



Minutes of the 94th Board of Trustee Meeting of Coastal Association for Social Transformation Trust held on September 23, 2017 at COAST Principal Office, House-13, Road-2, Shyamoli, Dhaka.

Member participated:

1. Begum Shamsun Nahar, Chairperson
2. Minar Monsur, Vice-Chairperson
3. M. Zahirul Alam, FCA, Treasurer
4. Halima Begum, Member (from PO leader)
5. Ruma Akter, Member (from PO leader)
6. Sanat K Bhowmik, In charge of Secretary (Director, COAST)

Agenda transacted:

1. Review of the last 93rd BoT Meeting
2. Review of internal audit section report
3. Annual Plans and Budget 2017-2018
4. Micro finance and financial trend analysis
5. Project Information matrix
6. Bad debt mobilization
7. Legal Procedures status (Case update)
8. Money laundering compliances of MRA
9. Any other Business (AoB)

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

1. Review of the last 93rd BoT meeting minutes

- a. **Agent Banking:** COAST has renewed its focus on agent banking system instead of mobile banking as the mobile banking is not able to reach to the client of micro finance facing potential barriers like high cost of transaction and other infrastructure deficiencies. At present negotiation almost final with Midland Bank to introduce agent banking at Laxmipur branch and make agreement as soon as possible.
- b. The Director informed that as a part of development education, COAST has developed education materials for giving lesson regarding harmful health impact of having smoking, battle leaf and smoking free coking at group level. At present the lessons have been discussing in the group/shomity meeting. The appreciated the initiatives.
- c. **Reporting on Syndicate Loans:** Progress and performance on the realization of syndicate loans (identified in the audit) to be reported in BoT audit meetings from Core operation.
- d. **Follow up top-10 branches based on the outstanding:** Standard format has been developed regarding financial security audit for top outstanding branches. Follow up also being conducted on the indicators of bank transactions, loan disbursement, daily collection and depositing process, asset management etc. and reported to Executive Director as regular basis. In last quarter (June-Aug'17), there are nine top outstanding branches are audited.
- e. **Overdue situation:** The board again expressed their concern for decline overdue situation at Cox's Bazar area comparing to other areas. The board also suggested to give special support to improve the situation and strengthening monitoring and support supervision in there.

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2. Report from internal audit sections (MF program)

Internal audit section has presented the summary of audit findings on last quarter (April-August'17). There 48 branches are audited and following major observations are critical based on the findings and related discussion;

- i. **Financial Misappropriation:** Misappropriation observe decreased in latest audit. The amount of misappropriated money is tk. 5,06,673/-.The major portion of misappropriation happened in three branch (Sonarpara-1,14,891/-, Hnila-1,05,682 and Ukhia-79,383/-). Tk. 4,30,695/- is realized instantly and rest of the amount (Tk.75,978/-) is under process of realization. Meeting also advised to calculate the staff engagement ratio considering their misappropriation amount at least above tk. 500/-.

The board also instructed to prepare a misappropriation status report (staff and branch wise) comparing with last year and presented it in next meeting through graph. The report will also include the steps taken by COAST for boosting up the morality of staff and team building.

- ii. **Syndicate loan:** Latest audit observation reflects the number of syndicate loans in 32 branches out of 48 audited. There are 135 member have captured 508 no of loans. Present outstanding of these loans are as tk. 1.13 crore and overdue is tk. 22.03 lac- (19.5% of outstanding loan) which is increasing trend. This scenario looks high trend and chair of the meeting has expressed his concern and advised to place the detail action and progress report on syndicate loan in the meeting.

Apart from the above observations, audited branches are also in practice of financial irregularities in daily transaction like without taking any formal approval, loan disbursement violating rules & process and savings withdrawal and administrative expenses. These are common phenomena and similarly critical for monitoring and financial discipline.

- iii. Treasurer also suggested to deep study of MoA (Memorandum of Agreement) of any project before preparation of cost estimate. This will support to avoid any undue observation come in external audits like CRRP (Cyclone Roanu Rehabilitation Project).

