



# Siyakhula Community Development Fund

## Analysis and Recommendations

Larry Mullen

JULY 2004

<b>INTRODUCTION</b>	<b>1</b>
<b>THE SIYAKHULA COMMUNITY DEVELOPMENT FUND</b>	<b>1</b>
Mission of the Siyakhula Fund	1
History of Siyakhula Fund	1
Current Status of the Siyakhula Fund	2
<b>RECOMMENDATIONS</b>	<b>2</b>
<b>Organizational Structure</b>	<b>2</b>
Project Facilitator (Full-time)	3
Fund Manager (Part-time)	3
Board Members	4
<b>Key Processes</b>	<b>4</b>
Loan & Grant Process	4
Loan Default	7
Board Meetings	8
Annual Audit	8
<b>Communication with Donors</b>	<b>8</b>
Website: <a href="http://www.SiyakhulaFund.org.za">www.SiyakhulaFund.org.za</a>	8
Maintenance of the website	10
<b>ACTION ITEMS</b>	<b>10</b>
<b>CONCLUSION</b>	<b>10</b>
<b>APPENDICES</b>	<b>11</b>
5in6 and the PPM	11
uTshani Fund	11
<b>Reports</b>	<b>12</b>
Reporting Responsibilities	12
Loan Repayment Schedule	12
Loan Repayment Report	13
Loan Report	13
Fund Distribution Report	13
Fund Performance Report	13
Fund Balance Sheet	14
Fund Forecast Report	14
<b>FOOTNOTES</b>	<b>14</b>

## Introduction

The purpose of this paper is to provide the board of the Siyakhula Community Development Fund with documented processes and controls regarding fund operations. Standard processes and controls are needed for the following reasons:

1. The fund is new and no procedures have yet been documented
2. Donors are requesting information which current systems cannot provide

This paper begins with a brief overview and history of the Siyakhula Community Development Fund. We then document and recommend processes and procedures to the Siyakhula Board to ensure that the fund is managed in a controlled, sustainable fashion. We then put forth a website prototype that will provide donors with fund information and conclude with a list of action items for moving forward.

Background information regarding related programs and organizations is also provided in the appendices for readers outside of Siyakhula fund management.

## The Siyakhula Community Development Fund

### *Mission of the Siyakhula Fund*

The mission of the Siyakhula fund is to provide the poor of South Africa access to capital which they would not otherwise have; empowering communities by enabling them to invest in projects which provide both economic and social benefits. This is accomplished by issuing grants and low-interest loans to the poorest of the poor who have demonstrated financial discipline through community savings programs.

### *History of Siyakhula Fund*

In 2002, Catholic Welfare and Development (CWD) began exploring the concept of community development funds. Brian Liable, a Notre Dame intern working for CWD, researched the benefits of such a fund. Brian's research found that 60% of South Africans do not have access to credit and only 24% can gain access via loan sharks, and that this gap could be filled by CWD through a community development fund.<sup>1</sup> In addition to providing access to capital, such a fund would address social issues within communities and would empower the poor, allowing them to channel financial resources as they require.

The following year, donations from the Sisters of the Blessed Virgin Mary in the US (R 350,000) and the UK Rousing Trust (R 395,000) were given to CWD for such a community development fund. Both donations were offered as a 10-year interest-free loan and were intended to be used as a revolving loan fund for community development efforts. Additionally, the Sisters of the Blessed Virgin Mary donated R 90,000 and Caritas Germany R 400,000 as grants to be used for community development. These donations, along with subsequent funds from CWD (R 350,000), were the beginnings of what is now the Siyakhula Fund. Currently the fund has approximately R1.5 M in total assets.

In late 2003, CWD determined that these funds would not be administered by the NGO in a traditional fashion, but rather managed by the community. The community itself was to determine how the funds would be distributed and what projects they would be used for. To implement this strategy, CWD utilized its existing relationship between the 5in6 program and the Poor People's Movement (PPM). The PPM was chosen as the social network that would best govern the use of the fund (*See Appendix for information regarding 5in6 and the PPM*).

As a result, Siyakhula assets were transferred out of the CWD account into a separate account administered by uTshani Fund, another community based fund in South Africa (*See Appendix for information regarding the uTshani Fund*). The uTshani Fund was chosen to invest and manage fund distributions due to their extensive experience in managing community loan funds. Under this agreement, the uTshani Fund would charge a monthly administrative fee for services provided.

Having the funds housed in an independent account allowed the community control of the money with little NGO intervention. A board of directors, which consisted of 3 PPM members, one 5in6 and one CWD representative, was established to manage and administer the funds on behalf of the PPM alliance. The board's main responsibility was to review requests for funds and approve those which it deemed to be in accordance with the mission of the fund. The first board meeting of the Siyakhula Fund was held on the 27<sup>th</sup> of August, 2003.

After the initial board meeting, the first set of grants was issued from the fund as pilot cases. The grants ranged in size R 2,000 to R 10,000 and were given to various projects ranging from sewing projects to demonstration housing. The intent of these grants was to see how the funding process would work and to see if the initial requests for funds were reasonable. In October 2003, the first loan was issued for an amount of R 5,000 for a fishing project in Lamberts Bay.

