

CONSTITUTION
OF THE
BUSINESS ORIENTED GROUP



Motto: Better Together

Mission: To nurture, empower and transform local youths to be self-reliant, independent, and key players in their community.

Vision: To develop a community where people actively participate in the decisions that affect their everyday lives and their future generations

1. Name

This group shall be named the *Business Oriented Group (B.O.G)*. The name may be liable to changes shall the members unanimously decide to change.

1.1 Body Corporate

This organization shall:

- Exist as its own entity, separate and regardless of membership
- Continue to operate despite any changes in membership that may occur during the duration of the Business Oriented Group
- This group will have the ability to obtain and possess assets in the name of the Business Oriented Group which, will be the groups' and no member shall have ownership of them.
- This group will stand as its own legal entity, taking responsibility and being able to face accusers when/if that time arises.

2. Membership

- ✚ In order to become a member of the Business Oriented group, a **Kshs.5,000** non-refundable new member's fee must be paid into the BOG bank account. This fee must be paid in full before membership is awarded and this fee is not up to negotiation unless circumstances provided to the entire group suffice for additional discussion.
- ✚ The initiators shall remain the members of the group unless they withdraw themselves through the laid procedure in this constitution. The group under its decision shall allow or deny entry of new members into the group. For you to be a member you must be **18+ years**.
- ✚ Any member interested to join the Business Oriented Group shall be required to fill out the official registration form and agree to the existing terms and conditions and be ready to abide by the group's constitution.

3. Objectives

- a) The objective of this group is to give young people a chance to exploit their potential ideas.
- b) It shall provide financial assistance and management including savings and short-term loans.
- c) The group shall promote mutual understanding and unity for the young people.
- d) The group shall act as a youth's hub to interact and share ideas to matters concerning growth and empowerment.

4. Income and Property

- The organization will keep detailed ledgers of the money collected from the members as well as any other money gained from additional revenue streams. This process will be handled by the treasurer and the welfare director.
- The members of this group who are elected to hold, office-bearing or otherwise, positions will not receive benefits such as property or additional money as benefits for having these positions.
- A member may only receive money from the Business Oriented group if said member has spent some of their own money on items necessary to the group or if it is a short-term loan.
- In order for a member's purchase to qualify for reimbursement from the group, the member will need to present a receipt to the group at the group meeting. If there is not a group meeting within a week of the purchase, it will be up to the management committee to determine if the member is qualified for reimbursement.

5. Contributions

- Each member **shall** be required to contribute a monthly saving of not less than **Ksh.400 and no maximum.**
- A fine of **Ksh.100** each month **shall** be imposed in case of a default.
- The fine **shall** be paid in the course of the next month, if not paid it will be deducted from the member's shares.
- The payment **shall** be made to the **group's bank account** upon which the treasurer shall record the payment confirmation.
- Banking details or payment methods **shall** be provided by the Chairperson or Treasurer.

6. Welfare Fund Guidelines

❖ Establishment of the Fund:

There shall be a welfare fund to support the financial welfare of members.

❖ Member Contributions:

Each member is required to contribute a minimum of **Ksh.100** per month.

Contributions can be made in the following ways to ensure reliability:

Monthly: Ksh.100 each month.

Quarterly: Ksh.300 every three months.

Semi-Annually: Ksh.600 every six months.

Annually: Ksh.1,200 once a year.

❖ Payment of Fines:

Any fines must be paid in the course of the following month.

If not paid, the fine will be deducted from the member's shares.

❖ **Fund Development:**

The welfare fund shall be developed through members' contributions.

❖ **Sources of Funds:**

Funds shall be raised from investments, fundraising activities, and donations.

❖ **Management:**

The Welfare Director shall be responsible for developing and overseeing the welfare fund.

❖ **Signatories:**

The signatories for withdrawals from this fund shall include the Chairperson, Secretary, and Treasurer.

❖ **Account Independence:**

The welfare fund shall maintain an independent account separate from the treasury.

❖ **Financial Sustainability:**

The fund shall sustain itself and will not borrow from the group account.

7. Management

The Business Oriented group's management structure will be made up of **7 office-bearing positions** including Chairperson, Deputy Chairperson, Secretary, Treasurer, Welfare Director, and Project Manager.

7.1 Functions of the Executive Committee

- **Shall** be the main decision-making body.
- **Shall** coordinate, oversee and organize all activities of the group.
- **Shall** approve expenditures of the group.

