

The TentMaker Project

POLICY MANUAL for Central Uganda

22 May 2005 edition

Outline

- US Board of Directors
- Uganda Regional Committee
- Local Committees
- Loan Recipients
- Lending Principles
- Savings
- Interest and Fees

Content

US Board of Directors

1. Oversees TMP Accounting by the Executive Secretary,
2. Receives reports from the Executive Secretary,
3. Reviews policy proposals by the Regional Committee,
4. Maintains offices of Chairman, Secretary, Treasurer and Vice Chairman, and may combine two offices in one person.
5. Funds TMP in categories of Micro-Loans, Five Loaves, Educational Assistance through the efforts of the Executive Secretary. Separately he raises travel expenses to and from Uganda.
6. Maintains a TMP Account at Old National Bank of Carbondale, IL, USA and authorizes the Executive Secretary to wire funds as is prudent to the Regional Committee TMP Account.
7. Is comprised of members of the Session of Evangelical Presbyterian Church of Carbondale who have interest in TMP plus others who may be chosen due to their interest in TMP and competence.
8. Instructs the Executive Secretary to give no impression of approving to any Committee One or to any applicant any loan application.
9. Advises the Executive Secretary to refer all requests for personal assistance to church deacons or elders while in Uganda.
10. Allows the Executive Secretary to pay from funds raised for administrative needs and in-country expenses when in Uganda.

Regional Committee, also known as Cm2

1. Maintains a bank account with three signatories any two of which being required to receive and transfer funds to other TMP accounts.

2. Receives funds from outside sources such as from the TMP Board, usually by wire transfer, or by the courier services of visitors to Uganda,
3. Disburses funds to pay expenses and to aspects of TMP including the Local Committees and Pastoral recipients of the Micro-Loan program, Five Loaves, Educational Assistance, or pass-through funds designated from US donors, all of which disbursements and transfers are receipted and accounted for on paper records.
4. Makes TMP Policy for US Board approval and modifications,
5. Takes minutes of its meetings,
6. Acts only in official convened meetings and not by individual decision,
7. Reports to the Executive Secretary each 4 months both an Accounting Report from the Cm2 Treasurer and from Cms 1 of pay-back and revolving fund records.
8. Has as officers a Chairman, Vice Chairman, Secretary, and Treasurer,
9. Uses up to 5% of funding receipts from the US for expenses, especially visitation committee expenses,
10. Hires a part-time accountant who tracks funding receipts, bank charges, visitation expenses, clerical, and disbursements to Cms 1, loan disbursements to pastor applicants and their pay-back to Cm2.
11. Lends to approved applications from PCU pastors who have enterprises needing assistance,
12. Assesses the work of TMP in the region,
13. Presents to pastors and Cms1 accounting methods for all recipients, including daily record-keeping of business transactions, sales and expense receipting, and monthly profit and loss statements,
14. Requires pastoral loan recipients and the recipients under Cms1 to demonstrate budgeting disciplines following monthly accounting tallies,
15. Oversees the work of the Executive Secretary when he visits Uganda,
16. Organizes seminar for TMP trainers.

Local Committees, also known as Cms1

1. Are comprised of the Elders and Deacons of each Particular Church in the PCU, and in some rare cases, the Elders-elect and Deacons-elect of mission churches where such persons are under the authority of PCU Particular Churches,
2. May seat as non-voting advisory members other respected leaders of the congregation,
3. Has as officers Chairman, Vice Chairman, Secretary and Treasurer,
4. Acts only in official convened meetings and not by individual decision or influence,
5. Puts out application forms to the business members of the church when funding of loans is a possibility,
6. Acts on individual applications to approve those that are worthy and to request more work on those that are not worthy and gives counsel to the applicant.
7. Uses as criteria for approval or rejection of an application business history, business experience, business plans, faithfulness as a church member, whether filled with the Spirit or not,
8. Disburses funds to approved loan applicants as a committee, and not by actions of Cm members acting separately from the Cm,

