

Cash Working Group MoU Task Team Output Document

Terms of Reference

Cash Working Group (CWG) Task Team on MOUs with Financial Service Providers

Objective

Cash based intervention in both humanitarian and development work has grown globally and in the country in the last 5 years. There has been a robust growth not only in the use of different cash modalities but in using variety of cash transfer mechanisms and money transfer agents.

As part of CWG's mandate to provide guidance and support to agencies on CTP related to preparedness, a task team on MOU with FSPs was created. It aims to ensure that agencies are well placed to immediately respond through established pre-agreements with FSPs and well-informed process and procedures for engaging partners or service providers.

The primary role of the Task Team is to review past and current contractual arrangements or partnerships among agencies and FSPs, and recommend minimum standards or key provisions to be included in future contractual and partnership discussions.

The Task Team is composed of CWG representatives from Oxfam and Philippine Red Cross. Other persons or organizations may be made as resource persons to provide technical expertise.

Roles and Responsibilities

- a) Review of past and on-going agreements between humanitarian organizations and financial service providers;
- b) Develop a list of non-negotiable and key provisions to provide guidance for future contractual arrangements between parties.
- c) Where appropriate, provide sample template on different agreements to guide organizations in developing their respective contracts.
- d) Share information and ensure consultations among various actors prior to finalizing the MOU output;
- e) Ensure that these guidelines are cascaded and fully disseminated to the members and partners.

MOU Provisions

Provisions	Agency	Financial Service Provider
Non-Negotiable Provisions		
1. Drawn between	INGO's (member of CWG)	Blanket to FSPs
2. Definition of each party to the MOU	Description of each party entering into a Memorandum of Agreement	
3. Purpose of the Agreement	Specifies the intent/purpose by which the agreement is drawn e.g. direct pay out, coverage (whole country or specific barangays and city/cities)	
4. Official Representation from each party (beyond contract signing)	Technical Representative for each distribution contract is identified and designated by the Country Director/ Field office Programme Manager.	Technical Representative for each distribution contract is identified and designated by the Head of Office
5. Roles and responsibilities	<ul style="list-style-type: none"> - Identification of areas to cover and beneficiaries. - Designate staff for each payout, as may be needed. 	<ul style="list-style-type: none"> - Identification of branches or agents in the specified areas of coverage. - Specify and designate human resource per number of transactions or area (e.g. 2 tellers for every 400 beneficiaries per day) - Be solely responsible for the security of transported funds from the bank to the branch or payout site.
6. Documentation	Areas for distribution or pay-out, transfer date and changes in areas or beneficiaries should be done in writing.	<ul style="list-style-type: none"> - Acceptance of communicated details by the contracting agency should be duly acknowledged through writing. - Additional charges for additional areas or changes in area coverage should be communicated, in writing, to the contracting agency prior to actual distribution or payout.
7. Transaction costs	<ul style="list-style-type: none"> - Transaction cost, service fees or other additional charges should be clarified upon drawing up of the MOU. - Specify service fee as per type of payout (e.g. offsite, over-the-counter) per beneficiary or per area as may be applicable. 	
8. Release of funds	Funds should be transferred XX days prior to actual payout to the account specified by the FSP.	

	<i>E.g. Oxfam releases the funds to PHLPost, at least 5 days, prior to the distribution to give enough time for the cheque to clear with PHILpost's bank. Other FSPs may have real time transfer as they have the same bank as the contracting agency.</i>
9. Know Your Customer (KYC) Requirement	Provide and agree on key information that should be provided by beneficiaries during registration and actual pay out. (ex. LMMS ID, tracking number or barangay certification)
10. Systems Requirement	<ul style="list-style-type: none"> - Specify and agree hardware and software requirements that should be provided by each of the contracting party. - Set-up cost might be added, as may be agreed between the parties. Ownership of the software and hardware, at the end of the contract, needs to be provided for in the agreement.
11. Capacity/ Capitalization of FSP	<ul style="list-style-type: none"> - Approximate the number of beneficiaries and intended amount for distribution to check the daily release capacity of the contracted agent/ entity. - Determine number of beneficiaries and transactions that can be catered by the FSP.
12. Reporting	<ul style="list-style-type: none"> - Specify frequency of reporting from FSP to agency or vice versa. - Specify the due date per report. - Reports may include, but not limited to, reconciliation statement, disbursement report, acknowledgment receipts, master list. - Agree who will review and approve report. - Agree who will be the custodian per report, documents and other audit related materials.
13. Liabilities and Warranties	<ul style="list-style-type: none"> - The PARTIES undertake on best efforts basis to comply with their respective obligations as described in this Agreement so as to deliver the best quality of services for the cash distribution. - EACH OF THE PARTIES shall be solely liable for the proper execution of their respective duties and responsibilities enumerated in this Agreement. <p>The PARTIES ensure and bear the sole responsibility that no provision under this Agreement contravene the rights of any third party with whom any of the parties may have contractual obligation/s.</p>
14. Non Liability	<p>INGOs and FSPs shall not be liable for any loss or damage of whatever nature in connection with transactions involving the cash redemption, thru branches, in the following and similar instances, but shall not be limited to the same:</p> <ul style="list-style-type: none"> - Disruption, failure or delay relating to or in connection with due to circumstances beyond the control of INGOs and FSPs, fortuitous events such as, but not limited to, prolonged power outages, breakdown in computers and communication facilities, typhoons, floods, public disturbances and calamities and other similar or related cases. - Inaccurate, incomplete or delayed information received due to disruption or failure of any communication facilities used for the cash distributions. <p>Indirect, incidental or consequential loss, loss of profit or damage that</p>

