

Minutes of the 81st Board of Trustee Meeting of the Coastal Association for Social Transformation Trust held on 28th December, 2013, at COAST Principal Office, House 13 (1st floor), Road 2, Shyamoli, Dhaka-1207.

Member participated

1. Begum Shamsun Nahar, Chairperson
2. Principal Maksudur Rahman, Vice Chairperson
3. M. Zahirul Alam FCA, Treasurer
4. Dr. Tofail Ahmed, Member
5. Minar Monsur, Member
6. Rezaul Karim Chowdhury, Secretary (Executive Director, COAST)

Agenda transacted

1. Review of the last BoT Meeting and Audit Committee minutes
2. Inclusion of new BoT members
3. Appointment of International Adviser
4. Hiring new building for Cox's Bazar Region
5. Bad debt written off for SF microfinance program
6. Field situation during the political crisis and future
7. AoB

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

1. Review of the last BoT and Audit committee minutes

- a. The board has approved the revised Human Resource Policy manual and also been signed by the Chairperson of BoT and Executive Director. The C-BoT has given thanks to Mr. Minar Monsur, Member-BoT for giving time in to the reviewing process and also to the team of COAST guided by Director.
- b. Regarding case follow up of Cox's Bazar-2 branch, the ED has informed that case has been filed against the accused staff of CS-2 branch especially to Credit and Development Officer, Branch Manager and Branch Accountant and Regional Program Coordinator. He added that the situation is now improving as the misappropriated money has started coming and the legal notice has been sent to respective persons by the legal authority.
- c. The ED informed that SP of Cox's Bazar has given appointment to COAST for a meeting where the overall situation will be reviewed. The CS-2 situation and case has been supervising by the ED and AD-HRM & SR.
- d. ED has informed the board that due to present political situation the MF income has gone down which will effect the Business Plan 2013-2014 of MF. He said that every weekend the senior staff from Principal Office is going to field in order to improve the situation. The Board has suggested to prepare an impact report on MF program with a participation of PKSf partners and if possible to meet with the Finance Minister, Governor-BB and MD-MRA.

- e. In next BoT meeting the final output of strategic meeting will be presented by the ED.
- f. The ED has presented the meeting proceedings of 4th BoT Audit committee held on 27th December 2013 with the chairmanship of the Treasurer M Zahirul Alam, FCA. Major decisions of the meeting are,
- (i) DD-IA&ME will collect bank statements of all accounts directly from branches and projects by the internal auditors to verify the transactions and bank reconciliations. No any MF staff will involve in to this process.
 - (ii) DD-IA&ME has presented the internal audit reports of MF branches and donor projects. **a)** The Treasurer urged that strong follow up has to be made from operation section against those staffs who are involved with misappropriation. **b)** Warning letter has to be given to related staffs who are involved with misappropriation and other irregularities. **c)** All sorts of loans will be verified 100% by the BM before disbursement of loan money considering the risk factors.
 - (iii) The Director has presented the latest performance and progress on bad debt mobilization and shown that there is 59% achievement against the target on bad debt collection. The Treasurer has instructed to give emphasis on the Bhola and Cox's Bazar regions since bad debts are comparatively high in those regions.
 - (iv) DD-F&CA has presented the statutory fund report and its detail status. He said that the central operation could not clear the PF and Gratuity liabilities due to shortage of fund. The Treasurer has urged to set up an action plan for next year to minimize the liabilities.
 - (v) The Director has presented a matrix on the latest scenario of ongoing projects and their progress in to the meeting. He said that at present total seven donor projects are running of which total fund is taka 22.11 crore. During the respective projects period total 11.02 crore has been received and the fund utilization rate is 88%.

The meeting has requested Dr. Tofail Ahmed (Member-BoT) to review the existing donor project activities whether their programs are addressing the actual COAST beneficiaries. Upon the request he is agreed to do this.

- (vi) AD-Core Program has presented the latest performance of MF program where reveals that;
 - Member balance, disbursement and income-surplus trend have been declining due to political situation and the disbursement stringency.
 - Overdue also increased during the year which is amounting tk.1.5 corer. But level of income and rate of surplus is satisfactory, but concern is to face decline in next due to down trend of existing performance.
 - The treasurer has advised to keep the repayment performance at a satisfactory level which is a challenge in fact in next.

The board has recommended arranging a one day orientation on social development impact of MF operation before the next BoT meeting.

- (vii) The Director has presented the latest updating on legal actions taken against the staff engaged with misappropriations. He said that at present the no of on going cases are 26 and it has been following up by the ED & Director. There are also two additional staff have been deployed to monitor and look after all the cases of COAST working area.

