



# **FINANCIAL CONSIDERATIONS IN CASH TRANSFER PROGRAMMING**

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# OBJECTIVES OF THE PRESENTATION

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- Finance considerations and challenges in CTP
- Delivery Mechanisms used in the Flood Response.
- Oxfam's Experience with Order Cheques – Challenges and Innovation.
- Delivery Mechanism's – the selection dilemma.

# Finance Considerations and Challenges in CTP

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- Coordination between Finance and Technical Departments.
- Harmonising Financial and internal controls to CTP needs.
- Clear and direct communication lines and process flows.
- Accountability: Recording/Bookkeeping and Reconciliations.
- Qualified finance professionals – staffing and positioning.
- Transferring cash in large institutional structures.
- Engaging delivery agents for tailor-made and easy solutions.

# Oxfam GB's experience with Banks in Pakistan

## Total Size of CTP Activities undertaken

Approximately 380 million Pak Rupees distributed through cheques/banking system to 62,190 HH's from August 2010 – Dec 2010.

Problems Faced	Solutions Implemented
<ul style="list-style-type: none"> <li>Numerous bank accounts</li> </ul>	<ul style="list-style-type: none"> <li>Bank accounts in name of partners.</li> </ul>
<ul style="list-style-type: none"> <li>Branch capacities</li> </ul>	<ul style="list-style-type: none"> <li>Worked with limitations coupled with advance planning.</li> <li>Post dated cheques</li> </ul>
<ul style="list-style-type: none"> <li>Fund transfers to provinces.</li> </ul>	<ul style="list-style-type: none"> <li>Understood inter-bank clearance systems for quick transfers.</li> <li>New process flows and HR planning within office.</li> </ul>
<ul style="list-style-type: none"> <li>Cheque preparation</li> </ul>	<ul style="list-style-type: none"> <li>Made stamps.</li> <li>Printing of Cheques using MS Office.</li> <li>Ongoing discussions for centralised systems.</li> </ul>
<ul style="list-style-type: none"> <li>Inter-branch online charges</li> </ul>	<ul style="list-style-type: none"> <li>Secured waivers , had banks deduct charges from main accounts.</li> </ul>
<ul style="list-style-type: none"> <li>CNIC requirement by Banks.</li> </ul>	<ul style="list-style-type: none"> <li>Family nominee CNIC's used.</li> </ul>
<ul style="list-style-type: none"> <li>Recording/bookkeeping and reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>Urged banks to provide soft copy of bank statements for faster reconciliations.</li> <li>New documentation introduced</li> </ul>

## DELIVERY MECHANISM'S used in the Flood Response

DELIVERY AGENT	MECHANISM
BANKS	<ul style="list-style-type: none"><li>a. Crossed transactions</li><li>b. Order Cheques</li><li>c. WIZ (Debit) Cards</li><li>d. POS solutions</li><li>e. Mobile ATM Vans</li></ul>
Direct Cash Handouts	<ul style="list-style-type: none"><li>a. Group payments</li><li>b. Individual Payments</li></ul>
Postal System	<ul style="list-style-type: none"><li>a. Fax money orders</li><li>b. Money orders</li></ul>

# TRADE OFF BETWEEN KEY CONSIDERATIONS OF DELIVERY MECHANISMS

