



Guideline for use of Cash Providers and Hundis

Document Version 3: 11 April 2022

Policy Statement

This policy document is a living document and continues to be reviewed, revised, modified from time to time. We think that we need to adapt our procedures from our experiences in the ground now. This may change without prior notice. However, we will ensure that the basic procedures will be in place to our best knowledge and ethical practice.

The process of verification goes with the bottom-up approach governance in the organization. Meaning, it underwent draft and consultation process with all the staff in the organization until it reaches approval by the body.

EQMM will ensure full transparency every step of outlined procedure and the information are accurate. In case of ineligibility of any expenses, EQMM will be responsible with its terms and conditions of the grants.

EQMM welcomes our partners input to improve our policy guidelines and procedures for transparency, accountability, including checks and balance.

Definition of Cash Provider

For this document 'Cash Provider' refers to any agent who facilitates the transfer of money from one place to another, usually in exchange for a fee. In the context of EQMM's work, their service typically involves providing money as cash to a designated recipient immediately upon completion of a bank transfer of a corresponding amount. A cash provider's service may also include changing currencies. Cash providers can include what is commonly known in Myanmar as 'mobile money agents' or 'hundi'.

Procedures for exchanging cash from Cash Provider

1. The local organizer (a member of HREN network, Local CSOs, activist, etc.) will identify 2 suitable cash providers in a target area for comparison and analysis. The local organizer will prepare a 'recommendation letter' with the reason to recommend one of the cash providers.
2. The budget holder staff will then fill in a '*Cash Provider Permission Request Form*'.
 - a. Note: If 2 cash providers cannot be identified, this should be explained adequately in the 'Other Remarks' of the Cash Provider Permission Request Form.
3. Upon completion of the '*Cash Provider Permission Request Form*', the budget holder staff will submit to the Program Manager for approval.
4. Program Manager will form a committee composing of three members (Admin & Logistic Coordinator, Program Manager and Finance Officer).
 - a. The Program Manager will call a meeting to the committee upon receiving 'Cash Providers Permission Request Form'. If the member of committee is not available, the delegated staff will attend the meeting.

- b. The Finance Officer ensures the donor compliance, proper documentations, and comparison with budget lines. Finance Officer may call to the cash providers to check the information in the request form are true.
 - c. The Program Manager reviews the '*Cash Provider Permission Request Form*', '*Recommendation Letter*' and the terms and risk levels.
 - d. The Admin & Logistic Coordinator ensures procurement practices and donor compliance in the accordance with EQMM procurement policy and Donor's procurement guideline.
 - e. The committee will then approve the 'cash provider permission request' if it is satisfactory. The Program Manager will sign as 'Approved by' the Finance Officer and Admin & Logistic Coordinator will sign as 'Noted by' in the 'Cash Provider Permission Request Form'.
 - f. After approval, the Program Manager returns the form, with signature, to the budget holder staff.
5. The budget holder staff applies for an advance request using the '*Cash Provider Permission Request Form*', '*Recommendation letter*', as supporting document, in accordance with EQMM's existing financial policy and guidelines.
 6. The Cashier will transfer the requested cash advance to the cash provider's bank account or K-pay, etc. directly once the local organizer is ready to disburse cash from the cash provider. Prior transfer of money to the cash provider, the Cashier will inform to the budget holder staff. The budget holder staff will then inform to the local organizer to be ready cash disbursement from the cash provider.
 7. Following disbursement of cash from the cash provider to the local organizer, the budget holder staff will collect a receipt showing payment for their service and a copy of proof receiving cash. Justification letter is required if there are deviations of cash change service fee.
 8. The budget holder staff will keep a copy of proof of the bank transfer and cash receipt and provide this as part of the expense report, in accordance with EQMM's existing financial policy and guidelines.
 9. This document will be provided to EQMM's finance section as part of the expense report, in accordance with EQMM's existing financial policy and guidelines.

The list of supporting documents for exchanging cash from Cash Provider

- i. For proof of consideration and approval of Cash Provider
 - a. Cash Provider Permission Request Form
 - b. Recommendation Letter
- ii. For proof of transfer to Cash Provider
 - a. Bank transfer slip
 - b. A proof of cash receipt
- iii. For proof of payment of Cash Provider's service:
 - a. Payment receipt