7.2 Functions of Executive Committee

Chairperson

- **Shall** be the custodian of the group's constitution.
- **Shall** delegate responsibilities to members of the Executive committee and the group to ensure the success and participation of all members.
- **Shall** manage overall operations of the group.
- **Shall** preside over group meetings.
- **Shall** approve financial withdrawals together with the Treasurer and Secretary.
- **Shall** be a signatory to the group's documents.

Deputy Chairperson

- **Shall** assist the Chairperson in the coordination of the group's activities.
- **Shall** take over the responsibilities of the Chairperson in his absence.
- **Shall** maintain discipline and be the timekeeper during meetings.

Secretary

- Maintain up-to-date records of all meetings.
- Post notices of meetings and their agendas.
- Oversee any tools used by the executive for information distribution, including, but not limited to the web page and the official newsletter.
- Be responsible for all general correspondence to and from the association.
- Maintain accurate records for all association events and functions.
- In the absence of any other relevant executive official, constitute and chairperson. The secretary is the one to assist or to represent the chairperson and vice-chairperson.
- **Shall** approve financial withdrawals together with the Chairperson and Treasurer

Treasurer

- General financial oversight.
- Funding, fundraising, and managing projects.
- Financing planning and budgeting.
- Reporting
- **Shall** be the custodian of the group's finances, funds, and investments.
 - **Shall** advise the executive committee on financial matters.
- **Shall** approve withdrawals from the group's account together with the Chairperson and Secretary.
- **Shall** prepare and present financial reports during general meetings.
- Banking, bookkeeping, and record keeping.
- Controlling fixed assets.

Welfare Director

- Organize for the general welfare of the members during activities
- Organize for the welfare of any organization's visitors.
- To assist any member undergoing personal challenges.
- To maintain the welfare fund.

Project Manager

- Plan and develop the project idea. Every project starts as an idea.
- Monitor project progress and set deadlines.
- Solve issues that arise with the help of the Chairperson and executive committee.
- Manage the funds given for the project and evaluate project performance .

Communications Director

- Internal Communication: Oversee internal messaging and updates within the group.
- External Relations: Manage interactions with media, partners, and the public.
- Content Creation: Develop and implement communication strategies and content.

8. Term of Office

Members of the executive committee shall exercise duty in office for only one year subject to re-election.

9. Power of the Organization

- a) The management committee has the right to represent the group's best interest and appear before governing bodies in order to generate further funds for the group.
- b) The chairperson, the treasurer, and the secretary will be the signatories on the bank account. *When the term of each of these positions' changes, so will the signatory title that is associated with them.*

10. Elections

Election Methodology:

- ❖ Leaders shall be elected through a democratic process by group members.
- ❖ Voting will occur manually during the general elections held annually before the end of December.

Nominations:

- ❖ Nominations for each position will be conducted.
- ❖ Members may be nominated by another member or may nominate themselves.

Voting Requirements:

- ❖ To be elected, a candidate must receive a majority vote from the members.
- ❖ If no candidate receives a majority and there are more than two candidates:
- ❖ The two candidates with the highest votes will proceed to a second ballot.
- ❖ Other candidates will be eliminated.
- ❖ In the second election, members may only vote between the two remaining candidates, with no write-in votes allowed.

Successive Ballots:

- ❖ If a majority is not reached after the second ballot:
- ❖ Successive rounds of ballots will occur.
- ❖ General discussions will take place between each round until a majority is achieved for one candidate.

Term Limits:

- ❖ Each position serves a term of one year.
- ❖ There is no limit on the number of terms a member can run for any given position.

Holding Multiple Positions:

- ❖ A member may not hold more than one position in the group at a time.

Election Timing:

- ❖ Elections will take place at the first meeting of each calendar year in December.

Absences:

- ❖ In the event of a leave of absence for any elected position:
- ❖ An election will be held to fill the position temporarily until the member returns.

Membership Termination:

- ❖ If an office bearer's membership is terminated.
- ❖ A resignation letter must be submitted by the former member.
- ❖ An immediate election will follow to fill the vacancy for the remaining duration of the former member's term (e.g., if a member is terminated in December, the newly elected member will serve until the next December to maintain continuity).

11. Transition of office

The handing-over ceremony **shall** take place after the election in the Annual General Elections.

The outgoing officials **shall** hand over all financial and relevant group documents to the incoming executive office.

12. Dissolution of Office

The executive committee or any of its members **shall be** removed from office through a **vote of no confidence** subject to **section 14.1** raised by any member of the group during a general meeting or any other time and passed through a **two-thirds majority vote**. In such a case the Chairperson shall call a Special Meeting in which the accused **shall** have a chance to be heard before the voting.

13. Meetings and Procedures

I. Annual Meetings

The Business Oriented Group will convene on an annual basis.