	the INGO beneficiaries may suffer or has suffered by reason of failure or inability to conduct payout under the terms of this Agreement.	
15. Miscellaneous Provisions	<ul style="list-style-type: none"> - The PARTIES agree to provide further assistance and execute such documents as may be necessary or reasonably desirable to accomplish the intents and purposes of this Agreement. - The PARTIES shall render each other free from any harm, damage or liability that may arise from or is occasioned by INGOs or FSPs regular exercise of its respective rights and duties under this Agreement. <p>Any change or modification in the terms and conditions of this Agreement shall mutually be agreed upon by INGO and FSP (with corresponding addendum signed by both parties).</p>	
16. Effectivity and Termination	<ul style="list-style-type: none"> - Agreement shall take effect upon signing of this Memorandum of Agreement and shall remain in full force and effect unless sooner revoked/terminated by either party thirty (30) days after receipt by the other party of a written notice of revocation or termination. - May include: after the expiration of the original period without it being sooner revoked, the agreement shall be deemed renewed automatically from year to year under the same terms and conditions. <p>Funds received by FSP from INGO in advance and which have not been or cannot be distributed have to be transferred to INGO immediately in case of termination of this Agreement.</p>	
Additional Provisions for Consideration		
17. Confidentiality and Non-Disclosure (Data Protection)	<p>The XXX shall protect all information received from the Client pursuant to the terms and conditions of this Agreement and shall treat the same with strict confidentiality. In the same manner, the Client shall not provide, divulge, disseminate, or otherwise disclose to any third party the contents of this Agreement, the Addenda, and/or of any proposal or manual related hereto and thereto.</p>	<p>Second Party acknowledges that all confidential Information is the sole property of FIRST PARTY, that strict protection of the Confidential Information is necessary to the successful continuation of the operations of FIRST PARTY and its associated companies and foundations, and the unauthorized use or disclosure of the confidential information would irreparably harm FIRST PARTY and its associated companies and foundations.</p> <p>Second Party agrees not directly or indirectly divulges, discloses or use at any time, either during the term of this agreement for any time thereafter, any Confidential Information, unless:</p> <p>(a) Second Party obtains FIRST PARTY'S prior written consent; or</p>

		<p>(b) Such disclosure or use is both necessary in the performance of the Services and specifically authorized pursuant to FIRST PARTY'S written Publication Policy, as may be revised from time to time; or</p> <p>(c) Disclosure is required by law and SECOND PARTY gives FIRST PARTY'S prompt notice of the disclosure</p>
18. General Provisions	<p>Provisions related to internal policies and practices of the organization:</p> <p>e.g. Child Protection, Gender Equality, Code of Conduct for Non-staff and partners/suppliers</p>	
19. Media and use of name	<p>The Second Party may not use the XXXXXX name and/or logo for any purpose beyond the performance of your obligations under this Agreement unless you have first obtained consent in writing from XXXXXXXXXX. This includes any news release, public announcement or proactive media work.</p>	
Specific provisions based on Type Payment	<ul style="list-style-type: none"> • Electronic payment • Prepaid Card • Debit Card • Vouchers • Bank 	

Attachments:

Annex 1: Sample MOA A – Remittance Center

Annex 2: Sample MOA B – Phil Post

Annex 3: Sample MOA C – Bank Agreement

Annex 1: Sample MOA for Remittance Company**MEMORANDUM OF AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

XXXXXXXXXX, an organization existing under and by virtue of the laws of the republic of the Philippines, with office address at _____ herein represented by its Emergency Response Manager, -----, herein referred to as “**First Party**”.

-and-

XXXXXXXXXX (A Local Remittance Center), a private financial institution duly organized and registered under the Banko Sentral ng Pilipinas and the Securities and Exchange Commission (SEC) with principal office address at _____, represented by its Vice President, ----- herein after referred to as “**Second Party**”

WITNESS THAT:

WHEREAS, **First Party** has selected **Second Party** to facilitate the release of wages of beneficiaries participating in its cash transfer program;

WHEREAS, **Second Party** will provide the services under the **XXXXXXXXXX**, using existing systems;

WHEREAS, **Second Party** has agreed to provide the services in line with its mission to give back to the community as part of its corporate responsibility.

NOW, THEREFORE, for and in consideration of the foregoing premises and of mutual covenants and stipulations herein provided, **First Party** hereby designates **Second Party** for the pay-out of beneficiaries for the cash transfer program to include **cash for work** and **micro grants** implemented by **First Party** in Eastern Samar;

Section I. THE PROJECT

1. Purpose of the Memorandum of Agreement

The purpose of this Agreement is to effectively and efficiently remit and pay the cash of the qualified beneficiaries of **First Party**'s Cash Transfer Program in the Province of **Eastern Samar, particularly, in the Municipalities of _____** (collectively as the “Designated Municipalities”).

2. Scope and Structure of Agreement

2.1 The Agreement shall involve the payout of wages to the cash for work and micro grants beneficiaries of **First Party** at the **Second Party** premises with the assistance of **First Party** Staff.

- 2.2 The facilities of **Second Party** shall be utilized in the pay-out of wages of First Party Cash for Work participants.