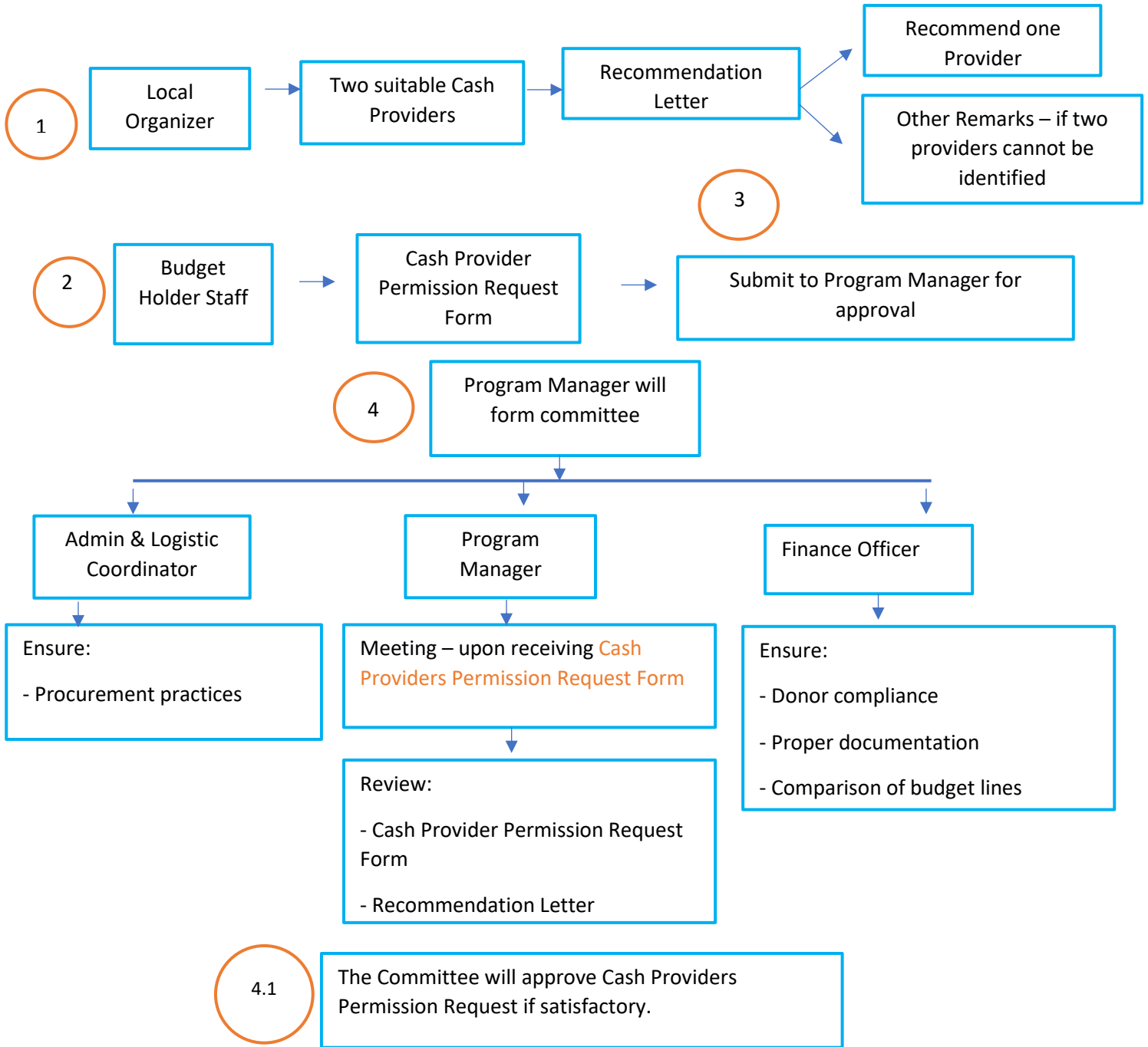
Procedures for changing currencies

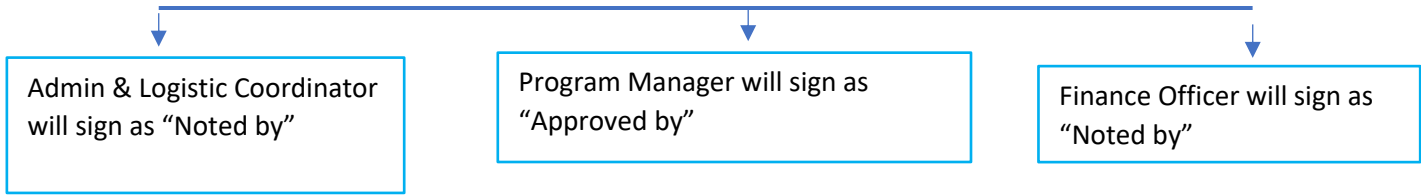
1. The Cashier will identify 2 suitable hundis in Thailand for comparison and analysis for changing currencies.
2. The Cashier will then fill in a 'Cash Provider Permission Request Form'.
3. Upon completion of the *Cash Provider Permission Request Form*, the Cashier will submit to the Finance Coordinator or Admin & Finance Manager for approval. Finance Coordinator will approve for changing currencies less than THB 200,000 (equivalent MMK 10,000,000) per time. Admin & Finance Manager will approve for changing currencies more than THB 200,000 (equivalent MMK 10,000,000) and less than THB 300,000 (equivalent MMK 15,000,000) per time.
4. The Finance Coordinator will form a committee composing of three members (Finance Coordinator, Program Manager and Admin & Finance Manager) for changing currencies more than THB 300,000 (equivalent MMK 15,000,000) per time.
 - a. The Finance Coordinator will call a meeting to the committee upon receiving 'Cash Providers Permission Request Form'. The meeting must be within banking hours of the same day. If the member of committee is not available, the delegated staff will attend the meeting.
 - a. The committee reviews the 'Cash Providers Permission Request' and ensures the donor compliance, proper documentations, spot currency exchange rate, terms, and risks level.
 - b. The committee will then approve the 'cash provider permission request' if it is satisfactory. The Admin & Finance Manager will sign as 'Approved by' the Program Manager and Finance Coordinator will sign as 'Noted by' in the 'Cash Provider Permission Request Form'.
 - c. After approval, the Finance Coordinator returns the form, with signature, to the Cashier.
5. The Cashier will prepare 'Bank Withdraw Authorization Form' to get approval from the Admin & Finance Manager to withdraw funds from the bank account of Thailand to change currencies.
6. Following the approval to withdraw funds, the Cashier will arrange to transfer funds to the selected hundi's bank account within banking hours at the same day.
7. The Cashier will liaise to the hundi to confirm the bank transfer. Following transfer of money to the hundi.
8. The Cashier will inform to the respective budget holder staff.
