

**BY-LAWS
OF**



**HOUSING
CO-OPERATIVE SOCIETY LTD**

1. NAME AND AREA OF OPERATION

The society shall be called.....
Housing Co-operative Society Limited (Ltd) herein after referred to in these by-laws as
"The society" and its area of operation shall be.....ward.....sub-
county.....county

2. REGISTERED OFFICE/ POSTAL ADDRESS

The registered office of the society shall be at
And the postal address shall be.....
Notice of any change of address shall be given to the Commissioner for Co-operative
Development, herein after referred to as 'The Commissioner' and to all members of the
society through their last known address as per records held at the society within 30 days
of such change.

3. DEFINITIONS AND INTERPRETATIONS

3.1 In these By-laws unless the context otherwise suggests words or phrases shall be defined
and interpreted in accordance with the Co-operative Societies Act Cap 490 Laws of Kenya
made there under herein after referred to as the "Act" and "Rules" respectively.

3.2 In these by-laws save as otherwise expressly stated:

- (i) "General Meeting" shall be a meeting (either "annual" or "special") for all
members duly convened by the society to conduct its business.
- (ii) "Management Committee" shall be the members elected in a duly convened
General Meeting to govern the Business of the society as per these by-laws
herein referred to as the "Committee"..
- (iii) "Commissioner" shall mean "the Commissioner for Co-operative
Development, as provided for in the Act.
- (iv) "Tribunal" shall mean the Co-operative Tribunal established under the Act to
hear and determine disputes.
- (v) "Share" shall mean the amount represented by a member's portion in the
equity of the society as co – owner.
- (vi) "Applicable Law" shall mean the Co-operative Societies Act, Rules and these
by-laws.
- (vii) "Housing Cooperative Society" shall mean a registered cooperative society
with an objective of providing living accommodation and livelihood for its
members.
- (viii) "Returning Officer" shall mean a person appointed to oversee or conduct
elections of a cooperative society.
- (ix) "Dividends" shall mean a member's share of the surplus of the society which
is divided amongst its members.
- (x) "A member" shall include a person who signs the application for registration
of a society and a person admitted to membership after registration in
accordance with these by-laws.
- (xi) 'Common bond' shall mean a factor that binds the members.

3.3 In these by-laws where the masculine gender is referred to, it shall be construed to
include the feminine gender.

3.4 Any questions concerning interpretations of these by-laws or any matter not provided for therein' shall be referred to the Commissioner.

4 OBJECTS

4.1 The objects for which the society is established are to organize and promote the welfare and economic interests of its members. This includes:

- a) To provide for its members living accommodation and livelihood within the area of its operation at a fair and reasonable price together with such ancillary services as roads, drainage, water and light.
- b) To provide facilities for physical and cultural recreation and all such other matters as are usual, customary and desirable for building estates, blocks of flats or single dwellings

4.2 To achieve the objects set forth in By – laws 4.1, the society may perform and carry on all the usual functions of a Housing co – operative society as governed by the Co – operative Societies Act, the Rules and in particular: -

- (i) Raise funds by accepting deposits from members and by contracting for loans from non–members by issuing debentures or mortgaging its property or by any other means up to a maximum amount to be decided by the General Meeting.
- (ii) Lend money to members for the purpose of;
- (iii) Acquisition of living accommodation for themselves,
- (iv) Income generating purposes on such terms and with such security as the Management Committee may from time to time determine or guarantee loans and advances to members for similar purpose.
- (v) Undertake building operations by such means either directly or indirectly as the committee may decide.
- (vi) Acquire supplies of building and similar materials and machinery of all kinds including household furniture and equipment for use in building or for sale or hire to members.
- (vii) Acquire and relinquish lands, buildings and rights over land and buildings by purchase, lease or any other means as may be necessary for the attainment of these objects.
- (viii) Employ architect, builders, contractors, issue plans negotiate and contract for services for light and power, water drainage, roads, and generally do all such things as are necessary and customary for the acquisition of land and its development for housing purposes.
- (ix) Enter into contracts with members for the sale or lease of land and building acquired by the society in pursuance of its objects on such terms and conditions as may from time to time be determined.
- (x) Ensure progress of members and society through continuous education programs on proper use of credit, reduction of poverty, human dignity and co-operation.
- (xi) To apply the co-operative principle of cooperation among cooperatives in order to promote members' interests and in furtherance to the objects of the society affiliate to the relevant National Co-operative union and the Apex society.

- 4.3 For the attainment of the above objects, the society may do acts and things that are permissible under the Act, rules and these By- laws.

5. CO-OPERATIVE PRINCIPLES AND VALUES

The society shall act in accordance with the following Co-operative principles and relevant values.

5.1 Principles

(a) ***Voluntary and open membership***

The society shall always be guided by the principle of voluntary and open membership in its member recruitment drive without political, religious, gender or social discrimination

(b) ***Democratic member control***

The society will be fully controlled by members who will have equal voting rights on the basis of one member one vote.

(c) ***Economic participation by member***

Members shall contribute equitably to the capital of the society and share in the results of its operations.

(d) ***Autonomy and independence***

The society shall operate on mutually acceptable terms with its stakeholders who will ensure its autonomy and independence.

