**Title:** **Standard Operating Procedure (SOP) – Cash in Envelope (Direct cash/Cash in Hand)[[1]](#footnote-1)**

**Issue date:** dd/mm/yyyy

**Effective period:** dd/mm/yyyy to dd/mm/yyyy

**Distribution to:** Units/Department/relevant Government Ministry

**Originated by:** Unit/Department/relevant Government Ministry

**Contact person:** Name, phone #/email

**Objective:** *(Brief explanation of the objective of the SOP*) To establish procedures, clarify responsibilities and set internal controls related to cash-in-envelope transfer planned in *mm/yyyy* through *CP/FSP name* in *xxx* Township *xxx* State, Myanmar. Planned total transfer amount is MMK *###*, targeting ### beneficiaries.

**Approved by:** Name, title, unit

**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date:** dd/mm/yyyy

1. **Background**

Write 1 paragraph providing the background information of this CTP including:

* Past CTP experience in the targeted area, beneficiaries, and modalities/delivery mechanisms
* Reasons why cash modality and cash in envelope delivery mechanism are selected
* CTP feasibility of the beneficiaries (#, KYC, security) in the targeted areas

1. **Purpose and limitation of the SOP**

Write 1 paragraph explaining the purpose of this SOP.

(Sample) This SOP outlines the procedures and responsibilities of internal and external project stakeholders to ensure efficient and successful implementation of cash-in-envelope transfer. Planned transfer amount is MMK ###, targeting ### beneficiaries in xxx Village/IDP site, xxx Township, xxx State, Myanmar.

This SOP is a general and living document and subject to change/be updated when critical changes occur or to align with existing agency specific SOPs. Elements of internal controls including segregation of duties are not fully covered in this SOP.

1. **Process**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Phase** | **Step** | **Task** | **Process Description** | **Responsible** | **Date/Time** | **Frequency** | **√** |
| **Beneficiary data and distribution plan** | 1 | Beneficiary registration | Programme/Cooperating Partner (CP) registers beneficiary data along with the mobile phone number (if available) and household vulnerability status of beneficiaries. | Programme/ CP | Beginning of the project | One-off/ periodical |  |
| 2 | Beneficiary sensitization | Programme/CP provides training for beneficiaries on the purpose of CTP, amount, duration, and cash-out procedures etc. | Programme/CP | Beginning of the project | One-off/ As necessary |  |
| 3 | Beneficiary data update | Programme/CP to monitor at field and update any changes of household (HH) information. | Programme/CP | Throughout the project- as/when necessary | As necessary |  |
| 4 | Distribution list and plan creation | At the beginning of every cycle, Programme ensures all eligible HHs are included in the distribution list at camp/location level and plans distribution. | Programme | Beginning of the project | Every distribution cycle |  |
| 5 | Distribution plan approval | Finance unit (department) approves the distribution list and transfer amounts. | Finance | Beginning of the project | Every distribution cycle |  |
| 6 | Distribution list and plan verification | Programme Head verifies approved distribution list. | Programme Head | X days before disbursement | Every distribution cycle |  |
| **Cash transfer to CP** | 7 | Dedicated bank account for cash to beneficiary | Programme arranges for opening a dedicated bank account for payment to beneficiaries if the operation area is new/working with a new CP in order. | Programme | Beginning of the project | One-off |  |
| 8 | Cash transfer request | Programme-Head requests Finance to transfer cash according to approved distribution plan | Programme Head | X days before cash distribution date | Every distribution cycle |  |
| 9 | Cash in Transit insurance | CP/Programme prepares cash in transit insurance and submits to Finance. Alternatively, coordinate with local authorities to ensure the safe transfer of cash from banks to the distribution site. | CP/ Programme | After submission of cash transfer request | Every distribution cycle |  |
| 10 | Cash transfer approval | Finance Head approves the cash transfer request and send payment instruction to FSP. | Finance Head | X days before cash distribution date/ per internal rule and protocols | Every distribution cycle |  |
| 11 | Down payment | Finance makes down payment (if required). | Finance | X days before cash distribution date | One-off/every distribution cycle |  |
| 12 | Cash transfer to CP/FSP's dedicated Beneficiary Cash Account (BCA) | Finance makes payment transfer to CP/FSP's BCA. | Finance | X days before cash distribution date | Every distribution cycle |  |
| **Cash distribution** | 13 | Cash distribution -preparation | CP/FSP prepares for cash distribution to beneficiaries after receiving cash in BCA and distribution date is confirmed. 1) CP/FSP withdraws received cash from the BCA. 2) CP/FSP prepares envelope for each HH. 3) CP/FSP prepares a setting point for the distribution. 4) CP/FSP informs beneficiaries what to bring on the distribution date. | CP/FSP | X days before cash distribution date | Every distribution cycle |  |
| 14 | Cash distribution | CP/Programme provides onsite support on distribution date and records issues.  1) CP/Programme gives briefing on the purpose and process of the cash distribution to beneficiaries. 2) Cash hand-over is observed by CP/Programme and beneficiaries checks the received amount. | CP/ Programme | Cash distribution date | Every distribution cycle |  |
| **Post-Distribution (Reporting & Reconciliation)** | 15 | Distribution issue reporting | Programme/CP compiles the issues/problems and submits to CP/FSP. | Programme/CP | X days after distribution and as required | Every distribution cycle |  |
| 16 | Reconciliation | CP/FSP submits reconciliation report (reconciliations of BCA account transaction report and beneficiary cash distribution report) X days after cash disbursement. | CP/FSP | X days after distribution date | Every distribution cycle |  |
| 17 | Reconciliation Counter check | Finance counter checks CP/FSP data vs actual distributed data and the account balance. Finance-Head approves the reconciliation. | Finance Head | After CO confirms the actual distribution amount | Every distribution cycle |  |
| 18 | Adjustments for reversal amount and pending transfer payments | Programme checks the reversal and pending amounts (to cancel/to be transferred in other way) and request Finance for adjustments with FSP | Programme | X days after disbursement date | Every distribution cycle |  |
| 19 | Journal adjustment | Finance makes adjustments and makes the book to be matched with FSP closing/remaining balance. | Finance | X days after receiving the request | Every distribution cycle |  |

1. **List of responsible persons and contact details**

|  |  |  |
| --- | --- | --- |
| **Unit/Department** | **Main focal point & phone #** | **Alternate focal point & phone #** |
| Head of Programme |  |  |
| Programme focal point |  |  |
| Head of Finance |  |  |
| Finance focal point |  |  |
| FSP |  |  |
| CP |  |  |
|  |  |  |
|  |  |  |

1. **Acronyms**

CP Cooperating Partner

CTP Cash Transfer Programme

FSP Financial Service Provider

KYC Know Your Customer (Identification procedures required for customers to receive services)

OTC Over The Counter

SOP Standard Operating Procedure

1. Cash in Envelope/Cash in Hand/Direct Cash is a payment made directly to recipients (beneficiaries) in physical currency usually. [↑](#footnote-ref-1)