Section II. DUTIES AND RESPONSIBILITIES OF THE PARTIES

1. First Party shall:
 - 1.1 Coordinate with **Second Party** and provide details of the participants such as the masterlist of _____ workers and _____ micro-grants beneficiaries, number of work days, and cash allocation per beneficiary for the pay-out.
 - 1.2 Deposit the total amount of _____ to the **Second Party** in staggered basis based on the scheduled pay-out and at least 3 days prior to the actual pay-out.
2. **Second Party** shall:
 - 2.1 Pay the beneficiaries of **First Party**'s cash for work program and micro grants at the **Second Party branch** premises, with the assistance of **First Party** Staff if needed particularly in identifying the beneficiaries.
 - 2.2 Provide **First Party** with the code per beneficiary prior to the pay-out.
 - 2.3 Provide **First Party** with proof of receipt of payments using the standard First Party payroll sheet format as provided.
 - 2.4 Deposit the unclaimed amount back to First Party Account.

The guideline for the payment of wages to workers is attached as Annex A and forms part of this Memorandum of Agreement

Section III. FEES AND CHARGES

Second Party shall charge the amount of ___ pesos per transaction for any amount up to 5,000.00 pesos, ___ pesos for amount more than 5,000 pesos and ___ pesos for any amount from 10,000 to 20,000 pesos.

Section IV. LIABILITIES AND WARRANTIES

1. The parties undertake on the best efforts basis to comply with their respective obligations as described in this Agreement so as to deliver the best quality of services to the <<typhoon affected communities in Balangkayan, Hernani, Guiuan, and Salcedo>>.
2. Each of the parties shall be solely liable for the proper execution of their respective duties and responsibilities enumerated in Section II, thereof.
3. The parties ensure and bear the sole responsibility, that no provision under this Agreement contravene the rights of any third party with whom any of the parties may have contractual obligation/s and any applicable <<Philippine>> law or regulation.

Section V. CONFIDENTIALITY

During the terms of this Agreement, and all times thereafter, **First Party** and **Second Party** undertake not to divulge to any third party any information regarding any operations, practices, specifications, account balances and transactions, personal data of clients, and activities of each contracting party.

Section VI. NON-LIABILITY

First Party and **Second Party** shall not be liable for any loss or damage of whatever nature in connection with transactions involving disbursement but not limited to any of the following instances:

1. Disruption failure or delay relating to or in connection with due to circumstances beyond the control of First Party and **Second Party**, fortuitous events such as, but not limited to prolonged power outages, breakdown in computers and communication facilities, typhoons, floods, public disturbances and calamities and other similar or related cases;
2. Inaccurate, incomplete or delayed information received due to disruption or failure of any communication facilities used for the disbursement;
3. Indirect, incidental, or consequential loss, loss of profit or damage that the workers suffer or has suffered by reason of failure/inability to conduct transaction under the terms of this Agreement.

Section VII. MISCELLANEOUS PROVISIONS

1. Provision of this Agreement shall be subject to the rules and regulations of the Bangko Sentral ng Pilipinas.
2. The parties agree to provide further assistance and execute such documents as may be necessary or reasonably desirable to accomplish the intents and purposes of this Agreement.
3. The parties shall render each other free from any harm, damage or liability that may arise from or occasioned by First Party and **Second Party** regular exercise of its respective rights/duties this Agreement.
4. Any change or modification in terms and condition of this Agreement shall mutually be agreed upon by First Party and **Second Party** and shall be incorporated herein by way of an addendum/addenda concurred and signed by both parties.

Section VIII. GENERAL PROVISIONS

1. CHILD PROTECTION

Second Party acknowledges that it has received a copy of and has read and understood First Party's Corporate Child Protection Policy and supporting and briefing materials describing First Party's commitment to child protection ("Child Protection Policy") in **Attachment B**.

Second Party shall (and shall ensure that its employees, agents, sub-contractors and any other party engaged in the performance of Services shall) at all times and in all circumstances to abide by the Child Protection Policy for the period of this Agreement.

Second Party represents and warrants that neither the Peoples Bank nor any of its employees, agents, sub-contractors and any party involved or likely to be involved in the performance of the Services is/was or is suspected of involvement or has been suspected of such involvement in an incident of abuse of a child or children whether as described in the Child Protection Policy or otherwise in such a way that compromised or compromises the safety of children.

If at any time during the currency of this Agreement, it comes to the attention of the **Second Party** (or any of its officers, employees, agents, sub-contractors or any other party engaged in the performance of Services) that the **Second Party** or any of its officers, employees, agents, sub-contractors or any other party engaged in the performance of Services is was or is suspected of involvement or has been suspected of such involvement in an incident of abuse of a child or children whether as described in the Child Protection Policy or otherwise in such a way that compromised or compromises the safety of children, the **Second Party** shall:

- a. immediately cease from performing the Services and or remove any such officer, employee, agent, sub-contractor or other party engaged in the performance of Services from the provision of the Services or any aspect connected or related to the provision of the Services; and
- b. immediately report such incident or suspicion to First Party's Contact and in any event within 24 hours of such information coming to the attention of FIRST PARTY; and

Any breach of this clause and or the Child Protection Policy shall constitute a material breach and shall entitle First Party (in its absolute discretion) immediately terminate this Agreement without notice and or take such other appropriate action as First Party shall in its absolute discretion determine including requesting the removal from the provision of the Services of any suspected officer, employee or other party of the **Second Party** (if applicable); reporting any incident of abuse to the police or instituting legal proceedings for a claim for damages against the **Second Party**.

2. GENDER EQUALITY

All parties agree to abide by the basic principles of gender equality and comply with the provisions of existing gender-related international and national conventions. More specifically, the parties shall ensure that no gender-based discriminations take place in the course and as part of this engagement (this includes, but is not limited to, the use of gender sensitive language in promotional materials, recordings and publications). An orientation on First Party's gender equity principle

shall be provided by First Party Philippines to the **Second Party** as requested and/or as deemed necessary.