3. COAST Annual Plans and Budget 2017-18:

Director has presented the organizational plans & Budget for the year of 2017-18 period. Treasurer has shown his dissatisfaction for the operationalization the budget without concern of board and advised to COAST management taking prior email approval at least, in case of deferred BoT meeting. The key features of 2017-18 plan of organization is following;

i. Business Plan & Budget for Core Operation [MF] in 2017-18

Sl	Major components	Performance in 2016-17			Target for 2017-18 Yr.	
		Target	Achievement	%	Target	Increased
1	Total branch offices	72	76	106%	88	14%
2	Member participants	118,022	106,700	90%	133,178	20%
3	Per CDO member Participants	368	321	87%	354	9%
4	Savings accumulation (In Crore)	50.29	57.15	114%	73.65	22%
5	Loan outstanding (In Crore)	150.55	175.04	116%	249.88	30%
6	Per CDO loan outstanding (In Crore)	0.47	0.55	117%	0.66	17%
7	Earning of service charge (In Crore)	29.10	37.12	128%	50.95	27%
8	Annual Budget (In Crore)	24.97	26.82	107%	36.87	27%
9	Amount of surplus (In Crore)	4.14	10.80	261%	14.08	23%
	Average achievement			129%		21%

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ii. Budget for Organization in 2017-18

SL	Major components	Performance in 2016-17 (in Cr.)	Target for 2017-18 (in Cr.)	Variance (in Cr.)	%
01	MF [As Core Operation]	26.82	36.87	10.04	27%
02	COAST Operation [PO-partly + BMTC + CMTC + SB]	1.58	1.73	0.15	09%
03	Donor Projects	13.33	8.81	-4.52	-34%
04	Capital Budget	1.10	1.13	0.03	03%
	Org. Total	42.83	48.53	5.70	13%

iii. Budget for Capital Purchase 2017-18

SL	Assets Name	Quantity	Unit Cost	Total Budget
1	Honda MF	21	150,000	3,150,000
2	Laptop MF	23	45,000	1,035,000
3	Printer MF	22	15,000	330,000
4	Tab MF	359	9,500	3,410,500
5	Fan MF	70	3,000	210,000
6	Solar MF	12	30,000	360,000
7	Table MF	88	7,000	616,000
8	Chair MF	152	4,600	699,200
9	Washing Machine PO	1	20,000	20,000
10	Air Conditioner for PO	3	40,000	120,000
11	Steel Almira MF	12	15,000	180,000
12	Bed new MF branch	24	12,000	288,000
13	Generator CMTC	1	400,000	400,000
14	CMTC-Furniture		400,000	400,000
15	Alna for PO	2	5,000	10,000
16	Bed for PO	2	14,000	28,000
17	Table for PO	2	7,000	14,000
18	Shoe rack PO	2	6,000	12,000
19	Water Heater - BMTC	1	5,000	5,000
20	Bed - BMTC	1	7,000	7,000
21	Mobile Phone	1	5,300	5,300
	Total			11,300,000

(iv) The board has instructed to present a matrix of budget vision in next meeting which will include comparison of last year objectives and activities with new year. It will also include the target and achievements, learning and changes in the matrix.

4. MF Trend analysis:

Asst. Director-ME&IA has presented the latest (July'16-July'17) performance of MF where it's viewed the following;

- COAST micro finance program has reached its portfolio outstanding as BDT 171.5 corer in July'2017.** Simultaneously, the portfolio is also running with increasing trend on its member (1.06lac.), savings accumulation (57.70 cr.) and net surplus generation (11.56 cr.) during the year.
- Overdue seen as increasing trend** (net overdue is stand as Tk.5.54 crore in reported month July'17) which reflecting 3.8% as PAR. Vertical growth of disbursement and portfolio has minimized this option of current OD trend.
- Accumulated Surplus:** The accumulated surplus (11.56 scorer during the period) has created the capital balance as Tk.25.26 crore in July'17. Net surplus is also observing as increasing trend with a figure around Tk.1.00 crore plus in every month.



iv. **Funding Composition:** COAST has received Tk. 54.0 crore from 07 financial institutions/banks and paid up Ttk.18.65 crore as on the date. Outstanding balance is stand as Tk.35.35 crore. Banks are contributing 19% of total MF portfolio. Apart the portfolio also running with support of member's savings fund (31%), PKSF/SF fund (31%), own capital fund (14%) and different staff welfare fund (5%).

5. Project Information Matrix:

The Director has presented a matrix on the latest scenario of ongoing project and their progress in to the meeting. Total projects are 09 in number on August 2017. The estimated budget for these projects were Tk. 254.00 million. Till the date, the projects have received the amount of Tk. 161.24 million and the fund utilization rate is 93%.

The board has instructed to present a report regarding social contribution of existing donors in next meeting.

6. Bad-debt Mobilization:

The Director has presented the latest performance and progress on write-off and bad debt mobilization and shown that Tk.163.38 crore is collected (37%) against the target during last year's. An amount of Tk.13.24 lakh has spent against this bad-debt collection.

