Empowering NGOs through Automation, Control and Transparency
Delivering Efficiencies to the Development Sector
The not-for-profit sector has a vital role to play in improving the lives of many of the world’s most vulnerable communities, promoting social justice and protecting fragile ecosystems. Whether local or global in their reach, NGOs are committed to integrity and responsibility in their front line activities and financial mana to their stakeholders.
Today’s Challenges for Non-Government Organisations

Non-government organisations (NGOs) have a moral and financial obligation to conduct their humanitarian or environmental objectives with integrity and transparency. In particular, they have a duty to their stakeholders, both donors and aid recipients, to ensure that every cent that is donated is used in the most appropriate way possible, and to provide transparency over how expenditure is managed. To achieve this, NGOs need a trusted banking partner with solutions across all of their regions of activity, who can advise and deliver on best practices in financial management, and help the organisation to achieve its development objectives.
Facilitate Donor Funding
Donors may be individuals, corporations, governments, foundations or multilaterals, but irrespective of the source of funding, it must be easy, convenient and secure for donors to give money, both on an ad hoc and regular basis, wherever in the world they are located. NGOs therefore need to be able to accept a variety of currencies, but without incurring foreign currency risk or fragmenting cash balances by holding amounts in different accounts. This is particularly important during periods when donations are at their highest, and from a larger number of donors, such as during crisis situations and in response to specific appeals.

Enhance Accounting and Administration
Donors of all sizes demand that NGOs demonstrate financial responsibility in the way that cash is used, administered, reported and accounted. This is essential to build donor confidence, enhance the NGO’s reputation and to ensure that the maximum amount possible is used for the charitable purposes of the organisation without waste, risk of loss, fraud, or misdirection of funds. According to the OECD, net official development assistance (ODA) flows from members of the Development Assistance Committee (DAC) of the OECD reached USD 128.7 billion, the highest level ever, and an increase of 6.5% over 2009 despite the global recession. Aid budgets look set to continue on an upwards trend, although at a slower rate, and NGOs need to position themselves to benefit from increasing aid budgets by improving efficiency, reducing administration costs and enhancing transparency. These organisations also see the benefit of greater efficiency and automation in their internal operations, allowing resources to be dedicated to achieving the organisation’s objectives.

Minimise Payment Cost & Risk
NGOs frequently make a large number of payments to local agencies and projects, both domestically and cross-border, and for widely varying amounts. This can be particularly challenging following major events such as conflicts or natural disasters. In many countries, such as in many parts of Africa and India, domestic payment processing is often performed manually, which makes it difficult to enforce rigorous approvals, adds to the cost and administrative burden, and introduces the risk of error or fraud. Furthermore, the use of paper-based payment products such as cheques and cash frequently delays the receipt of payment by the beneficiary, which could hinder the provision of aid, risks theft and fraud, and adds to the cost of payment. Consequently, NGOs are increasingly seeking efficient payment solutions for increasing transparency and reducing administration for the generation, approval and transmission of payments, and more automated payment products to ensure that beneficiaries receive cash quickly, securely and with clear auditability over processes.

In remote communities or less developed countries, cash is still a dominant means of payment, creating the challenge for NGOs of how to transport cash quickly and securely to the right locations and in the right amounts.
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Moving Beyond Cash
In remote communities or less developed countries, cash is still a dominant means of payment, creating the challenge for NGOs of how to transport cash quickly and securely to the right locations and in the right amounts. This is expensive and highly risky, often to the detriment of those who are most vulnerable socially and economically, and compromises an organisation’s objective to demonstrate efficient and transparent financial management. Consequently, NGOs are seeking banking partners that can provide the relevant encashment and cash transport services in a secure and auditable way, and are pioneering new forms of electronic payment that are appropriate to the communities in which the organisation operates. For example, in Africa, around 60% of adults have a mobile telephone, while only 20% have bank accounts.* The opportunities are therefore substantial to leverage mobile technology to increase the speed, efficiency and transparency with which payments are made.