(e) ***Education, training and information***

The society shall foster reciprocal, on – going education programs for members, leaders, staff and the community so that they can teach and learn from each other or from the appropriate resource persons in understanding and carrying out their respective roles.

(f) ***Co-operation among co-operatives***

In order to better serve the interests of the members and the community, the society shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.

(g) ***Concern for community in General***

The society shall show concern to the community in which it exists and operates.

5.2 CO-OPERATIVE VALUES

The values shall be self-help, mutual responsibility, equality and equity. It shall practice honesty, openness and social responsibility in all its activities.

6. MEMBERSHIP

Membership shall consist of:-

- a) Original members who signed the application for registration.
- b) New members subsequently admitted in accordance with these by - laws.

7. QUALIFICATIONS FOR MEMBERSHIP

A person who possesses the following qualifications shall be eligible for membership:

- (a) Is within the field of membership consisting of the following common bond;

.....

- (b) Has attained the age of 18 years.
- (c) Is of sound mind
- (d) Pays entrance fee and minimal share capital prescribed in these by-laws.

Provided that no member shall belong to more than one housing society having similar objects operating within the same area of operation.

8. APPLICATION FOR MEMBERSHIP

Every applicant for membership shall complete an “application for membership” form. This form shall be drawn to show all the information required for the purpose of members register.

9. ADMISSION INTO MEMBERSHIP

- 9.1 An applicant shall be admitted to membership on application and payment of an entrance fees of Kshs..... and for such minimum shares as shall be fixed by the General meeting from time to time.
- 9.2 Upon admission the member’s name shall be entered in the membership register and a membership number issued
- 9.3 The member shall sign his name or make a thumb mark in the register of members in the presence of two committee members to indicate his acceptance of these by-laws.
- 9.4 Members shall be admitted by the committee subject to confirmation by following general meeting.
- 9.5 The member shall for a copy of the society’s by-laws at its actual cost. to the society

10. REFUSAL OF ADMISSION

The Committee may refuse admission to a person after assigning reasons for their decision. Such a person, if otherwise eligible for membership, shall have the right to appeal to the next General Meeting through a member.

11. RIGHTS OF MEMBERS.

- A member of the society shall have the right to:
- a) Attend & participate in decisions taken at all general meetings of the society and vote;
 - b) Be elected to organs of the society, subject to these by – laws;
 - c) Enjoy the use of all the facilities and services of the society subject to these by – laws;
 - d) All legitimate information relating to the society, including: internal regulations, registers, Minutes of general meetings, supervisory committee reports, annual accounts, inventories and investigation reports at the society’s head office.

12. OBLIGATIONS OF MEMBERS

The members shall have the obligation to:

- a) Observe and comply with all the by – laws and decision taken by the relevant organs of the society in accordance with these by-laws;
- b) Buy and pay up for shares or make any other payments provided for in these By – laws.;
- c) Meet the debts of the society in case of bankruptcy in accordance with the provisions of these by–laws and Act.

13. MEMBERS PERSONAL STATEMENT

Every member shall receive regular statements at least once every six months, which shall contain particulars of membership, shares, deposits and loan transactions with the society.

14. CESSATION OF MEMBERSHIP

Membership in the society shall cease or deemed to have ceased in regard to any member from the date of;

- a) Death
- b) Withdrawal.
- c) Expulsion.
- d) Being certified of unsound mind.
- e) Transfer of all shares to another member

15. SUSPENSION/EXPULSION

15. The committee may suspend a member subject to the decision of the general meeting to expel who:

- a) fails to fulfill his obligations to the society whether stated in these by-laws, general internal regulations, a resolution of the general meeting or in contravention of any other legal document, provided such a member has been called upon to do so but has failed,
- b) Acts in any manner prejudicial to the interests of the society.

Provided that, no member shall remain in suspension for a period exceeding twelve months.

16. PROCEDURE OF SUSPENSION

- a) Upon formal and written proof that a member has committed a violation punishable by expulsion, the committee shall serve a thirty (30) days written notice to the member stating the reason(s) for the proposed expulsion and requiring him to file his defense.
- b) Upon the expiry of the 30 days and taking into consideration the member's defense if any, the committee shall initiate administrative inquiry and make a decision on its findings within 15 days. The Committee may;-
 - i. Suspend the member pending expulsion by the General Meeting or
 - ii. Impose any other punishment as provided for in the applicable law.

- c) The suspended member may appeal to the general meeting if not satisfied with the decision of the committee.
- d) The committee shall present their findings to the next General meeting which may either lift the suspension or expel the member
- e) A member who is expelled from the society shall have the right to appeal to the tribunal.

17. WITHDRAWAL FROM SOCIETY

A member may at any time withdraw from the society by giving at least sixty (60) days written notice to the committee

18. PAYMENT ON CESSATION OF MEMBERSHIP

18.1. On cessation of membership, a person shall be refunded the following amounts:

- a) Any dividends or interests due to him prior to the date membership ceased and
- b) Any other sums held by the society on his behalf after deduction of any sum owed to the society.

18.2 Shares of the society held in investment shall not be withdrawn but can only be transferred to another member or any other person.

19. NOMINEE

Every member shall nominate in writing one or more persons as his nominee to whom on his death, shares, deposits or other interest shall be vested. The nominations shall be attested to by two witnesses who are members of the society. The names of such nominee (s) shall be entered in the members nominee register.

