

PROSPER DEVELOPMENT SOCIETY



MASTER FINANCE POLICY MANUAL

Financial Governance, Controls, Stewardship & Sustainability

Better Together Always

DOCUMENT STATUS

Master controlled policy instrument issued under the Master Working Constitution and Master Governance Manual. This Manual governs the mobilization, custody, authorization, use, accounting, safeguarding and reporting of Prosper resources. Where any provision conflicts with the Constitution, the Constitution prevails.

Control Item	Approved Position
Policy Edition	Master Finance Policy Manual - 2026
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Registration No.	SOCA-MOTV22M
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Policy Owner	Finance Department / Director Finance & Investments
Executive Custodian	Finance Officer under the Executive Secretariat
Review Cycle	At least every three years or earlier where required

BOARD-ADOPTED INTERNAL FINANCIAL GOVERNANCE EDITION

Prepared for printing, controlled reference, implementation and audit.

DOCUMENT CONTROL, AUTHORITY AND USE

Field	Requirement
Authority	Articles 13-14 of the Master Working Constitution and the Master Governance Manual.
Policy hierarchy	Constitution -> Governance Manual -> Finance Policy -> Finance SOPs, registers, forms and PIMIS workflows.
Interpretation	Financial controls shall be interpreted to protect Prosper, members, beneficiaries, donors, public funds and lawful enterprise without unnecessarily restricting approved operations.
Controlled copy	The Executive Secretary maintains the controlled master; the Finance Officer maintains current financial schedules, registers and implementation records.
Amendment	Material amendments require Board approval. Operational schedules and thresholds may be updated through the authority specified in this Manual, provided they do not contradict the Constitution.
Country application	Applies to Kenya and, subject to local law and approved Country Financial Annexes, to every country in which Prosper operates.
Language convention	Prosper uses organization/organize/authorize/recognize and related -ize forms in controlled English documents.

CONTROL PRINCIPLE

No person, title or office is a financial system. Prosper money moves through documented authority, segregation of duties, approved channels, evidence, reconciliation, reporting and independent review.

CONTROLLED SYNCHRONIZATION REVISION - 26 September 2026

This revision harmonizes terminology, cross-references, ProChama controls, digital records, field/HR stipend and incentive controls, and member-facing explanations across the Prosper controlled document suite. Original adoption/effective dates remain unchanged; any provision requiring Board, Congress, regulatory or contractual approval becomes operative only through the applicable approval process.

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PREFACE AND FINANCIAL GOVERNANCE PHILOSOPHY

From grassroots collections to institutional-scale stewardship

Prosper Development Society is a member-based development institution whose financial system must simultaneously protect small member contributions, welfare obligations, operational resources, donor and public funds, enterprise income, assets and future investment opportunities. This Manual converts the constitutional principles of stewardship, accountability, social purpose and lawful enterprise into practical financial governance.

The Manual preserves the useful foundations of Prosper's earlier Finance Policy - including the five vote heads, budgeting, procurement, banking, savings, credit, audit and asset controls - while aligning them to the current Founder-President/Board structure, Executive Secretariat, Country and County teams, Champions, CAGs and PIMIS environment.

FINANCIAL GOVERNANCE PROMISE

Every shilling shall have a lawful source, a recorded purpose, an authorized custodian, evidence of movement, an accountable beneficiary or supplier, a reconciled destination and a reporting trail.



CHAPTER 1 - GENERAL PROVISIONS

Purpose, scope, definitions and governing principles

1.1 Title and Citation

This instrument shall be known as the Master Finance Policy Manual of Prosper Development Society, 2026, and may be cited as the Finance Policy.

1.2 Purpose

The purpose of this Manual is to establish a comprehensive, scalable and auditable financial management framework governing all money, assets, liabilities, commitments, economic services and financial information entrusted to Prosper.

1.3 Objectives

- Protect member, welfare, donor, public, partner and institutional resources.
- Define financial authority and segregation of duties from Board level to CAG level.
- Standardize budgeting, collection, expenditure, procurement, banking, reconciliation and reporting.
- Enable lawful enterprise, savings discipline, internal credit and investment while respecting regulatory boundaries.
- Support timely field operations, welfare response and program implementation without weakening control.
- Generate reliable financial statements, audit evidence, donor reports and management information.
- Prevent fraud, misuse, conflict of interest, leakage, unauthorized borrowing and financial reputational risk.
- Build reserves, sustainability and long-term institutional capacity.

1.4 Scope

This Manual applies to the Founder-President, Board, Country/National Executive Secretariat, Country offices, County teams, Champions, CAG officials, staff, volunteers, committees, projects, enterprises, affiliated units and every person entrusted with Prosper resources.

1.5 Governing Principles

Principle	Application
Legality	All financial activity must be lawful and within Prosper's constitutional mandate.
Integrity	No falsification, concealment, diversion or self-dealing.
Segregation of Duties	Initiation, verification, approval, payment and reconciliation shall be separated as far as practicable.
Value for Money	Economy, efficiency, effectiveness and fitness for purpose.
Traceability	Transactions must be supported by sufficient documentary or digital evidence.
Restriction	Restricted funds are used only for their approved purpose.

Prudence	Risk, liquidity, affordability and sustainability are considered before commitments.
Transparency	Authorized stakeholders receive accurate and timely information.
Member Protection	Refundable member funds and welfare funds are separately identified and protected.
Digital First	Official cashless channels and PIMIS/accounting records are preferred where practical.

1.6 Key Definitions

Term	Meaning
ADM	Administrative Fund - authorized operational and administrative resources.
WEL	Welfare Fund - welfare contributions and resources restricted for welfare/social protection.
MBF	Member Funds - separately accounted member savings, shares/capital units, loan portfolio and related fiduciary balances.
DEV	Development Fund - development levy, projects, infrastructure, capacity building and approved development investments.
RES	Reserve Fund - contingency, risk, liquidity, investment and long-term sustainability reserves.
Restricted Fund	Money whose use is limited by donor, law, contract, member designation or Board-approved purpose.
Commitment	An approved obligation that may create a present or future payment.
Delegated Limit	Maximum authority granted in writing to an office or officer.
Financial Channel	Approved bank, Paybill, Till, wallet, merchant, payment service or other recorded collection/payment route.
Supporting Evidence	Invoice, receipt, contract, attendance, requisition, delivery note, approval, voucher, banking proof, digital record or other evidence sufficient for the transaction.

CHAPTER 2 - FINANCIAL GOVERNANCE AND ACCOUNTABILITY

Who stewards, approves, executes, verifies and assures

2.1 Financial Governance Chain

Financial authority follows the constitutional chain while preserving technical independence of accounting, reconciliation, audit and conflict review.

Level / Office	Primary Financial Role
General Congress	Receives audited accounts; appoints/ratifies independent auditor where applicable; exercises constitutional member oversight.
Founder-President	Chief Institutional Steward and Principal Authorizing Authority; strategic approvals, signatory recommendations, delegated limits and financial protection powers within the Constitution.
Board of Directors	Approves budgets, major policy, material investments/borrowing, major asset decisions, financial risk appetite and Board-reserved thresholds.
Director Finance & Investments	Board-level finance, investment, audit, risk and sustainability oversight; statutory Treasurer-equivalent function.
Finance, Audit, Risk, Investment, Procurement & Enterprise Committee	Specialist Board oversight and recommendation.
Executive Director	Executive budget holder and managerial approver within delegation; ensures implementation and accountability.
Finance Officer	Professional accounting, banking administration, payment control, reconciliation, reporting, budgeting execution, asset records and technical supervision.
County Director / County Finance Officer	Territorial implementation and records within approved limits; no independent authority beyond delegation.
Champions	Field coordination and evidence; no implied financial authority except explicit written delegation.
CAG Officials / Treasurer	Grassroots collections, records and authorized local transactions under prescribed controls.