### ***Current Status of the Siyakhula Fund***

To date the Siyakhula Fund has issued twenty-one grants totaling R 74,000 and two loans totaling R 11,680. The total assets in the Fund is R 1.5 M. The fund resides in a bank savings account administered by the uTshani Fund and is currently earning approximately 6% annual interest. The uTshani Fund is still negotiating fund administration fees with the Siyakhula Board. At present, there are no standard procedures for reporting, reconciling accounts or repayment guidelines. In addition, donors are requesting information on the progress of the community fund, how resources are being used by the communities, and what controls are in place to ensure proper management. Currently, there is no mechanism to relay this information to the donors from the field aside from regular written reports.

## **Recommendations**

The following section puts forth our recommendations for the Siyakhula Fund to address issues mentioned above. The first component addresses the organizational structure, recommending that two new positions be created to report to the current board. The second part recommends procedures for standard processes, along with reports and controls, around the fund.

### ***Organizational Structure***

#### **Current Structure:**

The Siyakhula Board consists of three members from the PPM (Marlene Don, Ray September, Elaine Arendse), one member from CWD (Tony Florence) and one member from 5in6 (Laura vd Pohl). The board meets on an as-needed basis to review fund requests and then directs staff of the uTshani Fund to make fund transfers from the Siyakhula Fund account to community bank accounts when grants/loans are issued.

#### **Proposed Structure:**

We propose that two positions be added to report to the Siyakhula Board: the Project Facilitator and Fund Manager functions. With these positions, we have outlined suggested roles, responsibilities, and reporting requirements. Along with this, we recommend that once a year, an independent auditor report to the board as to the accuracy of financial reporting. In addition, we suggest that the board meet on a regular monthly basis to review outstanding requests, monthly financial figures, and loan repayment status.

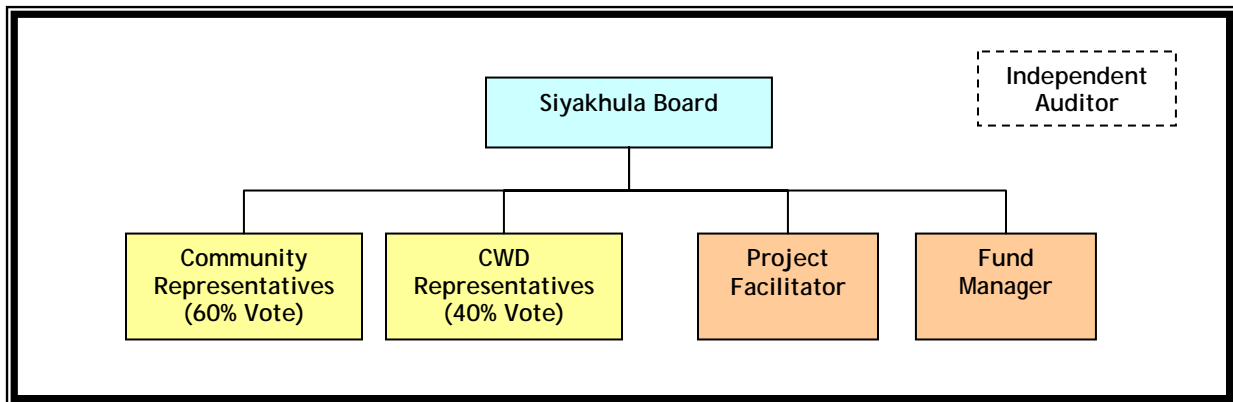


Fig 1 - Proposed Organizational Structure

### Project Facilitator (Full-time)

The main role of the Project Facilitator (PF) is to track and record all outstanding loans and loan payments and to provide the board with monthly reports regarding the status of all outstanding loans. He or she will also be responsible for interacting with the local savings groups and providing the board recommendations during the loan application process. The PF will also be responsible for gathering data on existing projects and recording the progress of each project. This position will need to be filled immediately to implement procedures put forth in the next section.

#### Roles and Responsibilities:

- Interfacing with communities to gather information on new and existing projects
- Creating *Loan Repayment Schedule* for all newly issued loans
- Creating *Deposit Slips* that correspond to Loan Repayment Schedules
- Maintaining a *Loan Repayment Report* for each outstanding Loan
- Preparing a *Loan Report* on a Monthly Basis for the Board
- Contacting communities who are past due with loan payments
- Reporting status of loans and other issues to Board at monthly board meetings
- Providing board with written assessment of group savings history

### Fund Manager (Part-time)

The main role of the Fund Manager is to manage the finances of the Siyakhula fund. This includes investing fund monies, projecting fund balances, transferring approved loans/grants to community bank accounts, and recommending interest rates for new loans. This position does not need to be filled immediately; however, a person will need to be allocated in the near future as the fund grows in complexity and for planning of the repayment of donor loans totaling R 745,000 in 2013.

#### Roles and Responsibilities:

- Creating *Fund Distribution* report for all monies transferred to community bank accounts
- Creating *Fund Performance* report that records interest received and fund balances on a monthly basis
- Creating *Fund Projection* report that estimates the fund balance for the next year given outstanding loans, repayment rates, and interest rates.
- Creating *Fund Balance Sheet* that shows current assets of the fund
- Reporting to the Board on a monthly basis as to Fund Performance and Projected Fund Balances

## Board Members

The main role of the board is to manage and distribute funds on behalf of the PPM alliance. This includes reviewing all outstanding requests for funds as well as the status of outstanding loans and issues raised by the community, Fund Manager or Project Facilitator.