Provided that a member shall have the right to change his nominee(s) in writing in the presence of two attesting witnesses who are members of the society.

20. PAYMENT TO NOMINEE

The society after satisfying itself and after obtaining such documentary proof of the death of the member as it may consider necessary, shall pay to the nominee the value of the deceased member's deposits, interest and dividend after deducting monies owed to the society, if any.

21. ADMISSION OF NOMINEE

A nominee may be admitted for membership of the society. On admission, the shares, interest and dividends (if any) due to the deceased member shall be transferred to the account of that nominee.

22. SOURCES AND APPLICATION OF FUNDS

22.1 The funds of the Society shall consist of:

- i) Entrance fee
- ii) An undetermined number of shares of the Kshseach.
- iii) Members' deposits and loans from non – members.
- iv) Administration fees and penalties.
- v) Such reserve funds as required by law or as may be kept by the society.
- vi) Any surplus resulting from operations of the society.

- vii) Any donations, gifts from other bodies, organizations and individuals.
- viii) Funds obtained from lawful miscellaneous sources.

22.2 The funds of the society shall only be applied to the promotion of the stated objects of the society as set forth in these by laws, and shall be invested in:

- a) The investments and securities as are authorized for the investment of trust funds,
- b) The shares of any other co-operative society,
- c) Any bank licensed under the Banking Act,
- d) The stock of any statutory body established in Kenya or in any limited liability company incorporated in Kenya or in any other manner approved by a resolution at a general meeting of the society.

23. SHARES

Every member shall hold such minimum number ofshares of Kshs..... each as shall be fixed by the General Meeting. However, no member shall hold more than one-fifth of the total shares of the society.

24. TRANSFER OF SHARES

- a) With the approval of the Committee, a member may at any time transfer his shares to another member or person. Such transfers must be in writing and at nominal value.
- b) All transfers of shares between members shall be registered with the society and no transfer shall be valid unless so registered. A fee of Kshs..... Shall be payable by the transferee to the society.

25. LIABILITY

- a) The liability of a member shall be limited to the nominal value of the shares held by him.
- b) In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by members; the funds shall be distributed pro-rata among the shareholders according to the amount of shares held by each.

26. POWER TO BORROW

- a) Loans may be obtained from non- members' subject to the maximum and terms approved by the General meeting and the commissioner for co-operatives.
- b) For the securing of any loans accepted by the society under (a), the society may grant a charge over its assets. The authority to grant a charge shall be reserved to the General Meeting. Subject to approval by the commissioner for co-operative development
- c) The rate of interest on loans shall not exceed the current market rate.

27. RECEIPTING OF MONEY

- a) The society may use "check off system", standing orders or cash payments for members shares, deposits and loan repayments. However, when direct payments have to be made, they shall be paid directly into the society's' bank account and a receipt be issued by the society on submission of the banking in - slip.

- b) Money received on account of shares, deposits, Loans, interest's fees or fines shall be evidenced by a printed receipt in a form approved by the Committee. Every member paying the society shall be identified on the receipt..
- c) Should the receipt issued to the member by the society be lost or destroyed, immediate notice of such fact shall be given to the Treasurer who may be authorized by the Committee to issue a duplicate receipt at a reasonable fee.
- d) The Committee may require the member to sign an indemnity to protect the society against any loss due to the issuance of such duplicate.

28. PAYMENT / DISBURSEMENT

Payments made by the society shall be evidenced in writing in a form approved by the committee.

29. STATUTORY RESERVE FUND

- a) The society shall pay into the reserve fund maintained in pursuance to the provisions of Section 47 of the Act one fifth (1/5) of the net surplus resulting from the operations of the society during a financial year.
- b) The reserve Fund of the society shall be invested in the manner provided for in these by-laws.
- c) The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share of it.
- d) No withdrawal shall be made from the reserve fund of the society without a resolution from the General Meeting and a written approval from the commissioner.

30. GENERAL MEETING

The supreme authority of the society shall be vested in the General Meeting of members. Such meetings shall be held as follows:

- a) An Annual General Meeting shall be convened within four months after the end of the society's financial year.
- b) Any business not completed at the annual General Meeting, may be taken up at a subsequent special General Meeting of the society.
- c) A special general meeting of the society may be held:-
 - i. When convened by the Committee.
 - ii. When convened by the Commissioner.
 - iii. When convened by the Committee within 15 days of receipt of a written request of at least members or one fourth (1/4) of the members, whichever is less.
 - iv. If the Committee fails to convene a meeting within fifteen days of receiving a request, the members demanding the meeting may themselves convene the meeting by giving notice to the other members of the society, stating the object and reasons for the meeting and the fact that the Committee has failed to convene the meeting.

Provided that when the General Meeting is convened at the request of the members, the request must be deposited by registered mail at the society's address or delivered to the manager at the society's offices within normal working hours.