2.2 Segregation of Duties

No officer shall control all material stages of one transaction. At minimum, transactions shall distinguish request/initiation, verification, approval, settlement and reconciliation. Where staffing is limited, compensating controls such as post-review, dual confirmation, digital evidence and independent reconciliation shall be used.

2.3 Presidential Financial Stewardship

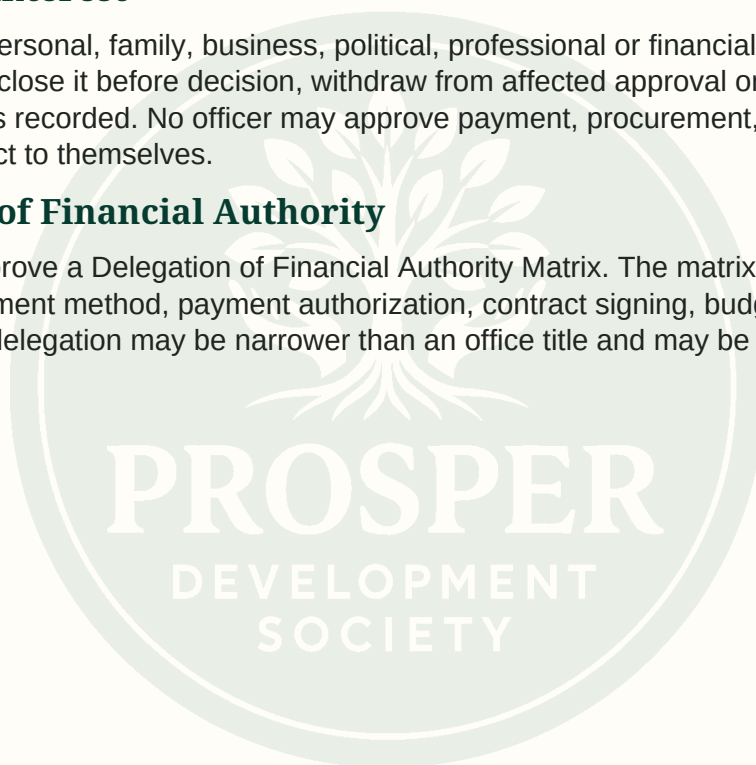
- Approve strategic financial commitments within constitutional and Board-approved limits.
- Recommend principal signatories and approve delegated signatory arrangements subject to Board policy and financial-institution rules.
- Issue written delegation of financial authority to the Executive Director, Finance Officer, Country Executive Director, County Director or other authorized officer.
- Direct urgent protective action where delay threatens funds, people, operations, legal rights or reputation, subject to documentation and ratification.
- Require special audits, reconciliations, investigations or recovery action where material risk is identified.
- The President shall not ordinarily act as sole cashier, bookkeeper, payment preparer, verifier and reconciler for the same transaction.

2.4 Conflict of Interest

Any person with a personal, family, business, political, professional or financial interest in a transaction shall disclose it before decision, withdraw from affected approval or evaluation, and ensure the conflict is recorded. No officer may approve payment, procurement, loan, salary, allowance or contract to themselves.

2.5 Delegation of Financial Authority

The Board shall approve a Delegation of Financial Authority Matrix. The matrix shall state approval thresholds, procurement method, payment authorization, contract signing, budget virement and escalation rules. A delegation may be narrower than an office title and may be suspended or revised for risk reasons.



CHAPTER 3 - FUND ARCHITECTURE, REVENUE AND COLLECTIONS

Five constitutional vote heads and protected revenue classification

3.1 Core Vote Heads

Vote Head	Purpose	Protection Rule
ADM - Administrative Fund	Administration, Secretariat, field facilitation, approved staffing, logistics, utilities, communications and governance operations.	May not absorb restricted WEL/MBF/donor funds without lawful authority.
WEL - Welfare Fund	Member welfare, social protection, emergency and solidarity obligations.	Use only for approved welfare purposes and related administration expressly authorized by policy.
MBF - Member Funds	Savings, shares/capital units, revolving/loan portfolio and related member financial balances.	Separately accounted; refundable balances are not unrestricted income.
DEV - Development Fund	Development levy, infrastructure, programs, capacity building, assets and institutional development.	Use within approved development budget and restrictions.
RES - Reserve Fund	Liquidity, contingency, risk cover, investment and long-term sustainability.	Drawdown requires approved purpose and designated authority.

3.2 Authorized Sources of Funds

- Entrance/registration fees and annual subscriptions.
- Welfare contributions, development levies, approved event contributions and program obligations.
- Member savings, shares/capital units and loan repayments where lawfully structured.
- Grants, donations, gifts, sponsorships, CSR and public-sector funding.
- Fundraising proceeds and community contributions.
- Social-enterprise, service, training, events, merchandising and program income.
- Investment income and returns from lawful instruments or affiliated vehicles.
- Lawful borrowing and financing approved at the required level.
- Other lawful receipts consistent with Prosper's objects.

3.3 Current Member Financial Obligations

Current financial obligations are maintained in Schedule 1 so that operational amounts can be revised by proper policy authority without rewriting the constitutional core. Members shall receive clear communication of any approved change before it becomes due.

3.4 Collection Standards

- All collections shall use approved channels wherever practical.
- Each receipt shall be mapped to the correct member, CAG, vote head, obligation and period.
- Cash collection is exceptional and must be receipted, counted, acknowledged and banked within the prescribed timeline.

- No officer may retain collections for personal use, informal lending, set-off or unauthorized expenditure.
- Digital collection records shall be reconciled to provider statements and PIMIS/accounting records.
- Unidentified receipts shall be placed in a suspense account and investigated promptly.

3.5 Receipting and Revenue Recognition

A receipt, digital acknowledgment or system posting shall be issued or made available for every collection. Revenue shall be recognized according to its economic substance and restriction. Refundable member funds shall be recorded as member balances/liabilities or protected funds as appropriate, not as unrestricted income.

3.6 Banking Timelines

Cash or temporary collections shall be banked as soon as practicable and ordinarily within one working day or the next available banking opportunity. Field/county exceptions must be documented and shall not permit overnight personal custody without authorization.



CHAPTER 4 - BUDGETING, PLANNING AND BUDGET CONTROL

Turning strategy into authorized financial commitments

4.1 Annual Budget Cycle

Each financial year shall run from 1 January to 31 December. Budgeting shall be integrated with strategic plans, annual work plans, county/CAG needs, welfare projections, staffing, programs, procurement, reserves and expected funding.

Stage	Indicative Timing	Responsibility
Planning call	By 1 September	Finance Officer / Executive Director
Bottom-up submissions	September-October	Departments, Counties, Programs and CAG structures
Consolidation & challenge	October	Executive Secretariat / Finance
Finance Committee review	By 15 November	Finance/Audit/Risk Committee
Board approval	Before year-end where practicable	Board of Directors
Implementation	1 January onward	Executive and territorial budget holders
Quarterly review	Quarterly	Finance Committee / Board
Mid-year reforecast	June-July	Executive / Board where material

4.2 Budget Principles

Budgets shall be realistic, funded, linked to measurable outputs, classified by vote head and cost center, and sufficiently detailed to control commitments while allowing reasonable delegated management.

4.3 Virement and Supplementary Budgets

Routine movement within the same approved vote head may be permitted within delegated limits. Any material reallocation, transfer between protected vote heads, creation of an unfunded liability, or departure from donor/public restrictions requires higher approval. The Delegation Matrix shall define percentages and thresholds.

4.4 Commitment Control

No person shall commit Prosper to expenditure without confirming budget availability and authority. Purchase orders, contracts, travel approvals, field facilitation, recruitment commitments and program awards must be recorded before or immediately upon commitment.

