

Sarafu Network

Group Membership Application

(English)

Draft: May 17 2021 by Grassroots Economics Foundation

Preamble

Utangulizi

Sarafu Network is a network of people and organizations that seek to exchange goods and services using a Community Inclusion Currency (CIC) called Sarafu. Sarafu Network ni mtandao wa watu na mashirika ambayo ni ya kubadilishana bidhaa na huduma kwa kutumia Fedha ya Ushiriki wa Jamii (CIC) iitwayo Sarafu

We _____ [Organization name] (*herein called the Applicant or Applicant Group which includes members of the Applicant organization*) seek to join the Sarafu Network and use Sarafu to support our local economy and community.

Mimi / Sisi _____ [mtu binafsi, shirika au jina la chama] (Hapa inajulikana kama Mwombaji ama kikundi ambayo ni pamoja na wanachama wa shirika inayoomba) Najiunga na mtandao wa Sarafu kusaidia uchumi wetu na jamii.

Agreements

- Sarafu Allocation:** Sarafu is allocated to the Applicant as digital vouchers into an account (herein called the Group Account) provided by the Service Provider. The Applicant may use the vouchers for trade and commits to redeem the vouchers for a specific quantity of goods and services. (*See Applicant Group Membership Table*)
 - Allocation Limits:** The total amount of Sarafu allocated to the *Applicant* will be no greater than 10% of the Applicant's audited annual sales capacity (*See Validator*).
 - Sarafu Allocation:**
 - The amount of: _____ Sarafu will be sent by the Service Provider to the Applicant's Group Account upon completion of this agreement.
- Sarafu Value:** The Applicant must accept Sarafu at parity with Kenyan Shillings for their committed goods and services.

Thamani ya sarafu: Mwombaji lazima akubali sarafu usawa na pesa ya kenya kwa bidhaa na huduma .
- Kenyan Law:** Using Sarafu does not exempt users from paying taxes or any other Kenyan laws.

Sheria ya Kenya:

- a. Trades are to be agreed between a willing Buyer and a willing Seller under Kenyan law. Both parties must satisfy themselves that all trade is lawful.
4. **Accounts:** All accounts are made accessible through user phone numbers. Users must have a sim card and access to a phone to access their accounts.
 - a. **Group Account:** The group account is designated as the Sarafu group holder for the purposes of initial allocation, fines, savings and other group holdings. *(See Official Signatories)*
5. **Service Provider:** The Sarafu vouchers as well as software for trading Sarafu are provided by Grassroots Economics, a non-profit foundation based in Kenya *(herein called the Service Provider)*. In order to trade and hold accounts of Sarafu, the Applicant utilizes the Sarafu Network exchange platform (via their phones by dialing *384*96# on Safaricom or *483*96# on other networks) and abides by all Terms and Conditions (<http://grassrootseconomics.org/tos>).
 - a. **Reporting:** The Service Provider will provide the *Applicant and Mediators* with the balance of all the Applicant members upon request (with a one month waiting period). Note that anonymous data for transactions data and user information is publicly available.
 - b. **No Guaranteed of KSH Exchange or Donations:** The service provider will not guarantee exchange of Sarafu for Kenyan shillings or guarantee donations to the Applicant.
 - c. **Holding Fees:** All Sarafu accounts are subject to a holding fee of 2% of their balance monthly by the service provider, which will be deducted automatically from all accounts. Collected fees are used by the Service Provider to promote the healthy flow of Sarafu and support community programs. As a non-profit, the Service Provider, will donate all profits beyond program costs.
6. **Validator:** A validator assigned by the Service Provider must approve this agreement, and member commitments. After the contract is approved, the Validator audits the commitments of members *(See Applicant Group Membership Table)*. The validator must vouch for the ability of each Applicant member to accept Sarafu for their specified goods or services up to the amount committed over one year. *(See Official Signatories)*
7. **Mediators & Dispute resolution:** All disputes are mediated by two designated elder mediators specified in this agreement. *(See Official Signatories)*. The Applicant agrees to accept the decisions of the Mediators as final arbiter in cases of disagreement.
8. **Non-Performance:** Should anyone in the Applicant group not be able to honor stated commitments they will be considered a non-performing member.
 - a. A non-performing member agrees to local arbitration with the assigned Mediators and a fine of up to the amount of Sarafu they have not redeemed in Kenyan Shillings, payable to the Group Account.
 - b. The Applicant group unanimously agrees to filling any gaps in commitments or debts that cannot be fulfilled by non-performing member's inability to accept Sarafu for committed goods and services.
9. **Duration and renewal of contract:** This agreement is considered renewed each year unless a quorum (2/3rds) of the signed members object in writing or a new agreement nullifies this agreement. *(See Applicant Group Membership Table)*

