
RULES OF THE JAMAICA POLICE CO-OPERATIVE CREDIT UNION LIMITED
(2nd edition 2008)

A Society (hereinafter referred to as ("the Society) Registered under the Co-operative Societies Act, 1950.

INTERPRETATIONS

- i. "**Registered Society**" means a Society registered under the Co-operative Societies Act.
- ii. "**Act**" means the Co-operative Societies Act.
- iii. "**The Regulations**" means the Co-operative Societies Regulation 1950, and any amendments of the same.
- iv. "**Board of Directors**" shall mean the governing body of the society to whom the management of its affairs is entrusted, and which shall be constituted in accordance with the provisions of Rule 33 hereof.
- v. "**Registrar**" shall mean the Registrar of Co-operative Societies appointed in accordance with that Act and includes any person when exercising such powers of the Registrar as may have been conferred upon him under the Act.
- vi. "**Permanent Capital**" shall mean the capital base of the Society comprising the total of the following:-
 - a) Permanent Shares
 - b) Statutory Reserve Fund
 - c) Deferred Shares
 - d) Other eligible reserves determined by the supervisor of credit unions or any relevant authority as determined by Law; less any amount by which that total has been eroded by operating and other losses.
- vii. "**Relatives**" shall take the lexicon meaning, and in the case of these rules shall be confined to spouse, parents, aunts, uncles, brothers, sisters, children, nieces, nephews and grandchildren.
- viii. "**Voluntary Shares**" shall mean shares that are not a part of risk capital but are withdrawable upon request in accordance with special conditions as determined by the

Board of Directors.

- ix. “**Permanent Shares**” shall mean shares paid up in cash and invested as risk capital, which are redeemable in accordance with Rule 13 of the Rules and may be issued with such special rights and restrictions as determined by the Board of Directors.
- x. “**Deferred Shares**” shall mean shares that maybe held by a member for a period of not less than five (5) years. Interest is payable on each Deferred Shares as the Board of Directors may determine from time to time.
- xi. “**Loan Officer**” shall mean persons who are employed specifically or authorized by the Board of Directors to grant loans; inclusive of the General Manager, as determined from time to time by the Board of Directors.

Where the context of these Rules permits, the singular shall include the plural and vice versa and males shall include females.

Rule 1. NAME OF SOCIETY

The name of the Society shall be the Jamaica Police Co-operative Credit Union Limited.

Rule 2. REGISTERED OFFICE

The Registered Office of the Society shall be *122 Harbour Street*, Kingston, or such other place in Jamaica as may from time to time be determined by the Board of Directors and notified to the Registrar.

Rule 3. OBJECTS OF THE SOCIETY

The objects for which the Society is established are:

- a. To promote thrift among its members and to create thereby a source of credit for its members at legitimate rates of interest for provident and productive purposes;
- b. To receive the savings of its members, either as payments on shares, or as deposits;
- c. To make loans to members exclusively for provident and productive purposes in the way and manner hereinafter provided;
- d. To deposit in any Registered Society, and to any extent which shall not exceed twenty-five percent of its permanent capital invested in the paid-up shares of

any other Registered Society;

- e. To invest in any security in which trustees are for the time being by Law authorized to invest;
- f. To borrow money as provided by the Rules of the Society subject to the provisions of the Law and Regulations;
- g. To draw, make, accept, endorse, discount, execute and issue Promissory Notes, Bills of Lading, Bills of Exchange, Bills of Sale, Warrants and other negotiable or transferable instruments;
- h. To do all other acts and things as are incidental or conducive to or consequential upon the attainment of the above objects.

Rule 4. MEMBERSHIP AND SPHERE OF OPERATIONS

Membership in the Jamaica Police Co-operative Credit Union Limited shall be limited to the following individuals who have attained 16 years of age:

- a. Present and past members of the Jamaica Constabulary Force;
- b. Members of the Rural Police (District Constables)
- c. Members of staff who are permanently employed to the Jamaica Police Co-operative Credit Union Limited and past members of staff;
- d. Persons employed by the Ministry with responsibility for the Police;
- e. Relatives of the Credit Union membership mentioned above;
- f. Any society registered under the Co-operative Societies Act.

Rule 5. APPLICATION FOR MEMBERSHIP

Applications for membership shall be made in writing on a form approved by the Board and must be signed by the applicant and shall bear the applicant's Tax Payer Registration

Number(TRN) and the approval of a member of the Board of Directors being presented by him to the Board of Directors for action at the next regular meeting. No member of the Board of Directors shall present the name of a person whom he cannot recommend as being honest, industrious, and of good habits.

Rule 6. ENTRANCE FEE

- a. Every applicant for membership shall pay an entrance fee of one hundred dollars (\$100) and subscribe to a minimum of two thousand dollars (\$2000) in permanent shares and five hundred dollars (\$500) in voluntary shares. Upon acceptance of each application by the Board of Directors and payment of the first installment, the applicant shall be registered as a member. If the application is rejected, the entrance fee shall be non-refundable.

- b. A member failing to subscribe to the minimum share requirement within a year may be required by the Board of Directors to pay a fine of one hundred and fifty dollars (\$150).

7. LIMITATION OF MEMBERSHIP

No person who is engaged in any trade or profession opposed to the interests of the Society shall become or continue as a member.

8. WITHDRAWAL OF MEMBERSHIP

No member may resign while a borrower, endorser, or a guarantor on any loan due to the Society. A member who withdraws all his share holdings thereby ceases to be a member.

9. EXPULSION OF MEMBERS

If a member acts in contravention to these Rules or acts in any way detrimental to the interests of the Society, such member may be expelled by a vote of two-thirds of the members present at a General Meeting upon a charge communicated to him in writing by the Board of Directors not less than seven days before the meeting, and at such meeting shall have reasonable opportunity to answer such charge. On expulsion, a member shall be entitled to repayment of the amount held by him as shown by the Society's books, subject to the provisions of Rule 17.

