

Minutes of the 110th Virtual Executive Committee (EC) Meeting of COAST Foundation held on 25th September, 2021 at 10:30am

Member participated:

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

Agenda transacted:

1. Review of the last 109th ECM minutes
2. Review of last 25th Pre-EC Audit and Finance Trend Meeting Minutes
3. Micro finance trend analysis.
4. Legal Issues (Case against staff and others) update.
5. Update Gender Issues.
6. Human Resource Management (HRM) report
7. Project information Matrix
8. Budget Variance Report July-Aug 2021
9. Sonarpara Land & Building Construction Plan
10. Money laundering compliances of MRA
11. Any other business (AoB)

The Chairperson started the online 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 109th Executive Committee (EC) meeting minutes:

- a. 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 have been discussing 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.
- b. The meeting express satisfaction observing the MF Performance up to May 2021 in context of COVID pandemic where total member is 1.43 lakh and number of borrowers is 1.19 lac (82% of member), portfolio is stand as Tk.315.90 cr. and accumulated Capital fund is stand as tk. 42.52 cr.
- c. The EC has reviewed the financial plan and its fund management thoroughly and hereby approved the annual budget and financial plan for the FY2021-22. The EC also instructed to keep control on budget expense according to income.
- d. As requested, the revised constitution of COAST Foundation will be reviewed by Gawher Nayeem Wahra, Vice-Chairperson and Nurul Alam Masud, Member-GC by October'21 and later on be submitted to Joint Stock for its further approval.

2. Review of last 24th Pre-EC Audit and Finance Trend Meeting Minutes

Executive Director has presented the 24th Pre-EC Audit Meeting minutes and summarized;

- a. Total 14 MF branch and 02 donor projects are audited during the period from June - Aug 2021.
- b. Tk. 4,02,986/- identified as misappropriation by 50 (53%) staff where 3,56,650/- are realized. Tk. 46,336/- to be realized during final payment as staff left the organization. Misappropriation happened due to lack of proper and timely monitoring from RPC and AM.
- c. Syndicate loan observed in 07 branch offices among the 14 branches. Around Tk.21.27 lac loan disbursed amount has been captured by 33 syndicators where the present outstanding amount is Tk 20.67 lac. Among them 12.0% already been overdue.
- 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 Operation has presented the Micro Finance trend analysis up to August'21. Where major observations are;

- a. At the end of Aug 2021, total member in MF program is 1.42 lac and number of Loanee is 1.12 lac (83% of member). Performance trend found almost static comparing the month of March 2021.
- b. Total portfolio is stand on Aug'21 as Tk. 320 cr. is satisfactory and increasing trend and will reach to 400 cr. projected outstanding by end of the financial year.
- c. Surplus is observed increasing trend during May - June'21.
- d. Accumulation Capital fund is stand as tk. 44.10 cr. in June 2021. In 2020-21 financial year MF program has made a net surplus 7.5 cr.
- e. PAR [Portfolio at Risk] is 19.20% is high trend due to pandemic, but becoming reduce gradually.
- f. Director-COp has 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 30% a little bit high due to fluctuation of funding.
 - Admin cost is 11%.
 - Bank Liability is 52 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.
- g. The EC has expressed their concern on syndicate loan since this sorts of loans are mostly responsible for increasing overdue at group level, even there might have chance to utilize the money at illegal way.

4. Legal Issues (Case against staff and others) update

Director-Admin & SR presented the legal cases status of the organization. He informed that: Total 58 legal cases are running against the staff and group members at the end of August 2021. The amount is claimed as 2.02 crore. He told that it is under process to solve at least 30 cases through mutual discussion, where amount claimed below 02 lac.

5. Gender Status and Complaint Response Mechanism Report

Deputy Director-Gender & Training, Ms. Rumea presented the Gender status and Complaint Response Mechanism report end of August 2021. She informed the meeting that,

- One staff of internal audit section has been dismissed due to the sexual harassment of a female staff at branch level and another staff of MF has been dismissed due to upload video publicly after making unethical relationship with other female.
- The meeting has suggested keeping separate space for the disposal of sanitary napkin at all offices. 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. Human Resource Management (HRM) report

The Deputy Executive Director presented the status of HRM report up to August, 2021. Total staff no. is 1353 where male female ratio is 69:31. Among them core staff number is 862, non-core staff number is 112 and staff number in Rohingya projects is 379.

7. Project information Matrix

The Deputy Executive Director presented the project information in the meeting. He mentioned that the organization is implementing 13 development projects where 5 projects are related to Rohingya and Host Community in Ukhiya and Teknaf. For these project total approved fund is BDT 75.65 crore and so received BDT 47.37 crore and expenditure BDT 40.07 and the utilization rate is 63%.

On the other hand, three projects are in pipeline named (i) School Feeding Program (SFP) in Poverty Prone areas, (ii) Gender and Coastal Aquaculture (GCA) Project and (iii) Fast and Immediate Response in Supporting Task (FAST) FDMN & Host community. The expected fund of these projects is Tk.3.83 crore.

8. Budget Variance Report July-Aug 2021

Director-FC&CA of central finance section has presented budget variance for the period July-Aug 21 financial year and shown;

- i. 85% expenditure made for Reporting month in Aug 21 only.
- ii. 80% expenditure made for the period of July-Aug 21
- iii. Cumulative expenditure made as 14% of total budget during the period of July-Aug 21.

Section also has presented the expenditures head those have crossed over 100% during the period. E.g.

- (i) Medical Support, (ii) Honorarium & Social Contribution under Bhola Operation, (iii) Warehouse, office rent under UROC and (iv) Office maintenance, fuel/oil under Charfession MTC etc.

The Director-FC&CA informed that the over expenditure will be adjusted at the end of June 2022 and budget monitoring has been strengthened at respective offices.

9. Sonarpara Land & Building Construction Plan

The Director-FCC&EA has presented the Sonarpara building construction coast, its fund management and the draft layout/design plan to the meeting. He informed that COAST has planned to purchase total 88decimal of land and amongst 62decimal land has been purchased worth Tk.44.17 lakh. COAST has planned to prepare the campus mostly eco-friendly way, keeping more space for green, movement, Swimming pool and other recreation. There will be three type of building, (i) Type-A: It's a two stored building for MF operation and warehouse, (ii) Type-B: It's a three stored building for Project office, Training center, Dining & Kitchen and (iii) Type-C: It's a four stored building for guest house/residence.

The D-FC&CA also informed that it is estimated Tk.5.00 crore for its full construction and By December 2021 Total Tk 3.15cr will be managed. Tk.1.00cr will be managed from COAST own fund, Tk.1.00cr will be from MF income and Tk.1.5cr will come from sale of Chakmarkul land (On Cox-Ramu road). Apart, Tk.1.5cr is expected to be arranged from UNICEF/loM/Tearfund as they have given fund to other NGOs for building construction. COAST has planned to start the project in Oct'21 and expected to finish by Dec'22.

The EC has appreciated the plan and initiatives and given instruction to prepare a cost benefit analysis of the project for its financial management. The meeting also proposed to arrange an additional EC meeting exclusively for this project by October'21 for its further review and implementation.

10. Money laundering compliances of MRA

The Director-FC&CA 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-FC&CA 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 receive and its utilization) and other operation of COAST Foundation.

11. AoB

- i. It is decided that the next Executive Committee (EC) meeting will be held on 11 December 2021.
- ii. The VAT and Tax deposit report has to be submitted regularly from next EC meeting.

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

Prepared by

M Rezaul Karim Chowdhury
Member Secretary and

27th September, 2021

Approved by

Dr. Tofail Ahmed
Chairperson