10. **Changing this agreement:** This agreement may be altered at any time given a quorum (2/3rds) of the signed members agree in writing.
11. **Termination:** The Applicant or Service Provider may terminate this agreement for convenience at any time upon 60 days advance written notice of termination to the other party. It is especially understood that in the case of termination, the Applicant and Service provider shall comply with the obligations in effect at the time termination unless mutually agreed upon in writing.
- Should the Applicant wish to terminate this agreement and end their membership they must return all Sarafu issued to them in this agreement, to the Service Provider minus holding fees or pay an equivalent amount in Kenyan Shillings.
 - Should the Service provider wish to terminate this agreement all Applicant balance records will be transferred to the Applicant by the date of termination.
12. **Indemnification:** The Applicant and anyone signing this Agreement for themselves and their officers, directors, agents, servants, members and employees agrees to indemnify and hold harmless the other party and its employees, agents, directors, and officers from and against any and all claims, losses, liens, liabilities, fines, penalties and causes of action of all kinds however so caused, and costs thereof, including without limitation, damage, to or loss of profits, property and injury, illness or death, arising out of or in any way connected with the performance or failure of performance of the Applicant or Service Provider under this Agreement.
13. **Entirety:** This document contains the final and entire agreement between the parties, and all future projects and/or contracts shall be in a separate writing based upon agreement of the parties, and neither they nor their agents shall be bound by any terms, conditions, statements, warranties, or representations, either oral or written, not herein contained.
14. **Notices:** Any notice given by the applicant or service provider shall be sufficient only if in writing and delivered to the respective representatives of each party listed below.
- For the Applicant:
Name: _____

Phone: _____

Address: _____
 - For the Service Provider: Grassroots Economics Foundation +254757628885 PO Box, 1659-80108 Kilifi Kenya info@grassecon.org
15. **In WITNESS WHEREOF**, the duly authorized representatives of the Applicant, mediators, Validator and Service Provider sign this agreement in two (2) originals for equal content and validity on the dates indicated below, and agree to abide by the terms stated in this agreement.

Official Signatories

Position	Full Name	Phone	National ID	Date	Signature
Elder Mediator A					
Elder Mediator B					
<i>Applicant Chairperson</i>					
<i>Applicant Secretary</i>					
<i>Applicant Treasurer</i>					
Group Account					
Validator					
GE Director					

Addendum:

Best Practices

While this agreement establishes the relationship with the applicant, mediators and the service provider - It is recommended that the Applicant group have clear internal agreements and documentation on the following:

1. **Distribution:** Establish how the Sarafu will be used by the Applicant, including distribution/loaning to members and for group projects.
2. **Loans and Repayment:** If Sarafu will be given out as loans, there should be a clear productive purpose for those loans, a repayment period and clear fines for delinquency.
3. **Trade Balance:** Members should be required to accept as much Sarafu as they spend in a timely manner and be subject to fines.
4. **Projects:** Any group projects should be well planned and a designated manager put in charge. (E.g. Using Sarafu as a community support fund for vulnerable households and community gardens.)
5. **Yearly Cycle:** There should be an annual period where all Sarafu should be returned to the Applicant group account, debts cleared and Sarafu reissued.
6. **Market/Meeting Days:** Regular meeting and/or market days (e.g. weekly) should be mandatory - where members meet to trade, discuss and compare Sarafu balances openly and attempt to reduce high balances and increase low balances.
7. **Balance limits:** Members should have clear limits to how much Sarafu they will choose to hold at any given time in order to maintain their businesses and not accumulate too much Sarafu.