9. The Cashier will keep a bank transfer slips and other associated supporting documents as a proof of changing currencies, recorded this of bi-weekly cash book.

The list of supporting documents for changing currencies

- i. For proof of consideration and approval of hundi
 - a. Cash Provider Permission Request Form
 - b. Proof of currency exchange rate of each hundi (by email, screen shot of Facebook post or messenger message, etc.)
- ii. For proof of transfer to hundi
 - a. Approved Bank Withdraw Authorization Form
 - b. Bank transfer slip
 - c. A proof of fund receipts (bank statement)

Flow Chart for Use of Cash Providers





4.2 After approval, the Program Manager returns the form with signature to the budget holder staff.

- 5 The budget holder staff applies for an advance request using the '*Cash Provider Permission Request Form*', '*Recommendation letter*' as supporting document.
- 6 Prior transfer of money to the cash provider, the Cashier will inform to the budget holder staff. The budget holder staff will then inform to the local organizer to be ready cash disbursement from the cash provider.
- The Cashier will transfer the requested cash advance to the cash provider's bank account or K-pay, etc. directly once the local organizer is ready to disburse cash from the cash provider.
- 7 Following disbursement of cash from the cash provider to the local organizer, the budget holder staff will collect a receipt showing payment for their service and a copy of proof receiving cash.
- 8 The budget holder staff will keep a copy of proof of the bank transfer and cash receipt and provide this as part of the expense report.
- 9 The copy of proof of the bank transfer and cash receipt will be provided to EQMM's finance section as part of the expense report.

The Flow Chart of Changing Currencies

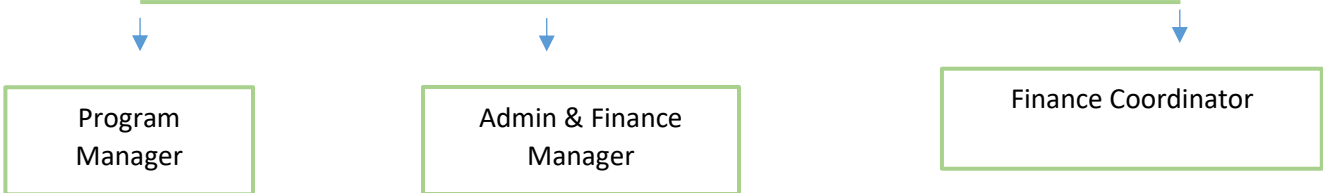


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Submit the **Cash Provider Permission Request Form** to the Finance Coordinator or Admin & Finance Manager. Finance Coordinator will approve for changing currencies less than THB 200,000 (equivalent to MMK 10,000,000). Admin & Finance Manager will approve for changing currencies more than THB 200,000 (equivalent to MMK 10,000,000) and less than THB 300,000 (equivalent to MMK 15,000,000)

4

Finance Coordinator will form committee for changing currencies more than THB 200,000 (equivalent to MMK 10,000,000)