2. Inclusion of new BoT members

The board felt that the agenda should be discussed in full board since some of members are absent in this meeting. It could be discussed in next meeting.

3. Appointment of International Adviser

The secretary has proposed to include Dr. Jemilah Mahmood an honorary international adviser of COAST Trust. He presented a short brief of her CV in to the meeting. He said that Mrs. Jemilah was the founder president of MERCY Malaysia since 1999 and also was the Chairperson of Asian Disaster Reduction & Response Network (ADRRN) since 2004. She also has been shouldering the position of Vice-Chair of international Council of Voluntary Agencies (ICVA) since 2006 and also the board member of HAPI in Geneva. She is the board member of Save the Children UK and different UN bodies like UNCERF and UNDAC too.

The Secretary said that Dr. Jemilah has accorded the 'East Asian Women's award for Peace' for her contribution to civil society and marginalized communities during 2003 from Philippines. The Secretary also said that Dr. Jemilah has promoted COAST in different international bodies especially in HAPI for getting its board membership and she will not stipulate any honorarium from COAST for this proposed position.

The board gladly accepted the proposal and the Chairperson said that it will be the honor for board and COAST to get her companion and consultation and indeed will prop up the COAST profile. The Chairperson instructed the Secretary to communicate with Dr. Jemilah for her inclusion.

4. Hiring new building for Cox's Bazar Region

The Director has presented a key note and the rationale for hiring the building of ED's wife located at Kolatoli, Cox's Bazar for COAST CMTC office. He mentioned that the tenure of existing office deed will be expired by Jan'14 and the house owner will not renew the deed for next time. He presented a cost analysis where it reflected that COAST will be benefited both financially and space allocation if hiring the proposed office space. The board studied the note and cost analysis carefully and has settled the following matters with the house owner,

- a) COAST will pay tk.20.00 lac as advance which will be adjusted by 2years.
- b) The house owner will extend one more floor and make it a three stored building.
- c) The total monthly rent for three stored building will be tk.70.00 thousand for next three years.
- d) Until successfully completion of 3rd floor, COAST will not pay the rent of 3rd floor and it be physically verified by at least one board member.
- e) On behalf of COAST, the deed will be reviewed by Treasurer and signed by the Chairperson.
- f) COAST will start its office in the proposed building from March 1, 2014.

5. Bad debt written off for SF microfinance program

The AD-CO has presented the methodology of bad debts calculation of SF supported branches i.e. for 12 branches in to the meeting and the calculation has been made based on the November 2013 MIS and FIS report. The board analyzed the calculation profoundly and has decided to make a write off on the amount of bad debt in micro finance outstanding those have created during last years. This write-off will be done on the overdue loan outstanding of SF (Stromme Foundation) supported Micro Finance (MF). This writes off also commensurate the MRA compliance as well. The latest outstanding and bad-debt status in SF micro finance;

As on November 2013

Description	Tk. in Core
Loan Outstanding	15.15
Overdue	2.38
Outstanding of OD Member	3.14
Overdue One year plus (365 days +)	1.63
Loan Loss Provision	1.72

The board decided to make write off on the amount of tk.1.63 core because this amount is remaining as overdue for the period of more than three years plus.

6. Field situation during this political crisis and future

The Secretary informed the board that due to political instability the income of MF and loan disbursement has felt down which is in fact hampering the business plan. He mentioned that most of the cases staff can not move to field with motorcycles even through bi-cycle, thus group discipline has been breaking down. Some of staff were got attacked by the mischief while going field. It may result the increasing of overdue in the field and also decrease the group discipline.

The secretary added that to overcome this situation it has been increased field support from Principal Office and every weekend some senior staffs are going to field to overcome the situation and doing field work with MF staff. It is expecting that by next one/two months the situation will be improved.

7. Any Other Business (AoB)

- a) Executive Director has proposed 04 dates for BoT meeting for the year of 2014 and these are (i) March 15 (ii) June 7 (iii) September 13 and (iv) December 6. The board has approved the dates for New Year meeting conduction.
- b) The secretary informed that COAST will act do election monitoring as a part of EWG funded by Asia Foundation. The board suggested to be more careful and transparent in respect of financial transactions and dealings. The secretary also informed that on last 27th December 2013 COAST has participated in procession against terrorist activities at central Shahid Minar where different national and international NGOs, different professionals and civil society participants were presented. The board has appreciated the events.
- c) The secretary informed that COAST is in process of preparing project proposal for raising fund from Japan Govt. or Muslim Aid for developing land and building at Ramu for CMTC office.

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

Prepared by

Approved by

Rezaul Karim Chowdhury
Secretary-BoT, COAST

30th December 2013

Begum Shamsun Nahar
Chairperson-BoT, COAST