particular group. Each group decides who will be a part of their group.

Appendix 10: Summary of Development Phases of a Savings Group

Groups will walk closely with FH for the first couple years. After groups have received all the training sessions and proved themselves to be healthy, they will graduate and FH will have much less involvement in the group since the group is able to function on their own.

Savings Group Training Process with FH	
Intensive Phase (Months 1 to 3)	<ul style="list-style-type: none"> • A group of 10 to 30 like-minded people decide to form a Savings Group to achieve their goals. • The FH Savings Group Promoter meets with the group, and guides the members to make decisions about their Management Committee, how much to save, how much interest to charge, and other group rules. • The Promoter trains the group in how to go through the savings process and record savings. • The Promoter trains members to make loans with their savings and pay back loans with interest. • The Promoter trains members at each group meeting.
Development Phase (Months 3 to 6)	<ul style="list-style-type: none"> • The Promoter attends each group meeting to coach and monitor the group as they continue to save and lend with interest. • The Promoter teaches members about key group topics and money management in 20-30 minute sessions called Learning Conversations at each meeting. • The Management Committee runs meetings with guidance as needed from the Promoter. The FH promoter attends each group meeting to coach and monitor the group as they continue to save and lend with interest.
Strengthening Phase (6-24 months)	<ul style="list-style-type: none"> • The Promoter attends <u>every other</u> group meeting. • The Promoter continues to teach members key group topics, money management, and business in the Learning Conversations at each visit. • The Management Committee continues to run the meetings. • The Promoter is available for questions and to give advice to the group as requested. • Near payout of the first cycle, the FH promoter gives training to the group on how to prepare for pay out (payout: the group receives the profit from the loans that they gave out). • After payout the group will evaluate their group and the FH Promoter will help them restart their group. • The FH Promoter continues to give training to members every other meeting through the Learning Conversations.

Appendix 11: Saving Group Registration and Training Meeting Attendance Form

Saving Group Registration and Training Meeting Attendance Form												
Name of Savings Group:		_____										
ID Number of Group:		_____										
Name of Promoter:		_____										
		Training Meetings (Intensive Phase)										
		1	2	3	4	5	6	7	8	9	10	Notes
Member Names	Date* →											
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.												

*Write the Date when the meeting occurred under the number of the Training Meeting
 X= if a member is present, put an "X" in the box across from her name and under the Training Meeting
 O= If a member is absent , put an "O" in the box across from her name and under the Training Meeting
 ⊗ = if a member arrives after you or the Chairperson checks attendance to show she was late.

Appendix 12: Overview of House of Principles

FOUNDATION OF THE HOUSE:

TRUST is confidence in the *character* and *ability* of others. It is the foundation and key to a strong Savings Group that runs well. Without trust a group will not succeed. A group that has trust is like a house built on a rock.

(Optional) **THE ROCK** on which the house is built is Jesus and His Word. Jesus and His Word are what give strength and stability to anything. Therefore, we should consider Jesus and His Word so that the group can be strong and successful beyond than just providing good financial services, but strong and successful in how we live out our faith in our community and families
(Matthew 7:24-27)

In everything we do we should go to Jesus and His Word. It is important that the decisions we make are honoring to God and that we pray and ask him for wisdom to have a good group.

THREE POSTS OF THE HOUSE:

1. **RESPONSIBILITY** means being reliable and constantly trustworthy. It means constantly demonstrating actions and character that build trust.
2. **TRANSPARENCY** is not hiding the truth from anyone and not lying. It means being open, honest, and truthful.
3. **GOOD LEADERSHIP:** Good leaders are competent, honest, and have a serving attitude. They give direction and humbly help manage the group. Good leaders serve by making sure that the group runs well.

PARTS OF THE ROOF:

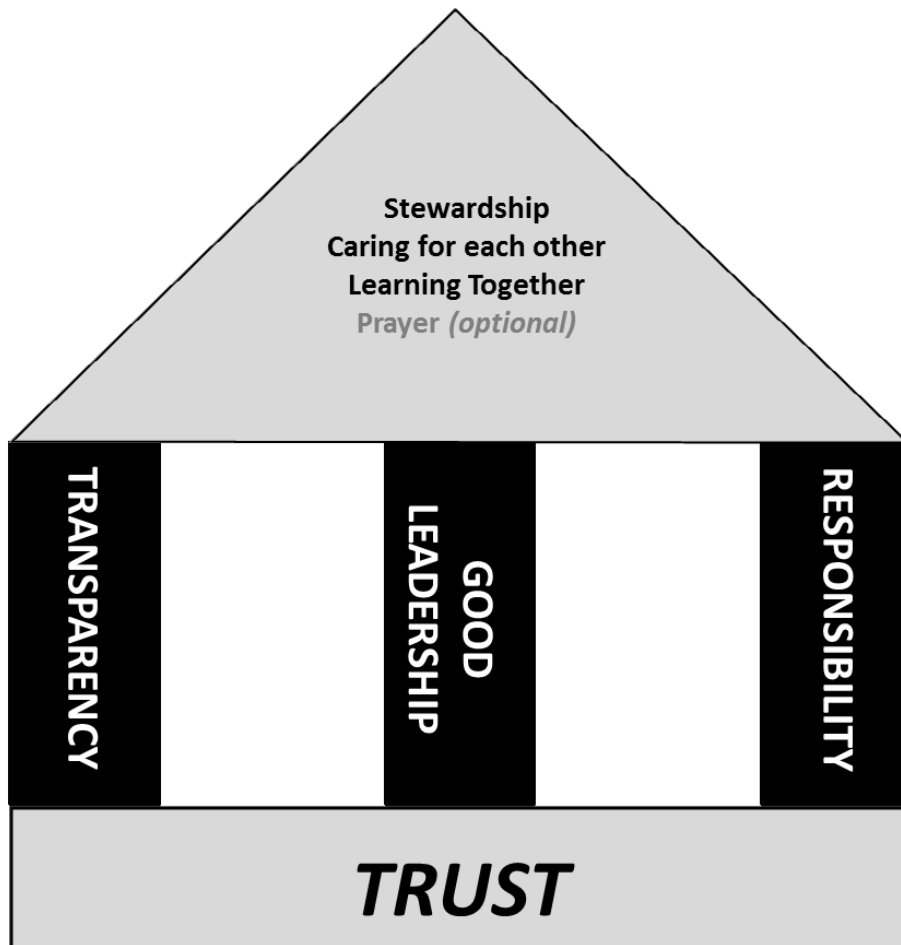
STEWARDSHIP means wisely managing finances and other resources you have been given. Good stewards manage their resources so that they can sustain themselves and help others.

TAKING CARE OF EACH OTHER is considering the needs of others in your group and treating them with respect and love. A Savings Group should be a place where members find support and encouragement when they face problems.

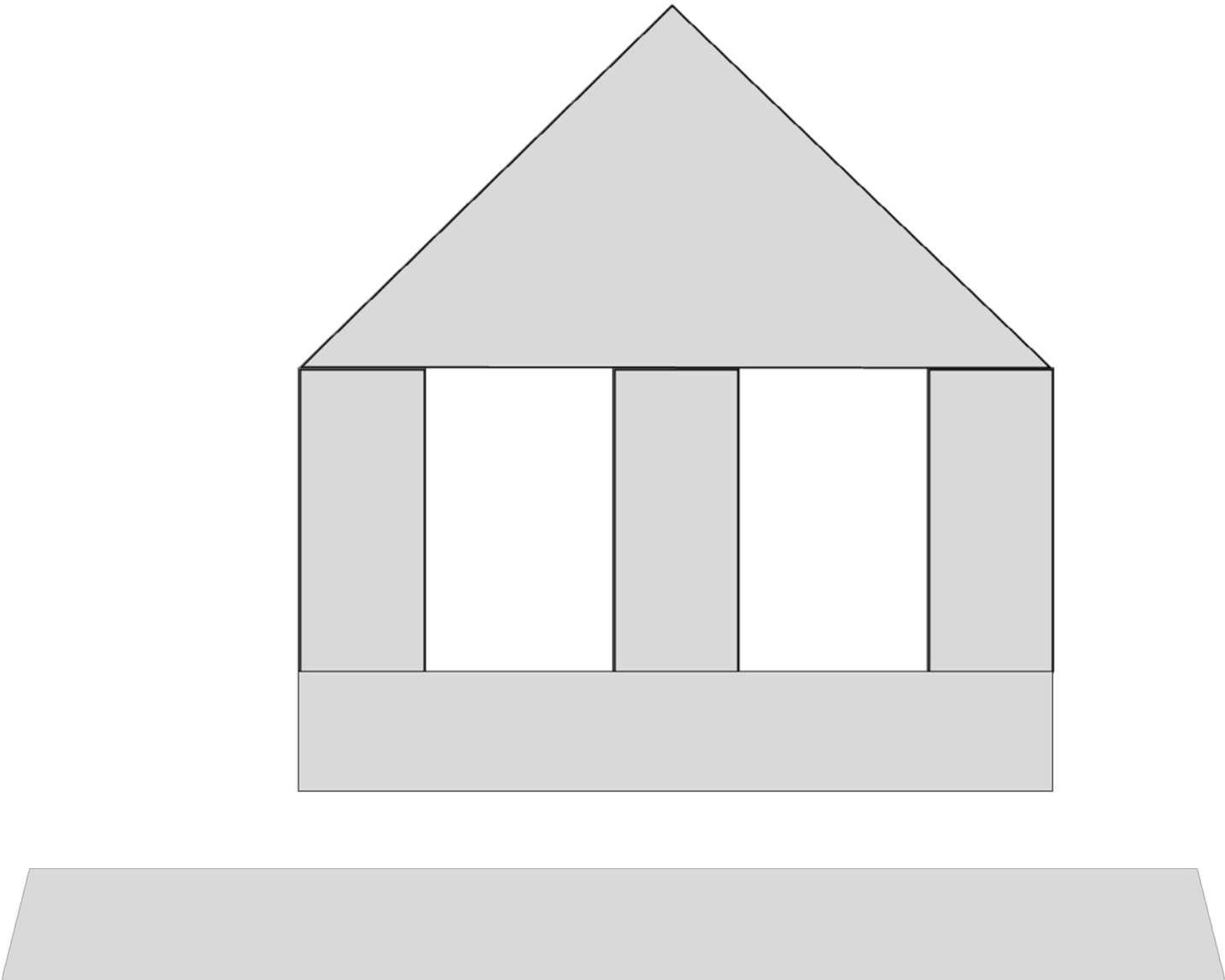
LEARNING TOGETHER: Learning together help groups to see how to solve problems, take advantage of opportunities and grow. The group can learn from each other by sharing their experiences. Also, on-going Learning Conversations provided by FH and visiting other Savings Group are ways groups can learn.