### Roles and Responsibilities:

- Approving/Rejecting Fund Requests
- Reviewing monthly financial reports from Financial Manager
- Reviewing monthly loan reports from Project Facilitator
- Addressing issues which arise from reports or the community

## Key Processes

### Loan & Grant Process

#### Fund Request Process

Fund Requests are coordinated through the PPM Regional Coordinators who forward on the fund requests to the Siyakhula Board for the Approval Process. Within the fund request, the community outlines the use of the funds as well as requests a repayment schedule.

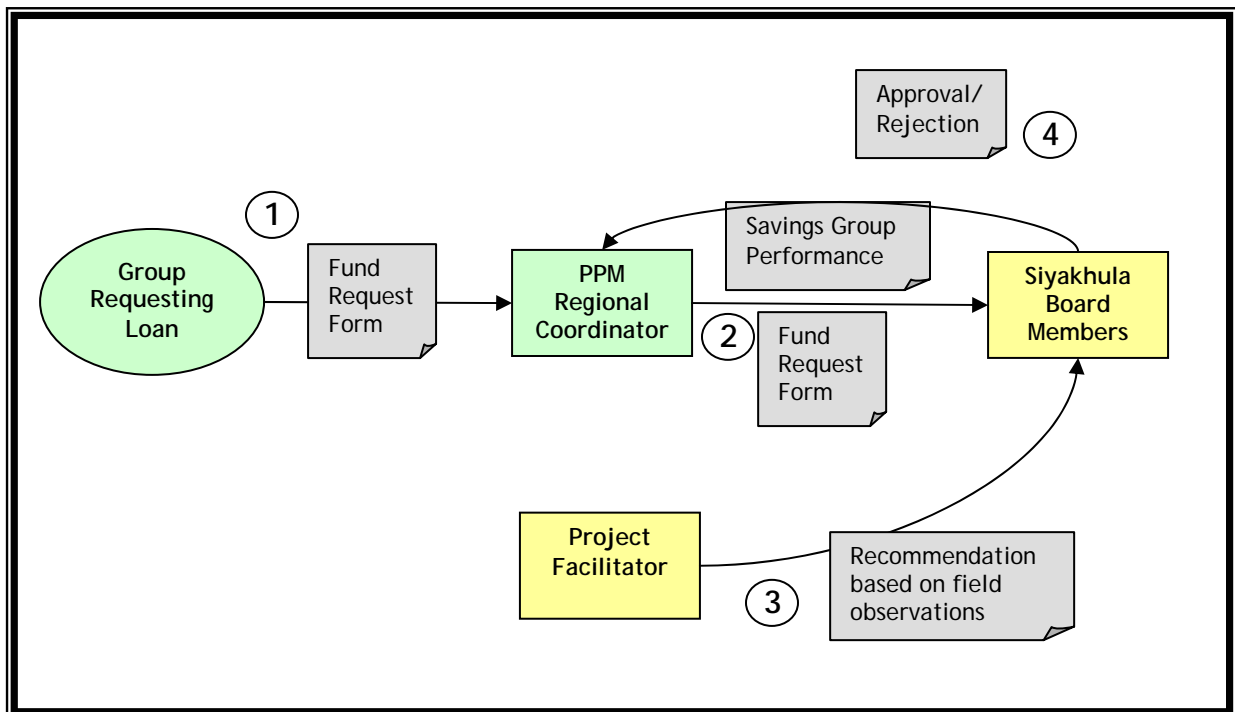


Fig 2 - Fund Request Process

### Steps:

1. When an individual/group in a community wants to request funds from the community fund, they approach their daily-savings ledger person, just as if they were taking a loan out of the community savings account. If approved by the savings community, a Fund Request Form is completed and given to the PPM Regional Coordinator
2. Fund Requests are then consolidated at the regional level by the PPM Regional Coordinators and are given to the Siyakhula Board
3. The Project Facilitator provides the board with his/her recommendation based on observations in the community (strength of savings, project viability, other issues)

- The Siyakhula Board evaluates the request for funds based on Fund Request Form (which outlines uses of funds), Savings Group Performance, Past Loan Repayments and input from the Project Facilitator. The Board's decisions are then communicated to the PPM Regional Coordinator.

**Fund Approval Process**

Once a month, the Siyakhula Board meets to review all outstanding fund requests. Fund requests are evaluated based on the viability of the project to be funded, past loan history for the requesting community, and the past performance of the local savings group. If the request is approved, the board determines whether a grant or loan will be issued for the project. If a loan is given, the board reviews the proposed repayment schedule and adjusts it as it sees fit. The interest rate will be fixed for the duration of the loan and will be determined by the current rate of inflation (currently 4.4%).<sup>2</sup> Monthly repayment intervals should be used and the duration of the loan should be capped at 2 years for an unsecured, 5 years for a secured loan.

**Fund Distribution Process**

Once a fund request has been approved, the Board notifies the Fund Manager who then transfers the funds to the Community Savings account. The Savings Group Leader then withdraws the loan/grant amount and gives it to the group requesting the funds. This makes the local savings group an integral part of the loan distribution process and creates a greater sense of responsibility for repaying fund loans.

