

7. MINIMUM CONTRACT REQUIREMENTS WITH AN E-TRANSFER SERVICE PROVIDER

At a minimum, a contract with a service provider must include:

- Outline of the period covered by the agreement.
- Operation of service outlining the roles of the service provider – including controls to follow; any equipment or e-transfer devices to be provided; any role in registration; activation of accounts; process for the transfer of funds to recipient and reporting; notifying beneficiaries; any training of staff/beneficiaries; any informing of service agents/branch staff within the project zone about the programme and required liquidity; any aids to visibility for recipients; customer services support provided in the event of service failure.
- Outline of the role of the aid agency including any training, registering of beneficiaries, providing beneficiary list and finances to the service provider in timely fashion, ensuring correct ID, and following the controls set by the service provider (e.g. for web-based access to an account).
- For new and pilot initiatives, inclusion of a termination clause, or pilot phase within which early termination by either party is possible.
- The location and number of distributors/agents/branches.
- Details of what constitutes force majeure.
- Expected duration of set-up phase including any testing.
- Details of the payment schedule including time that any e-transfer devices (e.g. cheques/bank cards) will be provided to the aid agency; that funds and any advance charges will be provided to service provider; and time by which service providers must fulfil their disbursement role.
- Detail of dedicated staff for the project.
- Aid agency's transaction and account limits, and those of beneficiaries where relevant.
- Maximum number, and value, of beneficiary payments that can be made per day.
- All the transaction charges including any waivers from normal charges.
- Grievance/troubleshooting procedure.
- Any special relaxations/considerations.
- Security arrangements the service provider must have in place – e.g. armoured vehicles in the case of courier services; secure SMS transactions in the case of mobile money transfer.
- Insurance against loss or against insolvency.
- Data protection requirements.
- Details of the verification criteria and documentation process the service provider must follow when transferring cash to beneficiaries.
- Details of the reporting requirements including frequency, content and proof of transaction. This may include procedures for access to any online web portal of the aid agency and beneficiary accounts hosted by the service provider.
- Details of the commission accruing and the terms under which the service provider will be remunerated (likely to be on a monthly basis upon completion of activities as verified through completed reporting and monitoring, through bank transfer).
- Outline of the process to follow for absentees, bounce-backs and repayments.
- Clear penalties especially around inability to supply agreed goods.
- Clauses detailing the aid agency's position on fraud and programme participant protection, and responsibilities of the service provider.
- Clauses detailing procedure for the protection of beneficiary personal data.
- Exit strategy including any account de-activation periods and additional support from the service provider beyond the transfer period.

Adapted from Concern Worldwide