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FINANCIAL MANAGEMENT TRAINING FOR SACCOS

FINAL REPORT



August, 2006

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Rural SPEED

Rural Savings Promotion & Enhancement of Enterprise Development

FINANCIAL MANAGEMENT TRAINING FOR SACCOS

FINAL REPORT

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Rural SPEED

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BACKGROUND

Introduction

In fulfillment of UIB vision and mission, this Financial Management in SACCO course was developed and designed by UIB Microfinance Competence Center, and sponsor by USAID Rural SPEED to strengthen the capacity of Ikongo Rural Co-operative Savings and Credit Society Ltd (IRCSC) staff to assist them in their day to day activities in as far as financial management is concerned.

For smooth running of SACCOs, finance management is one of the issues that have been specifically identified as one of the major challenges faced in the industry. Most SACCOs, Ikongo included have not been able to appreciate the importance of prudent financial management leading to slow and / or no continued improvement of their performance and hence, no measurable sustainable development and growth.

The Financial Management in SACCOs training was held in the premises of IRCSC at Bwera Kasese District, from August 3rd – 6th, 2006 to all staff members. The course was delivered as per plan. Time table in Annexure1

The course is divided in to 9 main topics;

The introduction to management, - The meaning of management, who a manager is,, functional roles of manager, kinds of managers, roles and skills of managers, and managerial skills were discussed in details.

Membership rights and obligations, - Members' rights, roles of board of directors, roles of loan committees and the roles of the loan officers were discussed.

Fundamentals of accounting in SACCOs, - Meaning and importance of accounting in SACCOs and meaning and importance of financial management were discussed with some practical examples and exercises.

Getting organized, - Systems design, the charts of accounts, what is in a financial manual, work planning received detailed exercise and discussion.

Accounting principles, - Fundamental principles / concepts discussed.

Accounting treatment of key transactions, - Double entry book keeping, and recording transactions of a typical SACCO was looked at in detail.

Revenue and expenditure reorganization, - Expenditure and revenue treatment and reorganization

Components of Financial Statements, - the balance sheet, income statement and major statement of accounts were discussed

Financial management, - Accounting ratios and their implication were also discussed.

Planning, - importance of planning and how to draw up action plans.

The two trainers, Olanya Jimmy (Programs Manager – MCC), Richard Otim (Consultant) facilitated the seminars. The trainers who are part of the rich UIB list of lead trainers were also involved in the development, updating and reviewing the training materials to adapt it to IRCSC'.

All the logistical arrangement was done by MCC.

Course Objectives

The objectives of the course was that, by the end of the intervention the participants would be able;

- To describe the financial management structure, procedures and controls of SACCOs.
- To apply the standard accounting procedures and controls in the financial management of their SACCOs.

- To track performance and interpret the financial statements of their SACCOs using efficiency, productivity, growth, outreach and indicators as well as PEARLS analysis.
- To develop an action plan

Evaluation

A detailed and comprehensive evaluation questionnaire containing 8 questions was developed. The questionnaire was divided into two sections; the first section containing four questions with the rating of 1-5, (5 being the best and one being the worst), the second section had four questions requiring the participants to analyze the facilitators. In between the questions, there were spaces for recommendations. Annexure 3

At the beginning of the course, the facilitators undertook a detail institutional assessment. The assessment was aimed at gauging the level of the SACCO and participants' knowledge in SACCO and specifically in financial management and discipline.

This evaluation form, with both quantitative and qualitative questions, is meant to help UIB-MCC improve in its future service and training delivery. At the end of the course, all the participants were given the form and the result is as below.

General comments

Positive / favorable side

The course is very good and relevant

After training, please help us implement the principles practically

There should be more courses like this one

The course contents were too much and very good but time was too little

Organization was good and smooth

The facilitators were good

Good work keep it up

Challenges / area of improvement

There is need to give more time for the training at least five days minimum

There is need to train both the board of directors and staff for them to know the level of their jurisdiction.

Governance training is lacking in many SACCOs. There is need to include it in all the trainings.

The response from the participants have been analyzed and presented in tables form as shown below

Detail Analysis

No.	Questions	Rating	Comments
1.	How satisfied are you: That this course will help you understand and improve your knowledge of marketing for mobilization for members SACCO	5 rated 5 1 rated 4 0 rated 3 0 rated 2 0 rated 1	Generally the participants were satisfied
2.	How satisfied are you: That the subject matter was relevant to you?	6 rated 5 0 rated 4 0 rated 3 0 rated 2 0 rated 1	That the subject matter was relevant
3.	How satisfied are you: With the usefulness of the exercises and discussions?	4 rated 5 2 rated 4 0 rated 3 0 rated 2 0 rated 1	The exercises were useful and discussions good
4.	How satisfied are you: With the handouts?	5 rated 5 1 rated 4 2 rated 3 0 rated 2 0 rated 1	The handouts were satisfactory
5.	How satisfied are you: a) With the trainer Mr. Otim Richard? i) Knowledge of the subject and practical understanding	5 rated 5 1 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good
	ii) Presentation skills	5 rated 5 1 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good
	iii) Communication skills	4 rated 5 2 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good
	iv) Personality (audience impact and responsiveness to audience)	5 rated 5 1 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good
6.	How satisfied are you: a) With the trainer Mr. Olanya Jimmy? i) Knowledge of the subject and practical understanding	5 rated 5 1 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good

ii)	Presentation skills	6 rated 5 0 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good
iii)	Communication skills	6 rated 5 0 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good
iv)	Personality (audience impact and responsiveness to audience)	5 rated 5 1 rated 4 0 rated 3 0 rated 2 0 rated 1	Very good

<u>The Facilitators Summary Evaluation Result</u>		Grades
i)	Course rating	96%
	Trainers:	
	Mr. Otim Richard Ogwang	96%
	Mr. Olanya Jimmy	96%

The suggestion given by the participants are listed here under.

