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# Financial Guidelines

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Policies and Procedures for Members

**Bima Afya Group Welfare**

Version 2.0 | January 2026

"Transparency • Accountability • Growth"

# FINANCIAL GUIDELINES

**Purpose:** These guidelines outline the financial policies, loan procedures, and contribution requirements for all members of Bima Afya Group Welfare.

## 1. MEMBERSHIP CONTRIBUTIONS

### 1.1 Monthly Contributions

- Every member is required to make monthly contributions as determined by the General Meeting
- Current minimum monthly contribution: **KES 1,000**
- Members may contribute more than the minimum to increase their savings and loan eligibility
- Contributions are due by the 10th of each month

### 1.2 Payment Methods

Method	Details	Processing Time
M-Pesa Paybill	Business Number: [To be provided] Account: Your Member Number	Instant
Bank Transfer	Account details available from Treasurer	1-2 business days
Cash (Regional Rep)	Pay to your Regional Representative	Same day

### 1.3 Contribution Tracking

- All contributions are recorded in the member's personal account
- Members receive SMS/email confirmation for each contribution
- Quarterly statements are sent to all members
- Members can view their contribution history via the online portal

**Important:** Members who fail to contribute for three consecutive months without valid reason may have their membership suspended and loan privileges revoked.

## 2. LOAN POLICIES

### 2.1 Loan Types and Limits

Loan Type	Maximum Amount	Interest Rate	Repayment Period	Requirements
Standard Loan	KES 60,000	12% p.a.	3-24 months	2 guarantors
Top-Up Loan	KES 30,000	14% p.a.	3-12 months	50% of existing loan repaid
Emergency Loan	KES 50,000	10% p.a.	1-6 months	No existing loan

### 2.2 Loan Eligibility

To qualify for a loan, a member must:

1. Have been an active member for at least 3 months
2. Have no outstanding loan defaults
3. Have a good standing in the group (no disciplinary issues)
4. Provide required guarantors who are members in good standing
5. Demonstrate ability to repay (debt-to-income ratio considered)

### 2.3 Loan Calculation Formula

**Maximum Loan Amount = 3 x Total Contributions**

Example: If you have contributed KES 20,000 over time,  
Maximum Loan = 3 x 20,000 = **KES 60,000**

### 2.4 Interest Calculation (Reducing Balance)

Interest is calculated on the outstanding balance each month:

Monthly Interest = Outstanding Balance x (Annual Rate / 12)

Example: KES 60,000 loan at 12% p.a.

Month 1 Interest = 60,000 x (0.12/12) = KES 600

If you repay KES 3,000 principal, new balance = KES 57,000  
Month 2 Interest =  $57,000 \times (0.12/12) = \text{KES } 570$

#### Example: Standard Loan Repayment Schedule

**Loan Amount:** KES 60,000 | **Interest:** 12% p.a. | **Period:** 24 months

**Monthly Installment:** KES 2,828 (approximately)

**Total Repayment:** KES 67,872

**Total Interest:** KES 7,872

## 2.5 Late Payment Penalties

Delay Period	Penalty
1-7 days	No penalty (grace period)
8-30 days	5% of monthly installment
31-60 days	10% of monthly installment
Over 60 days	Default status - legal action may be initiated

## 3. LOAN APPLICATION PROCESS

### 3.1 Step-by-Step Procedure

- 1. Complete Application Form:** Download from portal or obtain from Regional Representative
- 2. Attach Documents:** Copy of ID, recent payslip (if employed), and any supporting documents
- 3. Guarantor Signatures:** Obtain signatures from minimum 2 guarantors who are active members
- 4. Submit Application:** Submit to Regional Representative or upload via portal
- 5. Verification:** Regional Representative verifies details and forwards to Treasurer
- 6. Credit Check:** Treasurer reviews credit history and calculates eligibility
- 7. Committee Review:** Executive Committee reviews and approves/rejects
- 8. Disbursement:** Approved loans are disbursed within 24-48 hours via M-Pesa

### 3.2 Processing Time

- Emergency loans: 24-48 hours
- Standard loans: 3-5 business days
- Top-up loans: 2-3 business days (if eligible)

**Tip:** Ensure your guarantors are available to confirm their commitment when applying. Delays often occur when guarantors cannot be reached for verification.

## 4. GUARANTOR REQUIREMENTS

### 4.1 Who Can Be a Guarantor?

- Must be an active member in good standing for at least 6 months
- Must have no outstanding loan defaults
- Must have contributed consistently for the last 6 months
- Cannot guarantee more than 2 active loans simultaneously

### 4.2 Guarantor Responsibilities

- Guarantors are jointly liable for loan repayment if the borrower defaults
- Guarantors will be contacted before loan approval to confirm commitment
- If borrower defaults, guarantors' contributions may be used to offset the debt
- Guarantors have the right to request borrower's repayment status

## 5. WELFARE BENEFITS

### 5.1 Bereavement Support

Category	Benefit Amount	Requirements
Death of Member	KES 50,000	Death certificate, valid membership
Death of Spouse	KES 30,000	Marriage certificate, death certificate
Death of Child (under 18)	KES 20,000	Birth certificate, death certificate
Death of Parent	KES 15,000	Death certificate, proof of relationship

### 5.2 Medical Support

- Members facing major medical expenses (over KES 100,000) may apply for medical support
- Support amount determined by Executive Committee based on circumstances
- Requires medical documentation and proof of expenses
- Maximum medical support per member per year: KES 20,000

### 5.3 Celebration Support

- Weddings: KES 5,000 (one-time benefit)
- University Graduation: KES 3,000 (one-time benefit)
- Child Birth: KES 2,000 (per child, up to 3 children)

## 6. WITHDRAWAL AND REFUNDS

### 6.1 Voluntary Withdrawal

- Members must give one month's written notice
- All outstanding loans must be cleared before withdrawal
- Refund of contributions (minus any liabilities) processed within 30 days
- No refund of registration fees

### 6.2 Refund Calculation

$$\text{Refund Amount} = \text{Total Contributions} + \text{Share of Surplus (if any)} - \text{Outstanding Loans} - \text{Penalties}$$

## 7. FINANCIAL CONTROLS

### 7.1 Banking

- All funds are held in a group bank account requiring two signatories
- Signatories: Chairperson, Secretary, and Treasurer (any two required)
- No cash withdrawals without committee approval
- Monthly bank reconciliation performed by Treasurer

### 7.2 Auditing

- Internal audit conducted quarterly

- External audit conducted annually before AGM
- Audit reports presented at General Meetings
- Members have right to inspect financial records with 7 days notice

### 7.3 Financial Reporting

- Monthly financial summaries shared with Executive Committee
- Quarterly reports to all members via email/SMS
- Annual financial statements presented at AGM

## 8. DISPUTE RESOLUTION

In case of financial disputes:

1. Attempt resolution with Regional Representative
2. If unresolved, escalate to Executive Committee
3. Final appeal to General Meeting
4. External arbitration if necessary (mutually agreed arbitrator)

#### **Contact for Financial Queries:**

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These guidelines are subject to amendment by the General Meeting. Last updated: January 2026