3. FRAUD CLAUSE

The **SECOND PARTY** hereby acknowledges receipt of a copy of First Party's Anti-Fraud and Anti-Corruption Policy, and by execution of this Agreement warrants and certifies that it fully understands First Party's policy, that it will comply with such policy in all respects and that it will do nothing in the performance of its responsibilities under this Agreement which will be in conflict therewith. In this regard, the **SECOND PARTY** further represents and warrants that:

Neither the **SECOND PARTY** nor any of its officers, agents, employees, or other persons associated with or acting on its behalf has, and covenants and agrees that it will not, in connection with the acts contemplated by this Agreement or in connection with any other project involving First Party, make, promise, authorize, ratify or offer to make, or take any act in furtherance of any payment or transfer of anything of value, directly or indirectly:

- (1) to any government official or to an intermediary for payment to any government official; or
- (2) to any political party. It is the intent of the parties that no payments or transfers of value shall be made, promised, authorized, ratified or offered with the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of securing an improper advantage or obtaining or retaining business; and;

The **SECOND PARTY** has not, directly or indirectly, taken any action which would cause any of its officers, agents or employees to be in violation of the Anti-Graft and Corrupt Practices Act¹ or similar regulations.”

This clause shall remain in full force and effect notwithstanding any termination, amendment or expiration of this Agreement

4. CONFIDENTIALITY AND NON-DISCLOSURE OF INFORMATION

The **Second Party** acknowledges that, in the course of its operations, **FIRST PARTY** has developed, gathered and generated extensive data, information, [procedures, processes, methods and systems of a confidential and propriety in nature including, but not limited to, information or evaluations regarding grant applications and distributions, contact persons and customers, First Party programmes, research data, First Partying data, development data, experience data, business processes, methods, know-how and other confidential information, knowledge and data used or useful in conducting the operations of **FIRST PARTY** and its associated companies and foundations (the “Confidential Information”).

Second Party acknowledges that the disclosure of confidential information is being made by First Party to the **Second Party** only because of the position of trust and

¹ REPUBLIC ACT No. 3019 August 17, 1960, as amended.

confidence which the Peoples Bank will occupy and because of the agreement of **Second Party** to the restrictions contained in the agreement.

Second Party acknowledges that all confidential Information is the sole property of FIRST PARTY, that strict protection of the Confidential Information is necessary to the successful continuation of the operations of FIRST PARTY and its associated companies and foundations, and the unauthorized use or disclosure of the confidential information would irreparably harm FIRST PARTY and its associated companies and foundations.

Second Party agrees not directly or indirectly divulge, disclose or use at any time, either during the term of this agreement for any time thereafter, any Confidential Information, unless:

- (d) **Second Party** obtains FIRST PARTY'S prior written consent; or
- (e) Such disclosure or use is both necessary in the performance of the Services and specifically authorized pursuant to FIRST PARTY'S written Publication Policy, as may be revised from time to time; or
- (f) Disclosure is required by law and Peoples Bank gives FIRST PARTY'S prompt notice of the disclosure

5. **First Party Anti-Terrorism Policy**

First Party will not provide support of any kind to a person or entity that it knows or has reason to believe advocates terrorism or engages in terrorist activity. First Party shall comply with all pertinent local laws and regulations that address terrorism and terrorist activity.

For the purpose of this policy, "terrorist activity" means a violent act that is intended to:

- intimidate or coerce a civilian population;
- influence the policy of a government by intimidation or coercion; or
- affect the conduct of government by mass destruction, assassination, kidnapping or hostage taking.
- Examples of violent acts intended to coerce civilian populations that may constitute "terrorist activity" include: high-jacking or sabotaging a public transportation vehicle; seizing and threatening to harm another person unless some ransom is made; assassinations; and use of biological, chemical, nuclear or other weapons of mass destruction.

Any and all matters not covered by the above stipulations shall be governed by the New Civil Code of the Philippines and Philippines jurisprudence. Any legal action or proceedings arising out of or in relation with this agreement shall be brought in the proper courts of Tacloban City only. By execution and delivery of this agreement, the parties hereby irrevocably submit to such venue to the exclusion of all other venues.

Section VIII. EFFECTIVITY

This Agreement shall take effect upon signing of this Memorandum of Agreement and shall remain in full force and take effect unless sooner revoked/terminated by either party thirty (30) days after receipt by the other party of the written notice of revocation or termination.

IN WITNESS WHEREOF, the parties hereunto set their hands at the place and date first written.

XXXXXXXXXXXXXXXXXXXXX (First Party) XXXXXXXXXXXXXXXXXXXXXXXX
(Second Party)

By: _____
By: _____

Signed in the presence of:

ACKNOWLEDGEMENT

Republic of the Philippines)
_____)S. S

BEFORE ME, a Notary Public, This ___day of ____, 2015, at _____, personally appeared:

Name Driver's License # Expiry Date

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free, voluntary act and deed.

This instrument refers to a MEMORANDUM OF AGREEMENT consist of Seven(8) pages including this page wherein the acknowledgement is written and signed by the parties and their instrumental witness on each and every page thereof..

WITNESS MYHAND AND SEAL on the date and place first above written.

