

**Minutes of the 112<sup>th</sup> Virtual Executive Committee (EC) Meeting of COAST Foundation held on 15<sup>th</sup> December, 2021 at 6:15pm**

**Member participated:**

1. Tofail Ahmed PhD, Chairperson
2. Gawher Nayeem Wahra, Vice-Chairperson
3. Mostafa Kamal Ahmed, FCA, Treasurer
4. Jasmeen Sultana Paru, Member
5. Jacob Kumar Sarker, Member
6. Rezaul Karim Chowdhury, Member Secretary (Executive Director, COAST)

**Agenda transacted:**

1. Review of the last 111<sup>th</sup> ECM minutes
2. Review of last 26<sup>th</sup> Pre-EC Audit and Finance Trend Meeting Minutes
3. MF Trend Analysis
4. Organization Finance and Budget Variance
5. GRD and CRM response mechanism, Update
6. Project Information, Update
7. Status of Legal Action/Cases, Update
8. Sonarpara Land & Building Construction Plan
9. Car purchase for MF operation
10. Renewal of Executive Director's Appointment
11. Money laundering compliances of MRA
12. Any other business (AoB)

The Chairperson started the virtual meeting with welcome to all members and other COAST staff participants. The major discussions and decisions of the meeting are as follows.

**1. Review of the last 111<sup>th</sup> Executive Committee (EC) meeting minutes:**

- a. The Director-FCC&EA has presented the cost benefit analysis of Sonarpara building construction. He informed that the construction plan has been designed considering 88 decimal of land from where 62 decimal land has been purchased and rest 26 decimal is under process to purchase. He also said that the overall construction plan has been designed by EXTRUDE (An architect firm led by Mr. Khalid Hasan, Architect from BUET) focusing on an eco-friendly campus, keeping more space for green, enough walk-way for movement, swimming pool and other recreation. The Director-FCC&EA also informed that the estimated cost of the construction will be Tk.6.00 crore and it could be increased subjects to changing the design and material costs The EC has approved the overall campus design and also its initial construction cost for starting the work.
- b. Executive Director informed the meeting that COAST has been following the Money Laundering Act-2015 properly. The issue regarding money laundering, terrorist financing, smuggling and illegal drug issues are being discussed in each group meeting as well as staff meeting. These issues also mentioned in the passbooks so that the member participants can follow and be strict during spending their money taken from the organization.

**2. Review of last 26<sup>th</sup> Pre-EC Audit and Finance Trend Meeting Minutes**

Executive Director has presented the 26<sup>th</sup> Pre-EC Audit Meeting minutes and summarized;

- a. Total 29 MF branch and 03 donor projects are audited during the period from Sep - Nov 2021.
- b. Tk. 1, 61,067/- identified as misappropriation by 90 (45%) staff where 1,61,067/- were realized and Tk. 700/- to be realized during final payment as staff left the organization. Misappropriation happened between the ranges of amount Tk.550 – Tk.6250 among the staff. Total 13 out of 29 branches are identified where tk.5,000 - 10,000/- were misappropriated. It has happened due to lack of proper and timely monitoring from RPC and AM and also for documentation mistake by staff.

There are some financial irregularities [e.g. lack of approval, illegal adjustment etc.] also observed where Treasurer advised for timely proper actions.

- c. Syndicate loan observed in 22 branch offices among the 29 branches. Around Tk.93.34 lac loan disbursed amount has been captured by 82 syndicators where the present outstanding amount is Tk 53.95 lac. Among them 31% already been overdue. But the central monitoring for loan realization has been strengthened.
- d. Treasurer has suggested reducing such common practice to strengthen better discipline. Treasurer also advised to ensure organizational compliance as we are always under surveillance of VAT authority.

### **3. MF Trend Analysis**

The Director-Core Program presented the Micro Finance trend analysis up to Nov'21. Where major observations are;

- At the end of Nov 2021, 11 new branches have opened and total branches are 107. Total member in MF program is 1.43 lac and number of borrowers is 1.20 lac (84% of member). Performance trend observed as positive growth due to increased demand in the field.
- Total MF portfolio stands on Nov'21 as Tk. 345.88 cr. is satisfactory and increasing trend and will reach to 400 cr. outstanding by the end of June, 2022.
- Surplus is observed increasing trend during this financial year except July.
- Accumulated capital fund stands as tk. 47.58 cr. in Nov 2021. From July to Nov 2021 financial year, MF program has made a net surplus Tk.3.61 cr.
- PAR [Portfolio at Risk] is 13.20% is high that happened due to pandemic, but continuing for reducing and would go below 5% by June, 2022.
- Director CP has said the target is being achieved 96-96% according to the Business Plan and if trend continues then that will be over achieved by the end of June, 2022. He also presented an analysis on following portfolio management indicators;
  - Salary cost 51% of total operational expenditure which is below national standard and average.
  - Cost of fund 36% a little bit high due to fluctuation of payment schedule & interest provision.
  - Admin cost is 11%.
  - Bank Liability is 61.71 cr. at present which is 17% of total fund. and
  - Organization has gained a Credit Rating "A" for long term and ST-3 for short term perspective.
- Executive Director emphasized the following issues, those are;
  - Increase operational monitoring from core operation and strengthening the audit activities.
  - Communicate Bank and BD Finance for big funding arrangement.
  - Conduct a meeting with bankers and their officials to strengthen relations.