9. Maintains a bank account with that of the church, and disburses money to applicants in needed stages and only with the signatures of two Cm1 members including the Treasurer, and with a paper record put on file.
10. Manages the Revolving Fund which is comprised of money paid back from the loan recipients and which may be used to fund loans to other applicants.
11. Keeps minutes of each meeting of the Cm1,
12. Keeps a ledger accounting of receipts and disbursements,
13. Provides accounting report to Cm2 every four months,
14. Cm1 members may not vote to approve their own applications,
15. Place their church members first in priority and themselves and their family members last when approving loans and disbursing loan funds,
16. May not lend to persons who are not members of the PCU,
17. May not lend to members who have inadequate history in their business enterprise, and may not lend to members to start a business,
18. Respond to loan defaulters in one of the following manners as appropriate: Reorganize repayment note, Collect surety, Initiate church discipline, or Use diaconal funds to help repay loan.

Loan Recipients

1. Must have genuine business experience usually in the business type for which the loan is processed,
2. Must be able to show aptitude to keep an accounting record of all business transactions, and distinguish them from personal and family transactions,
3. Must be a member of the PCU, in demonstrated accountability to the elders of the church, and is deemed to be filled with the Spirit,
4. Must be willing to receive TMP training, receive advice and counsel from members of Cm1, and attend monthly scheduled encouragement meetings,
5. Must be willing to fill out a loan application that is acceptable to the Cm1 in all of its understandings, and is willing to sign a repayment note when the funds are disbursed,
6. Must be willing to pledge adequate tangible security/collateral short of land and house, and secure a co-signer,
7. Must be willing to receive the funds only as needed in prudent stages if necessary,
8. Must repay regularly as promised in the loan note, and if unable to do so in a given payment-period, must approach the Cm1 for either a revised repayment note, or arrange to work for the church or someone else who/which would make the payment, or achieve payment from his co-signer, or must give up the pledged collateral, or some combination of these.
9. Must repay the loan in a way that is most advantageous to his business according to the repayment note while at the same time repaying in a timely way, which should ordinarily be 5% per month or 15% quarterly, or 25% semi-annually, or 50% annually.
10. Must provide/pay a 10% loan fee before the time of the disbursement, if unable, at the time of disbursement. If the loan fee is taken from the disbursement, the face amount of the loan still must be repaid. This loan fee covers money losses such as inflation, and Cm1 expenses.

Lending Principles

1. Applicants may apply for loans up to 1.5 million shillings in unusual cases, but usually for less than 1 million. The average loan has been 425,000 shillings.
2. Owners of very small enterprises among PCU members which are real and not imaginary and which have the potential of being truly assisted with capitalization, may apply for loans.
3. A loan is defined as a monetary disbursement for capitalization of business, which disbursement is to be repaid in a timely fashion according to the terms of a repayment note.
4. Pastors must apply to Cm2 for loans.
5. Church members may apply to their Cml for loans.
6. Neither Cms1 or Cm2 members may vote on loans to themselves, or to their relatives, and Cm members shall not act so as to be open to the impression or charge that they are approving loans to members of one another's families while not approving applications of other church members.
7. TMP loan priorities are first to pastors from Cm2, second to church members from Cms1, and then to church officers from Cms1, so that church members cannot accuse a church officer of favoring himself.
8. Second loans may be processed if pay-back faithfulness has been established by the recipient, and if two loan repayments do not violate Romans 13:8, to let no debt remain outstanding.

Savings

1. Savings for the purpose of TMP debt repayment are handled as a business expense/cost of doing business on an accounting sheet, and may be enabled by Savings Circles. These are known in the informal finance community as ROSCA arrangements.
2. Savings accounts with a banking institution, savings and loan association, or credit union are designed for long-term uses such as medical expenses, business re-investments, and major family needs.
3. TMP encourages both methods of savings.