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

Annex 2: Sample MOA for PhilPost**MEMORANDUM OF AGREEMENT**

THIS MEMORANDUM OF AGREEMENT is entered into this _____ day of _____ 2014, at the City of _____,

BY AND BETWEEN:

XXXXX, a non-stock, non-profit organization duly registered with the Securities and Exchange Commission, with principal office at _____, represented in this act by _____ in **his** capacity as <<Position>>, hereinafter referred to as “First Party;”

AND

XXXXXX, a government owned and controlled corporation duly organized and existing under Republic Act No. 7354, with principal address at _____, represented in this act by _____, in her capacity as Chief Executive Officer, hereinafter referred to as “**Second Party**.”

WITNESSETH, THAT:

XXXXXX (First Party), as a non-profit organization that provides a _____, within the framework of its assistance program in the <<Country>>, intends to commission the **Second Party** to deliver a service of cash distribution.

Second Party has the facility that can cater the distribution of cash grants to **FIRST PARTY** beneficiaries located in <<Name of Disaster/Response>> affected areas of the country.

FIRST PARTY and **Second Party** mutually agreed to work together, for the achievement of **FIRST PARTY**'s objectives in reaching and servicing the beneficiaries located in remote areas in the barangay level, where payment to beneficiaries shall be via authorized Postmasters subject to such terms and conditions as may be mutually agreed upon.

NOW, THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants and stipulations herein provided, the **PARTIES** hereto agree to the following terms and conditions:

Article 1 – PURPOSE OF THE AGREEMENT

This Agreement is entered into to formalize the intent of **FIRST PARTY** and **Second Party** to effectively and efficiently deliver cash grants to (First Party) beneficiaries in <<Name of Disaster/Response>> affected areas of the country.

Article 2 – SCOPE AND STRUCTURE OF THE AGREEMENT

1. The Agreement shall cause the distribution of cash grants to **FIRST PARTY** beneficiaries, as determined by **FIRST PARTY**.
2. The cash distribution (areas/places of distribution, total cash to be distributed, total number of individuals benefiting from the distributions, amount to be distributed per beneficiary for each distribution, number of distributions) shall be upon the discretion of **FIRST PARTY**,
3. The facility of the **Second Party**, thru its authorized Postmasters/Pay-out teams shall be utilized in distributing cash grants in the subject areas.
4. For the purpose of this Agreement, each party should appoint a technical representative for each distribution contract, specifying the information below:

	FIRST PARTY	Second Party
Name :	_____	_____
Function :	_____	_____
Phone Number :	_____	_____
E-mail Address :	_____	_____

All necessary information regarding the organization and technicalities of the distributions should be done in writing, validated and endorsed by the technical representatives.

Article 3 – OBLIGATIONS OF THE PARTIES

A. Obligations of **FIRST PARTY**

The **FIRST PARTY** shall:

1. Provide to **Second Party** a list of coverage areas within the <<country>> which shall be subject of the cash distribution.
2. Coordinate with **Second Party** on the identification of post offices which will be involved in the cash distribution.
3. Inform **Second Party** of the schedule of payout at least five (5) days before said scheduled payout.

FIRST PARTY shall provide **Second Party** with the details of the distribution (number of beneficiaries, place of distribution and total amount to be distributed) at least five (5) working days in advance. This Distribution Request will be given in writing by the **FIRST PARTY** technical representative.

FIRST PARTY shall provide **Second Party** with the list of the beneficiaries and the amount to be paid to each of them at least five (5) days before the distribution.

FIRST PARTY shall provide an **Acknowledgement Receipt** for every duly identified beneficiary for pay-out.

4. Organize the venue to the payout.
5. Provide <<Number of Personnel>> **FIRST PARTY** personnel for every **Second Party** teller. The **FIRST PARTY** representative will ensure the proper identification of the beneficiaries. The list of **FIRST PARTY** personnel assisting a distribution will be communicated together with the details of the distribution.
6. Send the necessary funds to pay the beneficiaries to **Second Party** at least five (5) days before the scheduled distribution. The money will be transferred to a dedicated account detailed as per Article 4 of this Agreement.
7. Pay **Second Party** for the transportation expenses, should the number of beneficiaries be less than four hundred (400) for a distribution.
8. In case of incomplete billing documents, return the documents to **Second Party** for completion.
9. In the event where **FIRST PARTY** would like to organize a distribution in a place not mentioned in the list of coverage areas, a written request should be placed to **Second Party** at least fifteen (15) days in advance. A written agreement to add additional costs, if any, should be communicated to **FIRST PARTY** five (5) days at the latest after the reception of the request.

B. Obligation of Second Party

The Second Party shall:

1. Provide a list of post offices and its addresses to **FIRST PARTY** based on the list of coverage areas submitted by **FIRST PARTY**.
2. Acknowledge receipt of the Distribution Request in writing and send its comments, if any, at least four (4) working days before the scheduled distribution.
3. Ensure that the equipment, facilities and other logistics necessary in the payout of cash grants are in place.