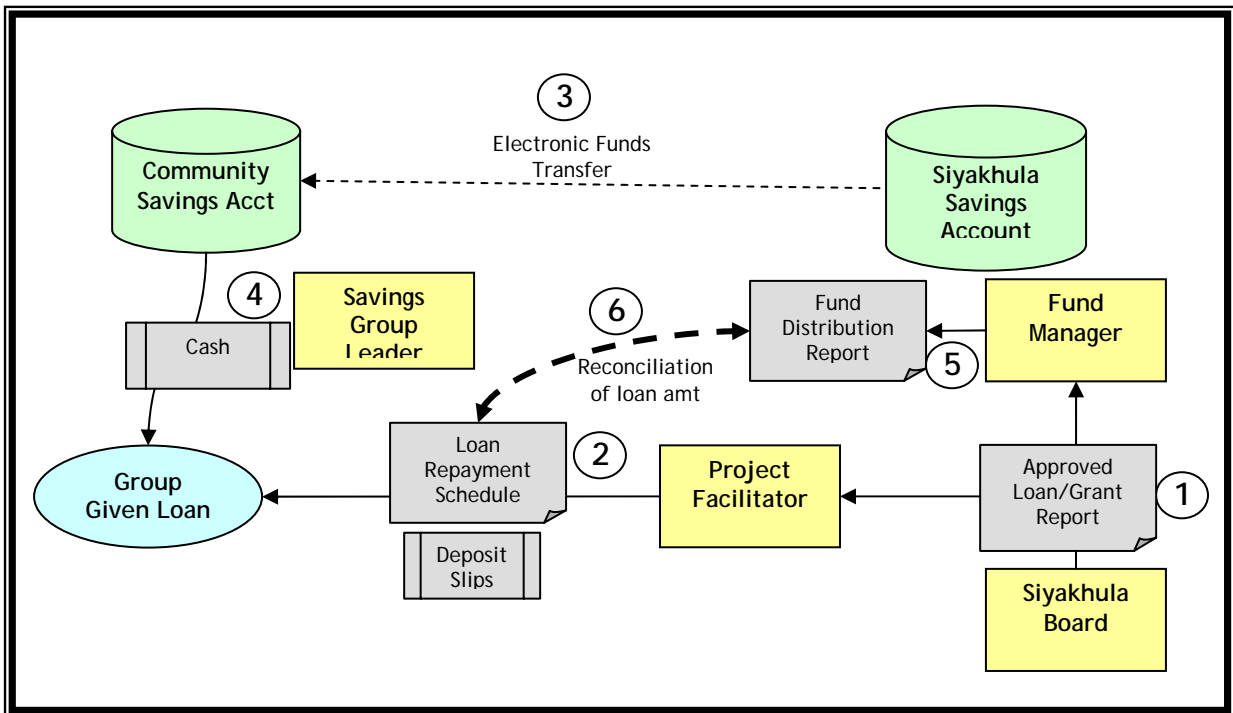


Fig 3 - Fund Distribution Process

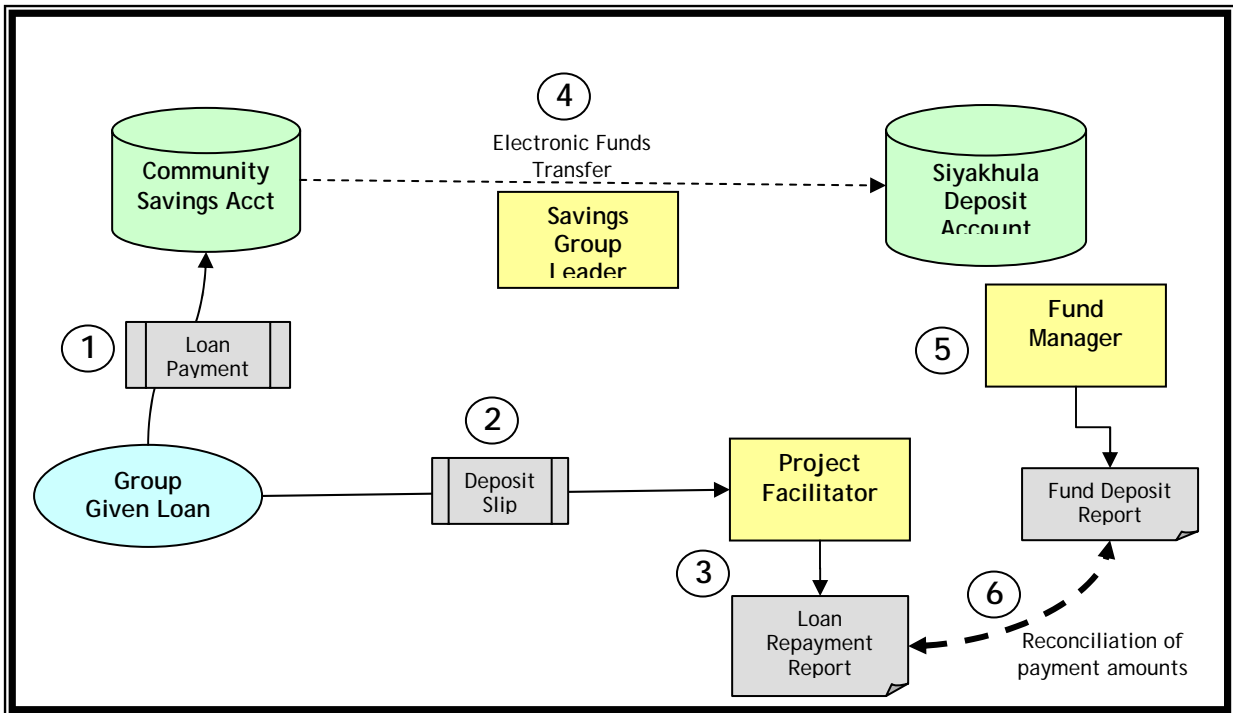
**Steps:**

- Once the Board approves a loan/grant, it creates the Approved Loan/Grant Report which is given to the Project Facilitator and the Fund Manager
- The Project Facilitator then generates the Loan Repayment Schedule and creates Deposit Slips and delivers them to the community group for all approved loans
- The Fund Manager then transfers the loan/grant amount from the Siyakhula Savings Account to the Community Savings Account