4.5 Budget Variance

Monthly management reports shall compare actuals and commitments to budget, explain material variances, forecast year-end position and identify corrective action.

CHAPTER 5 - PROCUREMENT, CONTRACTING AND VALUE FOR MONEY

Fair, proportionate and auditable sourcing

5.1 Procurement Principles

- Need and budget first.
- Competition proportionate to value and risk.
- Clear specifications and objective evaluation.
- No splitting of purchases to avoid thresholds.
- Supplier due diligence and conflict disclosure.
- Evidence of receipt before payment.
- Best value, not automatically lowest price.
- Emergency procurement must be exceptional, documented and reviewed.

5.2 Procurement Thresholds

The current procurement thresholds are set in Schedule 3. The Board may revise thresholds through a recorded resolution on recommendation of the Finance/Audit/Risk Committee, taking account of inflation, scale, country conditions and donor/public-fund rules.

5.3 Procurement Planning

An Annual Procurement Plan shall be prepared from the approved budget. Unplanned procurement must state the reason, funding source and approval basis.

5.4 Evaluation and Award

Evaluation shall be undertaken by persons with appropriate competence and without conflict. Material procurements shall use an evaluation record and recommendation. Award decisions shall be documented and communicated according to the applicable process.

5.5 Contracts

A written contract, purchase order, engagement letter or equivalent shall be used where the value, duration, risk, data, intellectual property, safeguarding, deliverables or liability justify it. Contracts above the prescribed threshold require formal legal/contract review as applicable.

5.6 Supplier Management

The Finance/Procurement function shall maintain a Supplier Register, monitor delivery, record performance issues, and prevent debarred or conflicted suppliers from bypassing controls.

CHAPTER 6 - EXPENDITURE, PAYMENTS, IMPRESTS AND FIELD FACILITATION

From approved need to accountable settlement

6.1 Standard Payment Cycle

Step	Control
1. Request	Approved requisition, budget line and purpose.
2. Verification	Check supporting documents, arithmetic, beneficiary/supplier, deliverables and policy compliance.
3. Approval	Authorized officer within Delegation Matrix.
4. Payment Preparation	Finance prepares payment through official channel.
5. Authorization/Settlement	Required signatories/authorizers release payment.
6. Posting	Record to correct vote head, project, member/supplier and period.
7. Reconciliation	Independent reconciliation to bank/mobile-money/provider statement.
8. Filing/Reporting	Retain complete evidence and reflect in management reports.

6.2 Cashless Preference

Bank transfer, Paybill, Till, mobile money or other traceable digital methods are preferred. Cash is used only where operationally necessary and within approved limits.

6.3 Imprests and Advances

Imprests/advances shall state purpose, amount, custodian and surrender date. A person with an overdue unaccounted advance shall ordinarily not receive another advance unless a documented emergency exception is approved.

6.4 Field Facilitation

Field facilitation shall only arise from an approved itinerary/assignment and requisition. No itinerary - no assignment; no assignment - no facilitation; after facilitation - report back; no reporting - no subsequent assignment, subject to documented emergency exceptions. Payment must be matched to assignment, recipient, amount and post-work evidence.

6.5 Petty Cash

A controlled petty-cash float may be maintained at the Secretariat and approved offices. The current ceiling is in Schedule 3. The custodian shall not approve their own replenishment. Surprise counts and periodic reconciliation are mandatory.

6.6 Salaries, Allowances, Honoraria and Reimbursements

Board service does not automatically create a salary entitlement. Salaries, sitting allowances, facilitation, honoraria, reimbursements and benefits must be authorized by the Constitution,

Governance Manual, HR/Leadership Remuneration Policy, written contract or approved budget. No officer sets or approves their own remuneration.

6.7 Supporting Documents

Payments shall be supported by evidence appropriate to the transaction, including invoice/receipt, contract/order, approval, delivery/attendance evidence, tax documentation where applicable, bank/mobile payment proof and acknowledgment.



CHAPTER 7 - BANKING, MOBILE MONEY, SIGNATORIES AND TREASURY

Secure custody and controlled movement of money

6.8 Stipends, Retainers and Results-Based Incentives

Finance shall distinguish four different payment classes: (a) regular duty stipend for rostered office/support work; (b) assignment stipend or retainer for verified official work; (c) results-based incentive/commission for a measurable verified outcome; and (d) facilitation/reimbursement for necessary operational costs such as transport, airtime, meals or materials. One payment class shall not be disguised as another. A verified assignment stipend may be paid together with a separately earned results-based commission where both are independently authorized and calculated; however, the same cost, stipend or commission shall not be duplicated.

Regular daily duty arrangements that become continuous or function as employment shall be regularized through the applicable HR/employment framework and statutory wage, rest-day, leave, tax and social-protection requirements. A stipend label shall not be used to avoid obligations that arise from the substance of the working relationship.

Results-based incentives shall be paid from an approved incentive/ADM budget or other lawful unrestricted source. They shall not be netted directly from welfare contributions, member savings, share/member capital, loan principal, donor-restricted funds or other protected balances.

Restricted/protected collections may be used as performance measures only where the approved schedule says so.

Every stipend or incentive payment shall link to a roster, assignment, meeting, verified collection/report or system-generated result; show the calculation basis and applicable cap; pass Finance verification; and be reflected in the weekly/monthly payment report. Aggregate incentive cost shall be monitored against unrestricted revenue and approved budget, with escalation where the monthly incentive envelope would exceed 10% of unrestricted operating income.

7.1 Official Financial Channels

All bank accounts, Paybill numbers, Till numbers, merchant accounts, wallets and other payment channels shall be recorded in the Official Financial Channels Register. Prosper may change providers without amending this Manual.

7.2 Account Opening and Closure

Opening, changing or closing a principal institutional financial account requires Board authority, presidential recommendation or concurrence as applicable, and compliance with provider/legal requirements. Country or project accounts require written authority and central visibility.

7.3 Signatories

At least three principal signatories/authorizers should ordinarily be designated for principal accounts, with any two independent authorizations required for material transactions unless the banking product lawfully uses an equivalent maker-checker workflow. No related persons shall jointly authorize a transaction where that relationship creates an unmanaged conflict.

7.4 Banking Roles

Role	Banking Responsibility
President	Strategic signatory recommendation; high-level authorization within approved limits; no unilateral control of full transaction cycle.

Executive Director	Managerial authorization within delegation and approved budget.
Finance Officer	Prepares/verifies banking instructions, maintains registers and reconciliations; should not be sole final authorizer of transactions prepared by the same officer.
Director Finance & Investments	Board-level oversight and periodic review; may be a signatory where formally designated.
Executive Secretary	Maintains resolutions, delegations and controlled records; may act as designated signatory if approved.
County Finance Officer	County collections/records and banking follow-up; no implied independent account-opening power.

7.5 Bank and Mobile-Money Reconciliation

All active accounts and channels shall be reconciled at least monthly and high-volume channels more frequently. Reconciliations shall identify outstanding items, reversals, unidentified receipts, fees, duplicate postings and suspicious activity, and shall be reviewed by a person independent of preparation where practicable.

7.6 Treasury and Liquidity

Finance shall maintain cash-flow forecasts sufficient to meet operating, welfare, refund, debt and program obligations. Restricted and member funds shall not be used to mask liquidity shortfalls in unrestricted operations.