4. Transport the necessary funds (cash in Philippine Peso) for the agreed distribution from their office up to the place of payout.
5. Be solely responsible for the security of the transported funds from their office up to the place of payout and until distributed to the beneficiaries. Non-distributed funds remain under the responsibility of **Second Party** and must be returned to **FIRST PARTY** upon demand.
6. Provide two (2) tellers (**Second Party** employee) for every four hundred (400) beneficiaries attending a distribution (same place and same day).
7. Pay and distribute the cash grants to the **FIRST PARTY** beneficiaries, thru its clustered post offices on the scheduled payout dates in the presence of **FIRST PARTY** personnel.
8. Provide **FIRST PARTY** a copy of the Table of Distances of the barangays in the subject areas where transportation expenses may be claimed by **Second Party** from **FIRST PARTY**
9. Take all necessary measures to protect the funds from unauthorized access, theft and loss and shall ensure that funds are correctly distributed, in accordance with the terms of this Agreement.
10. Provide **FIRST PARTY** authorized representative the copy of the Beneficiaries' Acknowledgement Receipt and the List of Paid and Unpaid Beneficiaries per Distribution duly signed by **Second Party** and **FIRST PARTY** authorized representatives.
11. Refund to **FIRST PARTY**, upon demand, the amounts that were not distributed to the beneficiaries.
12. Submit Billing Statement, together with the List of Paid and Unpaid Beneficiaries and Summary of Paid and Unpaid Beneficiaries per PAY-OUT BARANGAY/pay-out site to **FIRST PARTY**, for the total amount of service fees (less all applicable taxes) per paid beneficiary.
13. Maintain duplicate copies of Billing Statement, List of Paid and Unpaid Beneficiaries and Summary of Paid and Unpaid Beneficiaries and Summary of Paid and Unpaid Beneficiaries per pay-out Barangay/PAY-OUT SITE .

Article 4 – DEPOSIT TERMS, FEES AND PAYMENT

1. The fee to be paid by **FIRST PARTY** is 1.5% of the amount for pay-out for each PAID beneficiary per pay-out. The total number of payments to be done by **FIRST PARTY** through **Second Party** to this individual in the framework of this project will not impact whatsoever the fee charged to **FIRST PARTY**.
2. Additional fees related to the transportation could be charged to **FIRST PARTY** according to item A.7. of Article 2 of this Agreement.

3. The prices agreed are final and will not be negotiated.

4. **Payment terms**

- a. The payment of the fees will be done thru Manager's Checks within five (5) banking days after reception and acceptance of the invoice.
- b. The value of the transfer to beneficiaries will be paid by wire transfer at least five (5) working days in advance of the distribution. The account to be used for the transfer of the fund is:

Bank	:	_____
Branch	:	_____
Account Name	:	_____
Signatories	:	_____
Account Number	:	_____

- c. Separate billing statements/invoices will be sent for each distribution carried out by **Second Party**, mentioning the fees and other costs, if any.

The invoice will be accepted by the technical representative of **FIRST PARTY** upon receipt and validation of the corresponding list of beneficiaries signed by each beneficiary ensuring that the money has been properly received.

Article 5 – LIABILITIES AND WARRANTIES

1. The **PARTIES** undertake on best efforts basis to comply with their respective obligations as described in this Agreement so as to deliver the best quality of services for the cash distribution.
2. **EACH OF THEPARTIES** shall be solely liable for the proper execution of their respective duties and responsibilities enumerated in this Agreement.
3. The **PARTIES** ensure and bear the sole responsibility that no provision under this Agreement contravene the rights of any third party with whom any of the parties may have contractual obligation/s.

Article 6 – NON-LIABILITY

FIRST PARTY and **Second Party** shall not be liable for any loss or damage of whatever nature in connection with transactions involving the cash distribution, thru Postmasters, in the following instance, but shall not be limited to the same:

1. Disruption, failure or delay relating to or in connection with due to circumstances beyond the control of **FIRST PARTY** and **Second Party**, fortuitous events such as, but

not limited to, prolonged power outages, breakdown in computers and communication facilities, typhoons, floods, public disturbances and calamities and other similar or related cases;

2. Inaccurate, incomplete or delayed information received due to disruption or failure of any communication facilities used for the cash distributions;
3. Indirect, incidental or consequential loss, loss of profit or damage that the **FIRST PARTY** beneficiaries may suffer or has suffered by reason of failure or inability to conduct payout under the terms of this Agreement.

Article 7 – MISCELLANEOUS PROVISIONS

1. The **PARTIES** agree to provide further assistance and execute such documents as may be necessary or reasonably desirable to accomplish the intents and purposes of this Agreement.
2. The **PARTIES** shall render each other free from any harm, damage or liability that may arise from or is occasioned by **FIRST PARTY**'s or **Second Party**'s regular exercise of its respective rights and duties under this Agreement.
3. Any change or modification in the terms and conditions of this Agreement shall mutually be agreed upon by **FIRST PARTY** and **Second Party** and shall be incorporated herein by way of an addendum/addenda concurred and signed by both parties.

Article 8 – EFFECTIVITY AND TERMINATION

This Agreement shall take effect upon signing of this Memorandum of Agreement and shall remain in full force and effect unless sooner revoked/terminated by either party thirty (30) days after receipt by the other party of a written notice of revocation or termination. After the expiration of the original period without it being sooner revoked, this Agreement shall be deemed renewed automatically from year to year under the same terms and conditions.

Funds received by **Second Party** from **FIRST PARTY** in advance and which have not been or cannot be distributed have to be transferred to **FIRST PARTY** immediately in case of termination of this Agreement.

IN WITNESS WHEREOF, the parties hereunto set their hands on this _____ day of _____, 2013 at _____, Philippines.

For XXXXXXXXXXXXXXXX (FIRST PARTY):

For XXXXXXXXXXXXXXXX (Second Party):

<<Position>>

<<Position>>

Signed in the presence of:

ACKNOWLEDGEMENT

Republic of the Philippines)

_____) S.S.

BEFORE ME, this ____ day of _____, 2014 in the City of _____, personally appeared:

	ID #	Date and Place Issued
1. _____	_____	_____
and _____		
2. _____	_____	_____
representing the FIRST PARTY		

All known to me to be the same persons who executed the foregoing instrument for and in behalf of the aforementioned entities, and that they respectively acknowledged that the same is the act and deed of the entities they represent, and that the above-named persons are duly authorized to sign the same.