4.1

Meeting – upon receiving **Cash Providers Permission Request Form**

The committee

Review the Cash Provider Permission Request

Ensure:

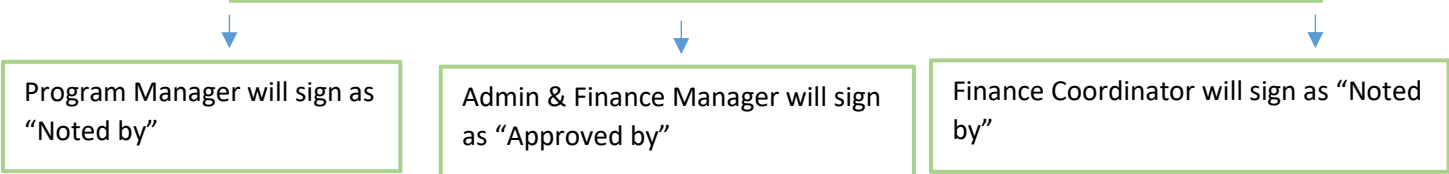
- Donor compliance
- Proper documentations

Spot:

- Exchange rates

4.2

The Committee will approve Cash Provider Permission Request if satisfactory.



4.3

After approval, the Finance Coordinator returns the form with signature to the Cashier.

5

The Cashier will prepare the 'Bank Withdraw Authorization Form' to get approval from the Admin & Finance Manager to withdraw funds from the designated banks.

6

Following the approval to withdraw funds, the Cashier will arrange to transfer funds to the selected hundi's bank account within banking hours at the same day.

7

The Cashier will liaise to the hundi to confirm the bank transfer. Following transfer of money to the hundi.

8

The Cashier will inform to the respective budget holder staff.

9

The Cashier will keep a bank transfer slips and other associated supporting documents as a proof of changing currencies, recorded this of bi-weekly cash book.

Forms

1. Cash provider permission request form
2. Recommendation letter sample

*See a sample of the Cash Provider Permission Request Form

Cash Provider Permission Request Form

Donor Code:

Activity Code:

Date of Submission:

Budget Amount:

Cash provider Name		
Address		
Contact Information		

Service Fee		
Amount to be Received		
Method of Transfer to Cash Provider		
Used this broker before? Y/N		
Other Remarks		

Selected Cash Provider:

Prepared by:

Approved by:

Noted by:

Noted by:

*See a sample of the Recommendation Letter

ထောက်ခံခြင်း

ရက်စွဲ ။ ။ -----

ငွေသားထုတ်ယူမှုအတွက် Service Provider (၂)ဦး၏ ဝန်ဆောင်မှုအချက် အလက်များမှာ-

Service Provider 1	Service Provider 2
Name:	Name:
Cash Change service ---- %	Cash Change service ---- %
Bank Account or Kpay no: -----	Bank Account or Kpay no: -----
Contact Ph: -----	Contact Ph: -----

<ul style="list-style-type: none"> • ယခင်ထုတ်ဖူးသောအတွေ့အကြုံရှိခြင်း (----- ကြိမ်) • ယုံကြည်စိတ်ချရသော ရင်းနှီးသောမိတ်ဆွေများနှင့်သာ ဝန်ဆောင်မှုပေးခြင်း၊ • နှစ်ဦးနှစ်ဖက် လုံခြုံမှုကိုပဲ ပထမဦးစားပေး စဉ်းစားလုပ်ဆောင်လေ့ရှိခြင်း၊ • Service Percentage ကိုသက်သာ သော နည်းလမ်းဖြင့် လုပ်ဆောင် ပေးခြင်း၊ 	<ul style="list-style-type: none"> • ယခင်ထုတ်ဖူးသောအတွေ့အကြုံရှိခြင်း (----- ကြိမ်) • ယုံကြည်စိတ်ချရသော ရင်းနှီးသောမိတ်ဆွေများနှင့်သာ ဝန်ဆောင်မှုပေးခြင်း၊ • နှစ်ဦးနှစ်ဖက် လုံခြုံမှုကိုပဲ ပထမဦးစားပေး စဉ်းစားလုပ်ဆောင်လေ့ရှိခြင်း၊ Service Percentage ကိုသက်သာ သော နည်းလမ်းဖြင့် လုပ်ဆောင် ပေးခြင်း၊
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အထက်ပါ service Provider ၂ ဦးနှင့် လုပ်ဆောင်ခဲ့ပြီးသောအတွေ့အကြုံအရ Service provider ----- နှင့် ----- ထုတ်ယူလျှင်ပိုမိုအဆင်ပြေနိုင်မည်ဖြစ်ကြောင်း ထောက်ခံအပ်ပါသည်။

လက်မှတ် :

အမည် :

ရာထူး :