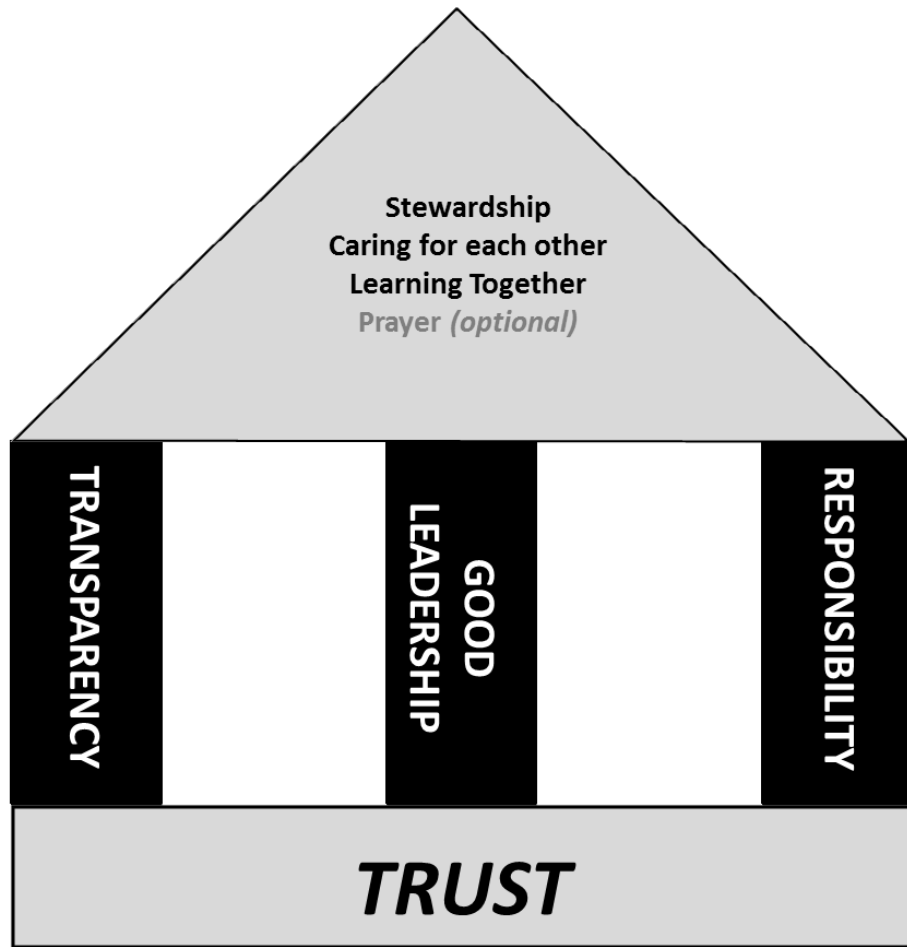
(Optional) **PRAYER** is talking and listening to God. God's wisdom is greater than all people's understanding. A group can ask God for help and wisdom as they work together.

All Savings Groups should work continuously to grow in trust, honesty, responsibility, and transparency-- by abiding by their rules, discussing what they are learning, and having open discussion in their group-- so that their group will be successful and strong.



(Optional) Jesus and His Word





(Optional) Jesus and His Word

Appendix 13: Management Committee Qualities and Responsibilities

Qualities and responsibilities of the Group Chairperson	
Qualities	Responsibilities
<ul style="list-style-type: none"> • Respected • Trustworthy • Fair with everyone at all times and treats everyone equally • Confident and calm • Listens to others and takes their opinions into account • Organized • Punctual • At ease speaking in front of others • Capable of summarizing the views of many • Eager to learn • Heart to serve others and community 	<ul style="list-style-type: none"> • To call the meetings to order, announce the agenda and lead discussions • To ensure that the meetings follow proper procedure and that the Constitution is followed and respected • To maintain discipline and charge fines as needed • To facilitate discussions and to ensure that everyone's views are listened to • To resolve conflicts • To represent the Association to outsiders and non-members, including local government

Qualities and responsibilities of the Group Secretary (Record-Keeper)	
Qualities	Responsibilities
<ul style="list-style-type: none"> • Good with numbers and capable of maintaining the passbooks • Trustworthy • Reliable • Intelligent • From a respected home, reputed for honesty • Available for specialized training by FH • Punctual 	<ul style="list-style-type: none"> • Ensures that all financial transactions concerning social fund, share-purchase/savings and lending take place according to procedure • Makes all passbook entries for shares and loans • Provides a verbal summary of the finances of the group at each meeting • Assists FH staff and volunteers in collecting data for monitoring

Qualities and responsibilities of the Association Treasurer/Box-keeper	
Qualities	Responsibilities
<ul style="list-style-type: none"> • Numerate and able to keep a simple record for daily savings in between meetings • Trustworthy and with a strong character • From a family with a good reputation • Lives in a secure house, close to the meeting-place • Reliable and responsible • Punctual 	<ul style="list-style-type: none"> • Keeps the Association box in between meetings

Qualities and responsibilities of the Association Money-counters	
Qualities	Responsibilities
<ul style="list-style-type: none"> • Able to count money • Trustworthy • Calm and organized • Punctual 	<ul style="list-style-type: none"> • Verifies all movements of money both in and out of the cash-box • Counts the money during each cash-box operation • Informs the Secretary of each transaction • Assists the Secretary

Qualities and responsibilities of Key Keepers	
Qualities	Responsibilities
<ul style="list-style-type: none"> • Responsible • Punctual • Trustworthy • (as much as possible) Does not live next to or with other Key Keepers or the Management Committee—especially the treasurer 	<ul style="list-style-type: none"> • Keep secure one of the keys to the cash-box between meetings • Bring Key to cash-box to each meeting

Adapted from VSL Associates (April, 2009), "Programme Guide: Field Operations Manual", Version 3.2, VSL Associates.

Appendix 14: Group Rules

Group Information:
 The name of our group is: _____
 Our meeting frequency and location is: _____
 (All savings and loan procedures will only occur openly in group meetings)

Group Goals
 Our Financial Goal is: _____
 Our Social Goal is: _____

Group management

1. Our group has a Chairperson, Secretary, and Cashier as part of our Management Committee. Other positions include (*example: Key Keepers*):

2. To elect our Management Committee we will use the following process:

 _____ (*example: voting process, how many members need to be present*)

3. Our Management Committee members can serve _____ (*number*) terms/cycles.

4. Other terms for the Management Committee are: _____

(*example: define what a term/cycle is, at least one committee member should be a woman, community leaders or pastors should not be on the Management Committee if possible*)

5. If our Management Committee members are not fulfilling their role and are doing harm to our group, we will make changes to our management committee in the following way:

(*Example: talk to committee member first, give a period of time for improvement, if no improvement take majority vote with majority of members present*)

6. If our group needs to make changes to our rules in the middle of a cycle, our group will do this using the following way:

(*Example: by majority vote with majority of members attending the meetings, any member can propose a change in rules.*)

Membership:

7. The minimum and maximum size of our group is: _____

8. To be a member of this group you must have these characteristics:

(Eligibility to be a member may include being of the same sex, same economic level, same neighborhood, age limits. Those who cannot be a member are known criminals, etc.)

9. Our group will accept new members according to the following process:

(example: They can join within the first three months of a cycle, must pay equally into social fund, or can only join at the beginning of a new cycle)

Fines/ Penalty

10.

Reason for fine	Fine amount/ Penalty
Not attending meeting with any justification	
Arriving late to meeting	
Not remembering or knowing group rules	
Sharing group information with non-members	
Other:	
Other:	
Other:	
Other:	

Leaving the group:

11. Our group will handle the savings and outstanding loans of a member who leaves the group for reasons they cannot control in this way:

(Example: work transfer, sickness,)

12. Our group will handle the savings and outstanding loans of a member who abandons the group without justification by:

13. Our group will expel a member for the following reasons:

14. Our group will handle the savings and outstanding loans of an expelled member in the following way:

15. Our group will handle the savings and outstanding loans of a member who dies in the following way:

Management of Funds:

16. Our group will distribute savings and profits on the following date:

(Note: does not need to be exact day, could be the month, a particular week in a month)

17. Our group's profits (through interest and fines) will be shared in the following way:

(Example: proportion to each member's savings, or equally)

18. We will keep our group funds that are not loaned in the following place: _____

(Example: keep in cashbox, bank account, if in bank account how will the cashier show transparency.)

19. We agree we will not share the following kinds of information with people outside our group:

Savings

20. The minimum savings amount required at each meeting is: _____ (This equals the value of one share.)

21. Members are permitted to save up to _____ shares (*Maximum number of shares*)

22. Our group will handle a member who does not save the minimum savings amount at each meeting in the following way:

(Example: Fine or penalty for skipped savings if not justified)

Social Fund Management (Optional Fund)

23. Our social fund will be used for the following purposes:

(Example: Group expenses such as calculator or pens, loans can be given in health emergency or personal crisis, some funds may be given as a gift in case of a death or special need as seen by group)

24. The amount members will contribute at each meeting to our social fund is: _____

25. The social fund repayments terms are the following:

(Example: no interest for first 3 months , should be paid in 3 months or at harvest)

26. A new member who joins after the group has started to contribute to the social fund will need to contribute to the social fund in the following way:

Loan policies

27. Our first loan meeting will be: _____

(Example: date or when group fund reached certain level)

28. Loans have a monthly interest rate of _____

29. Interest will be paid according to the following terms:

30. Loans taken from our group fund will be repaid according to the following terms:

31. The maximum size of loan a member can receive is:

32. A member who does not repay their loan on time or according to our loan terms will be handled in the following way:

33. Loan requests will be prioritized in the following way: _____

Managing Risks

34. We will handle the loss of funds in following way:

(Example: through theft or crisis)

35. We will prepare for an emergency in the following way:

(Example: disaster or conflict)

36. If the group dissolves before the end of the cycle we will handle savings, and outstanding loans in the following way:

Additional Rules

37. _____

38. _____

39. _____

Other considerations:

- Conflict Resolution

Appendix 15: Major topics addressed in Group Rules/ Policies

1. Name and mission/purpose of group
 - Goals of the group
 - Meeting frequency and location
 - Date of payout
2. Membership requirements:
 - Who can be a member of your group
 - Member leaving the group (transfer, expulsion, etc.)
3. Savings policies
 - Minimum savings amount
 - Emergency or social fund creation
4. Loan and lending policies
 - Interest rate
 - Loan terms and repayment
 - Loan requirements
5. Group management
 - Management Committee
 - Changes to Management Committee
 - Election process
 - Changes to rules
 - Loss of funds by theft or crisis
 - Operating in a disaster or conflict
6. Fines
 - Not attending a meeting without justification
 - Late to meetings
 - Not following group rules
 - Showing disrespect
 - Sharing sensitive group information with non-members (funds in box, location of cash box)

Appendix 16: Order and Process of Savings Group Meetings

1. Open meeting	<ul style="list-style-type: none"> • Chairperson opens the meeting (<i>opening prayer is optional</i>) • Chairperson takes attendance.
2. Recite group rules	<ul style="list-style-type: none"> • Secretary or group recites their group rules.
3. Learning Conversation (<i>on-going lesson</i>) or other business	<ul style="list-style-type: none"> • On-going lesson by FH promoter.
4. Open cashbox	<ul style="list-style-type: none"> • Key Keepers give keys to cashier. • Members call out the value of funds in the box. • The cashier opens the box. • The cashier or money counters count the money that is in the box to verify the funds in the box is the same as what the members remember and recorded by the secretary. The amount in the cashbox is announced to the group.
5. Social Fund (if the group has one)	<ul style="list-style-type: none"> • The social fund is counted. The members and secretary verify the amount in the fund. • The secretary calls members one by one using their number or name. The cashier collects the social fund contribution of members and puts it in the plate where all members can see it. • Once everyone has contributed, the cashier counts the money. This is money available in the social fund right now. • The cashier or secretary announces the funds available in the social fund to the group. • If there is a need, this would be the time the member would ask for a loan. The group needs to approve it. • The remaining funds are counted. • The secretary or cashier announces the amount to the group, so they remember it. The secretary will record this ending balance in her group notebook. • Helpers take note and remember those who did not contribute and who has a loan out.
6. Collect fines	<ul style="list-style-type: none"> • The Chairperson announces that this is the time to pay fines. • The members call out who needs to pay fines, and who have loan payments. • Cashier counts and announces any received fines.
7. Share/ Savings collected	<ul style="list-style-type: none"> • The secretary calls each member by number or name one by one. The cashier receives money, verifies the amount, and announces out loud for the secretary to record and members to hear. • The secretary records the number of shares in each member's

	passbook.
LOANS will be given out once a month, when loans are disbursed and payments received. Skip the following two sections on loans if it is not a loan meeting. <i>(More details of how to go through a loan meeting will be covered in a Training Meeting in about a month in Training Meeting 8).</i>	
8. Loan repayment and interest payments	<ul style="list-style-type: none"> • The Chairperson announces this is the time for loans, and repayments are first. • The Helpers indicates who has a repayment or interest payment due. • The Cashier receives the payments and announces it for the secretary to record payments in the member's passbook. • The cashier will count and announce all available funds available in the group fund.
9. Loans recorded and Disbursed	<ul style="list-style-type: none"> • Chairperson indicates that it is time for loans and asks members to present their loan requests to the group. • All members requesting loans present their loan requests including the amount requested, how they will use the loan, and their repayment plan. • The group discusses each loan request and approves/denies requests • The Secretary records the loan amount in the passbook of the individual taking the loan and announces the terms for each loan out loud to the group. • Members should observe the secretary registering all loan transactions into their passbook. • The Helpers remember when the loan is due. • The loans are disbursed by the cashier to the members.
10. Count remaining money	<ul style="list-style-type: none"> • The cashier counts the remaining funds that are in a group fund. The secretary records this in the group ledger and announces the amount for all members to remember.
11. Close Cashbox	<ul style="list-style-type: none"> • Close and lock cashbox.
12. Close meeting	<ul style="list-style-type: none"> • Close meeting with any announcements. • (Optional) close in prayer.

Appendix 17: Group Member Savings Record

Member Name _____ Member number _____
 Group Name _____ Group number _____

Mtg #	Shares bought per meeting									

A. Starting number of shares	
B. Total number of shares bought during this period	
C. Net shares to be carried over (A+B=C)	

Appendix 18: Mary's Savings Record

Member Name Mary Faithful Member number 2
 Group Name Living Water Group number 15

Mtg #	Shares bought per meeting									
1	➡									
2	➡	➡								
3	➡	➡	➡							
4	➡									
5	➡	➡	➡							
6	➡	➡	➡	➡	➡					
7										
8	➡									
9	➡	➡	➡							
10	➡									

D. Starting number of shares	0
E. Total number of shares bought during this period	20
F. Net shares to be carried over (A+B=C)	20

Appendix 19: Stories and Questions

Story One—Muddy Waters

Muddy Waters started out as a strong group and saved each week. Members were eager to take out loans. In time, members found it difficult to repay back their loans. A couple members had more than one loan, and one member took a very large loan for more than half the value of the group fund.

At the end of the cycle, there were many problems getting members to repay their loans. It delayed the distribution or payout of their funds. They did not get much in return from their savings. The situation created bad feelings. Many members did not want to continue the next cycle. The group was a failure.

Questions for group discussion:

4. Why did this group fail?
5. How could group policies help this group?
6. What group policies do they need or need to enforce?

Story Two—Happy Day

Happy Day was a strong group with wise and responsible members. The members of the groups were very good at respecting and following their group rules.

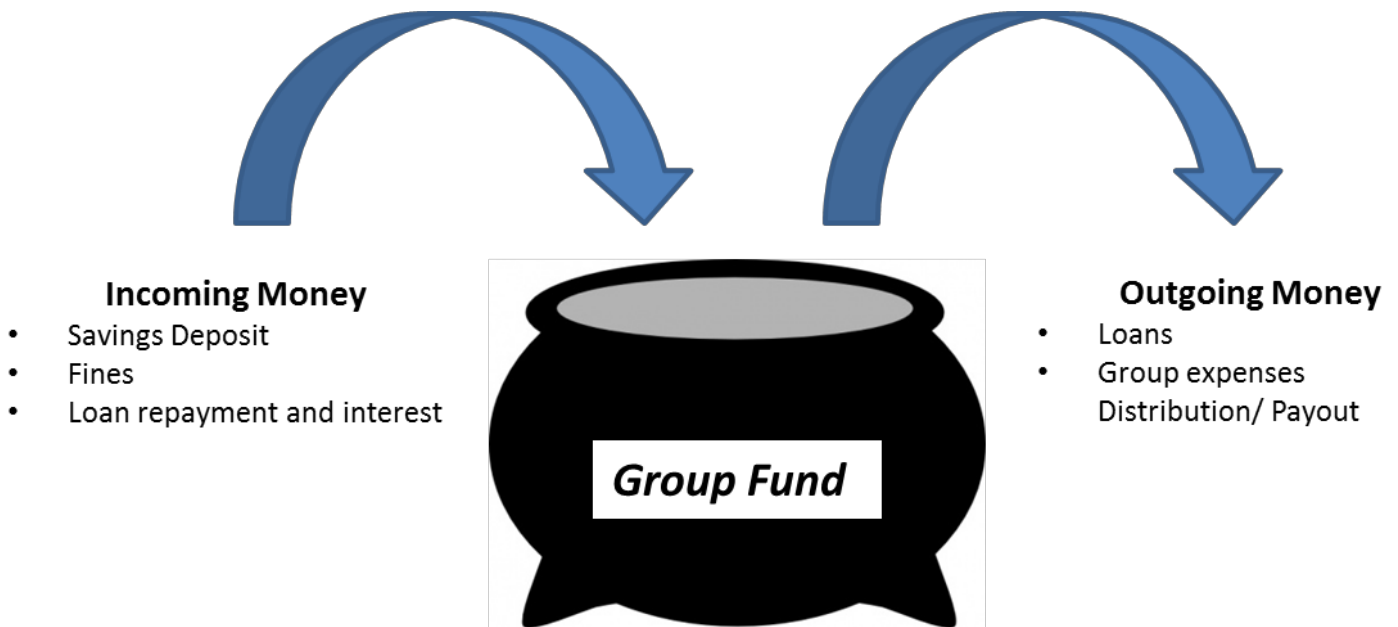
In their group, members could only take one loan at a time. Each person wanting a loan had to explain to the group how they were going to use the loan and how they planned to repay the loan. The group was careful about the loan size they gave to members.

Members were able to repay their loans and interest. At the end of the cycle they each received their savings plus a portion of the money left over that was earned by fines and interest. They celebrated and made plans to start a new cycle.

Questions for group discussion:

4. What did this group that helped them be successful?
5. How did their group policies help them?
6. What group policies do you see that they had about loans?