10. RIGHTS OF EXPELLED MEMBERS

Withdrawn or expelled members shall have no further rights in the Society but are not by such withdrawal or expulsion released from any liability of the Society existing at the date of such withdrawal or expulsion. Such liability shall continue for a period of two years reckoned from the date of withdrawal or expulsion.

Rule 11. CONDITIONS OF CESSATION OF MEMBERSHIP

A person ceases to be a member: -

(a) on death;

(b) (i) on ceasing to hold two thousand dollars (\$2,000) permanent shares within one year after becoming a member; Provided that the Credit Union shall issue at least three (3) months notice before termination of membership.

(ii) on failure to hold at five hundred dollars (\$500) in voluntary shares;

(c) on his being found to be insane;

(d) on expulsion from the Society;

Rule 12. REGISTER OF MEMBERS

The Society shall keep a Register to be called the Register of Members, wherein shall be entered:

(a) the name, address and occupation of each member, and a statement of the shares held by him;

(b) the date on which each member's name was entered in the Register;

c. the date on which any member ceased to be a member; and

d. the nominee, if any, appointed under Rule 73.

Rule 13: CAPITAL AND LIABILITY - CAPITAL UNLIMITED

The Capital of the Society shall be unlimited, divided into permanent and deferred shares.

(i) Permanent shares

Permanent shares are in accordance with rule 17 (ii). Dividend shall be payable on all permanent shares as determined by the Annual General Meeting.

(ii) Deferred shares

Deferred shares shall be issued with such rights and restrictions as determined by the Board of Directors from time to time. Deferred shares shall be interest bearing.

Rule 14. LIABILITY IN CASE OF LIQUIDATION

The liability of each member in case of Liquidation is limited to the nominal value of the shares held by him.

Rule 15. SHARES – VALUE AND PAYMENT THEREOF

Shares may be paid for in full at the time of application, or in installments of not less than two **hundred dollars (\$200)** per month in accordance with rule 6, and payable on any day that the Society is open for business.

Rule 16. SHARES TRANSFERABLE

- i. Shares in the Society may be transferred to any member or anyone eligible for membership with the consent of the Board of Directors and upon payment of a fee of one hundred dollars (\$100) for each transfer; provided that no transfer of Permanent shares shall be effected if the member requesting such transfer is liable to the Credit Union as a borrower or co-maker. Such transfer shall carry dividend credit with it. All applications for transfer of shares shall be made in the form prescribed by the Registrar of Co-operative Societies or the relevant Supervisory Authority.

(ii) subject to the existence of funds adequate to the purpose in the Share Transfer Fund, the Board of Directors may accept from a member Permanent Shares for transfer to the Society. For this purpose the Board of Directors shall create a Share Transfer Fund and maintain a file of applications for such transfers, and such applications shall be dealt with in order of receipt provided that the Board of Directors shall have discretion to give priority to an application from a member where hardship or distress is shown to the satisfaction of the Board of Directors.

Rule 17. WITHDRAWAL OF SHARES

(i) Money paid into voluntary shares, or installments of such shares may be withdrawn in whole or in part on any day when the society is opened for business, but the Board of Directors shall reserve the right at any time to require a member to give notice not exceeding six months provided however that no member may withdraw any shareholding below the amount of his total liability to the Credit Union as borrower, or co-maker.

(ii) Investments in permanent shares may be redeemable subject to the sale, transfer, or repurchase of such shares. Request for transfer may be made on any day the Society is open for business, but the Board of Directors shall reserve the right at any time to require a member to give notice of not exceeding six (6) months. Provided that no transfer can be effected if the member requesting such transfer is liable to the Credit Union as a borrower or co-maker.

Rule 18. SOCIETY'S LIEN ON SHARES & DEPOSITS

The Society shall have a lien on the shares and deposits of a member for any sum due to the Society from the said member or any loan endorsed by him, and may apply any sum credited to the member thereon in or towards payment of any such debt; **provided that Permanent Shares shall not be credited in or towards payment of any such debt, excepting in**

the case of termination of membership or liquidation of the Society.

Rule 19. DEPOSITS – WITHDRAWALS, INTEREST, Etc

- (i) The Board of Directors may establish rules and conditions under which a member may deposit money in the Society. A member may deposit money in sums of not less than one hundred (\$100) dollars.
- ii. Deposits may be withdrawn on any day the Society is open for business, but the Board of Directors may at any time require the depositor to give up to sixty days' notice of his intention to withdraw the whole or any part of his deposits.
- iii. Deposits will be placed on interest on the date the deposit is received at the office of the Society.
- iv. The rate of interest payable on deposits shall be fixed from time to time by the Board of Directors subject to a maximum rate of twenty (20%) percent per annum.
- v. Deposits may be received from members only.

Rule 20. PASS BOOKS, RECEIPTS, DISBURSEMENTS, Etc

(i) Monies paid in on account of voluntary or deferred shares, deposits, repayment on loans, interest, fines and entrance fees or other savings and money paid out on account of loans made, or voluntary or deferred shares, or deposits withdrawn in whole or in part shall be evidenced by an appropriate voucher or receipt and or by entries in a member's passbook. Each voucher or receipt or entry in the passbook shall identify the person receiving or paying out on behalf of the Credit Union, the money represented thereby. When passbooks are used, the member's permanent official record for all transactions shall be the entries in the passbook. When a statement of account is used, the member's permanent official record for transaction shall be the statement of account, which will itemize all transactions and which must be issued to each member at least once annually.

(ii) If a Pass Book is lost or stolen, immediate notice must be given to the Treasurer or Board of Directors, and written application made for the issue of a duplicate book which must be paid for at the member's expense. The Board of Directors may require the filing of an adequate bond to indemnify the Society against any loss or losses resulting from the issue of such duplicate Pass Book.