31. DUTIES OF GENERAL MEETINGS

31.1 The General Meeting shall have the powers and duties prescribed in the Act, Rules and these by-laws. It shall:

- a. Consider and confirm the minutes of the previous General Meeting.
- b. Consider reports of committees, the Commissioner or his representative and the audited accounts and the society's activities during the past financial year.
- c. Consider and resolve on the manner in which any available surplus shall be distributed or invested, subject to the Act and rules.
- d. Elect or remove members of the Committee and the Supervisory Committee, subject to the Act, Rules and these by-laws.
- e. Fix the indemnity for the elected committee members and management staff.
- f. Consider recommendations from the Committee, and supervisory committee on suspension and expulsion of members.
- g. Consider appeals against refusal of membership by the Committee.
- h. Confirm or reject admission of new members by the committee.
- i. Fix the maximum liability which the society may incur in loans and deposits from both members and non-members.
- j. Approve the estimates of income and expenditure for the financial year following the General Meeting.
- k. Fix the honoraria, if any, for the committee.
- l. Decide on the management structure, including the establishment of branches to facilitate efficient and cost effective delivery of services to members.
- m. Appoint bankers, auditors and advocates of the society for the ensuing year.
- n. Formulate rules for tenancies, conditions for loans and all matters relevant thereof.
- o. Affiliate the society to National Co-operative Organization for Housing societies;
- p. Receive report of the supervisory committee.
- q. Transact any other business of the society for which notice has been given to members in the manner prescribed in these by-laws.

31.2 All members shall be allowed to attend the General Meeting and participate in its deliberations; however they may be required to identify themselves.

32. RECORD OF BUSINESS

All business discussed or decided at the General Meeting shall be recorded without erasures and corrections in a Minute Book which within one week of the meeting shall be signed by the Chairman of the meeting and at least one committee member who was present in the meeting, to indicate that in their opinion the record is true and complete record of all important matters which were discussed or decided at the meeting. At the next meeting after approving any alterations or variations which shall be written immediately below the signatures and not as alterations to the original record, the meeting shall by resolution authorize the chairman to sign and date the final record.

33. DISCIPLINE DURING GENERAL MEETINGS.

- i. All members shall be expected to observe law and order at the General Meetings.
- ii. No member will be allowed to attend the General Meetings while drunk and disorderly. All reasonable means will be applied by the committee and members to have such a member prevented from attending the meeting.
- iii. No member will be allowed to carry crude weapons to the General Meetings.
- iv. All members will be expected to use decent language while addressing each other at the general meetings. Any member found using insolent language against the other may be compelled to leave the meeting for lack of discipline.
- v. No heckling of any nature likely to distract a member's participation and contribution at the meeting will be allowed.

34. NOTICE OF MEETINGS.

- a) The General Meeting shall be convened by giving at least fifteen (15) days' notice to the members.
- b) The Honorary Secretary shall take all usual steps to publish the meeting in public places, the posting of a notice on the society's notice board(s), in local newspaper(s) or news – sheets, including the media or any other means decided by the general meeting.
- c) All written notices of the meeting shall include a statement of the business to be dealt with.

35. QUORUM

Except when convened by the Commissioner, the presence of at least members or a fourth (1/4) of the total membership, whichever less, shall constitute a quorum for the conduct of business at the General Meeting. When a quorum is not attained the chairman shall adjourn the meeting and shall fix a date for another meeting within one month which shall be advertised as prescribed in these by-laws. If at such a meeting a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

36. ELECTIONS

36.1

- a) With every notice of the General Meeting called in accordance with these by-laws, where elections will be held, the Committee shall notify the members of the vacancies arising in both the Committee and the Supervisory Committee.
- b) During elections, the Returning officer shall call for nominations from the floor. Each candidate must have a proposer and a seconder.
- c) At the elections, members shall decide, by majority vote, the method of voting. The method may be secret ballot, queuing or by show of hands.
- d) No member shall be entitled to vote by proxy.
- e) Irrespective of the number of shares held by him no member shall have more than one vote.
- f) Within fourteen (14) days after the elections, the Honorary Secretary shall forward the names and addresses of all person elected to the Commissioner.

36.2 A new committee elected at the General Meeting shall not assume office unless the members have satisfied the requirements of the Act, Rules and these by-laws.

37. THE MANAGEMENT COMMITTEE

37.1 The Committee shall be the governing body of the society, elected from the general membership and shall consist of Members. It shall include the Chairman, Vice chairman, Treasurer and Secretary all of whom shall be elected by the Committee from amongst the members of the Committee.

37.2 Members of the committee shall hold office for a period of three years provided that, one-third of the committee members shall retire every year but will be eligible for re-election.

37.3. Where the membership of the committee falls below five the committee shall co-opt qualified member(s) into the committee till the next General Meeting

38. ELIGIBILITY FOR MEMBERSHIP TO THE MANAGEMENT COMMITTEE

No person shall be eligible for membership in the committee of the society, or remain a member of such a committee if he:

- a) Is not a member of the society;
- b) Is under eighteen years of age;
- c) Is unable to read and write;
- d) Receives any remuneration, salary or other payments from the society save as in accordance with these by-laws;
- e) Is a committee member for two other societies;
- f) Has not, within thirty days of being appointed, declared his wealth to the Commissioner in the prescribed manner;
- g) Is an un discharged bankrupt;
- h) Is of unsound mind;
- i) Has been convicted of any offence involving dishonesty or is sentenced to imprisonment for a term exceeding three months;
- j) Has been convicted of any offence under the Act or rules made thereunder;

- k) Has any un cleared debt owing to the society at the end of its financial year other than in respect of a loan granted under the provision of these by-laws;
- l) Is a person against whom any amount of money is due under a decree, decision or order or is pending recovery under the Act.