CHAPTER 8 - MEMBER FUNDS, SAVINGS, SHARES AND REFUNDS

Protecting member balances and preserving institutional liquidity

8.1 Classification of Member Payments

Payment Type	General Treatment
Entrance/Registration Fee	Non-refundable institutional admission fee unless law/policy expressly provides otherwise.
Annual Subscription	Non-refundable membership subscription for the applicable year.
Welfare Contribution	Restricted welfare contribution; not a personal savings balance.
Development Levy	Non-refundable development contribution unless specifically designated otherwise.
Branding/Event/Program Contributions	Non-refundable once supplied/committed unless policy or contract states otherwise.
Savings	Refundable member balance subject to clearance, applicable notice, set-off and liquidity rules.
Shares/Capital Units	Treatment determined by approved legal structure and product terms; must not be described as regulated cooperative shares unless lawfully structured.
Loan Repayments	Applied to principal, fee, penalty or other components according to the loan agreement.
ProChama Contribution	Protected member rotating-contribution balance under MBF until lawfully paid out/settled; not unrestricted income.
ProChama Administration Fee	ADM income recognized when the relevant payout is processed/earned under the approved Product Schedule.

8.2 Minimum Savings

The current minimum savings requirement and ongoing savings discipline are set out in Schedule 1. Savings shall be individually traceable and reconciled to member statements.

8.3 Shares / Member Capital

Prosper may maintain approved member capital/share units for institutional development only where the legal and accounting structure is clear. The word shares shall not be used to imply regulated cooperative/company equity where such status has not been established.

8.4 Withdrawal and Exit Refunds

Refundable balances become payable only after the member completes the constitutional 60-day written exit notice, clearance of liabilities, guarantees, assets and records, and verification of the final balance. A 10% administration/processing charge may apply to approved refundable funds

where permitted by law and the governing product terms. Non-refundable payments are not converted into refundable balances by exit.

8.5 Set-Off and Guarantees

Prosper may apply an approved refundable balance against the member's overdue loan, guarantee obligation, unreturned advance, proven loss or other lawful liability before release, with a statement showing the calculation.

8.6 Member Statements

Members shall have access to periodic statements through PIMIS, passbook, printed statement or other approved channel showing payments, savings, loans and adjustments relevant to them.



CHAPTER 9 - LOANS, REVOLVING FUNDS AND CREDIT MANAGEMENT

Responsible member economic empowerment

8.7 ProChama Fund Classification and Ring-Fencing

ProChama member contributions shall be accounted for under MBF as protected rotating-contribution balances and shall be separately identifiable by Circle ID, Payout Pod ID, Member ID, contribution period and transaction reference. They are not unrestricted Prosper revenue. The approved administration fee becomes ADM income only when earned at payout or as otherwise stated in the Product Schedule.

8.8 ProChama Cash, CAG Collection and Reconciliation

Cash received during an approved CAG meeting shall be receipted to the specific member/circle/pod and posted as Received - Pending Banking. It shall not become a settled ProChama contribution until the gross cash is banked through an official channel and reconciled to the member allocation. No officer may deduct facilitation, stipend, commission or any personal claim from cash collections before banking.

8.9 Payout Funding and Liquidity

A ProChama payout shall be made only from cleared/reconciled pod funds or from a specifically approved ProChama liquidity reserve. Unrestricted administrative funds, welfare funds, unrelated member savings or donor funds shall not be used to conceal a pod shortfall. The 80% master-circle activation threshold does not authorize an unfunded payout. Finance shall monitor pod liquidity daily/weekly according to the contribution frequency.

8.10 Administration and Transaction-Support Fee

The pilot member-facing fee shall be 2.5% of gross payout, minimum KES 20 and maximum KES 1,500 per payout. It shall be deducted once at payout, not on every micro-contribution. Finance shall separately record actual payment-provider charges, SMS/notification cost, system/hosting cost, reconciliation effort, member-support cost and continuity/risk allocation and shall conduct a pricing review at least quarterly during the pilot.

8.11 Payout Deductions and Settlement Statement

Before payment, Finance/PIMIS shall produce a settlement statement showing gross payout, administration fee, any overdue ProChama balance, and any other verified due-and-payable obligation authorized for set-off. Disputed or not-yet-due amounts shall not be deducted merely because a payout is available. The statement shall show the net amount, payment channel, transaction reference and any amount held pending clarification.

8.12 M-PESA / Bank Disbursement Controls

Net payout shall be sent only to the member's pre-verified M-PESA number or approved bank account. Where the gross/net payout exceeds a provider transaction, account or daily limit, Finance shall use an approved bank or compliant split-settlement method rather than circumvent provider controls. Failed/reversed transactions remain unpaid until reconciled; no second payout is initiated without confirming the status of the first instruction.

8.13 ProChama Security, Multiple Circles and Exposure

Finance shall maintain an exposure view for members in multiple ProChama circles. Early-slot beneficiaries with future contributions outstanding are subject to the security/guarantor and Good

Standing requirements in the Product Schedule. During the pilot, a member should ordinarily have no more than three active ProChama circles unless Finance approves additional exposure after an affordability and risk review.

8.14 Regulatory Boundary

ProChama shall not be marketed as a licensed SACCO, bank deposit, collective investment scheme or guaranteed-return investment. Any proposed change that introduces public deposit mobilization, credit-funded early payouts, investment management or other regulated financial activity shall undergo legal/regulatory review and, where necessary, be migrated to an authorized partner or vehicle before launch.

Control Area	Pilot Rule
Master Circle	Target up to 100 active members; financial rotation occurs through frequency-based Payout Pods.
Activation	At least 80% master-circle participation plus complete pod-specific payout funding controls.
Administration Fee	2.5% of gross payout; minimum KES 20; pilot cap KES 1,500.
Cash at CAG	Member-specific receipt -> Pending Banking -> official banking -> reconciliation -> Settled.
Payout	Verified M-PESA/bank only; detailed settlement statement and provider-limit compliance.
Protected Funds	Welfare, unrelated savings, shares/capital and donor funds cannot cover ProChama shortfalls without lawful authority.
Review	90-day pilot review, then quarterly pricing/risk review.

9.1 Credit Philosophy

Prosper credit is an economic-empowerment tool, not a mechanism for uncontrolled lending or extraction. Products shall be affordable, transparent, documented, recoverable and operated only within the legal authority available to Prosper or an approved regulated partner/vehicle.

9.2 Current Table Banking Product

Parameter	Current Approved Operating Term
Principal Range	KES 2,000 - KES 10,000
Term	30 days
Repayment	Four equal weekly principal installments unless the approved product schedule states otherwise.
Service Fee	10% upfront service fee on the approved principal under the current product model.
Renewal/Rollover	May be allowed under approved terms; current model permits up to three renewals, each subject to a fee based on outstanding balance and documented approval.
Security	Guarantor(s), savings/shares or other approved security.

Disbursement	Cashless through official channel after approvals.
Arrears	Operational arrears monitoring begins after missed due date; current control framework uses a 7-day trigger for escalation.
Default	Default classification and penalties follow the approved product schedule; recovery action may escalate progressively.
Netting	Verified arrears or authorized deductions may be netted from a new disbursement where the product terms permit, while the borrower remains accountable for the approved principal.

9.3 Other Loan Products

Emergency, Soft, Short-Term, Mid-Term, Long-Term, Compliance Loan Facility and future products may be established through a Board-approved Product Schedule. Each must state eligibility, amount, fee/pricing, term, security, approval, disbursement, repayment, arrears, default, restructuring, recovery and consumer-protection requirements.

9.4 Compliance Loan Facility

The Compliance Loan Facility may finance approved onboarding/compliance obligations for eligible members. The financed amount shall be dynamically calculated from current obligations less verified prior payments, plus the approved service fee. Repayment tenor and coverage shall be stated in the current Product Schedule.

9.5 Loan Application and Approval

Every loan requires an application, membership/compliance verification, affordability/capacity assessment proportionate to amount, security/guarantor verification where applicable, non-conflicted approval, signed/digital agreement and posting to the loan register before disbursement.

9.6 No Self-Approval

No officer, committee member or related party may approve their own loan, restructuring, waiver or benefit. Related-party loans shall use an independent approval route.