II. Chairperson's Role

The Chairperson will be responsible for opening and closing these meetings. In the absence of the Chairperson, the Deputy Chairperson will assume the responsibilities and duties of the Chairperson.

III. Mandatory Attendance

These meetings are mandatory, and every member is expected to attend barring extenuating circumstances.

IV. Notification of Absence

Members must provide advance notice with a reason for absence to the Secretary. The Secretary will present the reason for group consensus validation. For virtual monthly meetings, apologies for absence must be accompanied by a **Ksh.100** fine, as there is no criterion for determining genuine apologies.

V. Penalties for Unjustified Absences

If a member's reasons are deemed unjustified or if no prior warning is given, the member is subject to a fine of **Ksh. 500** for the Annual General Meeting (AGM) and **Ksh.100** for other meetings throughout the year. The fine will be directly contributed to the Business Oriented Group bank account.

VI. Fine Payment

The fine shall be paid within **48 hours** after the end of the meeting. If not paid, it will be deducted from the member's shares, barring extenuating circumstances.

VII. Extenuating Circumstances

If a member has extenuating circumstances preventing them from notifying the group or Secretary, they should present their reasons within the next two weeks. The group will decide if the member's reason merits special consideration.

VIII. Late Arrival Penalties

Members arriving twenty minutes or later to the AGM will be subject to a fine of **Ksh.100**. A fine of **Ksh. 50** will be imposed for lateness to any other relevant meetings organized by the Chairperson, following the same conditions outlined for fines in this article.

IX. Project Proposals

During these meetings, members can present new projects and upgrade ideas. Proposals must include detailed reports describing the required funds or actions. Projects will proceed only after obtaining a majority vote from all members. The proposer of an approved project will become the project coordinator, responsible for ensuring its progress and completion.

X. Additional Meetings

The Chairperson may organize additional meetings if needed, including online communication. Notices and agendas for such meetings shall be sent to all members **one week** in advance.

XI. Quorum Requirements

To make decisions or vote on group matters, a quorum of **75%** of the members must be present. This number will be rounded up to the nearest whole number if it is a fraction.

XII. Meeting Minutes

The Secretary will document the proceedings of every meeting, including voting and project proposals. These minutes will be available to every member upon request.

The agenda for the annual general meeting shall include the following:

- a) Reading and confirmation of the minutes of the previous general meeting.
- b) Financial report for the past year.
- c) Chairperson's report.
- d) Constitution amendments
- e) Elections

This group's first fiscal year will end on 31st December, 2019. It will end annually on December 31st, of each year going forward.

14. Cessation of Membership

- a) Should a member wish to resign, they must submit a formal resignation letter along with a written explanation for their decision to the Chairperson. The Chairperson shall notify the members, who will then deliberate on the matter in a formal debate.
- b) In order to maintain the financial health of the group and ensure the fulfillment of its objectives, it was agreed during **the AGM on January 1, 2023**, that a member may only be inactive for a period not exceeding one year before removal from the group. Extenuating circumstances, such as job loss or illness, may justify an extension of this period, provided the member presents a valid explanation.
- c) A member may be removed from the group by a vote of no confidence, requiring a two-thirds majority of the members present at a Special General Meeting. The member subject to the vote must be afforded a reasonable opportunity to attend and present their case. This vote shall be conducted in accordance with **clause 14.1**.

14.1. Vote of no confidence

a) This shall be raised under the following basis:

- **Lack of Accountability:** Failure to demonstrate responsibility or adherence to the group's obligations.
- **Incapacity:** Demonstrated inability to perform duties due to mental health issues or other serious impairments.
- **Abuse of Office:** Misuse of position or authority for personal gain or inappropriate behavior.
- **Gross Misconduct:** Serious violations of the group's constitution or rules, including but not limited to unethical or illegal actions.

b) Upon leaving the group, whether by resignation or otherwise, the member shall be required to surrender any items owed to the group. The group shall refund or return any property belonging to the departing member, **subject to a 7.5% processing fee**.

NB: To replace a lost Membership Card, the member will have to pay Ksh.200.

15. Audit

The treasurer shall invite independent bodies including members to audit the group's account(s) and where any leader, member, or anyone is found guilty of embezzlement of funds or mismanagement of group resources shall be subjected to punishment under the group's decision and also legal actions may be taken forthwith. Any member has the right to question any matters concerning books record.

16. Financial Management

The group may give financial support such as short-term loans to its members with an interest of not more than **10%**. The loans shall be given from the finances sourced from membership contributions. The group may also initiate projects and seek external financial assistance to execute their projects which includes taking loans from banks, SACCOS, investing in money market funds (MMFs) and government initiatives.