Appendix 20: Group Pot



Appendix 21: Member Loan Register

Name of Member _____ Name of Group _____

Meeting date or number	Category	Amount	Signature of Secretary
	Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		

Appendix 22: Loan Register--Example of Peter

Name of Member Peter Name of Group Clear Water

Meeting date or number	Category	Amount	Signature of Secretary
1	Loan Amount	150	Maria
	+ Interest	15	
	= Amount Owed	165	
2	- Amount Paid	75	Maria
	=Loan Amount	90	
	+ Interest	15	
	= Amount Owed	105	
3	- Amount Paid	90	Maria
	=Loan Amount	15	
	+ Interest	15	
	= Amount Owed	30	
4	- Amount Paid	30	Maria
	=Loan Amount	0	
	+ Interest	0	
	= Amount Owed	0	
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		

Facilitator notes—Example of Peter

Facilitator notes	
First Loan Meeting	<p>Peter asked for a loan for 150 for his new business of repairing bicycles. He wanted a loan to buy a tool. The group approved the loan. His group had decided on interest of 10%. His group gave members 3 months to repay loans.</p> <p>The interest amount is 15 or 10% of 150. (The interest is fixed in this example.)</p> <p>$150 \text{ (loan amount)} + 15 \text{ (interest)} = 165 \text{ (amount owed)}$</p> <p>(If Peter wanted to pay of his loan at the next loan meeting he would need to pay 165.)</p> <p>A member can only take one loan at a time. Peter cannot take another loan from the group until he pays this one.</p> <p>The secretary signs the passbook after each loan register transaction (Maria is secretary in this example.) Peter should observe the Secretary entering in his loan information into the register and when he makes any payment on his loan.</p>
Second Loan Meeting	<p>In the second loan meeting, Peter paid 75 towards the loan.</p> <p>$165 \text{ (amount owed)} - 75 \text{ (Amount paid)} = 90 \text{ (loan amount)}$</p> <p>$90 \text{ (loan amount)} + 15 \text{ (Interest)} = 105 \text{ (amount owed)}$</p> <p>Note: The interest is always 15 because it is a flat interest rate. It is the interest calculated using the initial loan amount. This is the easiest way to calculate interest. It is recommended that groups use this way of calculating interest for at least the first cycle. It is important that all members of the group understand how interest is calculated. This relates to the principle of transparency.</p> <p>There are other ways to calculate interest. It is important that all members know how interest is calculated. Groups should avoid using ways of calculating interest rates that not all members understand.</p>
Third Loan Meeting	<p>In the third loan meeting, Peter paid 90 towards the loan.</p> <p>$105 \text{ (amount owed)} - 90 \text{ (amount paid)} = 15 \text{ (loan amount)}$</p> <p>$15 \text{ (loan amount)} + 15 \text{ (interest)} = 30 \text{ (amount owed)}$</p>

Fourth Loan meeting	<p>In the fourth loan meeting, Peter paid 30 and pays off his loan completely.</p> <p>30 (amount owed) -30 (amount paid) = 0 (amount owed, loan is paid off)</p> <p>To signify that the loan is paid, the secretary draws a line through the whole loan record. Peter has paid his loan and owes nothing.</p>
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Appendix 23: Extra Loan Register Exercise (Example of Fatima)

Time needed: 45min

Preparation and materials

- Prepare blank member loan register drawn on flipchart paper
- Markers
- Copy of blank loan register
- Calculator (optional)

Facilitator Notes:

This is an additional exercise that you may use to help a group (the secretary especially) learn how to keep the loan register in a member's passbook.

This exercise is not intended to be the first training groups receive regarding registering loans. In this exercise, you will walk through each loan meeting and allow for the secretary and group to fill out the loan register. The facilitator's role is only to verbally assist the group in filling out the register as needed. Avoid doing the register for the group in this exercise and in all group meetings.

First Loan Meeting	<p><i>(Say)</i> Fatima is a member of Living Waters. She asked for a loan for 80 for her small stand where she sells vegetables. Her group approved the loan. The interest rate is 5%. The group rules say that she must pay her loan in three months.</p> <p><i>(Say)</i> I'm going to ask the Secretary to help record the initial loan amount onto the loan register. The whole group can assist the secretary as needed.</p> <p><i>(Ask)</i> The interest rate is 5%. What is the interest amount that Fatima will pay each month?</p> <p><i>(Allow time for the group and secretary to discuss. The interest amount is 4 which is 5% of 80.)</i></p> <p>80 (loan amount) + 4 (interest)= 84 (amount owed)</p> <p><i>(Ask)</i> If Fatima was to pay off her loan next month, how much would she need to have to do that?</p> <p><i>(She would need to pay 84.)</i></p> <p>The secretary signs the passbook after each loan register transaction (Maria is secretary in this example). Fatima should observe the Secretary entering in her loan information into the register and when she makes any payment on her loan.</p>
Second Loan Meeting	<p><i>(Say)</i> In the second loan meeting, Fatima was able to pay 25 towards her loan.</p> <p><i>(Ask)</i> How would you record this payment in her loan register?</p> <p>84 (amount owed)- 25 (Amount paid)= 59 (loan amount)</p> <p>59 (loan amount) + 4 (Interest) = 63 (amount owed)</p> <p>Note: The interest is always 4 because it is a flat interest rate.</p>
Third Loan meeting	<p><i>(Say)</i> In the third loan meeting, Fatima paid 50 towards the loan.</p> <p><i>(Ask)</i> How would you record this payment in her loan register?</p> <p>63 (amount owed)- 50 (amount paid) = 13(loan amount)</p> <p>13 (loan amount) + 4 (interest) = 17 (amount owed)</p>

Fourth Loan meeting	<p><i>(Say)</i> In the fourth loan meeting, Fatima pays 15. Her group's rules say that members must pay the loan in full in three months. The penalty of a member not paying on time is that they must sweep and clean the group meeting area before each meeting until it is paid off. If the member does not pay it off by the end of the cycle, the amount is taken away from the member's savings. The group may decide to exclude a non-paying member in the next cycle if they do not make a good faith effort to repay loans.</p> <p><i>(Ask)</i> How would you record this payment? Will Fatima need to sweep and clean the group area next meeting?</p> <p>17(amount owed) -15 (amount paid) = 2 (amount owed)</p> <p>2 (amount owed) +4 (interest)= 6 (Amount owed, she did not pay off her loan)</p> <p>The loan is not paid off. Fatima still owes 6.</p>
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Fatima Example
Member Loan Register

Name of Member Fatima Name of Group Living Water

Meeting date or number	Category	Amount	Signature of Secretary
1	Loan Amount	80	
	+ Interest	4	
	= Amount Owed	84	Maria
2	- Amount Paid	25	
	=Loan Amount	59	
	+ Interest	4	
	= Amount Owed	63	Maria
3	- Amount Paid	50	
	=Loan Amount	13	
	+ Interest	4	
	= Amount Owed	17	Maria
4	- Amount Paid	15	
	=Loan Amount	2	
	+ Interest	4	
	= Amount Owed	6	Maria
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		

Appendix 24: Payout Calculation Steps and Guidance

1. Make sure all the money of the group is present. No money should leave or enter the cashbox now. Loans have been paid and resolved. It is too late for a member to make any payment now.
2. Count the money in the group fund.
3. Count the number of shares saved by the whole group
(Count the shares saved by each member and add them up.)
4. Calculate the value of each share:

Value of a Share at Payout = Total Amount Saved by Group ÷ Total number of shares saved by Group

(Note: Always round down to the nearest monetary increment. For example: 1.60223 would become 1.60 and .756 becomes .75)

This value will be most likely more (unless the group has a great loss of some kind) than the original share value that that group members saved. This new share value used for payout includes original share value and a portion of the group profits that the member will receive on each share.

5. Calculate the amount to be received by each member

Amount Given to Member = Total shares saved by member × Value of Each Share

6. Prepare the amount to be given to each member. (Put in envelopes or folded pieces of paper, etc.)

If there is not enough money in the fund to pay everyone, an error has occurred and you should redo all calculations. If you have done it correctly, do not be surprised if there is still a small amount left in the fund after you have paid everyone. This is normal. The group can decide what to do with amount. Do not give members any money until all calculations have been done.

7. Give to each member their money at payout meeting and celebrate

Members paying off loans with savings—It is a bad habit, but it happens. Sometimes a member must use their savings to pay off an outstanding loan. The group should first encourage this member to pay the loan off before payout, but if this can't be done the group may deduct the equivalent share value from their savings.

Deduct the loan from the member's savings *before* the total shares saved as a group is calculated in Step three. This way the member will not receive any portion of profits on the amount they owe.

Example of how to deduct a loan from a member's savings:

For this example, assume the share value is 10. Doris saved a total of 75 shares, or 750 in the last cycle. She owes her group 125 for a loan she cannot repay.

1. First, we must calculate how many shares the loan is worth. This is done by dividing the loan amount by the share value. ($125 \div 10 = 12.5$)

In this case, the share value of the overdue loan equals 12.5 shares

2. Deduct the loan amount from the member's savings. In this example, take away the 12.5 shares from the 75 shares to get 62.5. ($75 \text{ shares} - 12.5 \text{ shares} = 62.5$)
3. Use this new share amount in the payout calculations (Step Three). Doris will receive money only for 62.5 shares.

(If the loan owed by the member is more than what they have saved, the group will need to consult their group rules on how to manage this. If the group cannot recover loan, it will be a loss to the group.)

To end the cycle with an outstanding loan to pay off is not a good habit. It can discourage members with outstanding loans as they receive a small amount at payout because they had to pay off their loan. It can eventually weaken a group if there are many members in this situation.)

Appendix 25: Final Register

Name of Group: _____ Number of Group: _____
 Community: _____ Date: _____

Shares saved by member × Value of a Share at Payout = Amount received by Member

Name of Member	Shares saved by member	× (Value of a Share at Payout)	= Amount received by member
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			

Appendix 26: EXAMPLE of Payout Calculation

Step 1: It is confirmed all money is present.

Step 2: Total amount saved by Group = 15,715

Step 3: Total number of Shares saved by Group = 2,468

Step 4: $15,715 \div 2,468 = 6.36$

Total Amount Saved by Group \div Total number of shares saved by Group = **Value of a Share**

Step 5:

Shares saved by member \times Value of a Share at Payout = Amount received by Member

Name of Member	Shares saved by member	\times (Value of a Share at Payout)	= Amount received by member
1. Maria Martinez	250	6.36	1,590
2. Roman Bliss	200	6.36	1,272
3. Tomas Ruiz	175	6.36	1,113
4. Peter Smart	274	6.36	1,742.64
5. Fatima Oliveira	265	6.36	1,685.4
6. Irma Cordes	245	6.36	1,558.2
7. Carolina Pak	302	6.36	1,920.72
8. Rosa Oman	227	6.36	1,443.72
9. Paulo Rudo	198	6.36	1,259.28
10. Grace Nhacha	332	6.36	2,111.52
11.			
12.			
13.			
14.			
15			
TOTAL	2,468		15,696.48

Step 6: Prepare the amount to be given to each member.