Rule 21. PASS BOOKS, RECEIPTS, DISBURSEMENTS, Etc

All receipts and disbursements shall be supported by the proper vouchers and all

disbursements in excess of one hundred thousand dollars (\$100,000) shall be made by cheque, except in exceptional circumstances and subject to prior notice of at least twenty four (24) hours.

Rule 22. LOANS TO MEMBERS ONLY

Every loan shall be made exclusively to a member and for provident or productive purpose. A member may not borrow from the Society when not in good standing.

Rule 23. APPLICATION FORMS FOR LOANS, RECORDS OF THE SOCIETY

All applications for loans shall be in the prescribed format provided by the Society, and shall set forth the purpose for which the loan is desired, the security, if any is offered, and such other information as may be required by the Credit Committee. If the facts stated in the application are found to be false or misleading, or the money used for other purpose than that for which it was borrowed, the loan shall become immediately due and payable.

Rule 24. APPLICATION FORMS FOR LOANS, RECORDS OF THE SOCIETY

All applications for loans and the reports of the Credit Committee and any Loan Officer shall be filed for a period not less than the requirements for limitation of statute.

Rule 25. SECURITY RE LOANS GRANTED

All loans granted shall be secured by the promissory note of the borrower, and by such additional security, if any, as the Credit Committee require.

Rule 26. RATES OF INTEREST ON LOANS

- a. The management of the Credit Union is empowered to determine the rate of interest for the various loans, taking into consideration factors such as the purpose of the loan, the risk involved, and the source of funds. However, the maximum rate of interest charged on loans financed by the Credit Union's funds shall not exceed 30% on the reducing balance.
- b. The Credit Union shall on-lend funds had from external sources at interest rates that will represent a maximum mark-up of 10% by the Credit Union.

Rule 27. LIMITATION OF LOANS TO OFFICERS, Etc

No officer, member of the Board of Directors, or member of the Credit or Supervisory Committee or General Manager and Heads of Departments and Branches Managers;

borrowing as a member, shall be allowed to borrow from the Society in a total amount in excess of his shareholdings, and accumulated earnings, unless approved by at least the majority of the members of the Credit Committee and three (3) members of the Board of Directors and Supervisory Committee provided that at least one (1) member shall be from the Board and one (1) from the Supervisory Committee. The borrowing member shall not be allowed to take part in the meeting.

Rule 28. DETERMINATION OF LOANS BY CREDIT COMMITTEE

Subject to the Credit Policy laid down by the Board of Directors from time to time, the amount of each loan, the time for which it is granted, the terms of its repayment and the form and value of the security, if any, shall be determined by the Credit Committee. However, the Credit Committee shall have the right to refer any loan to the Board of Directors for a final decision. Other conditions being equal, preference shall always be given to smaller loans.

Rule 29. OPTIONS ON REPAYMENT OF LOANS

A borrower may repay his loan prior to maturity, in whole or in part, on any business day.

Rule 30. SICK MEMBERS – TIME ALLOWED FOR REPAYMENT OF LOANS Etc

- i. If by reason of sickness or some other cause a member finds that he will be unable to discharge his obligations to the Society and notifies the Treasurer in writing before the loan is due the Board of Directors may extend the time fixed for repayment on such conditions as it thinks fit, provided, however, that unless excused there from by the Board of Directors the member shall pay a fine of One Dollar (\$1) per month on each One Hundred (\$100) of installment due.
- ii. No fines imposed under Section (i) of this Rule shall be charged for more than three consecutive months.

Rule 31. RECOVERY OF LOAN IF DEBTOR DEFAULTS

Where:-

- (a) a loan or an installment of a loan has been paid on the date on which it became due; and
- (b) no extension for the payment thereof had been given to the debtor by the Board of Directors under Rule 30; the Board of Directors shall take steps for the recovery of the same by referring the matter to the Registrar in accordance with Section 47 of the Act.

Rule 32. DELINQUENT OFFICERS

Any officer, member of the Board of Directors, Credit Committee or Supervisory Committee

who is delinquent due to his own negligence to the Society, shall be deemed to have forfeited his position.

Rule 33. BOARD OF DIRECTORS

- i. The business of the Society shall be conducted by a Board of Directors , which shall be elected at the Annual General Meeting of the Society and shall consist of not less than five and not more than eleven members all of whom shall be members of the Society, provided that the number of members comprising the Board shall at all times be an uneven number. Each member shall hold office until his successor is elected, unless he demits office earlier or has been expelled; provided that no Director shall be allowed to serve on the Board for more than four (4) consecutive terms.
- ii. Election to the Board shall be held in such a manner that the terms of office of not more than a bare majority of the members shall expire at the same Annual General Meeting.
- iii. A bare majority of members shall constitute a quorum, but fewer than a quorum may adjourn from time to time until a quorum is present.

Rule 34. BOARD OF DIRECTORS – TERM OF OFFICE

- (i) At the First Annual General Meeting, a bare majority of the members constituting the Board of Directors shall be elected for a term of two years and the others for a term of one year. Whenever the number of members of the Board is increased, one-half of such additional members shall be elected for two years and one-half for one year. Thereafter the term of office for members shall be two years.
- ii. For the purposes of these Rules, the first meeting of members after registration of the Society shall be called the First Annual General Meeting.

Rule 35. BOARD OF DIRECTORS – ELECTION OF OFFICERS

At the first meeting of the Board of Directors, which shall be held within ten days of their election, the Board shall elect from their own number a Chairman, a Vice-Chairman, a Secretary, an Assistant Secretary, a Treasurer and an Assistant Treasurer. The offices of Secretary and Treasurer may be combined in one person.

Rule 36. REMOVAL FROM BOARD AND FILLING VACANCY

- i. Any Board member or officer of the Society may be removed at any time by resolution of the majority of the members present at any General Meeting called for that purpose; provided that such Board member or officer shall be informed in writing, of the charge against him at least twenty one days before such meeting and at such meeting shall have reasonable opportunity to answer such charge or charges.
- ii. Any member who without due excuse approved by the Board fails to attend three consecutive regular meetings of the Board shall be deemed to have vacated his office.
- iii. Any vacancy on the Board of Directors shall be filled within fourteen days by vote of a majority of the remaining members, but the member so elected shall hold office until the next Annual General Meeting, at which meeting a member shall be elected to complete the unexpired term, provided the term does not expire at the time of such meeting.