### **4. Organization Finance and Budget Variance**

The Director-FCC&EA presented the finance and budget variance analysis up to Nov'21. He mentioned that considering 5 months (July-Nov'21) budget and its expense, COAST has made 73% expense against budget and considering the annual budget it has made expense 32% and end of FY21-22 it is expecting to reach 90% of expense. He also said that Tk.2.33 cr has been received from donor overhead & management cost, MF overhead, other income for operating central operation (Dhaka, Bholá and Cxb), guest house and two radios (Radio Meghna and Saikat). COAST is trying to get donor for Radio Saikat and Radio Meghna for minimizing fund support from COAST own fund and it has possibility to get it.

### **5. Gender Relation Development and CRM response mechanism, Update**

Deputy Director-Gender, Training & Community Radio, Ms. Rumeé presented the gender status and Complaint Response Mechanism report end of November 2021. She informed the meeting that,

- One staff of MF has been dismissed for sending different immoral tax message and videos to a female CDO. Another MF staff is under investigation process for married another married women at his working area and punitive measures will be taken if found correct.
- The meeting suggested keeping separate space for the disposal of sanitary napkin at all the offices. Apart, office should consider specially the female colleagues during their menstrual period and also for pregnant colleagues for giving less work burden.
- The meeting also suggested to keep provision for giving motorcycle loan to female staff with easy installment for operating MF as a part of their capacity development.

## 6. Project information Matrix

The Deputy Executive Director presented the project information in the meeting. He mentioned that the organization is implementing 17 development projects where 7 projects are related to Rohingya and Host Community in Ukhiya and Teknaf. For these project total approved fund is BDT 78.52 crore and so received BDT 55,36 crore and expenditure BDT 47,19 and the utilization rate is 85%.

On the other hand, three projects are in pipeline named (i) School Feeding Program (SFP) in Poverty Prone areas, (ii) Alternative Gender and Coastal Aquaculture (GCA) Project yet to get the approval from NGOAB and (iii) Alternative Livelihood Development in Kutubdia, Cox's Bazar and iv) Funding for Radio Saikat by Tearfund. It is expected fund of these projects is Tk.4.40 crore.

## 7. Legal Issues (Case against staff and others) update

Director-Admin & SR presented the legal cases status of the organization. He informed that: Total 75 cases are running against the staff and group members at the end of Nov'21. The amount is claimed as 1.97 crore. He told that it is under process to solve at least 11 cases through mutual discussion, where amount claimed below Tk.2 lac.

## 8. Sonarpara Land & Building Construction Plan

The EC has discussed further the Sonarpara land construction plan and suggested to calculate construction cost (materials and others) as per present market value. Also to make plan for construction work timeline plan considering rainy and dry season. Rainwater harvesting mechanism and movement/walkway for disable should also consider at the construction plan.

## 9. Car purchase for MF Operation

The Executive Director (ED) informed the board that due to expansion of MF program specially at Barishal, Noakhali, Chittagong, and Cox's Bazar, it is needed to purchase 2<sup>nd</sup> hand 04 more microbus (Noah, KR-42, model) for strengthening monitoring and field visit. Each of the costs will be Tk.13.50 lakh, total Tk.54.00 lakh. The ED informed that all these car will be purchased gradually. The meeting reviewed the proposal and understood the necessity of car for enhancing MF operation. The member Ms. Jasmine Sultana Paru proposed to approve the proposal, the Treasurer support it and then later on the Chairperson approved it with a condition that the procurement will be followed as per policy.

## 10. Renewal of Executive Director's Appointment

The present tenure of ED's employment will be ended by December 31, 2021. So, the board has discussed the renewal of his appointment and approved the appointment for next three years i.e. from January 1, 2021 to December 31, 2024 with the following salary and benefits:

Salary and Benefits (BDT):

Grade and Step	Basic salary	House rent	Conveyance	Entertainment	Communication	Total take home salary
M-14	87,357	43,679	17,471	17,471	8,736	1,74,715

Other benefits like Mobile bill support, Internet bill support, PF, Gratuity, Festival bonus, roaming bill for international travel will be remained unchanged.

## **11. Money laundering compliances of MRA**

The Director-FCC&EA informed the meeting that COAST is following the Money Laundering Act-2015 (amendment) properly. The issue regarding money laundering, terrorist financing, smuggling and illegal drug issues have been discussion in each group meeting as well as staff meeting. These issues also mentioned in the passbooks so that the member participants can follow and be strict during spending their money taken from the organization.

The Director-FCC&EA also mentioned that there are no any illegal financing has been reported for money-laundering, terrorist financing, smuggling, illegal drug and any other illegal engagements in respect of MF operation (for loan disbursement, loan realization, members savings collection and other transactions), donor funded projects (fund receiving and its utilization) and other operation of COAST Foundation.

## **12. AoB**

- i. It is decided that the next Executive Committee (EC) meeting will be held on 12 March in Dhaka.

Having no other discussions, the Chairperson concluded the meeting with a vote of thanks and hopes to follow the health protocol to protect the COVID-19.

Prepared by

Approved by

M Rezaul Karim Chowdhury  
Member Secretary and  
Executive Director, COAST Foundation

17 December, 2021

Tofail Ahmed, PhD  
Chairperson  
COAST Foundation