4. The Community Savings Group Leader withdraws the loan/grant amount and delivers the cash to the group given the loan
5. At the end of the month, the Fund Manager produces a report of all distributions made from the Siyakhula Savings Account
6. This report is then reconciled to the Loan Repayment Schedule by the Project Facilitator and is reviewed by the Board

**Loan Repayment Process**

Each group receiving a loan will be responsible for depositing loan repayments into their community savings account according to the Loan Repayment Schedule. The group will then notify the savings group leader that the loan amount is to be transferred to the Siyakhula Deposit Account. Since the Project Facilitator does not handle money collection, she will not be viewed as a 'loan officer' which would harm her relationship with the community members. This process also gives more control and responsibility to the Savings Group in the loan payment process.



*Fig 4 - Loan Repayment Process*

**Steps:**

1. The group making a loan payment deposits the payment into their community's savings account. The funds are deposited along with their normal daily savings contribution.
2. The group then gives the corresponding Deposit Slip to the Project Facilitator to record that the payment was made on their loan
3. The Project Facilitator takes the Deposit Slip and records the payment on the Loan Repayment Report
4. The Community Savings Group Leader transfers the loan payment amount from the Community Savings Account to the Siyakhula Deposit Account
5. At the end of the month, the Fund Manager produces a report of all deposits made into the Siyakhula Deposit Account

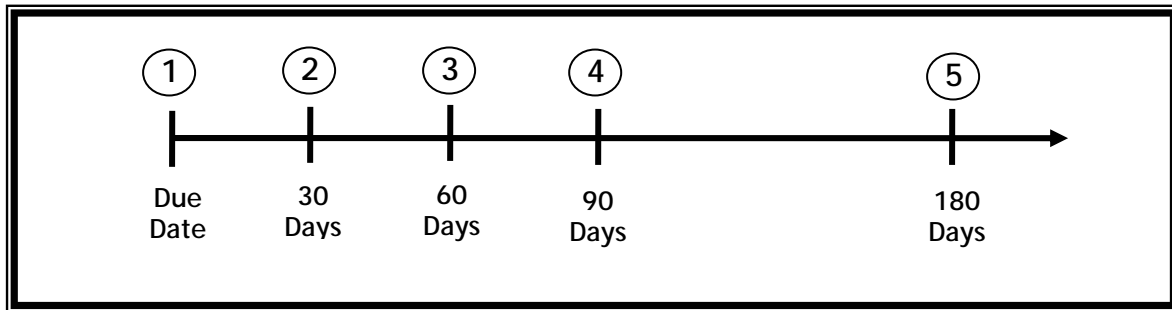
6. Once the Fund Deposit Report is produced, it is reconciled to the Loan Repayment Report by the Project Facilitator and is reviewed by the Board

## Loan Default

The key to a successful repayment strategy is to associate all transactions with the in-place community savings scheme. This sends the message that the funds are owned and managed by the community, and are not a handout from an NGO. Along with this, if payment dates are missed, the entire community savings group is penalized, creating social pressure to make sure loans are kept up to date.

## Credit Scoring

We recommend that a simple credit scoring formula be used for all outstanding loans and that it is calculated at the community level. This will give an objective measure for the board to use when approving new loans/grants for a community. Each community would start with a credit score of 100. Ten points are subtracted for each 30 days a payment is late, and five points are added each time a payment is made on or before its due date (with 100 being the max score). The importance of having the credit score at the community level is to give greater ownership and responsibility to the entire savings community.



*Fig 5 - Collection Timeline*

## Steps:

1. If the Project Facilitator(PF) has not received the deposit form by the Due Date, the PF will contact the savings group leader and inform her that the loan is past due
2. If after 30 Days the PF has still not received the deposit form, the local community savings group leader will be notified again of the past due loan, and 10 points are subtracted from the community's credit score which will impact future fund requests by the community
3. After 60 Days, the community is notified again, and 10 additional points are subtracted from the credit score. At this point, the PF meets with the savings group and determines if the loan should be restructured. If the loan is restructured, the savings group must discuss the reasons why the project was not able to generate income for repayment. This should be documented as 'lessons learned' and distributed through community exchanges. It is also recommended that communities only be allowed to restructure a loan one time, and only two loans within a community should be allowed to be restructured per year
4. After 90 Days, the community is notified again, and 10 additional points are subtracted from the credit score
5. After 180 Days, the loan amount is considered "uncollectable" and is written off of the balance sheet of the Siyakhula Fund

## Board Meetings

We recommend that the board meet once a month. The meeting should review all outstanding loan requests as is currently done, but should also review reports from both the Fund Manager and the Project Facilitator and take action if necessary. The second week of the month would be ideal for this meeting, since the monthly reports would be generated the week prior.