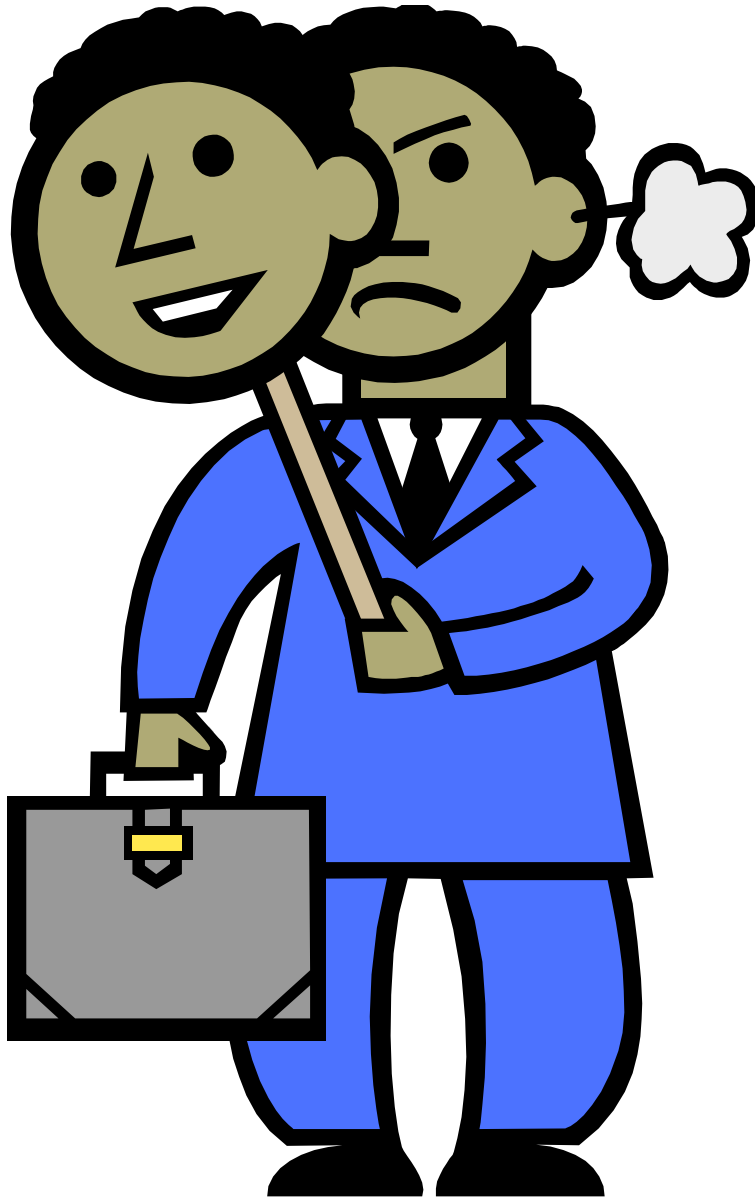
There are 18.52 leftover after all the member's payout amounts were calculated. This is okay. The group should decide what to do with this money.

Step 7: Give to each member their money at the group's payout meeting and celebrate.

Appendix 27: Examples for Learning Conversation 2

- A. Ruth had a business and it was not going well. She missed a payment of her loan. Her group asked her about it, and she told them, “I will have the payment next month. Please do not worry.” She was too ashamed that her business was not going well and she could not repay on time.
- B. Deborah asked for a loan from her group. She told them that she needed a loan to buy school supplies and pay for school fees for her son. In reality, her uncle wanted the money to buy some farm equipment.
- C. Susan kept missing meetings. When her group asked her about it, she told them she has been busy and one day was sick. The reality was that her husband was pressuring her to drop out of the group. She was too scared to tell her group her real situation.

Appendix 28: Transparency/ Mask



Appendix 29: Additional Scripture Verses for reflection

Proverbs 19:1 (GNT): It is better to be poor but honest than to be a lying fool.

Luke 16:10-12 (NIV): “One who is faithful in a very little is also faithful in much, and one who is dishonest in a very little is also dishonest in much. If then you have not been faithful in the unrighteous wealth, who will entrust to you the true riches? And if you have not been faithful in that which is another's, who will give you that which is your own?”

Ephesians 4:28 (ESV): Let the thief no longer steal, but rather let him labor, doing honest work with his own hands, so that he may have something to share with anyone in need.

Questions for further reflection:

- What are the benefits of being honest even when it is difficult or a small thing?
- How is it better to be an honest person?

Appendix 30: Debt Limit

Monthly Family Income List	
Source of Income	Estimated Amount
Total Income:	

Calculating your Debt Limit:

$$\begin{array}{|c|} \hline \text{Total Income} \\ \hline \text{_____} \\ \hline \end{array} \times \text{.20} = \begin{array}{|c|} \hline \text{Debt Limit} \\ \hline \text{_____} \\ \hline \end{array}$$

Appendix 31: Scenarios for Group Activity

Scenario One

Area of Responsibility: On-time savings deposits by group members

The group has been meeting for 12 weeks. It is in the middle of the meeting and weekly collections have taken longer than usual. Although most group members are present, several did not save at this meeting. Also, at the last meeting several did not save either.

Scenario Two

Area of Responsibility: On-time payments of loans

Group members walk home, discussing matters arising from the meeting they have just left. One is disappointed because she did not receive the loan she applied for some weeks ago. Another is sharing that she overheard the group's treasurer say that there was no money in the group's fund for making loans. There are a couple members who have outstanding loans and have not repaid them.

Scenario Three

Area of Responsibility: Faithful attendance

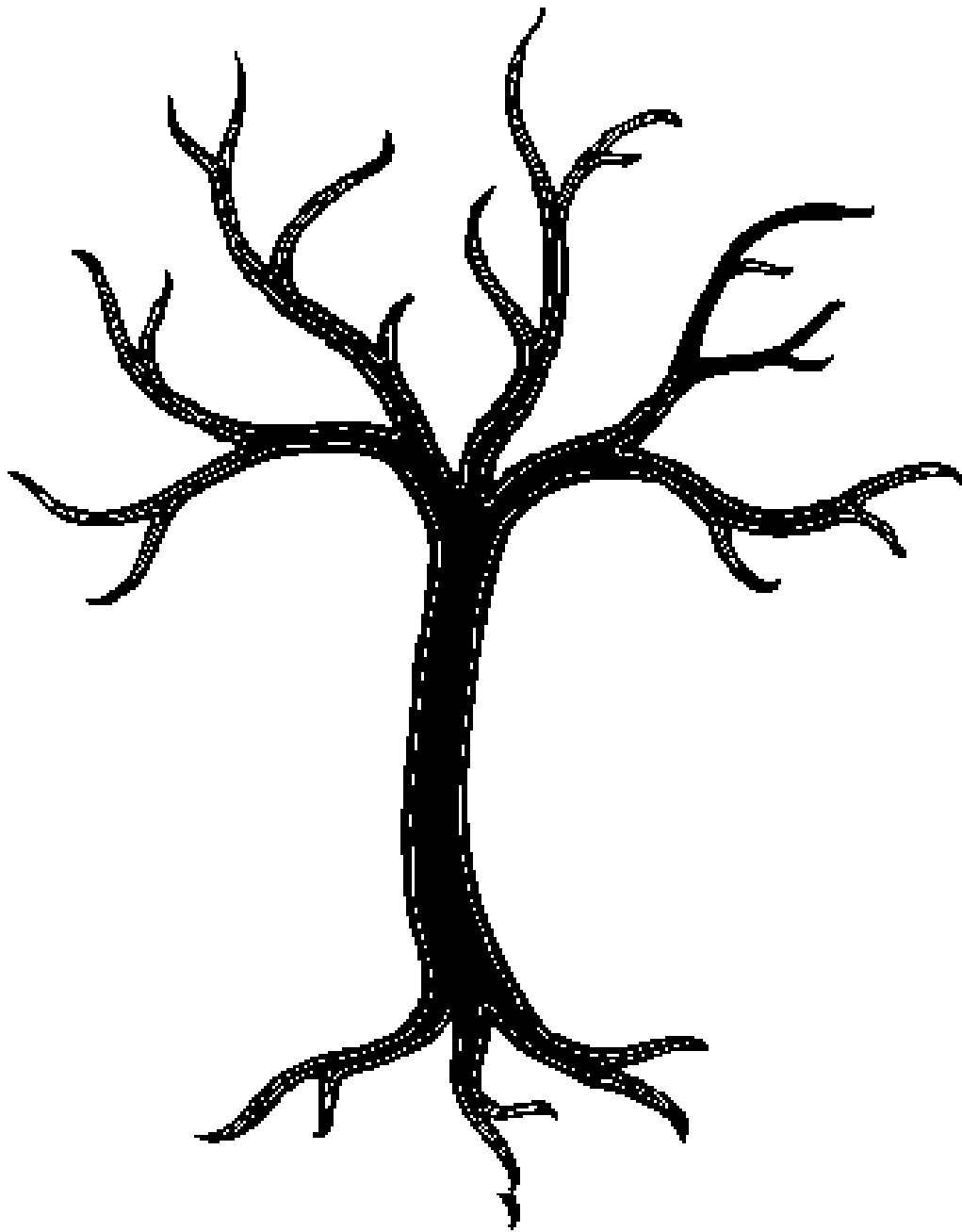
For the group members in attendance, the surprise is that they are almost alone— no one has come! Last week when the promoter was there, everyone was in attendance. She told everyone that she would no longer be coming after cycle two to train the group.