1. Please duplicate the same course to all SACCOs
2. Time was too short, next time please give more time
3. We need more training in planning
4. Also train our board of directors
5. We need some help in setting up our accounting systems
6. Please next time give more practical / excesses
7. Train us on microfinance risks and management

UIB –MCC Recommendations:

Based on the three days training and the one day assessment, MCC has come up with the following summary of recommendation. We shall however be very happy to give a detail assessment when given the opportunity to do so.

• **More time needed for the course**

The course need more time. It should be delivered in at least 6 days. This is because the course requires a lot of practice if the participants are to translate the acquired knowledge in to practice at the work place.

• **Interference of the board of directors in the management**

There is a lot of interference by the board in the day to day running of the SACCO. This can be addressed by training the board members in the governance of SACCOs. They are doing it with out knowing.

- **Urgent mentoring – Helping the SACCO set up a proper accounting system**

The SACCO needs help in organizing their accounting. They are still on single accounting system and are not providing for loan loss. They have problems with budgeting control and expenditure management. All these can be reduced by mentoring and setting up proper accounting system.

- **Buy some UIB work books for SACCOs**

Some of the problems can be addresses by provision of micro finance work books to the SACCO.

- **Sponsor some Members to the Diploma Courses in Microfinance**

Some officers / board members should be sponsor to study for the Uganda Institute of bankers' microfinance diploma which will enable them address and tackle their problems more effectively and efficiently

APPENDIX 1 TIME TABLE

	Thursday 3 rd /8/2006	Friday 4 th /8/2006	Saturday 5 th /8/2006	Sunday 6 th /8/2006
8.00 – 8.30	<ul style="list-style-type: none"> ▪ Opening ▪ Introduction ▪ Objective discussion ▪ Institutional Assessment 	<ul style="list-style-type: none"> ▪ Expectations and Knowledge evaluation ▪ Objective of the course Jimmy	<ul style="list-style-type: none"> ▪ Review of day one work ▪ Double entry book keeping ▪ Activities 	<ul style="list-style-type: none"> ▪ Review of day one work ▪ Expenditure Recognition ▪ Activities
8.30 – 10.30	Jimmy / Richard	<ul style="list-style-type: none"> ▪ Introduction to Management Jimmy		
10.30 – 11.00		Break	Break	Break
11.00 – 1.00	<ul style="list-style-type: none"> ▪ Institutional Assessment Jimmy / Richard	<ul style="list-style-type: none"> ○ Fundamentals of accounting in SACCOs Richard	<ul style="list-style-type: none"> ▪ Recording Transactions Richard/ Jimmy	Balance Sheet Richard
1.00 – 2.00		Lunch	Lunch	Lunch
2.00 – 3.30	<ul style="list-style-type: none"> ▪ Institutional Assessment ▪ Jimmy / Richard 	<ul style="list-style-type: none"> ▪ Getting organized Richard	<ul style="list-style-type: none"> ▪ Recording Transactions ▪ Activities Richard/ Jimmy	<ul style="list-style-type: none"> ▪ Income Statement Jimmy
3.30 – 4.00		Break	Break	Break
4.00 – 5.00	<ul style="list-style-type: none"> ▪ Institutional Assessment Jimmy / Richard	<ul style="list-style-type: none"> ▪ Fundamental principles Richard	<ul style="list-style-type: none"> ○ Revenue Recognition Jimmy	<ul style="list-style-type: none"> ▪ Planning Jimmy /Richard <ul style="list-style-type: none"> ▪ Course Evaluation Jimmy /Richard

APPENDIX II EVALUATION FORM



UIB-R-MMP-01
Rev. 01
Rev. Date: 16-06-04

Financial Management in SACCOs

2nd – 6th August 2006

COURSE / TRAINER EVALUATION

In our effort to improve the quality of this course we would be grateful for your feedback.

Please answer the following questions by rating on a scale of 1 to 5, where 1 represents very dissatisfied and 5 is delighted.

How satisfied are you:

- 1. That this course will help you understand and improve your knowledge of marketing for mobilization for members SACCO
- 2. That the subject matter was relevant to you?
- 3. With the usefulness of the exercises and discussions?
- 4. With the handouts?

Any other comments about the course content

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How satisfied are you:

- a) With the trainer Mr. Otim Richard?
- i) Knowledge of the subject and practical understanding
- ii) Presentation skills

iii) Communication skills

iv) Personality (audience impact and responsiveness to audience)

Any other comments about the trainer

.....
.....

How satisfied are you:

a) With the trainer Mr. Olanya Jimmy?

i) Knowledge of the subject and practical understanding

ii) Presentation skills

iii) Communication skills

iv) Personality (audience impact and responsiveness to audience)

Any other comments about the trainer

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Thank You.