39. MANAGEMENT COMMITTEE MEETINGS

- a) Meetings of the Committee shall be held regularly at least once a month and at other times when necessary, but up to a maximum of fifteen sittings (15) per year. At least members of the total number of members of the committee shall form a quorum for the disposal of business.
- b) If a member of the committee fails to attend three consecutive meetings without being excused thereon, or otherwise fails to perform his duties, his position may be declared vacant and the vacancy filled as provided in these by-laws.

40. RECORD OF BUSINESS OF THE MANAGEMENT COMMITTEE

All business discussed or decided at the committee meetings shall be recorded without alterations or erasures in a Minute Book within one week of the meeting and shall be signed by the Chairman of the meeting and at least one other committee member who was present at the meeting to verify that in their opinion the minutes are true and complete record of all the important matters which were discussed or decided at the meeting. At the next meeting, after approving any alterations or variations, which shall be written immediately below the signatures and not as alterations to the original record, the meeting shall, by resolution, authorize its Chairman to sign and date the final record.

41. DUTIES AND POWERS OF THE MANAGEMENT COMMITTEE.

The committee being the governing body of the society shall subject to any directions from the General Meeting generally direct the affairs of the society. Its procedures, powers and duties shall be as prescribed by the Act, the Rules and these by-laws. And in particular, the Committee shall:

- a) Observe in all its transactions the Act, the Rules, these by-laws and prudent business practices.
- b) Generally direct the affairs of the society.
- c) Act upon all applications for membership.
- d) Ensure that true and accurate records and accounts are kept of the society's money, and its properties, capital reserves, liabilities, and income and expenditure;
- e) Prepare budgets for presentation at the General Meeting;
- f) Propose to the General Meeting the amount and kind of surety bond, or other security, which shall be required from any member of the committee or employee having custody of or handling funds or property of the society;
- g) Determine and recommend to the General Meeting the interest rates on loans, deposits, the maximum maturities and terms of payment or amortization of loans from time to time; and the maximum amounts that may be loaned with or without security to any member. When by action of the Committee, the interest rates on future loans are

reduced, similar action may be taken with regard to interest rates on unpaid balances or existing loans;

- h) Cause the audited accounts to be displayed in a conspicuous place at its registered office and branches at least two weeks before presentation of accounts to its members at the general meeting;
- i) Lay before the General Meeting audited accounts, balance sheet and final accounts together with proposals for the disposal of surplus, if any;
- j) Recommend to the General Meeting the dividend rate to be paid on shares, if any, and interest to be paid on savings/deposits if any;
- k) Fill through cooption vacancies occurring in the committee between General Meetings;
- l) Recommend investments of the society;
- m) Authorize the conveyance of property;
- n) Authorize borrowing and lending operations of the society in accordance to the Act and the Rules;
- o) Designate a depository or depositories for the funds of the society;
- p) Employ and fix the remuneration of the employees in accordance with the terms and conditions of service as approved by the Commissioner;
- q) Impose fines as provided for under by-law 80;
- r) Approve transfer of shares between members;
- s) Supervise the recovery and collection of loans and recommend to the General Meeting the write off of uncollectible debts to the General Meeting.
- t) Perform or authorize any actions consistent with the Act, the Rules and these by-laws, unless specifically reserved for the General Meeting;
- u) Provide adequate budget for education and training of members, the committee and staff.
- v) Perform such other duties as the General meeting may from time to time direct;

42. LEGAL STANDARD OF CARE

In the conduct of the affairs of the society, the members of Committee shall exercise the prudence and diligence of ordinary men of business and shall be held jointly and severally liable for any losses sustained through any of their acts, or failure to act, which are contrary to the Act, the Rules, the By-laws or the directions of the General Meeting.

43. EXPENDITURE

No expenditure shall be authorized by the Committee unless it is provided for in the estimates formally approved by the General Meeting.

44. INDEMNITY

All committee Members shall each provide an indemnity of an amount approved by the Annual General Meeting. A duly completed Form V in the schedule to the Rules shall be lodged with the Commissioner within 14 days upon election of the committee.

45. DECLARATION OF WEALTH

Every committee member shall within thirty days of being elected declare his wealth in the prescribed manner.

46. DELEGATION TO EMPLOYEES

- a) The committee may delegate to any employee of the society such duties as it deems fit.
- b) Nothing in (a) above shall absolve the Committee from its responsibility of running the affairs of the society in a proper and businesslike manner.

47. EXECUTIVE OFFICERS

The Chairman, the Vice-Chairman, the Treasurer and the Honorary Secretary shall be termed as the "Executive Officers" and shall be elected at a meeting of the Committee within seven days after the General Meeting.

48. THE CHAIRMAN

Duties of the chairman are,

- a) Preside at meetings of the members, Committee meetings and joint meetings with the Supervisory Committee,
- b) Sign all society's documents,
- c) Perform such other duties as he may be directed to perform by the Committee, not inconsistent with provisions of the Act, the Rules and these by-laws.

49. THE VICE CHAIRMAN

Duties of the vice chairman are;

- a) Perform the duties of the Chairman during his absence,
- b) Preside at education committee meetings,
- c) Perform such other duties as he may be directed by the Committee.