Scenario Four

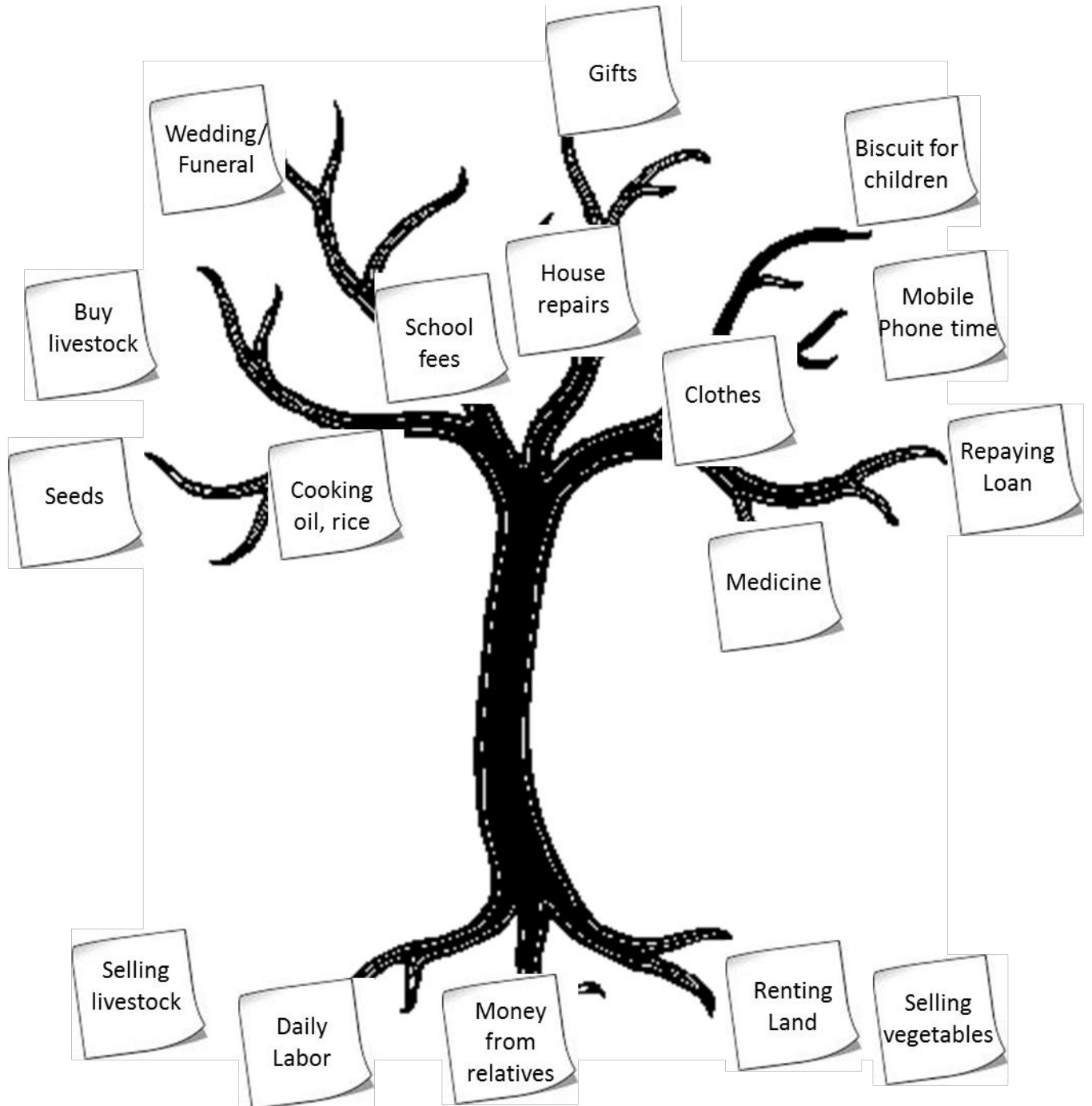
Area of Responsibility: Current (up-to-date) record keeping

The group's secretary is sick. She is not able to attend the meeting. The group decided to collect all the money and put it in the cashbox without recording it and wait for the Secretary to return to record in them.

Appendix 32: Money Decision Tree



Example of Money Decision Tree



Appendix 33: Stories for Leadership Lesson

Story One:

Roberta is the Chairperson for her group called Strong Tree. Before the entire group meets, she calls a meeting for the leaders to organize their agenda and to discuss potential issues. She is the first person to arrive at meetings, and the last person to leave. She visits those who have stopped attending meetings or those who are behind in their payments. She always listens to the challenges that others are facing.

Story Two:

Sara, the secretary of Living Water Savings Group, checks each of the records before and after the end of each meeting. When any member of the group corrects her, she does not argue but calmly discusses the issue with the other members.

Story Three:

The members of Grace Savings Group believe in justice and in honoring and loving one another. They practice speaking the truth in love by correcting the leaders and one another when necessary. When they correct others, they are firm but kind – they do not make the corrected person feel inferior.

Appendix 34: Optional Biblically based Alternative to Stories for Leadership Lesson

Group 1

Jesus called them together and said, "You know that the rulers of the Gentiles lord it over them, and their high officials exercise authority over them. Not so with you. Instead, whoever wants to become great among you must be your servant, and whoever wants to be first must be your slave--just as the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many." (Matthew. 20:25-28)

Serve wholeheartedly, as if you were serving the Lord, not men, because you know that the Lord will reward everyone for whatever good he does, whether he is slave or free. (Eph. 6:7-8)

Moses is the President of Burning Bush Savings Group. Before the entire group meets, he calls a meeting for the leaders to organize their agenda and to discuss potential issues. He is the first person to arrive at meetings, and the last person to leave. He visits those who have stopped attending meetings or those who are behind in their payments. He always listens to the challenges that others are facing.

Group 2

I appeal to you, brothers, in the name of our Lord Jesus Christ, that all of you agree with one another so that there may be no divisions among you and that you may be perfectly united in mind and thought. (1 Corinthians 1:10)

Live in harmony with one another. Do not be proud, but be willing to associate with people of low position. Do not be conceited. (Romans 12:16)

When pride comes, then comes disgrace, but with humility comes wisdom. (Proverbs 11:2)

Peter, the secretary of First Church Savings Group, checks each of the records before and after the end of each meeting. When any member of the group corrects him, he does not argue but calmly discusses the issue with the other members.

Group 3

Let the word of Christ dwell in you richly as you teach and admonish one another with all wisdom, and as you sing psalms, hymns and spiritual songs with gratitude in your hearts to God. (Colossians 3:16)

He who rebukes a man will in the end gain more favor than he who has a flattering tongue. (Proverbs 2:23)

Instead, speaking the truth in love, we will in all things grow up into him who is the Head, that is, Christ. (Ephesians 4:15)

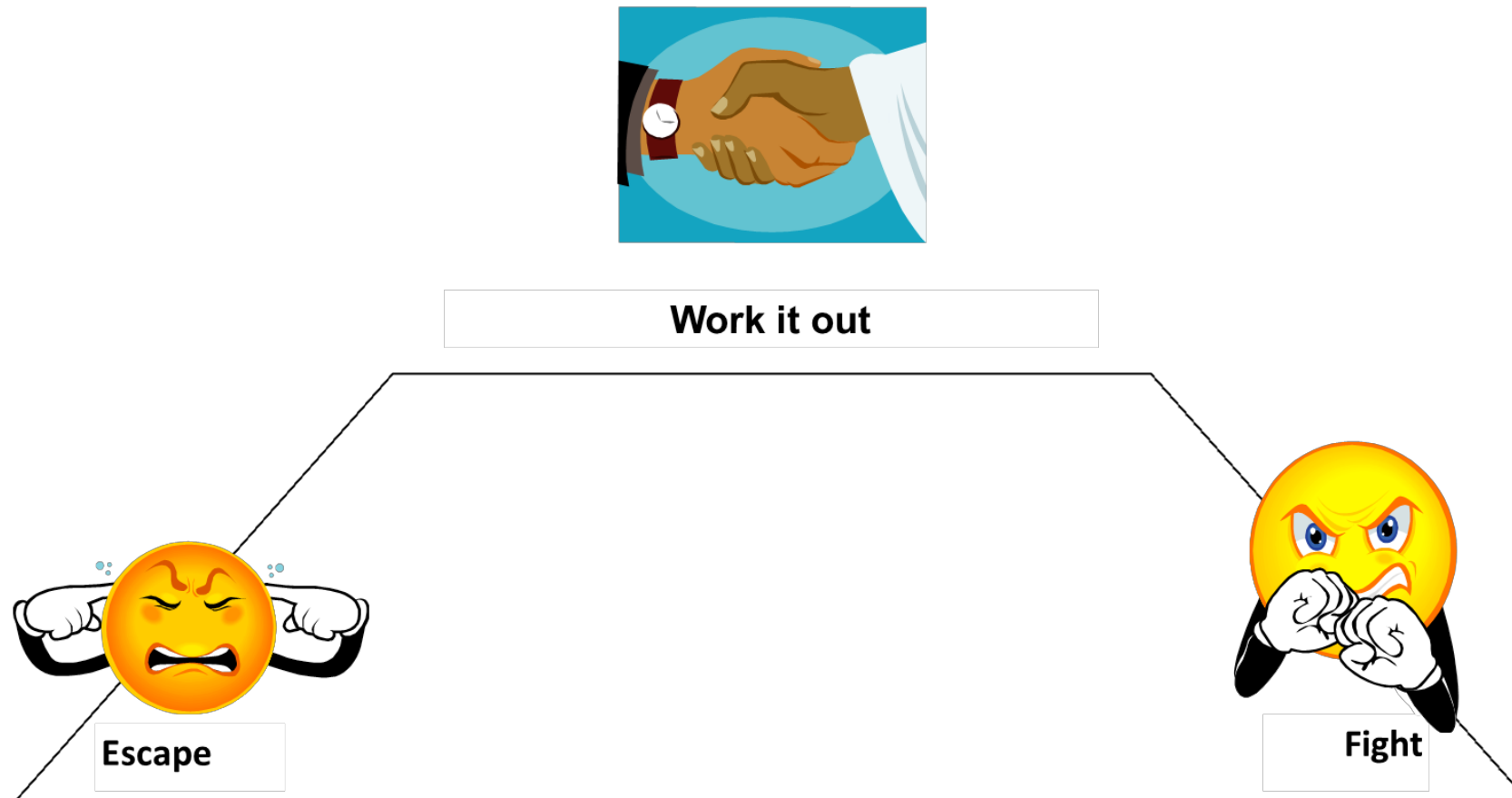
The members of Grace Covenant Savings Group believe in justice and in honoring and loving one another. They practice speaking the truth in love by correcting the leaders and one another when necessary. When they correct others, they are firm but kind – they do not make the corrected person feel inferior.

Appendix 35: Steps in Resolving Conflict

1. Prepare (get help, develop options, pray)
2. Show concern and respect for others.
3. Understand the other person's concerns, desires, needs and fears.
4. Look for creative solutions
5. Evaluate options objectively and reasonably

Adapted from Peacemaker Ministries, www.peacemaker.net, accessed July 30, 2013. (*PAUSE principle*)

Appendix 36: Responses to Conflict



Adapted from Peacemaker Ministries, www.peacemaker.net, accessed July 30, 2013. (*Slippery Slope*)

Appendix 37: Story of Thomas

A man had two sons named Thomas and Phillip. The younger son, Thomas, told his father he wanted to go out in the world. He asked his father for his share of inheritance now. His father agreed and divided his property and wealth between his sons. A few days later Thomas packed all his belongings and moved to another country far away. There he wasted all his money in wild living. About the time his money ran out, a great famine swept over the land, and he began to starve. He persuaded a local farmer to hire him, and the man sent him into his fields to feed the pigs. Young Thomas became so hungry that even the scraps of food he was feeding the pigs looked good to him. But no one gave him anything.

When he finally came to his senses, Thomas said to himself, 'At home even the hired workers have food enough to spare, and here I am dying of hunger!' I will go home to my father and say, "Father, I have done wrong to you, and I am no longer worthy of being called your son. Please hire me as one of your workers' "So Thomas returned home to his father.

