TCP Global Management Guidelines  
For NPCA and Friends of Groups

Governing Philosophy
While many organizations are structured so that those at the bottom support those at the top, TCP Global is the reverse. Our basic assumption is that those higher on the TCP Global pyramid are here to serve those below. If a service can be rendered to those below, the default plan is to render it. If a task can be done higher on the pyramid, the default plan is to relieve the burden on those below.

Working with TCP Global partners
A) Screening for partners
   • Google the grassroots organization and the leader to see if there is information on the web to complement information provided by the referring party
   • Ideal partners are already working effectively in service to their community
   • Effective = track record of success in improving the lives of their clients. (TCP Global is far less concerned with organizational structure like elected officers, meetings, minutes, etc. than in the results the group achieves)
   • For legal reasons, the partner must be legally registered to operate in its country
   • For legal reasons, the partner must have a bank account so that funds can be transmitted directly from NPCA to a non-profit/NGO.
B) The TCP Global model aids in selecting ideal partners.
   • Partners working effectively to serve a marginalized community already
     1) know their clients and can better assess viability of loan applications
     2) have the respect of the community, so loans are more likely to be repaid
     3) have salaries, rent, utilities, etc. covered so that a small micro loan program adds only the cost of stationery
   • Partners willing to go the extra mile to help their clients
     1) A partner willing to take on an additional task to help their clients is committed to service above self, highly motivated to serve its community
     2) If a prospective partner indicates they need compensation for adding micro-loans, the suggested response is that we are sorry, but that is not possible with our model. Do not use potential earnings as an incentive to convince them to partner with TCP Global. While we do compensate partners for good results, we find the best partners are those willing to serve without compensation.
C) The TCP Global model empowers grassroots partners to design and run their own program
   • they set up their own record management process, while TCP Global retains the right to review the process if they make a site visit
   • they set the interest rate, loan requirements (training, co-signers, experience etc.)
- They determine how large they want the program to grow
- They determine the size of the loans they will give

**D)** The TCP Global model helps partners become successful
- Funds are released incrementally so they can learn from small mistakes to be good stewards
- TCP encourages partners to access local resources, if available, to provide clients various types of training directly related to their business as well as personal money management and life skills. TCP strongly recommends that all loan recipients understand that the loan funds are a gift to the community to establish a permanent loan service for them and that if they manage the funds responsibly, TCP will provide more resources. If they do not repay, the program will close.
- Since many partners are reluctant to ask for more funds, once they qualify (delinquency rate <5%, funds received invested at least twice, all funds fully invested with a small balance on hand), offer to release more funds if they want them and have people waiting for loans and if they feel comfortable managing a slightly larger loan program.
- Experience in Colombia suggests a partner can manage 30-45 open loans successfully. If a site has several people managing the loans or delegates a portion of the work effort to others, they may feel comfortable managing more funds. The decision of how big to grow is theirs.
- TCP suggests that partners issue small loans for short periods of time and that they begin with those who already have a small business but makes it clear they are the ones to decide and if their method is successful, we continue to advance funds.
- Monthly reports from the partners provide data for management reports that are then shared with the partner. It is important for them to see the big picture and not get demotivated by intermittent setbacks.
- TCP encourages partners to establish a citizen committee to assist in administering the loan program – screening loan applicants, making visits to the businesses, mentoring new loan recipients, sharing their success stories, receiving payments, etc. This gives the community a sense of ownership and relieves the non-profit of administrative tasks and provides continuity during changes of leadership at the grassroots organization.
- TCP Global provides both encouragement and suggestions upon receipt of the monthly report.
  1) If there are several poor payers, the organization is asked about visits to the loan recipients and methods for encouraging prompt repayments (reduced interest on subsequent loans for prompt payers, public recognition for those who repay their loans in the form of a certificate, acknowledgement at a meeting, names posted on a wall of success, etc.)
  2) IF payment was received from someone who had not paid in a while, it is good to acknowledge that success
  3) When they have an accumulation of earnings, ask them how they would like to use that money to buy equipment for the NGO, do a community project, etc. While it is theirs to use as they wish, we encourage investments in something significant rather than parties.

**E)** The TCP Model helps to keep good partners motivated
- Initially, when the learning curve is steepest, partners have the highest earning potential equal to 50% of funds sent after they have been invested twice. (ie, if we send $1500 and they issue $3000 in loans with a good repayment rate, they have the right to withdraw $750.)
Once the program is fully funded and running smoothly, they receive all interest earnings. In Colombia, at 2% per month, this equals approximately $2000 per year.

Partners often are reluctant to withdraw funds for special projects, thinking they are taking resources that their clients need. We encourage them to withdraw funds for projects they would like to do to benefit the community or perhaps set up another funding stream for the organization (set up a solar panel charging station for the community is one example). Our partners are usually motivated more by their ability to provide an additional service to their community than by monetary rewards. Their ability to earn and use funds helps prevent burnout.

**Funding the Micro-Loan program**

A) NPCA as 501c3
   1) Donations are handled by NPCA-Community Fund
   2) Presently funds cannot be designated online for a particular country but a mentor can manually track donations intended for a particular site.
   3) NPCA currently assesses a 15% administration fee, which TCP Global members cover, but we are working on a grant to cover the 15% and alternative methods of compensating NPCA. 100% of donations to TCP Global are currently distributed as micro-loans and we would like to continue
   4) According to the TCP Agreement with NPCA, each site that receives distributions from the CF should have an Agreement on file, which includes bank account and contact information.
   5) An NPCA wire transfer form is submitted to Anne Baker to request disbursal of funds
   6) NPCA provides a periodic report of funds received, funds sent, 15% paid etc.
   7) By agreement, NPCA should be advised in advance of all fundraising appeals. We typically send them copy of he draft email solicitations or newsletter appeals.

B) Targeting fundraising
   1) Make a direct appeal to RPCVs from the country where the loan program will operate
   2) Submit update articles to the FO Group’s newsletter and website
   3) Make a direct appeal to family and friends, especially anyone from the country(ies) where the loan programs operate or who have a connection to the country(ies)

C) Key points for attracting and keeping donors
   1) Provide all donors a tax-exemption notification email, advising that a paper acknowledgement will be provided upon request
   2) Provide all donors an update, at least twice a year. One should make a direct appeal for more funds. A November update, with or without requesting funds, serves as a gentle reminder at a time when many people are making year-end donations.
   3) Help people understand why they should want to support the micro-loan program
      - more bang for the buck in a developing country (dollar has 4 times, 8 times? The buying power as in the US – whatever is accurate)
      - each dollar sent is invested on average once per year (or whatever is more accurate for your particular country)
      - TCP builds sustainable loan programs, which continue without outside funding
      - 100% of donations are actually distributed as micro-loans with nothing withheld for administration either in the US or abroad
4) Additional fundraising opportunities
   - Use the TCP Global Facebook page and post updates on your own FACEBOOK
   - Make presentations at Rotary Clubs, church groups and RPCV groups

5) DON’T BE SHY... This is an opportunity for people to support a cause in which 100% of the funds donated actually help marginalized families, not just once, but once each year.