Rule 37. BOARD OF DIRECTOS – MONTHLY MEETING

- (i) The Board of Directors shall meet as often as the business of the Society may require, and in any case not less frequently than once per month. Meetings of the Board shall be summoned by the Secretary in writing. The Secretary shall also call a meeting of the Board upon the written request of the Chairman or any three members.
- ii. Minutes of meetings of the Board of Directors shall be recorded by the Secretary in the Minute Book, and shall be signed by the Chairman or other presiding member and by the Secretary, and shall contain the following particulars:-
 - a. the names of the members present and the date of the meeting;
 - b. the name of the Chairman or other presiding member;
 - c. a short statement of all matters discussed and decisions made and a record as to whether each decision was made unanimously or by a majority.

Rule 38. BOARD OF DIRECTORS – VESTED WITH CONTROL, Etc

- (i) The Board of Directors shall have the general direction an

control of the affairs of the Society, and more particularly, shall act for the Society, and be responsible to it for the performance of the following duties:

- (a) to act upon all applications for membership, and on the exclusion or expulsion of members;
 - (b) to determine from time to time the interest rates on loans. When by action of the Board the interest rates on future loans are reduced, similar action may be taken with regard to interest rates on unpaid balances of existing loans;
 - (c) to fix, from time to time, subject to the approval of the Registrar, the amount of surety bond which shall be required of all officers handling money and to authorize the payment of the premium or premiums thereof by the Society;
 - (d) to recommend dividends, to determine the rate of interest on deposits, and to recommend amendments to the Rules;
 - (e) to fill vacancies on the Board of Directors, the Credit Committee and the Credit Sub-Committee;
 - (f) to determine from time to time, subject to Section 25 of the Act, the maximum number of shares that may be held by any member;
 - (g) to authorize and supervise investments of the Society other than loans to members;
 - (h) to submit the accounts of the Society for audit in pursuance of the provisions of Section 35 of the Act and Regulation 38;
 - (i) to appoint the person who with the Treasurer shall have joint control of the securities;
 - (j) to employ, fix the compensation and prescribe the duties of such employees as may in their discretion be necessary;
 - (k) to authorize borrowings and discontinuing operations on behalf of the Society subject to the provisions contained in these Rules, and subject also to the Act and Regulations;
 - (l) to supervise the collection of loans to members, and with the approval of the General Meeting cause bad debts to be written off the books of the Society;
 - (m) to maintain at all times an active programme of co-operatives education, and to maintain relations with other Registered Societies aimed to promote the best interest of the Society, and of the Co-operative Movement;
 - (n) to take all measures to provide for the management of the affairs of the Society not provided to be taken by a General Meeting, and not inconsistent with these Rules, and the Act and the Regulations;
 - (o) to perform such other duties as the members in General Meeting may from time to time authorize.
- ii. The Board of Directors shall keep a copy of the latest Annual Balance Sheet of the Society, together with the Auditor's Report, hung in a conspicuous place at the Registered Office of the Society.

Rule 39. INVESTMENT OF FUNDS OF THE SOCIETY

The Board of Directors may not invest any of the funds of the Society

unless the investment is approved by a two-thirds majority of the said Board, provided also that all members constituting the Board have been previously notified that the matter is coming up for consideration at that meeting.

Rule 40. COMPENSATION RE BOARD OF DIRECTORS

- (i) No member of the Board of Directors shall receive any compensation as a member of the said Board but the Secretary and Treasurer may be paid such compensation as the General Meeting may determine.
- ii. Every member shall, before taking part in any business of the Board, be required to disclose any personal interest, out of that business, and after considering such disclosure, it shall be for the Board of Directors to decide whether such Board member shall take part in the discussion and vote upon the item of business in which he has disclosed an interest.

Rule: 41 CREDIT COMMITTEE

- (i) The Credit Committee shall be elected at the Annual General Meeting of the Society and shall consist of not less than three and
not more than five members, all of whom shall be members of the
Society. Each member shall hold office until his successor is
elected and shall be eligible for re-election, unless he demits office earlier or has been expelled; provided that no member of the Credit Committee shall be allowed to serve on the Committee for more than four (4) consecutive terms.
- ii. Election to the Committee shall be held in such a manner that the terms of office of not more than a bare majority of the members shall expire at the same Annual General Meeting.
- iii. At the First Annual General Meeting a bare majority of members constituting the Committee shall be elected for a term of two years, and the others for a term of one year. Whenever the number of members of the Committee is increased, one-half of such additional members shall be elected for two years and one-half for one year. Thereafter, the term of office for the Committee members shall be for two years.

Rule 42. VACATION OF OFFICE AND FILLING OF VACANCIES

- (i) Any member of the Credit Committee who without due excuse approved by the Committee fails to attend at three consecutive regular meetings of the Committee shall be deemed to have vacated his office.
- ii. Any vacancy on the Credit Committee shall be filled by the Board of Directors, but such member shall hold office only until the next Annual General Meeting, at which meeting a member shall be elected to complete the unexpired term, provided the term does not expire at the time of such meeting.
- iii. Any member or officer of the Credit Committee may be removed at any time by resolution of the majority of the members present at any Annual General Meeting or Special General Meeting of the Society called for that purpose; provided that such Committee member or officer shall be informed in writing of the charge or charges against him at least twenty one days before such meeting and at such meeting shall have reasonable opportunity to answer such charge or charges.

