

Minutes of the 84rd Board of Trustee Meeting of the Coastal Association for Social Transformation Trust held on 18th October, 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. Hajera Begum, Member
7. Afroja Khanam, Member
8. Rezaul Karim Chowdhury, Secretary (Executive Director, COAST)

Agenda transacted

1. Review of the last 83rd BoT Meeting and 7th BoT Audit Committee minutes
2. Micro finance trend analysis
3. Donor project matrix
4. CREP status and future plan
5. Gratuity policy review
6. 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 83rd BoT and 7th Audit committee meeting minutes

- a. The Secretary informed that he has communicated with Dr. Abbas Bhuiya (Member-BoT) to settle the farewell party but due to his intense business the date could not be fixed, but Dr. Bhuiya will let inform the date as soon as possible. The Secretary also informed that Dr. Abbas Bhuiya has requested to consider his discontinuation from this 84th BoT meeting since his involvement has intensively been increased after getting new position as Deputy Executive Director-ICDDR,B. The Secretary stated that Dr. Abbas Bhuiya has not any intention to leave COAST but the situation is not allowing him to give time with COAST. He has given his heartiest thanks to all BoT members and all staff of COAST for cooperating him during his time. The board also expressed the gratefulness to him for his outstanding contribution during his tenure. The board has accepted the request of Dr. Bhuiya and approved the discontinuation of him w.e.f. 84th BoT meeting.
- b. The Secretary informed that the annual report will be published by the end of Oct'14 and then a press conference will be arranged in this regard.
- c. The secretary informed that COAST has settled five cases related to misappropriation out of 38 cases. There are total two staffs located at Bhola and Cox's Bazar who have been looking after the cases exclusively.
- d. The Secretary informed that COAST has relaxed riding bi-cycle of female staff at field level. If any female staff intents to ride it then COAST will provide it, otherwise not. The Secretary stated that due to relaxing the policy, the participation of female candidate has been increased in the recruitment process. He also mentioned that earlier there was a rule to ride bi-cycle by female staff for saving time and smooth operation of MF and other programs at field level.
- e. The Secretary informed that COAST has prepared and presented the vulnerability analysis to the PKSF. In to the report it has been mentioned that COAST has been carrying on the pre and post disaster program from its own income and also carrying on the education, health, advocacy and other different programs from its own fund at coastal areas. Accordingly PKSF has given approval for opening more six branches at Chittagong area and the proposed areas are Bhatiary, Barabkunda, Halihsahar, Aman Bazar, Satkania and Banshkhali.

- f. The Secretary has proposed to consider 03 basics of salary as Gratuities in lieu of 02 (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 BoT meeting.
- g. ED has presented the meeting proceedings of 7th BoT Audit committee held on 11-October, 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 of last three months (June-Aug'14) consisting 17 branches. The major decisions are,
 - Total 17 branch audited in last three months (June-Aug) and the latest report reflects that the scenario of financial irregularities has improved.
 - Preparing a case study on Pekua branch's financial misappropriation that yet pending and requested AD-CP to complete by 30th October'14.
 - No external audit done on the donors' project during this auditing quarter. But internal audit has conducted at RUP and there are some in disciplines have observed in financial processing. Necessary actions (calling explanation and audit hearing) have taken in this regard.
 - ii. DD-FC&CA has presented the statutory fund report and its detail status. The following assessment is made based on the reporting;
 - This year (FY2013-14) the PF liability has been reduced Tk. 5.31 lakh. At present the PF investment is 24% against its fund and for Gratuity it is 47%.
 - Regarding provisional expense of LLPE, DMFE and DRFE it is almost 95% has been achieved against target. But in respect of investment it is 6% for LLP, 23% for DRF and 45% for DMF. Investment rate is increasing gradually.
 - The board has given emphasis to increase the investment (deposition of bank) rate against fund especially for PF and Gratuity.
 - iii. The Director has presented the latest (end of Sep'14) performance and progress on bad debt mobilization and shown that it is 69% achievement against the target on bad debt collection. The Treasurer instructed to give special emphasis on Bhola and Cox's Bazar region considering the volume of bad debt and also suggested to make an exclusive pan for its arrest.
 - iv. The Director has presented the latest updating on legal actions taken against the staff engaged with misappropriation. The present no of ongoing cases are 33 nos (MF: 28nos and SHS: 5nos) and the ED and Director have been following up these cases directly. At the end of Sep'2014 COAST has able to realize Tk 7.85 lac where expense has made Tk 3.51 lac.

2. Micro finance trend analysis

The Assistant Director-Core Program has presented the micro finance trend for the period of Jan'14-Aug'14 (8months) as per following.