This instrument refers to a Memorandum of Agreement (MOA) consisting of _____ (____) pages, including the page in which this Acknowledgment is written, signed by the parties including their instrumental witnesses on each and every page thereof and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and at the place first above mentioned.

NOTARY PUBLIC

Doc. No.:

Page No.:

Book No.:

Series of _____.

Annex 3: Sample MOA for Bank Agreement**UNIONBANK CASH MANAGEMENT SERVICES****Memorandum of Agreement**

This Cash Management service Agreement (the “**Agreement**”) executed on _____ at Pasig City by and between:

UNION BANK OF THE PHILIPPINES, a universal banking corporation duly organized and existing under and by virtue of Philippine laws with principal office at the UBP Plaza, Meralco Avenue corner Onyx and Sapphire Streets, and hereinafter called the “**BANK**”;

-and-

_____, a corporation duly organized and existing under Philippine laws with principal office at _____, and hereinafter called the “**CLIENT**”;

WHEREAS

- A. The Bank has the financial tools, technology, resources, and experience in providing its corporate clients with customized cash management services to help them manage their financial operations more efficiently;
- B. The Client has agreed to avail of the Bank's Cash Management Services referred to in the Addenda to this Agreement subject to the general terms and conditions herein;

NOW, THEREFORE, premises considered, the parties agree as follows: **1. CASH MANAGEMENT SERVICES.** - shall refer to the products offered by the Bank for the collection, disbursement, and account

information management solutions to help the Client efficiently manage its business.

2. REQUIREMENTS FOR THE FACILITIES. -

(a) If the Facilities availed of by the Client require the opening of a deposit account with the Bank, the Client shall comply with the following:

- . 1) Open a Main Depository Account (“MDA”) with the Bank where deposits of the Client or for the account of the Client shall be credited and against which fees and charges of the Bank shall be debited.
- . 2) Maintain an Average Daily Balance (ADB) as prescribed in the attached Addendum. Failure to maintain the required ADB shall authorize the Bank to impose a twenty percent (20%) penalty on the deficiency amount computed as follows: [Required ADB less Month-To-Date ADB multiplied by 20% per annum] which the Bank may automatically debit against the MDA without prior notice.

(b) If the Client avails of a Disbursement Facility, the Client shall maintain a disbursement volume as prescribed in the attached Addendum.

3. REVIEW OF COMMERCIAL TERMS. - This Agreement, specifically the commercial terms thereof, i.e. the amount of the ADB, fees and charges, and/or the Disbursement Volume required herein, shall be reviewed by the parties every three (3) months, reckoned from the date of execution hereof, or earlier as the need arises by request of either party. Such review shall consider funds collected/ disbursed by the Bank for the Client and the number of transactions that may have been processed pursuant to the attached Addendum within each three (3)-month period, and may include other considerations as the Bank, in consultation with the Client, may determine.

4. FEES AND CHARGES. - Unless otherwise mutually agreed upon by the parties, the Bank shall deduct the full amount of fees and charges from the Client's account. Any withholding tax deducted by the Client from the payment due to the Bank shall be evidenced by a Certificate of Tax Withheld (BIR Form No. 2307) submitted by the Client to the Bank. Failure of the Client to submit the required document shall entitle the Bank to deduct the full amount of fees and charges from the Client's account and to refuse any request of the Client for the reimbursement of the withholding tax.

5. DEPOSITS TO DEPOSITORY ACCOUNT. - The Bank shall accept and credit to the MDA of the Client any and all acceptable forms of deposit described in the attached Addendum. All acceptable checks to be received by the Bank from the Client for deposit is subject to the regular clearing procedures prescribed by law. The Bank shall not honor as deposits any second and/or multiple endorsed checks.

6. RETURNED/DISHONORED CHECKS. - All acceptable checks for deposit shall be provisionally credited to the MDA until the proceeds thereof are actually received by the Bank. The Bank reserves the right to automatically debit the Client's MDA for the amount of the returned/dishonored checks which have been previously credited to the Client's MDA, regardless of the reason for the return/ dishonor or of the time that has elapsed. Upon receipt of the returned/dishonored checks, the Bank shall inform the Client of the details of the returned/dishonored checks. Subject to the written instruction of the Client, returned/dishonored checks "Drawn Against Uncleared Deposits" (DAUD) may be re-deposited to the Client's MDA only once.

7. THE SYSTEM. - Unless otherwise permitted by the Bank in writing, the Client shall use the System provided by the Bank exclusively for the Facilities and not for any other purposes. The Bank shall retain full ownership of the System. The Client shall not sell, copy, or make available the System or any modification thereof to any third party without the prior written consent of the Bank. The Client shall provide the entire computer and telecommunications hardware, accessories and peripherals necessary to put the System into operation and the maintenance and repair of the same shall be the sole responsibility of the Client. The Bank shall not be liable for any loss of or damage to the computer and telecommunications hardware, accessories and peripherals, and for any and all losses and damages arising from the malfunction thereof.