9.7 Arrears, Default and Recovery

Recovery shall be progressive: reminder, engagement, guarantor/security action where contractually authorized, restructuring for genuine hardship, set-off, disciplinary restriction where lawful, and legal recovery where proportionate. Harassment, unlawful disclosure or abusive collection practices are prohibited.

9.8 Restructuring and Write-Offs

Restructuring must be documented and approved by the authorized level. Write-off is an accounting decision after reasonable recovery efforts and does not automatically extinguish legal liability unless expressly approved. Material write-offs require Board approval and shall be disclosed to audit.

9.9 Regulatory Pathway

Prosper shall not hold itself out as a licensed SACCO, deposit-taking institution, insurer or regulated investment manager unless the required authorization exists. As products or balances scale, the Board may transition the relevant activity to an authorized SACCO/cooperative, regulated partner, company, trust or other lawful vehicle without prejudicing member records.

CHAPTER 10 - WELFARE FINANCE AND SOCIAL PROTECTION

Funding promises responsibly and paying claims fairly

10.1 Welfare Fund Protection

Welfare contributions and designated welfare resources shall be accounted for under WEL and managed jointly with the Welfare Policy. They shall not be treated as general administrative revenue.

10.2 Welfare Packages

Current welfare package rates and benefits are governed by the Welfare Policy and its schedules. The Finance function shall verify contributions, compliance, available balance, approved benefit and payment evidence without substituting itself for welfare eligibility decisions.

10.3 Welfare Liability Management

Finance and Welfare shall maintain periodic projections of expected claims, contribution inflows, arrears, package mix, reserves and catastrophic risk. Benefit promises shall be reviewed for sustainability and may be supported by reserves, insurance or partnerships where appropriate.

10.4 Claims Payment

Approved claims shall be paid through official channels and mapped to the member/event/claim record. Any deduction of member arrears or obligations must be expressly authorized by the Welfare Policy and disclosed in the claim settlement statement.

10.5 Emergency Welfare

Urgent welfare payments may use accelerated approval but must retain verification, evidence, conflict controls and post-payment review.

CHAPTER 11 - GRANTS, DONOR FUNDS, PUBLIC FUNDS AND PARTNERSHIPS

Restricted funding, compliance and partner confidence

11.1 Funding Acceptance

Before accepting a material grant, donation, sponsorship or public-sector award, Prosper shall assess purpose alignment, conditions, co-financing, tax implications, safeguarding/data requirements, reporting burden, reputational risk and sustainability.

11.2 Restricted Project Accounts

Restricted funding shall be assigned a project code/cost center and, where required, a separate bank account. Expenditure must comply with both Prosper controls and the stricter applicable donor/public-fund rules.

11.3 Public Funds

Where Prosper receives public funds, it shall comply with the applicable grant agreement, public-finance, procurement, audit, tax, reporting and anti-corruption requirements that legally attach to those funds. Receipt of public funds does not convert Prosper into a government entity.

11.4 Donor Reporting

Financial reports shall reconcile to the ledger, bank statements, approved budget and supporting evidence. Any exchange-rate, indirect-cost, procurement or cost-allocation treatment shall follow the funding agreement and approved accounting policy.

11.5 Partner Due Diligence

Prosper shall conduct proportionate due diligence on implementing partners, subgrantees and fiscal agents, including identity, legal status, governance, banking, sanctions/AML risk, safeguarding, financial capacity and conflicts.

CHAPTER 12 - SOCIAL ENTERPRISE, INVESTMENTS, RESERVES AND BORROWING

Building sustainability without exposing protected funds

12.1 Social Enterprise

Prosper may generate income through lawful social-enterprise activities aligned to its objects. Commercial risks shall be separated from protected welfare, member and donor funds through appropriate accounting or legal structures.

12.2 Investment Principles

Investments shall prioritize capital preservation, liquidity, diversification, lawful return, transparency and mission alignment. Speculative or highly leveraged investments are prohibited unless specifically authorized within a separate professional investment mandate.

12.3 Investment Approval

Material investments require documented due diligence, risk analysis, source-of-funds confirmation, conflict review, Board approval and any Congress approval required by the Constitution. Custody and statements shall be independent and auditable.

12.4 Reserve Framework

Prosper shall progressively build operating, welfare-risk and strategic reserves. Reserve targets shall be approved annually and reviewed against liquidity, claims exposure, debt, growth and external funding volatility.

12.5 Borrowing

Borrowing may be undertaken only for lawful, affordable and strategically justified purposes. Material borrowing requires Board approval, identification of repayment source, cost, security, covenants, risk and effect on protected assets/funds.

12.6 Guarantees and Security

Prosper shall not guarantee third-party debt or charge material assets without explicit approval at the level required by the Constitution and Delegation Matrix.

CHAPTER 13 - ASSETS, INVENTORY AND INSURANCE

Protecting physical, digital and intellectual resources

13.1 Asset Register

All material assets shall be recorded with description, tag/serial number, acquisition date, cost/value, source of funds, location, custodian, condition, insurance status and disposal details.

13.2 Custody and Verification

Asset custodians acknowledge responsibility. Physical verification shall be conducted at least annually and on handover, closure or investigation. Differences shall be investigated and adjusted only with authorization.

13.3 Disposal

Disposal shall be transparent, documented and approved according to value and strategic significance. Foundational brand, intellectual property and immovable assets are subject to enhanced constitutional safeguards.

13.4 Inventory and Branding Items

Consumables, branded kits, event materials and stock for sale/distribution shall be controlled through inventory records, issue notes, stock counts and variance review.

13.5 Insurance

Prosper shall maintain insurance proportionate to risk, which may include property, motor, fidelity, public liability, professional indemnity, Directors & Officers liability, cyber, cash-in-transit or program-specific cover.



CHAPTER 14 - ACCOUNTING, RECORDS, REPORTING AND FINANCIAL STATEMENTS

Reliable information for decisions, members and assurance

14.1 Books and Records

Prosper shall maintain a general ledger or equivalent accounting system, cashbook, bank/mobile-money records, member ledgers, loan registers, welfare disbursement records, procurement register, asset register, payroll/allowance records, grant ledgers, advances register and supporting documents.

14.2 Accounting Basis

The Board shall approve an accounting basis and chart of accounts suitable for Prosper's legal status, scale, donor obligations and audit requirements. Accounting treatment shall be consistent from period to period unless a justified change is documented.

14.3 Monthly Reporting

Report	Minimum Content
Income & Expenditure / Performance	Actual vs budget by vote head, department and project.
Statement of Financial Position	Cash, member funds, receivables, loans, liabilities, reserves and assets.
Cash Flow / Liquidity	Opening cash, inflows, outflows, restricted balances and forecast.
Bank/Mobile Reconciliation Summary	Status of each active channel and outstanding items.
Member Funds Report	Savings, shares/capital, loans, arrears and refunds.
Welfare Finance Report	Contributions, claims paid, outstanding approvals and reserve position.
Procurement/Commitments	Material procurements, contracts and unpaid commitments.
Exception/Risk Report	Overdue imprests, policy breaches, losses, suspected fraud and corrective action.

14.4 Quarterly and Annual Reporting

Quarterly reports shall be presented to the Finance/Audit/Risk Committee and Board. Annual financial statements shall be prepared for independent audit and Congress accountability within the statutory and operational timeline.

14.5 Member Access

Members may access audited financial information and their own financial records subject to confidentiality, data protection, ongoing investigations, security and legitimate restrictions. Member transparency does not mean unrestricted access to personal data of others or confidential partner records.

14.6 Retention

Financial records shall be retained for the period required by law, audit, tax, donor agreement, litigation hold or approved retention schedule. Records shall not be destroyed while relevant to an active investigation or dispute.