Rule 43. CREDIT COMMITTEES – DUTIES OF CHAIRMAN & SECRETARY

- i. The Credit Committee shall choose from their numbers a Chairman and a Secretary, which offices may not be held by the same person.
- ii. The Secretary of the Credit Committee shall prepare and maintain full and correct records of all action taken by the Committee and shall notify all remaining officers, members of the Board of Directors, and members of the Credit and Supervisory Committees, whenever an Officer, member of the Board of Directors or member of the Credit and Supervisory Committees applies for a loan in excess of his share holdings.

Rule 44. CREDIT COMMITTEE MEETINGS

The Credit Committee shall hold meetings as the Business of the Society may require, and not less frequently than once per month. Due notice of such meetings, shall be given to the other members of the Committee by the Secretary.

Rule 45: LOANS TO BE DETERMINED BY CREDIT COMMITTEE

- (i) Subject to the instructions of the Board of Directors the Credit Committee shall determine the security, if any, which shall be required for each loan and the terms upon which it shall be repaid. When there are pending more loans than can be granted with the funds available, preference shall be given in all cases to the applications for smaller loans if the need and credit factor are nearly equal.
- ii. No loan, except as hereinafter provided, shall be made if any member of the Credit

Committee shall disapprove thereof nor unless such loan has received unanimous approval of the members of the Committee who were present when it was considered, and who at least must be a majority of the Committee.

- iii. The Credit Committee or a Loan Officer shall enquire into the character and financial position of each applicant for a loan and his sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them, and to determine whether the loan sought is for a provident or productive purpose, and will be of profitable benefit to the borrower. The Committee shall endeavor diligently to assist applicants in solving their financial problems. In performing these duties the Credit Committee shall require of the Loan Officer any assistance necessary prior to, during, or after consideration of applications.

Rule 46. EMPLOYMENT OF LOAN OFFICER

- (i) The Board of Directors may employ one or more Loan Officer(s) and delegate to them; inclusive of the General Manager, the power to approve loans within the limit specified by the Credit Committee.
- (ii) Each Loan Officer shall furnish to the Credit Committee upon request a record of any loan approved by him; within seven (7) days of the date of such request, there after any such records shall become a part of the records of the Credit Committee.
- (iii) All loans not approved by a Loan Officer may be acted upon by the Credit Committee.
- (iv) No individual shall have authority to disburse the funds of the Credit Union for any loan, which has been approved by him in his capacity as a Loan Officer.

Rule 47. MONTHLY REPORT BY CREDIT COMMITTEE

The Credit Committee shall send a report of their activities to the Board of Directors each month.

Rule 48. SUPERVISORY COMMITTEE

- (i) The Supervisory Committee shall consist of not less than three members, none of whom shall be members of the Board of Directors or Credit Committee or an employee of the Society, and all of whom shall be members of the Society.
- ii. Members of the Committee shall be elected for one year only at each Annual General Meeting. They shall hold office until their successors are elected, and shall be eligible for re-election, unless he demits office earlier or has been expelled; provided that no member shall be allowed to serve on the committee for more than four (4) consecutive terms.

- ii. In the event of a vacancy in the membership of the Committee, the remaining members of the Committee shall fill such vacancy by appointing a member who shall hold office only until the next Annual General Meeting.

Rule 49. SUPERVISORY COMMITTEE CHAIRMAN AND SECRETARY

The Supervisory Committee shall choose from their number a Chairman and a Secretary, which offices may not be held by the same person.

Rule 50. DUTIES OF THE SUPERVISORY COMMITTEE

The Supervisory Committee shall: -

- (a) at frequent intervals inspect the securities, cash and accounts of the Society;
 - (b) make an examination of the affairs of the Society at least quarterly, including an audit of books of accounts;
 - (c) by unanimous vote, if deems such action necessary to the proper conduct of the Society, suspend an officer, member of the Board of Directors, Credit Committee and within fourteen days thereafter call a Special General Meeting of the members to take such action relative to the suspension as the members may determine;
 - (d) receive and investigate any complaint made by any member affecting the proper running of the Society;
 - (e) by a majority vote of its members, call a Special General Meeting of the members to consider any violation of these Rules or any practice of the Society, which in the opinion of the Committee is unsafe and unauthorized;
 - f. at least once a year verify the account balances of all members with the records of the Society.
- (ii) In the process of their examinations and audits, the Committee shall examine all applications for loans made during the period under examination and satisfy themselves that for each loan made an application is on file and that each application states the purpose for which the loan is made, the description of the security, if any, offered, and that it bears the approval of the Credit Committee or Loan Officer where applicable.
- iii. Within thirty days of the end of each half-year, the Treasurer shall submit for attestation by at least two members of the Supervisory Committee the statement for that half-year which he is required by Rule 52 (vi) (e) to prepare.

Rule 51. SUPERVISORY COMMITTEE – REPORT OF ACTIVITIES

The Supervisory Committee shall send a report of their activities to the Board of Directors each month.

Rule 52. OFFICERS – ELECTION OF, AND DUTIES OF EACH

- (i) The Officers of the Society shall be a Chairman, a Vice-Chairman, a Secretary, and Assistant Secretary, a Treasurer and Assistant Treasurer, all of whom shall be elected by the Board of Directors in accordance with Rule 35 at the first meeting which shall be held within ten days of their election each year, and the said Officers shall hold office until their successors are elected.
- ii. **CHAIRMAN:** The duties of the Chairman shall be to preside at meetings of the members and of the Board of Directors. He shall perform such other duties as customarily appertain to the office of Chairman or as he may be directed to perform by resolution of the Board of Directors, not inconsistent with the Act and these Rules, and in addition, such duties as the Co-operative Societies Act and Regulations, may require to be performed by the Chairman of the Board of Directors. He shall be bonded and the cost of the bond shall be paid by the Society.
- iii. **VICE-CHAIRMAN:** The Vice-Chairman shall, in the event of the absence or disability of the Chairman or his refusal to act, perform the duties of the Chairman and/or such other duties as the Board of Directors may from time to time prescribe. He shall be bonded and the cost of the bond shall be paid by the Society
- iv. **SECRETARY:** It shall be the duty of the Secretary to keep a correct record of all meetings of members, the Board of Directors and the officers. He shall give notice of all meetings of the members in the manner prescribed by these Rules, and shall perform such other duties as he may be directed to perform by resolution of the Board of Directors not inconsistent with the Law and these Rules. He shall be bonded and the cost of the bond shall be paid by the Society
- v. **Assistant Secretary:** The duties of the Assistant Secretary shall be to assist the Secretary with such duties as may be decided upon by the Chairman and the Secretary, and he shall act for the Secretary in his absence, and carry out his duties in accordance with the Rules. He shall be bonded and the cost of the bond shall be paid by the Society
- vi. **TREASURER:** The Treasurer shall be responsible to the Board for the financial affairs of the Credit Union. Subject to the approval of the Board, the Treasurer may, for the day to day operations of the Credit Union, delegate any or all of his duties to the