50. HONORARY SECRETARY

The duties of the Honorary Secretary are to:

- (a) Cause minutes of the general meetings, Committee meetings, and joint meetings with the Supervisory Committee to be recorded,
- (b) Ensure that notices of meetings are prepared and sent,
- (c) Ensure that the society's correspondence is promptly and correctly attended to,
- (d) Keep the society seal under lock and key.
- (e) Perform such other duties as may be directed by the committee.

51. TREASURER

The duties of the Treasurer shall be to:

- a) Manage generally or cause to be managed the financial affairs of the society in a competent manner;

- b) Ensure that a proper record is kept of all monies received and paid out by the society, its assets, liabilities, capital reserve and its income and expenses;
- c) Ensure the safekeeping of the society's money, securities and books of accounts;
- d) Ensure that all payment and expenditures are dully authorized;
- e) Ensure that within ten days after the closure of each month, a financial statement showing the condition of the society finances at the end of the preceding month is prepared and submitted to the Committee for discussion;
- f) Ensure compliance with all directions of the Committee, the Act, the Rules and these by-laws on all financial matters,
- g) Ensure that sufficient funds are available for loans,
- h) Perform such other duties as may be directed by the committee.

52. SUB-COMMITTEES

- a) Sub-committees shall consist of persons drawn from the committee.
 - b) The Committee may delegate to the sub - committees some of its duties under these by-laws as it deems fit.
- c) The sub-committee shall convene as directed by the committee.

53. EDUCATION SUB COMMITTEE

The Education Committee shall consist of three members including the Vice-Chairman who shall serve as its Chairman. Its duties shall be:

- a) To organize education programs for members, committee members, staff and the general public.
- b) To ensure that both the Committee members and the staff are well trained and prepared for the tasks they are entrusted with at the society.
- c) To create cooperative awareness to the general public.

54. TENDER SUB COMMITTEE

Tender committee shall consist of three members of committee and any other officer(s).

55. SUPERVISORY COMMITTEE

- a) The society shall have a supervisory committee consisting of three members each elected at the General Meeting for a period of three years and one member of the supervisory committee shall retire annually. Provided, no person who has been in the committee within two (2) years preceding the date of the anticipated election shall be eligible for membership of the supervisory committee.
- b) The supervisory committee shall not perform the duties or exercise any of the powers of the committee.
- c) Meetings of the supervisory committee shall be held quarterly, save for joint meetings between its members and those of committee.
- d) All supervisory committee members should have qualifications similar to those of committee members.

e) Members of the Supervisory Committee may be required to have at least some proven knowledge of accounts.

f) Members of the supervisory committee may be removed by a resolution of the general meeting.

56. DUTIES OF THE SUPERVISORY COMMITTEE

56. The duties of supervisory committee shall be;

- (a) Countercheck, the effectiveness of the society's internal control systems through:-
 - i. Carrying out investigations as may be necessary for the well being of society and members in general and verifying the accuracy of the transactions of the society.
 - ii. Checking if cash and bank accounts are reconciled in good time.
 - iii. Establishing whether the management of the society use managerial tools i.e. budgets, trial balances, economic reports, long term plans and others and thereafter making necessary recommendations to the committee.
- c) Preparation and presentation of periodic reports to the Management committee during joint meetings.
- d) Presentation of Annual Report to the General Meeting.
- e) Submission of its reports to the Commissioner.

56.2 The supervisory committee shall be held liable for any loss incurred due to their negligence in performing their duties.

57. SUSPENSION FROM THE COMMITTEE

- a) The Commissioner may suspend from duty any Committee member charged in a court of law with an offence involving fraud or dishonesty pending the determination of the matter.
- b) The majority of Committee members may for a good cause suspend a Committee member subject to ratification by the General Meeting.

58. REMOVAL FROM THE COMMITTEE.

A member of the Committee shall cease to hold office if he/she;

- a) Ceases to hold qualifications of a Committee Member as specified in the Act, Rules and these By – laws;
- b) is removed by the Commissioner under the provisions of the Act;
- c) is voted out by two - thirds majority of the society members present and voting at the General Meeting.

59. THE MANAGER

The Manager shall conduct the business of the Society subject to overall control of the committee. He shall be an ex-official member of all Committees.

60. DUTIES OF THE MANAGER.

The manager shall;

- i) Advise the Committee and other Committees in framing the policies and programs of the Society and implement these after approval.
- ii) Supervise the work of all staff and ensure that the business of the Society is conducted in a proper manner.
- iii) Ensure that proper books of accounts, record and returns are kept and that regular financial, statistical and operational information is prepared and submitted to the Committees and other Committees and also to the Commissioner.
- iv) Be responsible for the security of the funds and assets of the Society.
- v) Ensure that all statutory deductions (e.g. NSSF, NHIF and P.A.Y.E. etc) are correctly calculated and that all the amounts due and the necessary returns are submitted by the due date.
- vi) Ensure that rent, rates, levies and debts due from and to the Society are paid by the due date.
- vii) Recommend to the Committee the employment of and/or dismissal of any staff member who is not performing his duties properly.
- viii) Countersign the society's' cheques, contracts and other documents.
- ix) Perform such other duties as may be assigned to him by the committee.