CHAPTER 15 - AUDIT, INTERNAL CONTROL, RISK AND FRAUD RESPONSE

Three lines of assurance and zero tolerance for concealment

15.1 Internal Control Framework

Management owns day-to-day controls; Finance/Secretariat/risk functions monitor standards; internal or independent reviewers and external audit provide assurance. Control design shall be proportionate to Prosper's scale.

15.2 External Audit

Accounts shall be independently audited annually by a qualified auditor appointed or ratified according to the Constitution. The auditor shall have access to records and may communicate material concerns directly to non-conflicted governance authorities.

15.3 Internal Review

The Board may establish internal audit or commission periodic reviews of high-risk functions, including cash/mobile money, welfare, loans, procurement, payroll, county/CAG collections, grants, assets and PIMIS access.

15.4 Financial Risk Register

Key financial risks shall be recorded with owner, likelihood, impact, controls, residual risk and action. At minimum the register shall cover liquidity, credit/default, welfare liability, fraud, cyber/payment risk, donor compliance, procurement, investment, foreign exchange, tax, country operations and reputational finance risk.

15.5 Fraud and Misappropriation

Suspected fraud, theft, falsification, diversion, bribery, unauthorized borrowing, ghost payments, collusion, kickbacks, procurement manipulation or misuse of member/donor funds shall be reported, secured, investigated fairly and escalated to external authorities where required by law or materiality.

15.6 Recovery

Prosper may recover proven losses through salary/allowance set-off where lawful, member refundable balances, insurance/fidelity claims, civil recovery, restitution, guarantors/security, or other lawful measures. Disciplinary action does not replace financial recovery.

15.7 Whistleblower Protection

Good-faith reporting of financial misconduct is protected. Retaliation, intimidation, concealment or destruction of evidence is prohibited.

CHAPTER 16 - TAX, AML/CFT, DATA AND REGULATORY COMPLIANCE

Operate confidently, lawfully and with records ready for scrutiny

16.1 Tax and Statutory Compliance

Prosper shall maintain its KRA PIN, tax records, returns, withholding/payroll obligations and Tax Compliance Certificate requirements applicable to its activities. Tax treatment shall be assessed by transaction type rather than assumed from non-profit status.

16.2 AML/CFT and Source-of-Funds Controls

Prosper shall apply proportionate customer/member/partner identification, source-of-funds inquiry, suspicious-activity escalation, sanctions/terrorism-financing screening where required, record keeping and cooperation with competent authorities. Controls shall increase for unusually large, complex, cross-border or high-risk transactions.

16.3 Data Protection

Financial and member data shall be processed only for lawful, defined purposes with access control, confidentiality, secure transmission, retention and breach-response measures consistent with the ICT/Data Protection Policy and applicable law.

16.4 Financial Services Regulatory Alignment

Prosper shall use the lawful capacity of a registered society fully while obtaining additional authorization or partnering with regulated institutions when an activity becomes separately regulated. The Finance Department shall maintain a Regulatory Pathway Register for products that may implicate SASRA, cooperative, banking, insurance, capital-markets, payment-service or other regulation.

16.5 Country Compliance

Every non-Kenyan country operation shall adopt a Country Financial Annex identifying legal registration, tax, banking, foreign exchange, payroll, reporting, donor and financial-services requirements. Kenya remains the founding institutional reference unless local law requires otherwise.

CHAPTER 17 - COUNTY, CAG AND FIELD FINANCIAL CONTROLS

Scale without losing visibility

17.1 County Finance

Each active County Team shall maintain prescribed registers, collection/banking evidence, requisitions, returns, asset records and monthly reconciliation/reporting. County Finance Officers function under technical standards set by the national Finance Officer and territorial supervision of the County Director.

17.2 CAG Financial Controls

CAG Treasurers maintain local member/payment records and accountability under official systems. CAGs shall not open independent accounts, borrow, invest, lend, sign contracts or retain Society funds outside delegated authority.

17.3 Champions

Subcounty and Ward Champions do not automatically become cash custodians or payment approvers. Any collection, facilitation or advance they handle must arise from written or system delegation and be accounted for promptly.

17.4 Meeting Collections

Where contributions are collected during meetings, attendance/contribution records shall identify payer, obligation, amount, mode and receiving officer. Totals shall reconcile to the banking/payment-channel evidence and meeting report.

17.5 No Netting at Source

Local officials shall not deduct facilitation, transport, airtime or other expenses directly from collections unless the Finance Policy or approved field SOP expressly authorizes such netting and records both gross collection and expenditure.

CHAPTER 18 - FINANCIAL MISCONDUCT, SANCTIONS AND LOSS MANAGEMENT

Accountability with due process

18.1 Financial Misconduct

Financial misconduct includes unauthorized expenditure, failure to account, retention of collections, falsified receipts, ghost beneficiaries, procurement collusion, conflict concealment, unauthorized use of assets, loan manipulation, diversion of restricted funds, deliberate reconciliation failures and obstruction of audit.

18.2 Immediate Protective Measures

Where funds or evidence are at risk, the authorized office may freeze delegated financial access, secure records, suspend a payment channel, preserve devices/documents, require handover or temporarily reassign custody. Protective action is not a final finding of guilt.

18.3 Investigation and Decision

Investigations shall be documented, proportionate, confidential and fair. The affected person receives particulars and an opportunity to respond unless urgent evidence-preservation measures reasonably require temporary confidentiality.

18.4 Sanctions

Subject to due process, sanctions may include warning, corrective training, withdrawal of financial delegation, restitution, surcharge/recovery, suspension, removal, termination of contract, membership discipline, supplier debarment, civil action or referral to law-enforcement/regulatory authorities.

18.5 Loss Register

All material losses, write-offs, fraud incidents, theft, damaged assets, unreconciled balances and recovery actions shall be recorded in a Loss and Recovery Register and reported to the Board/audit according to materiality.

CHAPTER 19 - POLICY ADMINISTRATION, EXCEPTIONS AND CONTINUOUS IMPROVEMENT

Keeping controls current as Prosper grows

19.1 Policy Ownership

The Director Finance & Investments is the Board policy lead. The Finance Officer is the technical custodian and the Executive Director is responsible for operational implementation. The Executive Secretary controls formal policy versions and resolutions.

19.2 Exceptions

An exception must be exceptional. It shall state the rule departed from, reason, amount/risk, approving authority, duration, compensating controls and whether retrospective Board review is required. No exception may override law, constitutional reserved matters, donor restrictions or conflict rules.

19.3 Review

This Manual shall be reviewed at least every three years and earlier where there is constitutional change, major audit finding, significant fraud, new country entry, regulatory change, new financial product, material system change or strategic need.

19.4 SOPs and PIMIS

Detailed procedures, forms, workflows, approval screens, registers and automated controls shall be configured in SOPs and PIMIS/AppSheet consistently with this Manual. System convenience may not override policy authority.

19.5 Transitional Alignment

Existing Finance forms, loan rules, procurement thresholds and operational practices remain valid only to the extent that they are consistent with this Manual and current Board-approved schedules. Conflicting legacy provisions shall be updated or withdrawn.

SCHEDULE 1 - CURRENT MEMBER FINANCIAL OBLIGATIONS

Operational schedule as at the 2026 Master Finance Policy

Obligation	Current Amount / Rule	Financial Classification
Registration Fee	KES 500 one-time	ADM / membership income; non-refundable
Annual Subscription	KES 600 per year	ADM / subscription income; non-refundable
Monthly Welfare	Silver KES 350; Gold KES 550; Platinum KES 950	WEL restricted welfare contribution
Development Levy	KES 100 monthly	DEV
Branding Kit	KES 3,500 within 90 days	ADM/DEV or inventory cost center as approved; non-refundable after supply/commitment
Minimum Savings	KES 1,000 within 90 days	MBF refundable member savings
Ongoing Savings Discipline	Minimum KES 50 weekly or KES 200 monthly unless current product schedule is amended	MBF refundable member savings
Minimum Shares / Member Capital	KES 3,000 where applicable; mandatory for Directors under current structure unless revised	MBF/member capital treatment subject to approved legal structure
Event Contribution	KES 100 per approved event where applicable	WEL/approved event fund according to purpose

Note: Current obligations may be revised only through the authority provided by the Constitution, relevant policy and Board resolution. Members must be informed of effective dates and treatment of prior balances.