- End of Aug'14 the active group member balance has been declined 4685nos than Jan'14 (5%). At the end of Aug'14, the borrower percentage against member was 78% which is also same end of Jan'14.
- End of Aug'14, net savings balance has been increased taka 348.22 lakh i.e. 14% increased than Jan'14. The savings and loan outstanding ratio was 40% at the end of Aug'14 where it was 38% at the end of Jan'14. Board has appreciated it and instructed to mobilize DPS as a part of savings generation.
- Loan outstanding (principal) also increased Tk 599.61 lakh i.e. 9% increased at the end of Aug'14 than Jan'14. 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'14 was 318 where end of Jan'14 it was 346. 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 10%, member's savings is 35%, PKSF is 40%, SF 16%. The board urged to increase the COAST own fund.

AD-CO also informed that computer automation system has been started at branch level and at present the system is running at 12 MF branches and by next June'15 the whole branches will be covered under this system. As a result the mishap and OD hide issue will be minimized and also be controlled.

3. 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 26.99 crore. Till the date, the projects have received the amount of tk.7.68 crore and the fund utilization rate is 72.42%.

4. CREP status and future plan

AD-CO has presented the CREP phase out plan and its financial impact and analysis. He informed that if the CREP liabilities do cleaned from Microfinance program then the Surplus of MF will be reduced. The Treasurer-BoT has advised to write a letter to IDCOL for the incapability of repayment or a flexible and long term installments (principal and interest) as repayment. DD-IA&ME will draft the letter while the Executive Director will edit it and finally the letter will be checked by an advocate before submission. The letter will also be checked by the Treasurer-BoT.

5. Gratuity Policy Review

Reference to decision taken in 83rd BoT held on 27 June, 2014 regarding gratuity, the Executive Director has presented the gratuity package of other different NGOs and the difference with COAST package. He mentioned that COAST Gratuity policy and package is comparatively lower than other organization considering the final financial benefits. He proposed the following policy,

- i) Calculation should be based on current basic salary.
- ii) Gratuity will not be entitled before leaving of 3 years.
- iii) For the tenure 1-5 years than Gratuity will be 1.5 times x present basic salary x duration.
- iv) For the tenure 5+ to 15 years than gratuity will be 2 times x present basic salary x duration.
- v) For the tenure 15 years + to end than gratuity will be 3 times x present basic salary x duration.

The ED informed that if the proposed is approved then staff commitment will be increased and as well as senior and experienced staff's dropout will be decreased. He also presented the financial analysis, its effect and management to the meeting. The board reviewed the analysis, proposal and the existing package of COAST and other NGOs and finally given their approval for proposed gratuity policy. The board has instructed to prepare a policy where Chairperson-BoT and Treasurer will be signed.

Regarding permanent refunding of Gratuity Fund (approved in 80th BoT meeting held on 05-October, 2013) the board also decided that the Chairperson of BoT will approve the application of Executive Director (ED) regarding permanent refund of gratuity fund where ED will approve the applications of other staff of COAST. The board has also authorized ED for cancelling the application if needed considering the commitment, honesty and other issues of staff. Other criteria will remain unchanged as per decision taken in 80th BoT meeting.

6. Any Other Business (AoB)

- a. The BoT has advised to purchase a piece land at Moheshkhali, Cox's Bazar. The ED will take necessary actions in this regard.
- b. The Secretary informed that presently two kinds of BoT meetings are conducted and these are:

i) "Pre-BoT Finance and Audit Discussion Meeting" which is presided by the Treasurer of BoT where other BoT members do not participate rather than the ED, Director, Head of Finance, Audit and Core Operation personnel and others if necessary. This meeting usually held just one week earlier of every core BoT meeting where the Treasurer only review the internal and external audit findings, MF performance, fund management, donor project matrix, legal status, bad debt mobilization, etc. The Treasurer later on give a feedback of this meeting in to the core BoT meeting. There are total 04 meetings are held in each year.

ii) Core meeting i.e. "Board of Trustee (BoT) Meeting" presided by the Chairperson of BoT where other BoT members do participate including ED, Director and other senior staff of COAST. The meeting discussed the policies, strategies, feedback of "Pre-BoT Finance and Audit Discussion Meeting" by the Treasurer-BoT and any other major issues. There are 4 meetings are held in each year and it does comply with the rules of MRA.

The Secretary stated that altogether total 8 meetings usually are held in each year and finally the board decided that until or unless further decision, the no. of BoT meeting (core) will remain unchanged i.e. four meetings in each year, no need to increase the meeting frequency.

- c. The Treasure of BoT informed the board that in some cases BoT member(s) do visit the program of COAST at its working areas. In this regard the Treasurer will prepare a check list as a guideline. He also proposed to set an amount as allowance which amount could be from Tk.1,000/- and maximum Tk.2,000/-. The board accepted the proposal and the amount will be finalized in next meeting.

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

20th October, 2014

Begum Shamsun Nahar
Chairperson-BoT, COAST