Minutes of the 80th Board of Trustee Meeting of the Coastal Association for Social Transformation Trust held on 5th October 2013, at COAST Principal Office, House 13 (1st floor), Road 2, Shaymoli, Dhaka-1207.

Member participated

1. Begum Shamsun Nahar, Chairperson
2. Principle Maksudur Rahman, Vice Chairperson
3. Minar Monsur, Member
4. Aforza Khanam, Member
5. Rezaul Karim Chowdhury, Secretary (Executive Director, COAST)

Agenda transacted

1. Condolence on sudden demise of Ms Farzana Neim
2. Review of the last BoT Meeting and Audit Committee minutes
3. Maternity leave and abroad allowance policy
4. Micro finance trend analysis
5. Donor project reporting
6. Human resource management and finance policy manual revision
7. Bad debt status report
8. Coxs bazar Sadar-2 branch special audit report
9. Case status report
10. Strategic direction
11. Gratuity refund in case of special need.

The meeting has started with the welcome address from the Chairperson, decisions and major discussions of the meeting are as follows.

1. **Condolence on the sudden demise of Ms. Farzana Neim**

The board has expressed deep mourning on sudden demise of Ms. Farzana Neim, Director Governance of Manusher Jonno Foundation (MJF). The board has remembered her contribution in operation of local government project in COAST. It is decided that a condolence letter will be written on behalf of the COAST and will be handed over to MJF and Ms. Farzana Neim’s relatives.

2. **Review of the last BoT and Audit committee minutes**

- Official handover and registration of the Charfassion land from Action Aid yet to be done due to lack of fund. Planning for Cox’s Bazar Office construction will be planned by next two months. It is advised that final draft of the HRM policy manual should checked with an Advocate to ensure conformity with county law before to final release, now this policy manual can be signed by Chairperson and Executive Director for final sign up.
- In case finance manual the board has given responsibility to Treasurer to assist for finalization of the manual and he will place his comments in next BoT meeting. It is noted that in the mean time DD & F&CA has discussed the major changes with the Treasurer and has given the primary consent on it.
- The board also informed on meeting proceedings from last BoT Audit committee held on 28th September 2013 with the chairmanship of the Treasurer M Zahirul Alam, FCA. Major decisions of the meeting are,

(i) DD-Finance & Corporate Affairs must collect bank statement and accounts with directly from branches and projects in each quarter,
(ii) Cox’s Bazar sadar-2 situation and cases will have to be directly supervised by ED, whole system have to be review and revised so that there will be no mishap in this regard,
(iii) Risk indicator and analysis should be developed and accordingly audit plan and cycle should be developed.
(iv) From next meeting, target and actual situation of all the statutory funds should be presented along with fund status (eg cash and FDR etc),
(v) ED has informed about the total process of tendering and deed of agreement with the vendor for purchasing and setting of community radio instruments. The final offer has been given to Global Star Communication and the firm has already started work.

3. Maternity leave and abroad allowance policy

The board has approved the proposed maternity leave policy as proposed i.e. in total the leave for six months, first three months will be with full salary and benefits, and next three months will be only with basic and house rent. Now this will be included in HRM policy manual. The board also suggested keeping concern of Govt. policies before preparing any organizational policies.

The abroad allowance which has been provisionally approved by the Chairperson, now the board has formally approved it. The board has commented that it is comparatively low, in future this could be reviewed if there is sufficient income in the organization.

4. Micro finance trend analysis

The Assistant Director-Core Program has presented the micro finance trend for the period of Jan’13-Aug’13 (08 months) as per following.

- End of Aug’13 the active group member balance has been increased 5332 than Jan’13 i.e. 6% increased. At the end of Jan’13, the borrower percentage against member was 78% which is remain unchanged at the end of Aug’13 (78%). It has to be increased as per BP.

- End of Aug’13, net savings balance has been increased taka 3.78 crore i.e. 18% increased than Jan’13. The savings and loan outstanding ratio is 35% at the end of Aug’13 where it was 33% at the end of Jan’13. Board has appreciated the increasing saving balance.

- Loan outstanding (principal) also increased tk.7.03 crore i.e. 11% increased at the end of Aug’13 than Jan’13. AD-CP informed that the outstanding could be more increased if the loan fund would available during pick period.

- Per staff (Credit and Development Officer-CDO) active member at the end of Aug’13 was 358 where end of Jan’13 it was 342. Though it is satisfactory but the board has suggested to achieve the per CDO target as per market trend and BP.

- Among the total loan fund, COAST’s portion is 8%, member’s savings is 30%, PKSF is 46% and SF is 16%. The board urged to increase the COAST own fund.

- The board also advised to prepare an intensive plan for arresting overdue with the initiative from Principal Office.

- The board opined that there should have some indicators or reporting formats to assess the livelihood changing of poor people before and after taking MF loan. In this regard a half yearly report can produced and present in to the board from next.