General Manager or other Officer(s) of the Credit Union. Before entering upon his duties he shall furnish a surety bond for the faithful performance of his duties in such amount as shall be determined by the Board of Directors the premium of which shall be paid by the Society. Subject to such limitations and control as may be imposed by the Board of Directors, it shall be the duties of the Treasurer:

- (a) to be responsible for the safe custody of all funds, securities, valuables documents and other assets of the Credit Union;
 - (b) to sign cheques, notes, drafts, and other negotiable or transferable instruments drawn by the Society as required in the process of its business;
 - (c) to provide and maintain a full and complete record of all the Assets and Liabilities of the Society, in accordance with forms and procedures prescribed or approved by the Supervisory Authority;
 - (d) to prepare within ten (10) days after the close of each month and submit to the Board of Directors a Financial Statement showing the condition of the Society as at the end of the month, including a summary of delinquent loans, and shall promptly post a copy of such monthly Financial Statement in a conspicuous place in the office of the Society, where it shall remain posted until replaced by the Financial Statement for the succeeding month;
 - (e) to if required by the Board of Directors prepare within fifteen days of the close of each half-year a statement of the Surplus and Deficit Account and the Balance Sheet, which statement shall be certified by at least two members of the Supervisory Committee and shall be posted in a prominent place in the office of the Society until replaced by the statement for the succeeding half-year;
 - (f) to receive all moneys paid in to the Society and, within forty-eight hours after receipt; deposit all excess funds in his possession in the bank or banks of deposit prescribed by the Board of Directors;
 - g. to see that all promissory notes, drafts, or any negotiable instruments drawn in favour of the Society, are properly prepared;
 - (h) to prepare and forward to the Supervisory Authorities, such Financial and other Reports as the Supervisory Authorities may require;
 - (i) Do all other such duties as pertained to the office of Treasurer.
- vii. **Assistant Treasurer:** The Assistant Treasurer shall perform any of the duties devolving of the Treasurer during the absence or disability of the Treasurer, or his refusal to act. He shall be bonded and the cost of the bond shall be paid by the Society

Rule 53. APPOINTMENT OF TEMPORARY OFFICERS

During the absence or disability of any officer or his refusal to act, the Board of Directors may appoint another member to act, temporarily, in his stead.

Rule 54. QUARTERLY MEETINGS OF OFFICERS AND COMMITTEES

A meeting of the Officers, Members of the Board of Directors, Credit and Supervisory Committees shall be held at least once per quarter. The Secretary of the Society shall be responsible for the calling of this meeting.

RULE 55. EMPLOYMENT OF GENERAL MANAGER

The Board of Directors shall employ a General Manager and may authorize him under the supervision of the Treasurer, to perform any of the duties devolving on the Treasurer including the signing of cheques.

Rule 56. MEETINGS OF MEMBERS

(i) The supreme authority in the Society is vested in the General meeting of members at which every member has a right to attend
and vote on all questions.

(ii) The first general meeting of members after registration of the Society shall be called the First Annual General Meeting, and shall have the same powers as are herein given to the Annual General Meeting.

Rule 57. ANNUAL GENERAL MEETING

(i) Each member shall have one vote only and there shall be no voting

by proxy; provided that in the case of an equality of votes the Chairman shall have a second or casting vote.

ii. Any question submitted for the decision of the members present at a meeting shall be decided by a majority of votes.

iii. At any meeting a resolution put to the vote shall be decided by a show of hands unless voting by ballot is demanded by at least five of the members present before declaration of the result by the show of hands and in such case voting by ballot shall be taken.

Rule 58: Annual General Meeting

(i) The Annual General Meeting shall be convened by the Board of

Directors not later than thirty days after the report on the audit of the accounts of the Society for the past financial year by the Registrar, or person authorized by him, is received by the Board.

ii. The Annual General Meeting of members has both the right and the responsibility: -

- (a) to consider the report of the Board of Directors on the previous year's working of the Society together with the financial statements and Auditor's report and to sanction the appropriation and distribution of profits;
- (b) to hear and pass upon the reports of the Credit and Supervisory Committees;
- (c) to elect members of the Board of Directors and the Credit and Supervisory Committees, and to remove them from office in accordance with these Rules;
- (d) To authorize the Board of Directors to appoint to the management of any Registered Society such representatives as the constitution of that body may from time to time require to be represented from the Credit Union. At least fifty (50) percent of such representatives shall be appointed from among the serving members of the Board of Directors of the Credit Union:
- (e) to appoint Auditors for the ensuing year;
- (f) to determine what amendments shall be made in the Rules;
- (g) to exercise its final authority in all other matters vitally affecting the Society as a co-operative fraternal body, and as a business organization.

iii. The order of business at Annual General Meetings shall be: -

- a. Ascertainment that a quorum is present;
- b. Taking apologies for absence;
- c. Reading and approval of the Minutes of the last Annual General Meeting and discussion of matters arising therefrom;
- d. Reports -
 - i. Board of Directors;
 - ii. Treasurer and Auditors;
 - iii. Credit Committee;
 - iv. Supervisory Committee;
 - v. Any sub-committee
- e. Unfinished business;

- f. Appropriation of Surplus;
- g. Fixing of Maximum Liability;
- h. Elections to –
 - i. Board of Directors
 - ii. Credit Committee
 - iii. Supervisory Committee
- i. Appointment of Auditors for the ensuing year;
- j. Resolutions;
- k. New business;
- l. Termination

Rule 59. CALLING OF SPECIAL GENERAL MEETING

(i) Special General Meetings may be called by the Board of Directors

upon their own initiative, and shall be called by them at the request of the Supervisory Committee, or upon the written petition of not less than fifteen percent of the members, or 25 members whichever is less. The purpose of the Special General Meeting shall be set forth in the notice and only such business as is described in the notice may be dealt with at such meetings.