61. BOOKS AND RECORDS

The society shall keep up to date and in a proper businesslike manner such accounts and such books as the Act, the Rules and the Commissioner may from time to time direct, and in particular, shall keep the following:-

- a) A register of members showing in respect of each member:
 - (i) Name, age, date of application for membership, address and occupation;
 - (ii) Date of admission,
 - (iii) Name and particulars of nominee,
 - (iv) Date of cessation of membership,
 - (v) Any other information as required by the society.
- b) Minute books giving details of proceedings of Committee meetings, Joint Management and Supervisory Committee meetings, Supervisory Committee meetings and all other committee meetings held in accordance with these by-laws.
- c) Minute book giving details of proceedings at the General Meetings.
- d) A cashbook showing the details of all monies received or paid out by the Society.
- e) A general ledger containing such accounts as is necessary to reflect the business of the Society.
- f) A personal ledger showing members transactions with the society.
- g) An assets (property) register.

- h) A register of loans showing in respect of each loan; the loan number, name of the borrower, the amount borrowed, the purpose of the loan, the due date of repayments and the date repayments are completed.
- i) A register of members' share holding
- j) Such other books and records as the committee may decide or that the Commissioner may prescribe.

62. PURCHASE OF LAND

Subject to such resolution as the General Meeting of members may from time to time pass, the committee shall have full power to do all things which it deems necessary or expedient for the accomplishment of all the objects specified in these by – laws, including power to purchase, hold, sell, exchange, mortgage, rent lease, sub – lease, buy land and subdivide, surrender and accept surrenders of lands or buildings and to construct buildings.

63. BUILDING PLANS

No building shall be erected on the society's or individual member's land using funds supplied in whole or part from by society except in accordance with plans approved by relevant authorities.

64 . SOCIETY PROPERTY

Any immovable property acquired and held by the society shall be registered in the name of the society.

65. TENANTS

Tenants will be selected from the list of applicants by the committee having regard to date of applications for tenancy, genuine need for housing, financial position, among others.

66. AUTHORITY OF THE COMMITTEE

It shall be mandatory for the committee to,

- (i) Buy land, leasehold or freehold, either from or through government or otherwise.
- (ii) Render the lands so purchased fit for habitation, by providing for streets, roads and subdividing parcels of land or house sites.
- (iii) Sell or lease the sites to members on such terms as they may determine, and
- (iv) Provide and maintain facilities for water, supply drainage, lighting and similar works of common utility.

67. LEVY

The members shall pay levy for the supply of water, lighting, drainage and such other services that may be necessary

68. LEGAL ACTION

The society shall sue and be sued in its name and all powers of Attorney and other powers in connection therewith shall be signed by the officers of the society in accordance with these by – laws.

69. REGULATIONS

69.1 The Committee may make such regulations, not inconsistent with these by-laws, as they deem necessary for the conduct of the society's business. Any such regulations shall be recorded in the minute books and shall be posted on the society's notice board, and shall come into force when and as determined by the committee.

69.2 The society shall formulate a code of conduct for good governance.

70. AUTHORIZATION TO SIGN DOCUMENTS

Unless declared otherwise by General meeting, all documents, contracts and cheques shall be signed on behalf of the society by any three of the following:

1. Chairman;
2. Vice Chairman;
3. Secretary; and
4. Treasurer.

The manager shall countersign all the documents.

71. LIEN

71.1 The society shall have a first charge on the shares or interest in the capital and deposits of a member or past member and on any dividend, bonus or accumulated funds payable to a member or past member in or towards payment of any such debt, but such lien may not be considered as security when giving a loan to a member.

71.2. For the purpose of enforcing any such lien, the committee may sell the share subject thereto in such manner as it may think fit. However, no sale shall be made until a fourteen days' notice in writing of the intention to sell is served on the member on default in payment, fulfillment or discharge of such debt, liabilities or engagement.

71.3 The net proceeds after payment of costs shall be applied in or towards satisfaction of the debts, liabilities or engagements of the member to the society and the residue shall be paid to the member or his executors, administrators or assignees. In the event of the net sale proceeds proving insufficient, the liability to that extent shall continue.

71.4 RIGHT OF COMMITTEE

Upon any sale enforcing lien in purported exercise of the powers here in before given, the Committee may appoint some person to execute any instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register. The purchaser shall not be bound to see to the regularity of transfer of such shares. The validity of the sale shall not be challenged by any person.

72. FINANCIAL YEAR

The financial year of the society shall be from...../.....to/.....

73. DISPOSAL OF SURPLUS FUNDS

Subject to the Act and Rules, the net surplus resulting from operations of the society during any financial year shall be disposed as follows:

- a) 20% shall be credited to the Reserve Fund.
- b) The balance may be disposed off as decided by the General Meeting for:
 - i) Paying dividend or interest on shares/deposits at a rate decided by the General Meeting.
 - ii) Being forwarded to Education Fund or any other fund or funds of the society including the appropriations.
 - iii) Paying honorarium to committee.
 - iv) In any other way approved by the General Meeting.

74. LOANS SCHEME

- a) Notice shall be given to all members when the society intends to start a loan scheme.
- b) All schemes of loans shall be subject to approval by the general meeting.