16.1. Loan terms and conditions

- a) Loan **shall** only be offered to members registered with the group and have been active members for a period **not less than 3 months**.
- b) For long-term loans one **must** have the loan request form dully filled, signed, and submitted to the treasury. The form can be attained from the office of the treasurer or secretary.
- c) Member **can only** access a loan amounting to **200%** of his/her capital share or less. If the loan exceeds the member's shares, they should have at least one guarantor to guarantee for the amount exceeding the member's shares. The lending of loans will be based on members' savings.
- d) Any member who needs a loan **shall** inform the treasurer in advance for easy facilitation of the loan.
- e) The loan expiry date **shall** be negotiated based on the amount borrowed relative to share capital and not any shall exceed twelve(12) months from the date of issue.

For short-term loans:

One month loan(up to Ksh.3,000)

- If paid within the 2nd week an interest of **5%** shall be imposed.
- If paid past the 2nd week an interest of **10%** shall be imposed.

For long-term loan:

i) Three(3) months loan(Ksh.3,001-Ksh.10,000)

- If paid within one and half month(6 weeks) an interest of **5%** shall be imposed.
- If paid past the one and half month(6 weeks) an interest of **10%** shall be imposed.

ii)Six(6) months loan(Ksh.10,001 – Ksh.30,000)

- If paid within three(3) months an interest of **5%** shall be imposed.
- If paid past the third(3rd) month an interest of **10%** shall be imposed.

iii)Twelve (12) months loan(Above Ksh.30,000)

- If paid within six(6) months an interest of **5%** shall be imposed.
- If paid past the sixth(6th) month an interest of **10%** shall be imposed.

- f) **Loan to members is not guaranteed unless it is sustainable for the running of the group.**
- g) If a member defaults to pay a **short-term loan** at the end of **one month** the **remaining amount is claimed from** the member's shares.
- h) If a member defaults to pay a **long-term loan** at the end of **three months, six months and twelve months respectively, the remaining amount is claimed from** the **member's shares** and the **guarantor's shares accordingly.**
- i) An application for a long-term loan **shall** only be considered when the authorized loan application form has been filled.
- j) No member **shall guarantee more than two members** at any given time.
- k) No member may withdraw his deposits **unless all loans are repaid and all loans guaranteed** by him/her are cleared or **replacement guarantors** sought for the same.
- l) A member with a performing loan with a default history **MUST** explain the reason(s) which led to the default before his application can be considered.

16.2. Welfare Assistance

Every member must contribute **Ksh.100** each month to ensure health, safety, happiness and prosperity, well-being in any respect of our BOG members. Members shall make sure they have paid the welfare contributions as stated above failure to which it will attract a penalty, be deducted from the member's shares or both.

The welfare assistance will only cater to individual members, the parents (father/mother/guardian), and a blood sister or brother **only**.

The welfare kit will chip in only;

- a) In case of **death** of any of the **above-named** persons.
- b) During the Wedding ceremony, Baby shower, Graduation ceremony, and Hospitalization or prolonged sickness of **active BOG member**.

A flat rate amount of Ksh.3,000 on all events.

17. Next of Kin

This group shall continue to allow entry of new members in case of resignation by some of its members hence it shall be inherited by the upcoming members.

a) Membership Limit

The membership shall be limited to a maximum of thirty (30) members, unless the members of the Group, in a meeting convened for this purpose, decide otherwise by a majority vote. This decision was recorded in the minutes of the Annual General Meeting (AGM) held on 27th December 2024.

18. Constitution amendment

This constitution is subject to amendment should the members find it fit to do so. Constitutional amendments shall be made through:

18.1 The Annual General Meetings.

Members will suggest constitutional amendments to the executive committee before the AGM. The executive committee shall present the proposed constitutional amendments to the members at the AGM. Members shall decide on the amendments by a **75%** majority vote.

19.1 Any other time through a Constitution Amendment Motion raised by a member and passed through a referendum.

The amendments should be made on the basis of enhancing the effectiveness of the group or filling gaps that may be existing.

19. Dissolution of the Group

- Change in law which renders the group illegally.
- Withdrawal of members to less than two members.
- In case of a court order.
- If a meeting is called for the sole purpose of dissolving the group based on the accomplished objectives of the group, there may be a general discussion to dissolve the group. This vote would need to include all active members including those on leaves of absence. If this vote comes back unanimously to dissolve the group, the group will be dissolved.
- If the group is dissolved, the remaining balance in the bank, after settling debts and any other outstanding balances, will be returned to the members based on what they have already contribute.

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God Bless BOG !