And while he was still a long way off, his father saw him coming. Filled with love and compassion, he ran to his son, embraced him, and kissed him. His son said to him, 'Father, I have done wrong to you, and I am no longer worthy of being called your son. But his father said to a worker, 'Quick! Bring the best clothes in the house and put them on him. Get a jacket and shoes for his feet. And kill the cow we have been fattening. We must celebrate with a feast, for it was like Thomas was dead. But he is alive and has returned to us. I thought we had lost him - but now he is found.' So the party began.

"Meanwhile, the older son, Phillip, was in the fields working. When he returned home, he heard music and dancing in the house, and he asked one of the workers what was going on. 'Your brother Thomas is back,' he was told, 'and your father has killed the fattened cow. We are celebrating because of his safe return.' "Phillip was angry and wouldn't go in. His father came out and begged him, but he replied, 'All these years I've worked so hard for you and never once refused to do a single thing you told me to. And in all that time you never gave me even one young chicken for a feast with my friends. Yet when this son of yours comes back after squandering your money on prostitutes, you celebrate by killing the fattened cow!' "His father said to him, 'Look, Phillip, you have always stayed by me, and everything I have is yours. We had to celebrate this happy day. It was if your brother was dead! But he is alive and has returned to us. I thought we had lost him - but now he is found.

(Luke 15: 11-32, NLT, with modifications)

Appendix 38: Forgiveness and Unity

(Facilitator note: please cut out cards before the session)

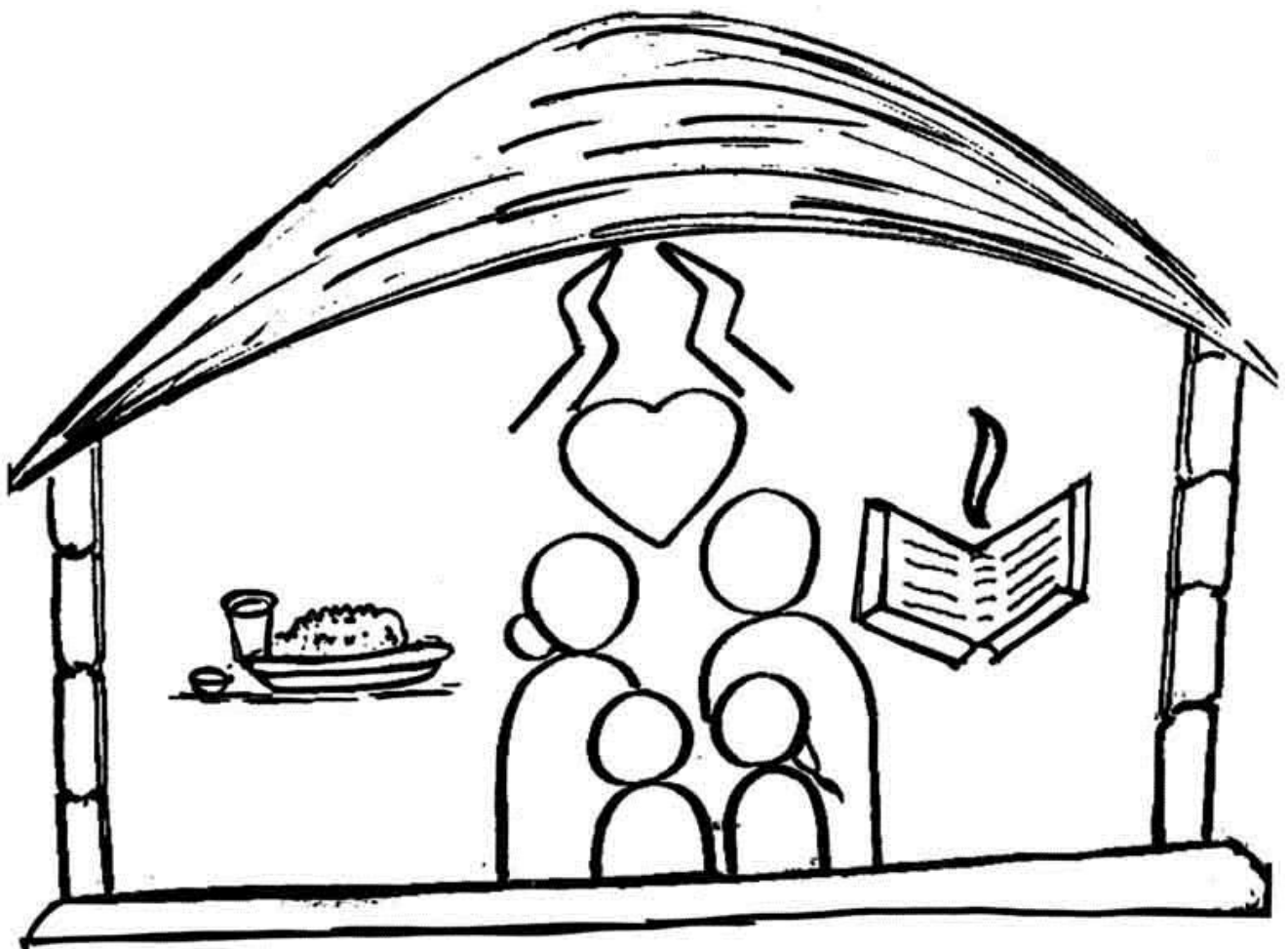
Obstacles to forgiveness CARDS	
SHAME	HURT
CRITICISM FROM OTHERS	LOSS OF FAMILY HONOR
(may create additional cards	OPPOSITION FROM ELDER SON

Solution to Obstacles	
LOVE	(may create additional cards)

Appendix 39: Care for Whole Person

Meaning of symbols:

- The heart is our symbol for **emotional care**.
- The book with the flame means the light of wisdom and is symbol for **mental care**
- Food is our symbol for **physical care**
- The family is our symbol for **social care**
- The two hands raised in prayer is our symbol for **spiritual care**



Appendix 40: Quality Improvement Verification Checklist for Savings Group Promoters

Name of Promoter: _____ Evaluator: _____

Community: _____ Date: _____

METHODS	YES	NO	NA
1. Did the Promoter seat people so that all could see each other's faces ?			
2. Did the Promoter open the session in prayer (if appropriate in the local context)?			
3. Did the Promoter review the last lesson?			
4. Did the Promoter wear appropriate clothing ?			
5. Did the Promoter sit at the same level as the other participants?			
6. Did the Promoter introduce the topic well (who s/he is, topic, time)?			
7. Did the Promoter ask questions to relate the topic to the participants' experiences ?			
8. Did the Promoter use the lesson outline ?			
9. Does the Promoter manage the lesson time ?			
10. Did the Promoter speak loud enough so that everyone could hear?			
11. Did the Promoter use proper eye contact with everyone?			
12. Did the Promoter correct the group if proper meeting procedures were not being followed?			
13. Did the Promoter speak slowly and clearly ?			
14. Did the Promoter move around the room without distracting the group?			
15. Did the Promoter demonstrate the skills that s/he was promoting?			
16. Did the Promoter use verification questions (verifying that people understood the main points through use of open-ended questions)?			
17. Did the Promoter summarize the essential points presented at the end?			

DISCUSSION	YES	NO	NA
18. Did the Promoter ask the participants lots of non-rhetorical or open questions ?			
19. Did the Promoter give participants adequate time to answer questions?			
20. Did the Promoter encourage discussion amongst participants ?			
21. Did the Promoter encourage comments by paraphrasing what people said (repeating statements in his or her own words)?			
22. Did the Promoter thank participants for sharing?			
23. Did the Promoter encourage comments by nodding, smiling, or other actions that show that s/he was listening?			
24. Did the Promoter ALWAYS reply to participants in a courteous and diplomatic way ?			
25. Did the Promoter allow the Management Committee to run the meeting (and did not dominate meeting)?			
26. Did the Promoter encourage timid/quiet participants to speak/participate?			
27. Did the Promoter summarize the discussion ?			
28. Did the Promoter reinforce statements by sharing relevant personal experience, or asking others to share personal experience ?			
29. Did the Promoter make suggestions to help participants work through any barriers they mentioned?			
30. Did the Promoter explain to the participants when the next Training Meeting or Learning Conversation would be?			

Comments:

SCORING	
A. Number of "Yes" responses	
B. (Total number of questions) – (the number of "NA" responses) =	
Score =(A)/(B)	

Appendix 41: Savings Group Assessment Checklist

Community/ Cluster Name:			Name of Savings Group:			Date:		
Promoter Name:				ID Number of Savings Group:				

Scoring Instructions:

1. Mark Yes or No for each item according to what the promoter finds in the group.
2. When all the items have been marked, total the number of "yes" responses
3. There is a maximum total score of 30. Divide the total number of "Yes" responses by 30.
(Using Excel: Enter the total number of "Yes" responses into the score table below.)
4. This is your Score. Compare the score to the table to see the group's health

	Question			Description	Staff guidance	Relation to House of Principles
TRANSPARENCY AND RESPONSIBILITY						
1.1	The balance announced by the group should be the same as the total amount of cash in the cashbox	Yes	No	Members should know the amount that is in the cashbox since the last meeting	Observation and Inquiry: The promoter should ask the group at the beginning of the meeting how much is in their cashbox before opening the cashbox	Transparency
1.2	More than 80% of the group members attended this meeting	Yes	No	More than 80% of active/registered members attended the meeting	Observation and Inquiry: The promoter should ask how many registered/active members the group has and compare this to the number of members physically present at the meeting	Responsibility/ Discipline, Trust, leadership
1.3	The Key holders were not members of the Management Committee	Yes	No	Those who hold the keys for the locks on the cashbox are not members of the Management Committee (or live in the same household)	Observation/ inquiry	Transparency

