

Minutes of the 83rd Board of Trustee Meeting of the Coastal Association for Social Transformation Trust held on 27th June, 2014, at COAST Principal Office, House 13 (1st floor), Road 2, Shyamoli, Dhaka-1207.

Member participated

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

Agenda transacted

1. Review of the last 82nd BoT Meeting and 6th Pre-BoT Audit & Fin Committee minutes
2. Plans and Budget FY2014-15
3. Micro finance trend analysis
4. Donor project matrix
5. External audit ToR FY2013-14
6. Inclusion of gender issue in HR Policy
7. Land sale (Borhanuddin and Char Kajol)
8. New BoT inclusion
9. PF and Gratuity analysis and policy revision
10. Write off as per MRA policy
11. 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 82nd BoT and 6th Pre-BoT Audit & Finance Review committee meeting minutes

- a. As a part of final leave-taking by Dr. Abbas Bhuiya (Member-BoT), the board has requested ED, COAST to communicate with him for settling the date of his farewell and the day should be holiday either Friday or Saturday. The board has proposed to arrange a dinner party for his outstanding contributions to COAST.
- b. Board has proposed to arrange a press conference for publishing COAST annual report so that everybody can be informed about the activities and planning of COAST and its uniqueness. The secretary will communicate with concern BoT members before publishing the annual report.
- c. The Director informed that Tk.49 lac has been collected from OD loan out of Tk.4.12 crore since Jan'13 driving total 29nos of OD support. He also informed that every Saturday the OD support has been carrying out and office has been providing breakfast and lunch allowances for those staff who are engaged with OD support.
- d. The secretary has described the audit cycle of internal audit and central finance section and its reporting system. He also informed the reportable relationship and the functions of MF staffs at different level and the mechanism of ensuring accountability.

The Treasurer has expressed his concern about the irregularities of Pekua branch and given instructions to strengthen the monitoring system at all levels.

- e. The Secretary informed that at present OD and misappropriation case can not be filed under criminal law rather under the anti-corruption commission. Thus it is quite difficult to mobilize police force to arrest the criminals. He also informed that CDF (Credit and Development Forum)

has taken on a lawyer to review the law to find out easy and effective way to bring the criminals under the law for the revival of OD and misappropriated money.

- f. Branch wise overdue trend status has to be presented from next meeting. AD-CP will ensure it.
- g. The board has advised to prepare a brief report about COAST from where the outsiders can get a clear picture about the program and other activities of COAST. The secretary will take care of it.
- h. The ED has presented the meeting proceedings of 6th BoT Audit committee held on 21st June 2014 with the chairmanship of the Treasurer M Zahirul Alam, FCA. Major decisions of the meeting are,
 - i. Internal audit section has presented the summary of audit findings on last quarter (April-May 2014) containing 15 branches. The major decisions are,
 - Study and an assessment will be initiated by management (Operation and Admin section) on how security money could be taken from the staff at the time of joining, because there are concerns of financial irregularities and misappropriation experienced.
 - Paper advertisement also could be a part of strategies realizing money from the fraud staff and misappropriated. This action would be taken following legal jurisdiction indeed.
 - Case study will be prepared on the financial irregularities happened in CS-2 and Pekua branches. This study will provide the management learning in case of future decision making process.
 - Action of financial security checking on MF branches will be reported that is being done from DD- FC & CA. the report will be sent to the respective sectors especially core and audit for their own compliances.
 - Observation and related response must be sent to the treasurer in case of any external audit and submit after comments of treasurer.
 - ii. DD-FC&CA has presented the statutory fund report and its detail status. The following assessment is made based on the reporting;
 - LLP investment is 4% against provision. Less performance happened due to scarcity of fund.
 - 100% provision (Tk 17.59 lac) achieved in DMF but investment is 64% achieved (Tk 11.40 lac)
 - To minimize the liability of gratuity and PF, the board has instructed to make an action plan for next two years to way out the scope of paying these liabilities.
 - iii. The Director has presented the latest performance and progress on bad debt mobilization and shown that there is 70% achievement against the target on bad debt collection. Analyzing the scenario, the Treasurer has instructed to give emphasis on the region of Bhola and Cox's Bazar as their bad debt is high and also branch wise performance should be analyzed through cost effectiveness.
 - iv. The Director has presented the latest updating on legal actions taken against the staff engaged with misappropriation. There are 31 no of cases ongoing and the ED and Director have been following up these cases directly. At the end of May'2014 COAST has able to realize Tk 7.85 lac where expense has made Tk 3.18 lac.

2. Plans and Budget FY 2014-15

The Director has presented the Plans and Budget for the year 2014-15 in the meeting and the board has approved it. The major highlights of the plans and budget are as follows;

- During 2014-15 the budget has been prepared with an amount of taka 294.90 million with the surplus figure of taka 1.82 million. Total budget has been increased of 18% than that of 2013-14 (250.79 million).