8. USER IDs & PASSWORDS. -The Client shall inform the Bank, in writing, of the name of the persons it authorizes to access and use the System, indicating the limits of their rights and the extent of their access. The Bank shall provide the Client's duly authorized and designated users with user IDs and passwords which shall be kept strictly confidential. Security measures and procedure shall be established and observed by the parties to prevent unauthorized access and use of the System. The Client shall immediately notify the Bank by telephone, confirmed by a written notice to the Bank within twenty-four (24) hours from

notice, as soon as the Client discovers that the user IDs and the passwords have been compromised, or should a designated user of the CLIENT cease to be such. The Bank shall not be liable for any and all claims, losses or damages that may arise from the use of the System by any unauthorized person if the Bank had not been properly notified in accordance with this provision.

9. LIMITATION OF LIABILITY. -

- . (a) The Bank shall not be liable for any and all losses, damages, injuries, or claims of whatever nature due to fortuitous events, force majeure, typhoons, floods, earthquakes, public disturbances, calamities, and other similar causes or due to any act or circumstance beyond the control of the Bank, or for which the Bank is not responsible, or not otherwise attributable to the fault or gross negligence of the Bank, such as but not limited to: (i) prolonged power outages, breakdown in computers and communication facilities, and similar cases; (ii) inaccurate, incomplete or delayed transmission of information to the Client due to disruption or failure of communication devices used for the Facilities; (iii) indirect, incidental, or consequential loss, loss of profit, or damage suffered by the Client due to the use or non-use the Facilities provided by the Bank under this Agreement and in the attached Addendum hereto.
- . (b) The Bank shall in no case be involved with any claim or dispute between the Client and its customers. The Client holds the Bank free and harmless from any and all liabilities, costs or damages which may arise in connection with any claim or dispute between the Client and its customers arising from and in connection with the use of the Facilities and/or with this Agreement and the Addendum hereto.

10. CONFIDENTIALITY. - The Bank shall protect all information received from the Client pursuant to the terms and conditions of this Agreement and shall treat the same with strict confidentiality. In the same manner, the Client shall not provide, divulge, disseminate, or otherwise disclose to any third party the contents of this Agreement, the Addenda, and/or of any proposal or manual related hereto and thereto.

11. CORPORATE APPROVALS. - The Client warrants that all corporate authorizations necessary for the execution and delivery of this Agreement and the Addendum hereof have been obtained.

12. EXISTING RULES AND REGULATIONS. - The existing rules and regulations of the Philippine Clearing House Corporation (PCHC), the Bureau of Internal Revenue (BIR) and the Bangko Sentral ng Pilipinas (BSP), the General Banking Law, the Electronic Commerce Act, and all pertinent laws are deemed incorporated herein and in the attached Addendum hereof by reference.

13. OTHER PROVISIONS. -

(a) The Bank shall be entitled, at its sole discretion and without need for the consent of the Client, to assign all or part of the obligations under this Agreement to any third party.

- . (a) The failure of the parties to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment, abandonment or waiver of any right or remedy available to such party, nor shall it be construed as a

waiver, abandonment or relinquishment of any subsequent default, breach or violation of the terms, conditions and covenants herein contained, which shall be in full force and effect. No waiver by either party shall be effective and binding unless expressed in writing and signed by the parties.

- . (b) If any of the provisions of this Agreement be declared invalid, unenforceable or illegal by a court of competent jurisdiction,, such invalidity, unenforceability or illegality shall not affect the remaining provisions hereof or any vested right which may have already accrued in favor of the Bank.

14. VENUE. - Any dispute or controversy arising out of or in connection with this Agreement shall be instituted only in the proper courts of Pasig City to the exclusion of all other courts.

15. MINIMUM TERM OF SERVICE. - This Agreement shall be for a minimum period of one (1) year from execution hereof unless earlier terminated, cancelled, revoked or rescinded by any party in accordance with Article 16 of this Agreement. If the Client terminates this Agreement prior to the expiration of one year, then the Client shall be required to pay the penalty fee of _____/month x the number of remaining months to compensate the Bank for the remaining period of the Agreement, or to maintain the required ADB until the end of the tenure, whichever is applicable.

16. TERMINATION OF AGREEMENT. - Either party may terminate, cancel, revoke or rescind this Agreement, with or without cause, upon service of written notice to the other thirty (30) days in advance of the intended termination date. The termination of this Agreement carries with it the termination of the attached Addendum.

17. ENTIRE AGREEMENT. - This Agreement, along with the Addendum hereto, constitutes the entire understanding and agreement of the parties with regard to the subject matter hereof. It may be varied, modified, altered, or amended only by a written agreement executed by the parties after the date of execution hereof. All previous negotiations, undertakings, contracts, or agreements between the parties on the subject matter hereof are deemed superseded, cancelled or revoked as of the date of execution hereof.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the date and place first above written

UNIONBANK OF THE PHILIPPINES

THE BANK

Signature over Printed Name

Signature over Printed Name

Signature over Printed Name

SIGNED IN THE PRESENCE OF

THE CLIENT

Signature over Printed Name

Signature over Printed Name

Signature over Printed Name

AGREED AND ACCEPTED

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES) PASIG CITY) S.S.

BEFORE ME, a notary public for and in the above jurisdiction, _____ this ____ day of _____ personally appeared the following:

Name Community Tax Certificate Date Place of Issuance

all known to me to be the same persons who executed the foregoing Cash Management Service Agreement consisting of _____ (____) pages including this page on which this acknowledgment is written, signed by the parties and their instrumental witnesses on each and every page, and they acknowledged before me that the same is their own free and voluntary act and deed and that of the corporations represented herein.

WITNESS MY HAND AND NOTARIAL SEAL on the date and at the place first above written.

Doc. No. _____; Page No. _____; Book No. _____; Series of _____.