1.4	30% of Members can recite two or more policies from their Group rules	Yes	No	Groups should be very familiar with their group rules/policy.	Inquiry: The promoters should ask random group members to recite two or more rules	Responsibility and Transparency
1.5	30% of members are able to identify who they are Helpers for and who their Helpers are.	Yes	No	Helpers remember the amount owed and repayment date by a member for loans taken from the Social Fund or Group fund. There are two Helpers for each member. A member should be a Helper for two other members.	Inquiry: The promoter should ask random members who their Helpers are and who they are Helpers to.	Responsibility and Transparency
1.6	The group can recall a time in the last six months when a dispute or ambiguity was resolved by referencing their group rules.	Yes	No	Groups should first consult their group rules when facing a dispute or issue.	Inquiry: Ask the group to recall a dispute or problem in group.	Responsibility, Transparency
SAVING AND LOAN PROCESS AND RECORDS						
2.1	Members observed the stamping of their passbooks	Yes	No	The secretary stamps the number of shares a member saved into their passbook or individual savings record	Observation of meeting	Transparency, Leadership
2.2	The Secretary and Cashier complete a transaction before the next member makes his/her deposit	Yes	No	The secretary and cashier should only handle one member's savings deposit at a time. The secretary should call a member's number when they have completed recording the last member's savings. The cashier should accept the savings deposit of a member one member at a time as the secretary calls out the name.	Observation of savings process in meeting	Leadership, Transparency, Stewardship
2.3	Members gave their money to the Cashier (or money counters) to make their deposits.	Yes	No	Savings deposits should be given to the cashier (or money counters) to be verified and put into the group fund	Observation of meeting	Transparency, Stewardship
2.4	The share value is written on every page of the savings record in the passbook	Yes	No	In the individual savings record or passbook there is a place for the share amount to be written. This should be filled out on each page of the savings record.	Inquiry: The promoter should examine individual savings records (30% of members)	Leadership, Transparency, Stewardship

2.5	The ending tables were completed when a savings page was full.	Yes	No	If the first page of the passbook is filled up, the secretary should fill out the spaces on the ending table accurately. (Starting number of shares, Total number of share bought during this period, Net shares to be carried over)	Inquiry: The promoter should examine individual savings records (30% of members)	Leadership, Transparency, Stewardship
2.6	The cells were clearly stamped on the individual savings records/passbook.	Yes	No	The secretary should add a stamp for each share purchased. The stamp should be clearly seen and placed within the lines of the row.	Inquiry: The promoter should examine individual savings records (30% of members)	Leadership, Transparency, Stewardship
2.7	The secretary crossed out or cancelled unused cells.	Yes	No	The secretary after adding a stamp for each share purchased should cross out the remaining cells corresponding to that meeting.	Inquiry: The promoter should examine individual savings records (30% of members)	Leadership, Transparency, Stewardship
2.8	Individual savings records or passbooks were clean.	Yes	No	The individual savings and loan records or passbooks should be well taken care of without major tears or blemishes. Passbooks should be stored in a way that allows the passbook to lay flat.	Inquiry: The promoter should examine individual savings records (30% of members)	Stewardship
2.9	Members came to the secretary and observed their loan records being entered.	Yes	No	When a member receives a loan, they should witness their loan amount and interest being entered into the individual loan register or passbook.	Observation of meeting	Transparency, Stewardship
2.10	When loans were requested, the members stated the amount, the purpose and the loan duration.	Yes	No	Members asking for a loan should share how much they want, what they are going to use it for, and how long they need the loan for (maximum loan term should be defined in the group rules)	Observation of meeting	Transparency, Stewardship
2.11	The disbursement of the money was transparent and witnessed by all members.	Yes	No	When a member receives a loan, the whole group should witness the money being counted and given to the member. The member should count the money again in front to verify they received the full amount.	Observation	Transparency, Stewardship
2.12	The loan entries are mathematically correct.	Yes	No	The loan register should be properly filled out. Loan payments and interest should be entered and calculated correctly on the loan register	Inquiry: The promoter should examine individual loan records (30% of members)	Leadership, Transparency, Stewardship
2.13	All the relevant cells were filled out on the loan register.	Yes	No	The loan register should be filled out properly with all cells filled out (meeting number/date, loan amount, interest, paid, signature of secretary)	Inquiry: The promoter should examine individual loan records (30% of members)	Leadership, Transparency, Stewardship

2.14	Loans were signed and cancelled out on final repayment.	Yes	No	When a member repays a loan, the secretary fills out the register to account for the complete repayment of the loan, then puts a cross on the loan register where the loan was recorded.	Inquiry: The promoter should examine individual loan records (30% of members)	Leadership, Transparency, Stewardship
LEADERSHIP ROLES						
3.1	The secretary announces ending balances for the Loan Fund & Social Fund.	Yes	No	The secretary should announce beginning and ending balances of the amount in the cash box at each meeting	Observation of meeting	Leadership
3.2	The chairperson introduced and concluded each segment of the meeting.	Yes	No	The chairperson should follow the meeting outline (Appendix 16) (i.e. Social Fund, Savings, Loan repayment, loan disbursement and closing the meeting).	Observation of meeting: The promoter may use savings and loan process outline from Training Meeting 6	Leadership
3.3	The chairperson levied fines appropriately and according to the groups' rules.	Yes	No	The group should follow their group rules and when they are broken, apply the agreed fine that is in the rules.	Observation and Inquiry: The promoter should ask the group how fines are applied and by who	Leadership
3.4	The secretary waited for the cashier to confirm payments in and out before entering information in individual savings and loan records.	Yes	No	The cashier (or money counters) receive the money from the member and verify the amount. The secretary should wait for the cashier to do this before entering their information into the individual savings and loan registers/passbook.	Observation of meeting	Leadership
3.5	The money-counting procedures were transparent and done in front of the group.	Yes	No	The transactions with money should occur where all members can observe what is going on. People clearly saw what the cashier/ money counters are doing.	Observation of meeting	Leadership, Transparency
3.6	The cashier or money counters were the only ones who touched the money.	Yes	No	The cashier (money counters) should be the only one touching the group's money. The secretary should be focused on filling out the registers properly, and the chairperson should be facilitating the meeting.	Observation of meeting	Leadership, Transparency
PERFORMANCE						
4.1	90% of active/registered members saved at least the minimum share amount at the meeting	Yes	No	90% of members saving at a meeting is healthy to promote growth of the group fund, responsibility. When members are not able to save, it inhibits the growth and reduces the energy of the group.	Observation and inquiry: The promoter should ask how many registered/ active members are in the group and compare that to the number of members who saved in the	Responsibility, stewardship

					meeting.	
4.2	The number of late loans is zero (0) at the date of visit.	Yes	No	Late loans are those that are past due and should have been repaid already according to the group rules. If there are late loans, this can reduce the trust within the group as members disobey their group rules, and reduces the access to loans by other members	Inquiry: The promoter should ask the group if there are any overdue loans in the group.	Responsibility
5	OUTREACH (If Applicable)					
5.1	The group has a social fund.	Yes	No	A social fund is recommended, and can help the group respond to emergencies in the group.	Observation of meeting	Caring for each other and others
5.2	There at least one woman on the Management Committee.	Yes	No	(For Mixed Gender Groups) Women often are bypassed for leadership positions in mixed groups. Groups should have at least one woman as their Cashier, Chairperson, or Secretary. Do not include Key Keepers.	Observation of meeting	Cross cutting (Gender)
Total number of "Yes" responses						

Score Table	
Total Score possible (28-30)	
Enter the Total Number of "Yes" Responses	
Score	

Score above 90%	Excellent Health: The group is in ideal health.
Score is between 75% and 90%	Good Health: The group is in good health. The group may have a few areas to strengthen, but health is acceptable.
Score is between 50% and 75%	Fair Health: The group has practices that put them at risk of failure. The group and promoter should review the "no" scores and work to strengthen those areas.
Score is below 50%	Poor Health: The group is in very poor condition and needs immediate attention.

Appendix 42: Savings Group Passbook

Food for the Hungry Savings Group



Individual Passbook

Member Name

Member Number

Group Name

NOTES

SAVINGS RECORD

Member Name _____ Member number _____

Group Name _____ Group number _____ Share amount _____

Mtg #	Shares bought per meeting									

G. Starting number of shares	
H. Total number of shares bought during this period	
I. Net shares to be carried over (A+B=C)	

SAVINGS RECORD

Member Name _____ Member number _____

Group Name _____ Group number _____ Share amount _____

Mtg #	Shares bought per meeting									

J. Starting number of shares	
K. Total number of shares bought during this period	
L. Net shares to be carried over (A+B=C)	

SAVINGS RECORD

Member Name _____ Member number _____

Group Name _____ Group number _____ Share amount _____

Mtg #	Shares bought per meeting									

M. Starting number of shares	
N. Total number of shares bought during this period	
O. Net shares to be carried over (A+B=C)	

SAVINGS RECORD

Member Name _____ Member number _____

Group Name _____ Group number _____ Share amount _____

Mtg #	Shares bought per meeting									

P. Starting number of shares	
Q. Total number of shares bought during this period	
R. Net shares to be carried over (A+B=C)	

SAVINGS RECORD

Member Name _____ Member number _____

Group Name _____ Group number _____ Share amount _____

Mtg #	Shares bought per meeting									

S. Starting number of shares	
T. Total number of shares bought during this period	
U. Net shares to be carried over (A+B=C)	

LOAN RECORD

Name of Member _____ Name of Group _____

Meeting date or number	Category	Amount	Signature of Secretary
	Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		

LOAN RECORD

Name of Member _____ Name of Group _____

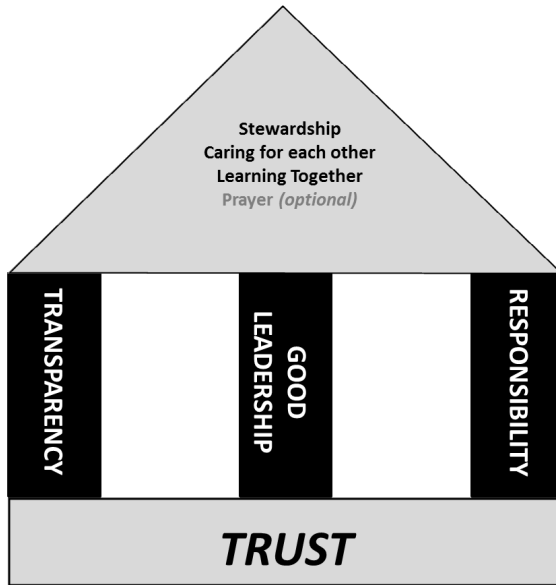
Meeting date or number	Category	Amount	Signature of Secretary
	Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		

LOAN RECORD

Name of Member _____ Name of Group _____

Meeting date or number	Category	Amount	Signature of Secretary
	Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		
	- Amount Paid		
	=Loan Amount		
	+ Interest		
	= Amount Owed		

HOUSE OF PRINCIPLES



(Optional) Jesus and His Word

All savings groups should work continuously to grow in trust, honesty, responsibility, and transparency-- by abiding by their rules, discussing what they are learning, and having open discussion in their group-- so that their group will be successful and strong.