- The donor grant is Tk. 81.20 million, which is 40% excess than last year (Tk. 58.10 million). It has happened due to inclusion of new projects, (i) MaMoni HSS by SCI, (ii) MTCP-2 and (iii) GSP by MJ.
- 63% of the budget FY2014-15 will be covered from MF income i.e. Tk 184.58 million and rest will be covered from donors overhead and from the income of social intervention.
- During the year 2014-15, it will be needed taka 332.00 million as RCF, from where it is expected to get taka 249.00 million from PKSf and taka 83.00 million from Stromme Foundation (SF) for MF program.
- During FY2014-15, no of staff 1075nos and it is 16.21% excess than last year (925p). Male and female ratio is 55:45.

The board has approved the Plans and Budget of 2014-15 and also instructed to formulate appropriate plan to implement the budget and to increase income.

3. Micro finance trend analysis

AD-Core program has presented the latest (up to May'2014) performance of MF where it viewed the following;

- Member balance, disbursement & realization and income-surplus scenario have been showing upward trend.
- Overdue seen as decline trend considering its outstanding amount but concern to its portfolio quality (Portfolio At Risk is 8%) ad this OD is stand 5.93 corer in May' 2014 despite written off. Level of quality disbursement can be minimized this concern.
- Surplus is stand during the year at the amount of tk. 105.00 lac and capital fund stand 7.47 corers at the end of May 2014.
- Written off is needed in PKSf micro finance part to keep the portfolio performance update. Treasurer asks to prepare an analysis on written off calculation before come into action.

The Board has suggested opening more MF branches at Chittagong and in this regard necessary steps has to be taken for getting approval from PKSf. AD-CO informed that initially COAST will expand its MF program in the area of Hathajari, Rawjan and Rangunia under Ctg.

4. Donor project matrix

The Director has presented a matrix on the latest scenario of ongoing project and their progress in to the meeting. Total projects are 11 in number and total fund is taka 26.50 crore. Till the date, the projects have received the amount of tk. 6.00 crore and the fund utilization rate is 81%.

5. External audit ToR FY2013-14

The board has approved the external audit ToR for the year 2013-14 which was reviewed by the Treasurer. The Secretary informed that COAST has conducted its audit by S F Ahmed & Co by three times and new auditor should be appointed for the FY2013-14. The Treasurer has proposed to do appoint A Quasem & Co as an external auditor for FY2013-14 and the board has approved it.

6. Inclusion of gender issue in HRM policy

The Secretary informed that COAST has developed a policy regarding complaint against sexual harassment as per order given by high court on 14-May, 2009. He clarified the policy in to the board and it has been appreciated. The board approved it and given instruction to include it in to the gender and HR policy.

7. Land sale (Borhanuddin and Char Kajol)

The Secretary has explained the justification of selling land of Borhanuddin (20 decimal out of 57 decimal) and Char Kajol (67 decimal) branch in to the board. He informed that a training center will be constructed at Bhola sadar branch from the sale value of Borhanuddin and Char Kajol. The Secretary

also informed that at present Char Kajal and Char Motahar branches are the most vulnerable branches in the COAST working areas and as gradually the land is disappearing due to nonstop river erosions. The board reviewed the matter and has approved the proposal. The board also requested the vice-chair of BoT to assist COAST for selling the it.

8. New BoT inclusion

Regarding inclusion of new BoT member, 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.

9. PF and Gratuity analysis and policy revision

The board has approved 10% contributory Staff Provident Fund (PF) instead of existing 5%. The board has suggested to maintain the fund management properly and to invest the fund at most profitable sector.

The Secretary also proposed to consider 3 basics of salary as gratuities in lieu of two who passes 15 years with COAST. The board has suggested presenting again the analysis comparing financial impact and staff benefit with other NGOs in next meeting.

10. Write off as per MRA policy

AD-Core Program has presented the analysis report for written off of overdue loans of which minimum tenure is 720 days or 2 years. He also described the objectives, process of calculation and future plan of written off in to the board. He informed that this is the first time COAST is proposing for OD written off and there is a policy in MRA that the MFIs can go for written off of OD loans every three years afterwards and COAST also has such kind of policy. After analysis and discussion the board has approved the written off amount of taka 3,89,13,808.00 . The board also instructed to make dive for realizing the amount though written off.

11. Any Other Business (AoB)

- a. The 84th BoT meeting will be held on 13-Sep'14 at PO, Dhaka. As requested by the Vice-Chair of BoT, the board has accepted to arrange the 85th BoT meeting at COAST Bhola Management and Training Centre to be held at the end of December 2014.
- b. Ms Hajera Begum (Member-BoT and the PO leader of COAST Bhola region) has proposed not to appoint any staff who or whose relatives are engage with politics and violence.
- c. The Treasurer has instructed to prepare an analytical report of ME loan addressing the volume of loan, its schemes, areas, financial impact etc from next meeting. The AD-CP will do it.

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

Prepared by

Approved by

Rezaul Karim Chowdhury
Secretary-BoT, COAST

28th June, 2014

Begum Shamsun Nahar
Chairperson-BoT, COAST