Forecasting Cash Flow
The ability to forecast short, medium and long term cash flow is essential for NGOs to commit to financing longer term projects. For example, while donations are typically highest in response to specific appeals and disaster situations, programmes that the organisation finances in response to a crisis may continue over months or years, creating a complex cash flow profile. NGOs therefore require visibility over cash, and the technology to forecast and model cash flow accurately to ensure that programmes are appropriately financed, and organisations make the most of cash that will be required for longer term projects, but not required immediately.

*Reference CIA World Factbook, 2011
Satisfying Stakeholder Objectives

While there is no single solution to the complex challenges experienced by NGOs globally, working with a trusted banking provider can be a major factor in enhancing stakeholder confidence whilst enabling NGO resources to be dedicated to front-line activities. At Citi, we have considerable experience in working with non-profit and commercial organisations alike, combined with a depth of local knowledge across the 100+ countries that comprise our network, pragmatic, pioneering solutions, and expertise in advising on, and implementing financial best practices.
Fundamental to the way that we operate is a strong partnership approach. We take the time to understand every customer’s aims and objectives, and those of its stakeholders, and adopt a holistic approach to identifying, prioritising and addressing financial challenges and opportunities. We recognise that NGOs have constrained resources, and focus on delivering automated solutions that reduce administrative workload and enable organisations to make the best possible use of their cash.

Visibility and Automation using Electronic Banking
With limited resources and the need to gain immediate access to complete, reliable information about cash balances and transactions, NGOs benefit significantly from Citi’s web-based electronic banking solution, CitiDirect® that provides direct, secure access to all bank accounts globally. As a web-based solution, authorised users can access the solution from anywhere in the world, with 23 languages currently supported. Authorised users can make payments through a single interface, irrespective of currency or location. For example, users can make both local currency and USD payments in exactly the same way, whether input or uploaded from
other systems. These payments are then automatically routed to the relevant clearing system. Reports are also produced in the organisation’s preferred format, on an ad hoc or scheduled basis, ensuring a consistent and transparent view of cash information globally.

We provide standardised formats and assistance with integration to enable our customers to automate processes such as reconciliation, account posting and reporting as far as possible, reducing the administrative burden and providing donors and stakeholders with the confidence they need in the quality and integrity of NGOs’ financial processes. Citi has partnered with many domestic banks to ensure we provide significant coverage in the countries we work in and provide streamlined correspondent banking relationships for more remote accessibility.

In addition to making payments and collections through Citi, NGOs may also need to make payments and receive cash into accounts with third party domestic banks where Citi does not have direct presence. Rather than having to maintain separate processes and electronic banking tools for these banks, we enable our NGO customers to integrate and make payments through third party banks directly through CitiDirect, which transmits an MT101 message through SWIFT and provides a single view of cash, and consistent reporting, reconciliation and cash concentration.

**Efficient and Secure Global Payments**

Efficient, convenient and secure payments are essential for NGOs of all sizes and across all continents. NGOs require access to payment solutions that are appropriate to the communities in which they operate, so Citi excels in providing payment services across over 90 countries, with direct access to over 400 clearing systems, helping NGOs to reduce costs, automate processes such as reconciliation, and gain greater control over cash flow.

In many instances, NGO headquarters need to make payments, and receive funds, in foreign currencies. We provide the tools for them to fund in a convenient, secure way, in their currency of choice, without creating an additional administrative burden or foreign currency risk for the receiving organisation, and to facilitate easy payment by donor organisations and individuals. For example, in addition to foreign currency accounts, we pioneered the creation of a robust, flexible global currency payment platform, WorldLink®. This solution allows NGOs to make secure, efficient cross-border and cross-currency payments, and receive funds, in 135 currencies through one account. This avoids the need to maintain multiple currency accounts, enables greater control over cash and eliminates foreign currency risk.
A Pioneer in Mobile Payments

payment innovation for NGOs. In Africa, whilst more than 60% of the population have mobile phones, less than 20% have bank accounts, so efficient mobile solutions are increasingly in demand. We have started in East Africa, with solutions now in Kenya and to be rolled out in Tanzania, Uganda, and Zambia later this year. Citi has developed a strategic partnership in collaboration with leading telecommunications providers and mobile network operators (MNO) in each country.

