

PROPOSALS FOR THE AMENDMENT OF CURRENT ARCCU BYE-LAWS

The following proposals are being made for possible consideration at the next 18th AGM of the Union.

1. Introduction of Associate Membership (Article 36 C)

Following the promulgation of the Credit Union L.I. (L.I. 2225), issues of regulation and sanctions have gained enhanced importance. Currently, our Bye-laws limit membership to those with the minimum share subscription. This makes the existence of thousands of members whose shares are below the minimum illegal as they are not recognized by our Bye-laws.

To give recognition to the existence of such a crop of members, it is proposed that a section C be introduced to Article 36 to recognize who do not meet the minimum shares as “Associates.”

2. Common Bond Area (Article 2 B)

The crux of the proposal is that the Union’s common bond area presently covers the Sekondi Takoradi Metropolis and Shama District. This is hugely delimiting for future expansion. Indeed the creation of the Effia-Kwesimintsim Municipality forcefully throws up the impracticality of our current bond.

Further, the quest of CUA to create and build large credit unions as well as the Union’s prospects for future expansion necessitate the amendment of the current Common Bond limits for purposes of future-proofing. To this end it is proposed that 2B should read “the Union’s area of operations shall be the Western and Central regions.”

3. Secretary to the Board (Articles 49 & 62)

The AC submitted that it has become clear, in the evolution of credit unions that, as the Union grows, the position of a Board member acting and playing the role of the Board Secretary becomes increasingly untenable. This is so because, the Secretary is functionally expected to run a secretariat for the Board. Running a secretariat implies keeping official and confidential documents as well as handling correspondence on behalf of the Board. These roles/functions are more suited to a fulltime staff as against a Board member. It is for this reason that, as a convention, businesses use a full-time staff member as a Board Secretary.

Within credit union circles, the issue of confidentiality is often raised as a justification for having a Board member as the secretary to the Board. This justification loses merit on the basis that virtually every decision of the Board is ipso facto implemented by Management. Within this logic the issue of confidentiality becomes a myth.

In any case where special circumstances demand confidentiality for purposes of objective and unencumbered discussion, the Board can hold its meetings with the circumstantial intruder being requested to “excuse the meeting.”

Moving forward, the concept of a full timer becoming the secretary to the Board is not new within the credit union movement. Lessons may be learnt from the CUA Chapter and National Boards where the secretary to the board is always a full time staff member.

It is the belief of the AC that making a full timer the secretary to the Board will improve efficiency and boost functionality as against the current situation where strenuous efforts are sometimes made to get the Board Secretary occupied.

With this Sections 49 and 62 are to be amended to limit the officers of the Society to the Board Chairman, Vice Board Chairman and the Treasurer.

4. Minimum Interest Rate to be Determined by CUA (Article 26)

Minimum interest rate to be determined by the Board as against CUA.

5. Other Committees (Article 61)

Article 61 of the Bye-laws makes it mandatory for an Education Committee to be established. Maintaining a Marketing department makes the Education Committee redundant. Article 61 is therefore to be amended to read the "Board of Directors may establish such committees as may be necessary."

6. Duties of Loan Committee (Article 57)

Article 57 touches on the functions of the Loan Committee. Section A makes it clear that the Loans Committee shall review loans granted by Management. However Section B1 states that the Loans Committee shall "consider all loan applications" thereby creating a contradiction with Section A. It is therefore proposed that section B1 should be amended to the effect that the Loans Committee shall "Review all processed loans to determine whether the right policies were followed."