

Tomatin – Community Bank Cubas Tomatin

History

Tomatin's Caja Rural formed in 2009 when they heard about the success of another Caja Rural in a community that Global Brigades also works with called Pajarillos. The community leaders formed an initial board of directors, and called it "Cubas Tomatin." GB provided them Funder's 3 Training Modules on the organization and administration of Savings Credit Cooperatives(SCC's) Savings Accounts and Loans and will continue to have a presence throughout the years. Cubas Tomatin currently has 14 members and is working to start women's businesses in conjunction with the community bank.

Caja Profit Breakdown

50% Dividends- Amount of profits in the Caja to be divided amongst members at the end of each year
 30% Capitalization- Amount of capital to give out loans
 10% Social Fund- Amount of capital to be able to give out for a community project, funerals, emergency situations, etc.
 10% Legal Reserve- Amount of capital for obtaining legal documents

Executive Board and Committees:

President- Leader and main legal representative of the community bank and is in charge of leading monthly community bank meetings

Vice President- Represents the president when unavailable

Treasurer- In charge of all financial transactions within the community bank and keeps tracks of the loans, savings, and shares books, responsible for traveling to the commercial bank, and providing money for loans or savings withdrawals

Secretary- Records minutes during all community bank meetings and

Credit Committee- Responsible for accepting and evaluating loan applications and approving loans

Vigilance Committee- Conduct a yearly audit of all community bank transactions, processes, and businesses

Social Fund Committee- Responsible for accepting requests for assistance from the social fund. The social fund support can be given in cash, food, manual labor, or clothing.



Community Bank Services and Businesses

All community banks offer access to membership, savings accounts, loans, and the purchase of corn, fertilizer, and pesticides.

The requirement to become a member/shareholder of the bank is to pay a fixed amount equivalent to the current shares held by the existing members. Each member of the bank in Tomatin has about L1020 (\$51) in shares. New members would have to pay L1020 to join the bank over the period of one year. In addition, every month, members are required to pay an additional 40 lempiras (\$2) per month to maintain membership.

Any member of the community can open a savings account starting with L20 (\$1). Savings accounts accrue 1% compounded interest per month. In March 2012, the Indiana University brigade opened up savings accounts for all of the children in the community in hope of instilling the culture of savings at a young age so that the children will have more opportunities to escape poverty in the future. They also left a revolving fund for all newborn children in the community.

There are 3 different types of loans available: agriculture, small business, and emergency. The average agriculture loan is given for a family to purchase pesticides and fertilizers necessary for the planting season and for household purchases during the planting season when there is no direct income coming into the home. Small business loans can be given to families who own small businesses such as convenience stores called pulperia. Emergency loans are given to families typically due to unpredicted medical emergencies.



Cubas Tomatin operates an agriculture store, which sells pesticides and fertilizers necessary for farmers to prevent plagues and increase their production. The store has been highly successful and useful to the community, as farmers no longer have to travel to the closest city Cantarranas (1 hour walking) to purchase products where they would also be more expensive. All the profits from the store are reinvested back into the community bank to give out loans or invested in other community projects.

The community bank also purchases corn directly from the farmers in the community for a fair price. They store the corn in metal storage bins called silos and wait for the market price to rise and then sell the corn to make profits that are also reinvested back into the bank.

Universities Brigaded in Tomatin

Indiana University- March 2011

University of Pennsylvania- May 2011

University of Illinois Urbana Champaign- May 2011

Yale University- January 2012

University of Pennsylvania- January 2012

Indiana University- March 2012