SCHEDULE 2 - FIVE VOTE HEADS AND SAMPLE SUB-LEDGERS

Chart-of-accounts architecture

Vote Head	Illustrative Sub-ledgers
ADM	Membership fees; subscriptions; Secretariat; governance; field facilitation; communications; HR; legal; ICT administration; office operations.
WEL	Silver/Gold/Platinum contributions; bereavement; hospitalization; celebrations; emergency relief; welfare logistics; welfare reserve.
MBF	Member savings; member capital/shares; loan principal; service fees; arrears; guarantor recoveries; refunds.
DEV	Development levy; infrastructure; equipment; capacity building; programs; country expansion; enterprise development.
RES	Operating reserve; welfare-risk reserve; contingency; investment reserve; liquidity reserve; insurance/risk cover.



SCHEDULE 3 - FINANCIAL AND PROCUREMENT CONTROL THRESHOLDS

Initial thresholds; subject to Board-approved Delegation Matrix

Area	Current / Initial Control	Required Evidence / Approval
CAG transaction	Up to KES 5,000 where expressly delegated	Joint local verification; records; within budget; no contract beyond delegation.
County routine transaction	KES 5,001 - 20,000 where delegated	County Director + County Finance control; approved budget; supporting evidence.
Executive routine transaction	KES 20,001 - 100,000 where delegated	Executive Director/authorized approver + Finance control; dual authorization as applicable.
Board-reserved expenditure	Above KES 100,000 unless Board adopts a revised materiality matrix	Board resolution or express prior delegation; conflict check.
Petty cash purchase	Up to KES 5,000 per item within approved petty cash rules	Receipt/voucher and custodian accountability.
Low-value procurement	KES 5,001 - 20,000	At least two market comparisons/quotations where practical.
Medium procurement	KES 20,001 - 100,000	Normally at least three written quotations.
High-value procurement	KES 100,001 - 200,000	Competitive quotations; documented evaluation.
Major procurement	KES 200,001 - 1,000,000	Open/competitive tender or Board-approved equivalent.
Strategic procurement	Above KES 1,000,000	Board oversight; competitive process; legal/risk review; Congress approval if constitutionally required.
Petty cash float	Up to KES 10,000 at Secretariat unless revised	Imprest-style control, count and reconciliation.
Formal contract	Mandatory above KES 50,000 unless a lower-risk purchase order is expressly permitted	Signed contract/order; deliverables; payment terms; approvals.
Material payments	Dual authorization required; cashless preferred	Maker-checker/signatory evidence.

Thresholds are internal control limits, not statements of statutory procurement law. Donor, public-fund, country-law or contract thresholds prevail where stricter.

SCHEDULE 4 - TABLE BANKING AND CREDIT CONTROL SUMMARY

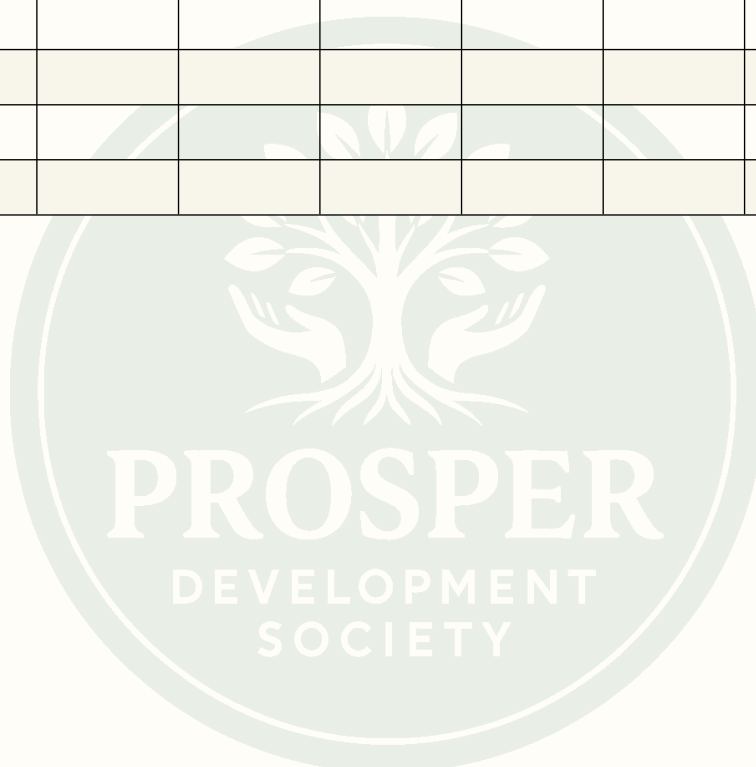
Current member economic-service controls

Control	Requirement
Eligibility	Registered member meeting applicable product/compliance criteria.
Amount	Current Table Banking range KES 2,000-10,000.
Term	30 days.
Installments	Four weekly installments under current standard model.
Service Fee	10% upfront under current standard model.
Renewal	Up to three renewals under current approved model, subject to outstanding balance, fee and approval.
Security	Guarantor(s), savings/member capital or approved alternative.
Approval	Non-conflicted documented approval; no self-approval.
Disbursement	Official cashless channel; loan agreement/record first.
Repayment	Official channel; member account updated promptly.
Arrears/Default	Progressive reminder, escalation, restructuring/security/recovery as approved.
Statements	Digital/passbook/printed member statement available.

SCHEDULE 5 - DELEGATION OF FINANCIAL AUTHORITY REGISTER

Template

Ref	Delegator	Delegate	Power / Decision	Threshold / Scope	Start	Expiry / Review	Sub-delegation	Status



SCHEDULE 6 - PAYMENT VOUCHER MINIMUM FIELDS

Control checklist

- Voucher/reference number and date.
- Payee/beneficiary identity and official contact/account details.
- Purpose and business justification.
- Vote head, cost center, project/CAG/county/member reference.
- Budget availability and requisition/reference.
- Invoice/receipt/contract/delivery/attendance evidence.
- Tax/withholding treatment where applicable.
- Prepared by, verified by, approved by and payment authorizer(s).
- Payment channel, transaction reference and date.
- Posting and reconciliation reference.