75. APPLICATION AND GRANTING OF LOANS

- a) All loans shall be applied for on application forms.
- b) Loans shall be considered in the order in which the application is made.
- c) No loan shall be given unless the applicant attaches the necessary documents in support of the application.
- d) Where a certain fixed sum is available for loans, no loan to one person shall be for more than one tenth (1/10) of this sum.
- e) No loan shall be granted which in the opinion of the committee will not benefit the borrower in the immediate future or violates the object of the society.
- f) No loan shall be granted except for a specified and approved purpose, for a definite period of time and at a definite rate of interest.
- g) Any request for an extension of time in which to pay shall be agreed to only in most exceptional circumstances. The extension granted shall be treated as though it is a new loan and a new agreement shall be signed.

76. SECURITY FOR LOANS

- a) The application form shall clearly state the amount of the loan, the rate of interest, the date of full repayment and the purpose of the loan, and the nature of the security provided which shall be mandatory.
- b) The value of the member's assets and income shall be put into consideration while granting loans.
- c) The value of guarantors' assets shall constitute part of security.

Provided that;

- (i) The committee shall not accept as guarantor a member who is himself in receipt of a loan and has already guaranteed four loans.
- (ii) A borrower or guarantor may apply to the committee for a change of guarantor, and the committee shall not unreasonably withhold its consent.
- (iii) Any loan from the society overdue for payment for more than three months shall be referred to the guarantors for recovery.

Provided that, the society shall give notice of such intention to the borrower and guarantors.

77. REPAYMENT OF LOANS

- a) Loans shall be repaid according to the terms in the loan application form. A borrower may, on any day which the society is open for business, repay his loan in whole or part prior to its maturity, subject to approval of the Committee.
- b) Any request for an extension of time to pay, shall be agreed by the committee only in most exceptional circumstances; provided such extension shall not result in financial losses to the society. Any extension so granted shall be treated as though it is a new loan and an extension agreement shall be executed and signed.

78. CASH RESERVE

Except as otherwise authorized by General Meeting, a cash reserve shall be maintained of not less than 10% of total share capital for the specific purpose of meeting requests for deposit withdrawals and other emergency pay-outs. The cash reserve may consist of cash in hand, the current account, the society's savings account and fixed deposits.

79. COMMON SEAL

- (a) The society shall adopt and use a common seal. The seal shall have an imprint bearing the words "seal of HOUSING CO - OPERATIVE SOCIETY LIMITED" and shall be different from the ordinary name-stamp of the society.
- (b) The seal shall be kept securely under lock and key by the Manager and be used only in the presence of the officers authorized to sign documents on behalf of the Society.

80. FINES

For any breach of these by - laws or lawful instructions issued by the Committee and General Meeting, or failure of a member to pay his obligations on time, the member shall be fined an amount not exceeding Kshs. 20,000.

81. DISPUTES

If any dispute concerning the business of this co – operative society arises: -

- a) Among members, past members and persons claiming through members, past members and deceased members; or
- b) Between members, past members or deceased members, and the society, its committee or any officer of the society; or
- c) Between the society and any other co – operative society;

Which cannot be determined by the Committee or General Meeting or Alternate Dispute Resolution mechanism (ADR) shall be referred to the Tribunal. Appeals from aggrieved party shall be referred to the High Court.

82. INSPECTION OF DOCUMENTS

- a) All books of accounts and other records shall at all times be available for inspection to all members of committee, the supervisory committee, and to the commissioner or his /her authorized representative. A copy of Act, the Rules, the by-laws and the society's Registration certificate, and a list of members excluding details of nominees shareholdings and loans shall be available for inspection by any member and any other stakeholder upon payment of the prescribed fees.

83. DISSOLUTION

The society shall be dissolved in accordance with the procedures set forth in the Act and the Rules made there under.

84. MISCELLANEOUS

- a) No member of the Committee, Supervisory Committee shall receive from the society any payment apart from sitting allowance, actual cost of travelling and subsistence allowance while working on the Society's business, except an honorarium from the net surplus as allowed in these by-laws.
- b) The Management and supervisory committee members and employees of the society shall hold in the strictest confidence all transactions of the society with its members.
- c) When any Committee member is disqualified or is unable to perform his duties, the committee shall subject to the Act and Rules co-opt a member or members of the society to serve on the committee until the next general meeting.
- d) No member of the management or supervisory committee shall in any manner participate in the deliberations and determination of any question affecting his own financial interest. In the event of any disqualification of any committee member, he shall withdraw from such deliberation or determination, and the remaining qualified committee members present at the meeting, if constituting a quorum with the disqualified person may exercise, with respect to the matter, all powers of the committee.
- e) A copy of these by-laws shall be furnished to every member who joins the society or on request upon payment of a fee not exceeding its actual cost to the society.

85. AMENDMENT OF BY-LAWS

These by-laws may be amended in accordance with the Act and the Rules but no amendment shall become effective until it is approved and registered by the commissioner.

86. ACCEPTANCE

We the undersigned Executive officers of Housing Co-operative Society Limited named herein do hereby accept and receive these by laws for and on behalf of the society.

TITLE

NAME

ID

SIGNATURE

CHAIRMAN.....

VICE CHARIMAN

SECRETARY.....

TREASURER

OFFICIAL CERTIFICATION

I certify that the foregoing by-laws of theHousing Co-operative Society Limited have been approved and duly registered.

Given under my hand at Nairobi this Day of..... 20.....

COMMISSIONER FOR CO-OPERATIVE DEVELOPMENT