5. Donor project reporting

The Director has presented the existing donor funded projects and their objectives, duration and working areas into the board. He informed that there are seven different projects are running and these are (i) School Feeding Project-GoB/EU, (ii) Education Project-SF, (iii) Responsive Union Parishad-MJF, (iv) Communication for Development -UNICEF, (v) Election Working Group -The Asia Foundation, (vi) Justice for Safety-UK Aid and (vii) Value Chain Development Project-PKSF.
He has also informed that total approved budget of these seven projects is tk. 214.28 million. The expenses have been made tk. 79.26 million against the total received tk. 96.53 million. The current utilization rate is 82% where the cumulative utilization rate is 45% at the end of September 2013.

The management has given highest emphasis on the human resource development of the project so that they can independently communicate with the donor with minimum dependency on principal office. But for quality reports, monitoring at the impact level will stand on principal office.

6. Bad debt collection report

The definition of bad debt is the overdue balance up to December 31, 2012 and this amount is taka 451.27 million since 1998. In last December 2012 the management started a special effort aiming to i) reduce bad debt as whole, ii) keep up to date bad debt members and identify missing/ false member if any and iii) stop current overdue in MF program.

The methodology was set like i) intensive support with all staff including project staff through definite planning on two Fridays of each month, ii) each of the branch sets its target 0.55% of its bad debt balance for each support, iii) Director and Executive Director do analyze the achievement reports and take further decision for way out of support and iii) from Credit and Development Officer to Branch Manager taka 50/- is entitled as lunch incentive for each support. Up to September 13, 2013 there were 18 supports and the achievement is taka 2.77 million which is 62% of total target.

Through these mobilization there are some experiences learned like i) frequent visiting to overdue member with a plan through a team support then the bad debt amount can be realized, ii) some documents were not preserved well and we have to rearrange the documents with the support from central audit team and MF staff, iii) some members denied to cash back the loan and raised many causes like staff problems, loan used by others, some members said that they had already paid the amount, iv) due to some staff’s misappropriation few members even whole group is closed and v) some staff have raised their disagreement to work on holiday but they worked after motivation and incentives.

For the remarkable achievement some specific strategies have been taken. These are i) staff wise list of bad debt members, ii) well preservation of loan records and supporting documents, iii) identify and to give special attention and care to minimize the gap of staff related problems, iv) continuation and strengthening of support during coming dry season to collect a major portion of the bad debt.

7. Cox's Bazar Sadar-2 branch special audit report

ED has presented the special audit report of CS-2 branch in to the board. He stated that (i) tk.7, 08,290/- has been embezzled by four staff, (ii) there are irregularities of tk.85, 95,000/- or disbursement of fake loan involved by five number of staff that has happened for their negligence.

A full audit has been done in the branch in reaching each member. Now, complete new staff has been deployed. Cases have been lodged against the staff, cases also being prepared against 2amindars (Guarantors of staff). Different steps has been taken for further improvement and the major steps are (i) Inter branch staff transfer for CDO, Br Accountant, Br Manager and Area Manager, (ii) Reportable relationship of Br. Accountant, (iii) Bank account verification by non-MF staff, (iv) Reviewing audit check list and (v) Frequent audit of risky branches.

8. Case status report

The organization is running now 25 court cases and among them total 20 is related to micro finance misappropriation and 5 is renewable energy related misappropriation. As per case report total money misappropriated is taka 10.46 million since 1996. Up to September 2013 total expenditure is taka 1.05 lac and total realization is taka 5.84 lac. By next two months 4 cases will be negotiated as they have realized the full misappropriated money.
9. Strategic direction
ED has shared a very draft paper on this and also a process to prepare long term strategic plan for COAST by March 2014. The plan will be prepared on draft basis with all possible stakeholder and staffs, which will also be verified by employing a third party consultant. The Board has proposed to conduct in house workshop on critical issues which is related to draw on future trend in involving expert level personalities may be from Bholo or Cox's bazar in order to sharing their experiences.

10. Refunding gratuity in special case
ED has placed one application in this regard. It is decided that BoT in future will consider to refund the gratuity on the case based on following principles, (i) if it is an application for purchasing flats or land by a staff who has passed 15 years experiences in COAST and (ii) who was found all through committed and honest in his/her job period in COAST, (iii) In this case 100% gratuity will be refunded only to purchase flats or land to refund the flat/land purchase loan or to construct a flat/house or develop land, (iv) this will not be applicable for the staff who are involved with micro finance or finance at field level.

Finding no other issues, the Chairperson has concluded the meeting with vote of thanks again.

Prepared by
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Approved by
Begum Shamsun Nahar
Chairperson, BoT, COAST

Rezaul Karim Chowdhury
Executive Director
COAST Trust

7th October 2013

Begum Shamsun Nahar
Chairperson-Board of Trustees
COAST Trust