SCHEDULE 7 - MONTHLY FINANCE PACK

Minimum management reporting package

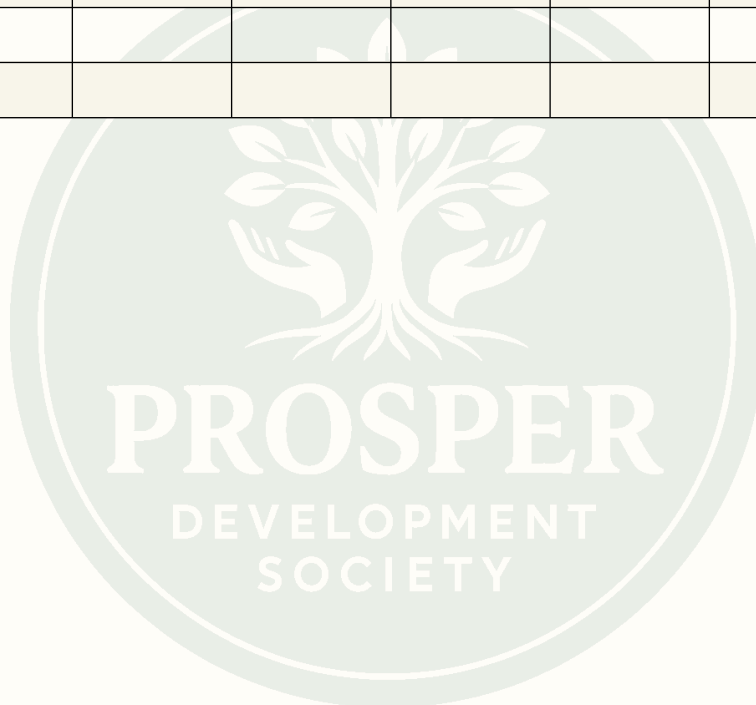
- Executive financial summary and key decisions required.
- Income and expenditure vs budget by vote head.
- Statement of financial position.
- Cash-flow and 90-day liquidity forecast.
- Bank, Paybill, Till and wallet reconciliation status.
- Member savings/share/loan portfolio and arrears.
- Welfare contributions, claims and reserve outlook.
- Grant/project expenditure and donor compliance status.
- Procurement commitments and major supplier balances.
- Imprest/advance aging.
- Asset/inventory exceptions.
- Tax/statutory compliance status.
- Financial risk, fraud/loss and corrective-action tracker.



SCHEDULE 8 - FINANCIAL RISK REGISTER

Template

Risk	Category	Likelihood	Impact	Controls	Owner	Residual Rating	Action / Due Date



SCHEDULE 9 - OFFICIAL FINANCIAL CHANNELS REGISTER

Template - account numbers are controlled records, not printed in the policy body

Channel Type	Institution / Provider	Purpose	Currency	Account / Merchant Reference	Authorized Signatories / Roles	Status	Review Date
Bank						Active	
Paybill / Merchant		Collections				Active	
Till		Collections				Active	
Project Account							



SCHEDULE 10 - ASSET REGISTER MINIMUM FIELDS

Template

Asset ID	Description	Acquisition Date	Cost / Value	Funding Source	Location	Custodian	Condition	Insurance	Disposal / Status



SCHEDULE 11 - FINANCIAL MISCONDUCT / LOSS REPORT

Template

- Date, location, reporter and confidential contact.
- Nature of suspected loss/misconduct and amount at risk.
- Account/channel/asset/project/member references.
- Persons involved and conflicts.
- Immediate evidence preservation and access controls applied.
- Initial reconciliation or quantification.
- Protective action taken.
- Investigation owner and due date.
- Recovery/insurance/legal/regulatory action.
- Board/audit reporting and closure approval.



SCHEDULE 12 - COUNTRY FINANCIAL ANNEX CHECKLIST

For Uganda, Tanzania, DRC or any future country operation

- Legal entity/registration basis and relationship to Prosper Kenya/founding institution.
- Country tax registrations, payroll and withholding obligations.
- Approved bank/payment channels and currencies.
- Foreign-exchange and cross-border transfer rules.
- Country signatories and delegated limits.
- Local audit/accounting requirements.
- Employment/payroll rules.
- Financial-services regulatory restrictions and partner requirements.
- Donor/public-fund compliance conditions.
- Data localization/cyber/payment security requirements.
- Procurement/local-content rules where applicable.
- Monthly consolidation and reporting to Prosper apex governance.



SCHEDULE 13 - LEGAL, REGULATORY AND INSTITUTIONAL REFERENCE FRAMEWORK

Reference - apply only where relevant to the activity

Framework / Institution	Relevance
Constitution of Kenya and applicable Kenyan law	Founding jurisdiction and overarching legal framework.
Societies Act and Societies Rules	Registered-society governance and statutory records/returns.
Kenya Revenue Authority / tax legislation	PIN, returns, withholding/payroll/tax compliance and TCC.
Data Protection Act / ODPC	Financial/member data processing, security and rights.
POCAMLA and related AML/CFT framework	Proportionate anti-money-laundering, terrorism-financing and source-of-funds controls where applicable.
SASRA / Sacco Societies framework	Relevant if Prosper or an affiliated vehicle enters regulated deposit-taking or specified non-deposit-taking SACCO business.
Central Bank / payment-service ecosystem	Relevant to regulated payment providers and partnerships; Prosper uses approved providers rather than assuming provider powers.
Cooperative, insurance, capital-markets and other regulators	Relevant when a product, investment or affiliated vehicle enters the respective regulated field.
Donor / public-fund agreements	Project-specific controls may be stricter than this Manual and shall be observed.
Country laws outside Kenya	Mandatory for each country operation through an approved Country Financial Annex.
M-PESA / payment-provider terms and tariffs	Relevant to collection/disbursement charges, account limits, API settlement, reconciliation and transaction controls.
Employment Act / applicable Wage Orders	Relevant where regular daily stipend arrangements function as continuous employment or contract-of-service relationships.

SCHEDULE 14 - 90-DAY FINANCE IMPLEMENTATION CHECKLIST

Immediate alignment actions

Priority	Action	Owner	Evidence
1	Approve/update Delegation of Financial Authority Matrix.	Board / President / Finance Committee	Resolution + register
2	Confirm Official Financial Channels Register and signatories.	Finance Officer / Executive Secretary	Controlled register
3	Reconcile all bank, Paybill, Till, cash and member balances.	Finance Officer	Signed reconciliation pack
4	Map chart of accounts to ADM/WEL/MBF/DEV/R ES and PIMIS.	Finance / PIMIS	Chart + system mapping
5	Update procurement thresholds and supplier register.	Finance/Procurement	Threshold schedule + register
6	Clean imprest/advance aging and recover overdue balances.	Executive / Finance	Aging report
7	Validate member savings, shares/capital and loan balances.	Finance / Membership	Reconciled member ledger
8	Separate welfare contribution/claim accounting.	Finance / Welfare	WEL reconciliation
9	Establish monthly Finance Pack and Board reporting cycle.	Finance Officer	Monthly pack
10	Update loan product schedules and agreements.	Finance / Legal/Governance	Approved product schedule
11	Verify Asset Register and inventory.	Finance / Secretariat	Tagged register
12	Prepare tax/compliance calendar and audit plan.	Finance / Executive Secretary	Compliance calendar
13	Approve and configure ProChama Finance Controls: MBF ring-fencing, 2.5% fee, pod reconciliation, settlement statements	Board / Finance / Programs / PIMIS	Approved Product Schedule + test reconciliation

	and M-PESA/bank payout routes.		
14	Approve the enhanced stipend/incentive register and separate regular duty, assignment, performance and facilitation payment classes before 1 October 2026 activation.	Board / Finance / Programs / Secretariat	Resolution + controlled rate register
15	Run a 90-day sustainability review covering incentive cost, ProChama fee recovery, transaction charges, arrears/defaults and protected-fund integrity.	Finance / Audit / Programs	Pilot review report





CERTIFICATION AND ADOPTION

Master Finance Policy Manual - 2026

This Master Finance Policy Manual is adopted as the controlled financial governance instrument of Prosper Development Society with effect from 1 June 2026. It shall be read together with the Master Working Constitution, Master Governance Manual, Welfare Policy, Membership Policy, Field Operations Policy and subsequent controlled instruments. Existing financial practices inconsistent with this Manual shall be aligned through approved transitional action.

CERTIFICATION STATEMENT

The undersigned certify that this Manual reflects the approved financial governance architecture of Prosper Development Society and is issued for implementation, controlled reference, audit and institutional accountability.

Office	Name (print clearly)	Signature	Date signed
Founder-President	Gago Leahey Acharry		
Director Secretariat	Maureen Muhonja		
Director Finance & Investments	Kizito Baraza Oboya		
Director Programs	Asman Shihoba Opanda		
Director Welfare & Social Impact	Petronilla Wafula		

Official Seal / Stamp:

Controlled Copy Reference: _____