7. Legal procedures status (Case update):

There are 35 no of cases ongoing following the latest information on August'2017. However, COAST has able to realize the amount Tk. 10.31 lakh in against of spending Tk. 5.63 lakh up to the date.

9. Money laundering compliances of MRA:

The Director has informed the board that COAST has been 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. From July'16 to June'17, total loan disbursement was Tk.292.92 crore and Savings balance end of June'17 is Tk.57.33 crore and the group members invested their loan at right schemes. No any illegal financing has been made for money laundering, terrorist financing, smuggling and illegal drug purpose. The savings fund of borrower also been utilizing properly at MF program and also as FDR.

The director also mentioned that the donor projects also been maintaining properly. From internal audit section and also from central finance section, the audit and financial monitoring has been doing as per plan. No any suspicious and irregular/abnormal transactions has been made within the organization.

The Director also informed that it is mandatory to discuss the issues at every group meeting so that the members are aware on money laundering, terrorist financing and other illegal engagements.

10. AoB:

- a) **BoT Meeting** : The board has given their concern for not conducting the board meeting regularly. At least four meetings has to be conduct in a year and accordingly COAST has remaining two meetings to be conduct by Dec'17. The next two meetings will be held as per following,

Pre-BoT Audit & Finance Committee meeting	November 11, 2017	December 23, 2017
BoT General Meeting	November 17, 2017	December 29, 2017

The board instructed to follow the date strictly.

- b) **BoT ID Card**: The meeting has decided to ensure COAST ID card for all BoT members and before next meeting this ID car has to be provided to all members..
- c) **Rohingya Humanitarian Support by COAST** : The Director has given a brief to the board regarding Rohingya emergency crisis and support by COAST. He mentioned that,



(i) Rohingya people are coming to Bangladesh using at least 39 border points and so far they have taken temporary shelters in different shelters in Ukhiya and Teknaf where COAST started its humanitarian support from 8th September 2017. The main crises or suffering of the Rohingya people is lack of food, drinking water, sanitation and shelter (still living under the open sky).

(ii) As a fast responder to any humanitarian crises in its working areas, COAST has made some immediate responses for the Rohingya refugees recently fled from Myanmar based on immediately need assessment and providing cooked food, pure drinking water and health services to about 3000 people every day. To do this COAST is spending about Tk.1.00 lakh from its own fund every day. To run the immediate support for the Rohingya refugees COAST has established a Relief Operation Centre in Palongkhali area of Teknaf upazila. About 40 COAST staff are working to run the emergency support activities. COAST supports are as follows:

- Providing cooked food (hodgepodge), 2000 packets every day
- Providing health care services to 2500 people every day from two medical camps
- Providing 20 thousand liters of drinking water every day.

(iii) COAST is continuing its supports towards the Rohingya Refugees. From 8 September to 22th September COAST has distributed 36,000 packets of cooked food, 66,000 liters of drinking water. COAST has also provided health services to 33,349 refugees. The areas where refugees have taken shelters have become very much loaded with various types of wastages. COAST recruited 10 Rohingya refugees to clean some areas. Thus, COAST made two outputs, 10 Rohingya refugees have got some income, and on the other hand, the areas have become garbage and wastages free.

(iv) The Director also informed that UNICEF, CARE, OXFAM, Mercy Malaysia, Tearfund, DAN Church Aid and Christian Aid are like to give fund to COAST for this Rohingya emergency support and COAT has started its bureaucratic work for getting approval from GoB. He informed that what COAST is doing is well know by the Govt. authority in Cox'bazar.

(v) The Director also informed that apart from donor support, COAST is collecting personal contribution from different people for Rohingya emergency support and in fact the general people eagerly giving this support. In this regard a separate bank account has been maintaining at Pr. Office for its operation. Every week a program and expenditure report will be given in the website as part of accountability and transparency.

(v) The board appreciated the COAST initiatives and its quick humanitarian support. They have suggested to take some activities for pregnant mother, safety security of young girls and education for their children. In this regard COAST can search likeminded donor for its support.

Having no other discussion, the Chairperson has concluded the meeting with vote of thanks.

Prepared by

Sanat K Bhowmik
Secretary-In charge
COAST Trust

Sanat K Bhowmik
Director
COAST Trust



September, 25, 2017

Approved by

Chairperson-BoT
COAST Trust

Begum Shamsun Nahar
Chairperson-Board of Trustees
COAST Trust