## Annual Audit

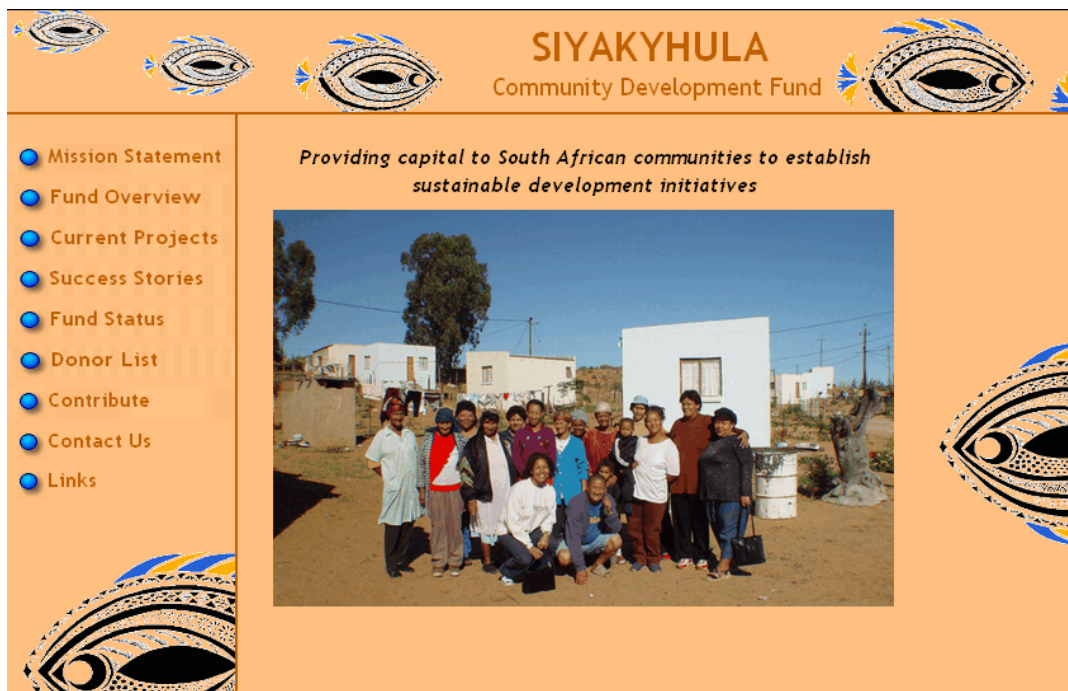
We recommend that once a year an independent auditor review all of the records of the funds. This will ensure that all systems are functioning properly and will provide donors with added confidence.

## Communication with Donors

A critical component of the success of the Siyakhula Fund is continued support from donors. Since a portion of the fund will be distributed as grants, and the anticipated repayment rate on loans is 80%, future inflow of funds is critical to the sustainability of the fund.<sup>3</sup> Existing donors have indicated that future support will be based on the performance of the fund; requiring detailed information about how resources are being used. This creates a reporting challenge for the Siyakhula Board. Our recommendation is to create a website which can be used to report the status of the fund as well as communicate specific details of how funds are distributed and the resulting community impact. During the past month, we have developed a prototype website for this purpose.

## Website: [www.SiyakhulaFund.org.za](http://www.SiyakhulaFund.org.za)

The website has two purposes: the first is to communicate with existing donors, and the second is to market the fund to potential donors.




The main feature of the website is a listing of all grants and loans issued from the fund along with details about the community group which received the funds. The goal is to show donors the impact their donation is making, from an economic, social, and environmental perspective.

**Dolfyn Project**

**Community:** [Lambert's Bay](#)  
**Loan Amount:** R 5,000  
**Grant Amount:** R 5,000  
**Date Issued:** November 2003

**Project Description:**  
 The [Lambert's Bay](#) community received an grant and loan totaling R 10,000 for the purchase of motors for two fishing boats. This will enable the community to go farther out to sea and increase daily fish catches.



**Triple Bottom Line**


Economic Impact	Social Impact	Environmental Impact
<b>Assets Purchased:</b> 2 Boat Motors R 10,000 Total R 10,000  <b>Yearly Income Est:</b> Sale of Fish R 800 Total R 800	<b>Employment:</b> 4 people per boat, total of 8 people  <b>Income:</b> Income of R 30 to R 210 for the eight people employed  <b>Food Source:</b> New affordable food source for community	<b>Pollution:</b> Increase in local food supply means less food transport pollution to the area

Also, the monthly financial status of the fund will be displayed providing transparency to donors.

**Siyakhula Community Development Fund Status**

*For July 2004:*

<b>Loan Funds:</b>	
Balance 1-6-04	R 1,537,203
Grant Distributions	(24,000)
Loan Distributions	(11,680)
Loan Deposits	0
Donor Deposits	0
Interest Earned	5,533
Ending Balance 1-7-04	1,506,856



Current Value of all Siyakhula Funds: R 1,506,856  
 YTD Fund Growth: 5.0%

**Loan Data:**

Number of Loans Outstanding:	1
Total Loan Receivables:	R 11,680
Number of Loan Defaults:	0
Value of Loan Defaults:	0
Percent of On-time payments:	95%
Interest Rate Charged	4%

## Maintenance of the website

The Project Facilitator will be responsible for collecting information about existing and new projects. This information, along with the monthly financial reports from the Fund Manager will be e-mailed to Larry Mullen (ND intern) who will update the information on a monthly basis for the fund.

It is recommended that once the website has been updated for a given month, an electronic newsletter be sent to each of the donors notifying them that new data on the fund is available.