- ii. If the Board of Directors fails to convene a meeting within fourteen days from the receipt of a demand as aforesaid, the Supervisory Committee or the members applying for such a meeting will have the right to convene the meeting by notice which must contain the object of the proposed meeting, and a statement to the effect that the meeting is convened on the failure of the Board of Directors to convene the meeting demanded.

Rule 60. NOTICE OF MEETING

At least fourteen (14) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the meeting in a conspicuous place in the offices of the

Society, and cause written notice thereof to be handed to each person or mailed to each member at his address as the same appears on the records of the Society or published in the Police Force Orders or published notice in the national and intra-parish printed and electronic media .

Rule 61. QUORUM AT GENERAL MEETING AND SPECIAL GENERAL MEETING

- (i) A quorum at an Annual or Special General Meeting shall be –
- a. one-half of the total members or ten members whichever is less when the Society consists of not more than forty members; or
 - b. one hundred members when the Society consists of more than 1,000 members.
- ii. If at the expiration of one hour after the time fixed for any Annual or Special General Meeting, the members present are not sufficient to form a quorum, such meeting shall be considered as dissolved if convened on the demand of members; in all other cases it shall stand adjourned to the same day in the next two weeks thereafter at the same time and place, and notice to that effect be published in Police Force Orders.

Rule 62. PRESIDING CHAIRMAN AT GENERAL OR SPECIAL GENERAL MEETING

The Chairman of the Board of Directors, or in his absence, the Vice-Chairman, or in the absence of both any other member elected by a majority of those present shall preside at the Annual or Special General Meeting.

Rule 63. MINUTES OF MEETING

Minutes of the meetings shall be entered in the Minute Book and signed by the Chairman and Secretary and shall contain:-

- (a) the number and names of the members present at the meeting and the name of the Chairman or the person who presided at the meeting;
- (b) the time fixed for the meeting and the time the meeting commenced;
- (c) the total number of members on the date on which the meeting was held; and
- (d) all resolutions or decisions made at the meeting.

Rule 64. DISCUSSIONS – NON POLITICAL

No political, sectarian or racial discussion shall be raised or resolution proposed either at any Committee or General Meeting of the Society.

Rule 65. NOMINATING COMMITTEE AND ELECTIONS AT ANNUAL GENERAL MEETING

- (i) Not less than thirty days prior to each Annual General Meeting, the Board of Directors shall appoint a Nominating Committee of three members, of whom not more than one may be a member of the existing Board of Directors. It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting one member for each vacancy for which elections are being held. No member shall be nominated to the Board of Directors, Credit and Supervisory Committees if he has already served for four (4) consecutive terms at the time of election. Provided that any such retiring member after serving four (4) consecutive terms may be eligible for nomination after one (1) year has elapsed.
- (ii) After the nominations of the Nominating Committee have been placed before the members, the Returning Officer shall call for nominations from the floor. When the nominations are closed, tellers shall be appointed by the Returning Officer, ballots shall be distributed, the votes shall be taken and tallied by the tellers, and the results announced.
- (iii) No nomination so made shall be valid if the nominee is delinquent in his obligation to the Society.
- iv. All elections shall be determined by a majority vote and shall be by ballot except where there is only one nominee for each vacancy.
 - a. nominations for members of the Board of Directors;
 - b. nominations for the Credit Committee members;
 - c. nominations for the Supervisory Committee

Elections may be by separate ballots following the same order as the nominations or, if preferred, may be by one ballot.

Rule 66. RESERVE FUND

- i. The Board of Directors shall set aside to a Reserve Fund all entrance fees, fines collected from members and at the end of each financial year, before the declaration of dividend, at least twenty percent of the net profits.
- ii. The Reserve Fund shall be the indivisible property of the Society and may be applied with the sanction of the Registrar or Supervisory Authority to meet bad debts or losses sustained through extraordinary circumstances over which the Society has no control.

- iii. The Reserve Fund shall be kept liquid and intact and not otherwise disturbed except in liquidation.
- iv. In addition to the Reserve Fund, the Board of Directors may also authorize the establishment of any additional reserves, which it deems necessary to protect the interest of members.

Rule 67. DISPOSAL OF SURPLUS

The net profits of the Society as ascertained by the audit shall be applied as follows:-

- (i) at least twenty percent shall be carried to the Reserve Fund in accordance with Rule 66 (i);
- (ii) the remainder shall be utilized as the Annual General Meeting may decide in any one or more of the following ways:-
 - a. to pay a dividend from net surplus on all fully paid permanent shares.
 - b. to pay a bonus to members in proportion to the amount of interest on loans paid by them in the Society; provided that the dividend and bonus due to any member shall be placed to the credit of his Permanent share capital account in any case in which there is any unpaid balance due and owing on the shares for which such member has subscribed until such balance is paid off;
 - c. to promote co-operative education among members; and for any social, charitable or cultural purposes, subject to Section 36 of the Act;
 - d. to create any special reserve;
 - e. to offer honoraria;
 - f. to build a Share Transfer Fund to be used as prescribed in Rule 16.