Once a majority of the projects have been documented on the website, the site should also be marketed to new donors.

## Action Items

The following are a list of action items for the Siyakhula Board to use to implement the recommendations presented above.

### *Near-term:*

- Hire Program Support Manager
- Create Repayment Schedules for two outstanding loans
- Create Separate Bank account for Loan Payments (Siyakhula Deposit Account)
- Begin using new repayment process
- Begin using reporting tools
- Establish regular Board Meetings on a monthly interval
- Gather information on existing projects for web-site
- Work with Larry and Kaleidoscope to register website and setup domain
- Have board review and approve information on website prior to launch

### *Long-term:*

- Establish the Siyakhula Fund as a Section 21 company
- Register and Trademark "Siyakhula Community Development Fund" name
- Hire a Fund Manager and shift funds out of uTshani administration
- Promote web-site to potential donors
- Secure new donors to provide funding for retirement of existing 10-year loans

## Conclusion

This document puts forth recommendations that will enable to Siyakhula Fund to improve its effectiveness. It outlines standard procedures and reporting that allow for responsible fund management and provides systems that will enable regular, detailed communication with donors. Even though adding the two positions outlined will result in added expense for the fund, the benefits far outweigh the cost. Without these systems and controls, donors may lose confidence in the fund, and without future contributions, the fund will not be sustainable.

# Appendices

## *5in6 and the PPM*

The 5in6 Project was launched in 1993 by Catholic Welfare and Development (CWD). Initially the project was undertaken as a response to domestic violence and the primary focus was on organizing men against domestic violence. By 1999, the project learned that it was the grassroots women who were mobilizing naturally and responding practically to the many issues and challenges facing their communities. In addition, the 5in6 project had an exchange with an Indian Daily Savings model and saw its potential in South Africa. As a result, the program shifted its approach to use savings mobilization as a response to domestic violence by organizing, uniting, and mobilizing women at the grassroots level. Using savings mobilization as their core strategy was based on their experience that the two most common reasons women gave for staying in an abusive relationship were fear of more violence and lack of money.

At the end of 2002, the 5in6 program determined that the most effective means to implement the savings program was to step back and let the savers determine the development agenda base on their experiences and aspirations. This resulted in the 5in6 program facilitating a federation of a loose network of savings collectives in an emerging primitive social movement which was led and controlled by women. This movement was called the Poor People's Movement (PPM).

The PPM leadership currently has 20 Provincial Leaders over 5000 savers. The mission of the PPM is "We use Daily Savings and Loans to fight poverty, strengthen family values, and improve living conditions." The PPM mobilizes communities around daily savings. The movement also runs exchange programs and delivers support to members on an individual, group, and community basis. The PPM identifies needs and seeks to address the needs of its members via project around land & housing, income generation, domestic violence and HIV/AIDS.<sup>4</sup>

## *uTshani Fund*

The uTshani Fund has been in operation since 1994. It has provided bridging finance for housing and infrastructure loans, access to grants through the state subsidy scheme and access to credit for small business loans. This has resulted in the 'delivery' of 12,000 housing units, incremental loans for a further 2,000 houses, infrastructure for 2,500 families, land tenure for 12,000 families, hundreds of small business loans, three parcels of commercial land, ten community centers, and several crèches. The Fund was initially capitalized with a R4 million grant from northern donors. This was followed with a grant of R10 million from the Dept. of Housing. After seven years of activity the fund, the current capital investment is approximately R48 million.

In 1995 the uTshani Fund entered into a landmark agreement with the National Department of Housing. This agreement, known as "the uTshani Agreement", remains the most far-sighted legislation adopted by the DoH in terms of the development of financial instruments for the very poor. That same year the Fund became the instrument whereby the Dept. of Land Affairs transferred land reform grants to Federation members in order to purchase private land for housing and commercial development. The Land Bank used uTshani to extend a R10 million loan to the Federation. The uTshani agreement has been accepted by five Provincial Housing Boards and has become the only conduit for the transfer of subsidies from the Provincial Departments directly to people's organizations.

In 1999 the Federation and People's Dialogue helped participate in the design of the MicroSave program of the Department of Welfare. uTshani Fund was the mechanism whereby R4 million was transferred from Welfare to Federation groups for poverty eradication purposes.

The uTshani Model has been replicated in Namibia (The Twahangana Fund), Zimbabwe (Guungano Fund), Kenya (Akiba Mashinani) and as far a field as Cambodia (Urban Poor Development Fund) and the Philippines.<sup>5</sup>

## Reports

### Reporting Responsibilities

Position	Report	Format	Interval
Program Support Manager	Loan Repayment Schedule	Excel Spreadsheet	as needed
Program Support Manager	Deposit Slips	Word Document	as needed
Program Support Manager	Loan Payment Report	Excel Spreadsheet	as needed
Program Support Manager	Loans Report	Excel Spreadsheet	monthly
Fund Manager	Fund Distribution Report	Excel Spreadsheet	monthly
Fund Manager	Fund Performance Report	Excel Spreadsheet	monthly
Fund Manger	Fund Balance Sheet	Excel Spreadsheet	monthly
Fund Manager	Fund Projection Report	Excel Spreadsheet	monthly
Siyakhula Board	Approved Loan Report	Excel Spreadsheet	monthly