Rule 68. FINES

The Board of Directors shall have power to impose on members the fines

prescribed by these Rules and these shall be added to the Reserve Fund of the Society. Any fine thus imposed shall be considered as debt due by the concerned to the Society, and shall be collected as such.

Rule 69. BANKING ACCOUNT

The Board of Directors shall select a reputable Bank or Banks in which the bank account(s) of the Society shall be kept. All cheques shall be signed on behalf of the Society by any two (2) members of the Board of Directors or other Officers authorized to sign; provided that the Board may establish any authority schedule it deems necessary for prudent fiduciary control.

a) The funds of the Society may be deposited in any legally chartered Financial Institution operating in accordance with the laws of Jamaica and in any central-type Credit Union organization.

b) Funds not used in loans to members may be invested as follows:

- i. In corporate paper, stocks or shares of any company, corporation, municipal or local, or other body or authority.
- ii. In investment in which Trustees, are for the time being by law, authorized to invest.
- iii. In shares of Co-operative Societies registered under the Co-operative Societies Act in a total amount not exceeding five percent (5%) of the shares and surplus of the Society.
- iv. In loans or shares of other Credit Unions, but not exceeding twenty (20%) of the Society's total assets.

Rule 70. POWER TO BORROW

Subject to the provisions of the Co-operative Societies Act and Regulations; the Board of Directors may borrow from any source on such security and such terms of payment as they think fit; provided that the total amount borrowed shall not exceed Fifteen Times the Society's Permanent Capital; provided that the Board of Directors may borrow at the lowest obtainable rate of interest.

Rule 71. FINANCIAL YEAR

The financial year of the Society shall end on the 31st day of December each year.

Rule 72 - SEAL OF THE SOCIETY, USE Etc

- (i) The Board of Directors shall adopt for the use of the Society a distinctive Seal having the name of the Society inscribed thereon.

- (ii) The Seal of the Society shall at all times remain in the custody of the Treasurer at the Registered Office of the Society.
- iii. The Seal of the Society shall not be affixed to any document except by the authority of a resolution of the Board of Directors and in the presence of at least two members of the Board of Directors. The Secretary shall be one of the two members of the Board of Directors who shall sign every document to which the Seal of the Society is so affixed in their presence. All such signing and sealing must be ratified at the next meeting of the Board of Directors.

Rule 73 - POWERS OF NOMINATION

- (i) A member of the Society may by writing under his hand; delivered at or sent to the Registered Office of the Society, during the life-time of such member nominate any person or persons other than an officer or servant of the Society (unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator) to or among whom his property in the Society whether in shares, loans, or deposits, or so much thereof as is specified in such nomination if the nomination does not compose the whole, shall be transferred at his decease.
- ii. A nomination so made may be revoked or varied by any similar document under the hand of the nominator delivered or sent as aforesaid.
- iii. Every appointment of a nominee shall be made in the form prescribed by the Registrar and shall be recorded in the Register of Members.
- iv. The Board of Directors shall charge such fee as they deem fit in connection with all nominations, and with all revocations and variations of the same provided that in no case shall the fee exceed one hundred dollars (\$100).
- v. A notice of the right of nomination shall be sent by the Treasurer to every individual member who has not exercised the right with the notice convening the Annual General Meeting in each year, and shall be otherwise given as the Board of Directors may direct.

Rule 74. PROCEDURE IF NOMINATOR DIES

On receiving satisfactory proof of the death of a nominator, the Board of Directors shall proceed in the manner laid down in Section 17 of the Act and Regulations 14.

Rule 75. UNSOUND OR LUNATIC MEMBERS

(i) Where a member of the Society has become of unsound mind,

Incapable of managing himself or his affairs and no committee of his estate or trustee of his property has been appointed, the Society may, subject to the provisions of Regulations 36 and Section 25 of the Act.

- (a) Transfer the share or interest of such member to the Administrator General for Jamaica in trust for such member; or
 - b. pay a sum representing the value of the member's share or interest to the Administrator General; provided that, if the value of such share or interest does not exceed Two Thousand Dollars, the Board of Directors may subject to any conditions they think fit; pay the whole or any portion of such sum to the person who appears to them to have the care of such member or management of his affairs.
- ii. All transfers and repayments made by the Society in accordance with the provision of these Rules shall be valid and effectual against any demand made upon the Society by any other person.

Rule 76. DISPUTES

(i) any dispute touching the business of the Society which may arise: -

- (a) Among members, past members, and persons claiming through members, past members and deceased members;
 - (b) between a member, past member, or person claiming through a member, past member or deceased member and the Society, its Board of Directors or any office of the Society; or
 - (c) Between the Society or its Board of Directors and any officer of the Society; or
 - (d) Between the Society and any other Registered Society, shall be referred to the Registrar as provided in Section 47 of the Act.
- ii. A claim by the Society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative or a deceased member, shall be deemed to be a dispute touching the business of the Society.

Rule 77. AMENDMENTS TO THE RULES

These rules may be amended by a resolution of the members at any Annual or Special General Meeting called for the purpose by three fourths majority votes of those present and entitled to vote, provided a copy of the proposed amendment together with a written notice of the meeting shall have been sent to each member or handed to him in person or published in Force Orders at least fourteen days before the said meeting, or shall be placed in the print and in the electronic media advising the members of the meeting and the Rules to be

amended and directing members to the Society's Office for details of the proposed amendment(s). No amendment shall become operative until it has been approved by the Registrar in accordance with the Act.

Rule 78. SPECIAL RULES

(i) The Board of Directors shall have power to make special Rules consistent with the provisions of the Act, Regulations and these Rules, for the proper conduct of the business of the Society as from time to time may seem necessary to them. No such Rules shall, however, be valid until they are approved by the Registrar.

(ii) The Society shall keep a book containing all such Special Rules to be kept open at all times for inspection by members, or any person authorized by the Registrar.

Rule 79. VOLUNTRARY DISSOLUTION

The Society may be dissolved by the consent of three-fourths of its members, but only in the manner provided by Act.