### Loan Repayment Schedule

#### SIYAKHULA Loan Repayment Schedule

Enter Values	
Loan Amount	R 10,000.00
Annual Interest Rate	5.00 %
Loan Period in Years	4
Number of Payments Per Year	12
Start Date of Loan	7/1/2004

Loan Summary	
Scheduled Payment	R 230.29
Scheduled Number of Payments	48
Actual Number of Payments	48
Total Interest	R 1,054.06

Community:	West Cost Poor Peoples Movement
Project:	Sewing Project
Loan ID:	2

Pmt No.	Payment Date	Start Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Final Balance
1	7/2/2004	R 10,000.00	R 230.29	R 0.00	R 230.29	R 188.63	R 41.67	R 9,811.37
2	3/7/2004	9,811.37	230.29	-	230.29	189.41	40.88	9,621.96
3	4/7/2004	9,621.96	230.29	-	230.29	190.20	40.09	9,431.76
4	5/7/2004	9,431.76	230.29	-	230.29	190.99	39.30	9,240.77
5	6/7/2004	9,240.77	230.29	-	230.29	191.79	38.50	9,048.98
6	7/7/2004	9,048.98	230.29	-	230.29	192.59	37.70	8,856.39

## Loan Repayment Report

### SIYAKHULA Loan Repayment Report

Enter Values		Loan Summary	
Loan Amount	R 10,000.00	Scheduled Payment	R 230.29
Annual Interest Rate	5.00 %	Scheduled # of Payments	48
Loan Period in Years	4		
# of Payments Per Year	12		
Start Date of Loan	7/1/2004	Total Interest	R 200.57

Community:	West Coast Poor Peoples Movement
Project:	Sewing Project
Loan ID:	2

PmtN o.	Scheduled Payment Date	Actual Payment Date	Late?	Beginning Loan Balance	Scheduled Payment	Actual Payment	Difference	Pmt Towards Principle	Pmt Towards Interest	Ending Loan Balance
1	7/2/2004	2/8/2004	Y	R 10,000.00	R 230.29	R 230.29	R 0.00	R 188.62	R 41.67	R 9,811.38
2	7/3/2004	7/1/2004	N	9,811.38	230.29	230.29	R 0.00	R 189.41	40.88	R 9,621.97
3	7/4/2004	7/4/2004	N	9,621.97	230.29	230.29	R 0.00	R 190.20	40.09	R 9,431.77
4	7/5/2004	7/5/2004	N	9,431.77	230.29	200.00	R 30.29	R 160.70	39.30	R 9,271.07

## Loan Report

### SIYAKHULA Loan Report

Loan ID	Description	Community	Loan Amount	Begin Date	End Date	Interest Rate	Payment Terms	Loan Score	Comments
1	Show house in Laberts Bay	Lambert's Bay	R 15,000.00						
2	Fishing Project	Labperts Bay	5,000.00						
3	Building Materials		1,529.88						

## Fund Distribution Report

### SIYAKHULA Fund Distribution Report

Transfer Information						
Date	Amount	Account Holder	Banking Institution	Branch	Account No	
2/2/04	R 3,000.00	People in Need - Elsie's River	ABSA	Elsie's River	1233-4433-2233	
2/2/04	R 2,000.00	Folokhwe				

## Fund Performance Report

### SIYAKHULA Fund Balance Report

Date	Beginning Balance	Loan Distributions	Loan Deposits	Donor Deposits	Interest Received	Ending Balance
2003-08-01	R -	R -	R -	R 1,500,000.00	R -	1,500,000.00
2003-09-01	1,500,000.00	-	-	-	7,500.00	1,507,500.00
2003-10-01	1,507,500.00	-	-	-	7,537.50	1,515,037.50
2003-11-01	1,515,037.50	20,000.00	-	-	7,575.19	1,502,612.69

## Fund Balance Sheet

SIYAKHULA Historical Balance Sheet							
	July-04	August-04	September-04	October-04	November-04	December-04	January-04
<b>Assets</b>							
<b>Loan Funds:</b>							
Short Term Investments	1,000,000.00						
Loan Receivables	500,000.00						
Total Short Term Investments							
Total Loan Receivables							
<b>Grant Funds:</b>							
Total Short Term Investments	500,000.00						
<b>TOTAL ASSETS</b>	<b>1,500,000.00</b>						
<b>Liabilities</b>							
Accounts Payable	5,230.00						
<b>Total Liabilities</b>	<b>5,230.00</b>						
<b>Total Assets &amp; Liabilities</b>	<b>1,494,770.00</b>						

## Fund Forecast Report

SIYAKHULA Revolving Loan Forecast Report						
Date	Beginning Balance	Loan Distributions	Forecasted Values		Interest Received	Ending Balance
			Loan Deposits	Donor Deposits		
2004-06-01	1,548,258.32	18,409.88	-	-	7,741.29	1,537,589.73
2004-07-01	-					-
2004-08-01	-					-
2004-09-01	-					-

## Footnotes

<sup>1</sup> *Community Development Fund*, Brian Liabe, 2002 Notre Dame Intern

<sup>2</sup> Inflation measured by the latest CPI index [www.reservebank.co.za/](http://www.reservebank.co.za/)

<sup>3</sup> An 80% repayment rate should be used for planning purposes and should be adjusted as historical data on the fund is gathered

<sup>4</sup> *The History of the Sin6 Project*, Laura vd Pohl

<sup>5</sup> *uTshani – An Urban Poor Fund* [www.dialogue.org.za](http://www.dialogue.org.za)