The solution provides electronic payment and store-of-value capabilities across the country. Payees benefit as they have immediate access to cash with reduced risk of loss or theft, irrespective of which mobile provider they use. For NGOs, the advantages lie in being able to make payments directly through CitiDirect to mobile phones in the same way as paying to a bank account, without the need to register for a separate service or access a different reporting tool.

Secure Disbursement of Cash

In regions and for recipients where mobile payments are not yet a viable alternative to cash, NGOs continue to require solutions that facilitate secure cash transport and delivery and are integrated within an overall electronic cash management framework. For example, where volumes and cost-effectiveness are justified, NGOs in regions such as Africa are taking advantage of Citi’s cash solution that enables users to send payment instructions, together with details of end-beneficiaries electronically through CitiDirect, in the same way as electronic payments, including the relevant approvals and controls.

If an NGO has a critical need to transport large volumes of physical cash, Citi’s appointed Cash-In-Transit agent collects and packages the required cash by beneficiary with the details of the contents visible to the recipient. This cash is then delivered to the required destination either directly to the end beneficiary with the appropriate and agreed identification or through authorised mobile tellers. All payments are then validated through proof of payment receipts and audit trails are sent back to the NGO. By deploying an efficient, secure and transparent service, NGOs gain greater control over cash payments and ensure the highest level of security and auditability over cash payments.

Increasing Cash Concentration and Forecasting Accuracy

Cash held in fragmented accounts and currencies reduces the amount that can be directed into aid projects, compromises controls and creates foreign currency exposures. Citi provides the tools and products to centralise and concentrate cash locally and enable maximum visibility and control over excess liquidity.

By leveraging our cash and treasury management tool, TreasuryVision, NGO headquarters can forecast cash flow accurately, and therefore plan programme financing effectively through our multi-bank, multi-currency and multi-asset visibility channel.

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A Trusted Partner for Local and Global NGOs

Citi delivers secure, efficient, practical solutions to NGOs globally, to enable them to optimise cash flow, reduce costs, eliminate risk and minimise administration. We recognise the demands of individual, government and institutional donors, both domestically and internationally, and support NGOs in demonstrating financial best practices without diverting resources from the organisation’s primary goals.

Consultative Approach
We support NGOs globally by developing a detailed understanding of their needs, challenges and aspirations. We draw on our expertise drawn from working with the world’s most respected organisations, including 90% of the world’s Fortune 100 companies, and work together with NGOs and their stakeholders to create practical, transparent and automated solutions that meet today’s challenges and tomorrow’s objectives.

Breadth of Solutions
With every NGO experiencing challenges that are very specific to the organisation and the regions in which it operates, our solutions are designed to meet both domestic and international cash management needs, enhancing automation and efficiency without compromising on the organisation’s key objectives. From multi-currency, cross-border payments globally through to mobile payments and cash services, we help NGOs enhance the efficiency, control and security of their operations.

Risk Mitigation
Loss, error, and misdirection of funds can have a major impact on NGOs in both financial and reputation terms, affecting their ability to achieve its humanitarian and environmental objectives in the short term, and jeopardising future funding. We partner with NGOs to ensure that internationally recognised best practices in financial management are in place, with transparency over cash, control over how funds are used, and rigorous reporting and accounting. By working with a globally-respected banking partner, and demonstrating best-in-class financial management processes, NGOs protect the interests of all of their stakeholders, ensuring that cash is directed towards their charitable objectives, and maximising their ability to be awarded funding.

Long Term Commitment
We engage with our NGO customers for the long term, anticipating and addressing changing needs, and delivering the services they require to meet their primary objectives. With a global heritage spanning more than 200 years, Citi has a strong commitment to extending our ability to meet the cash and banking needs of organisations across the world.

A Global Citizen
In addition to our expertise, processing capability, breadth of solutions and geographic reach, we have strong cultural synergies with our NGO customers. We have a strong, demonstrable commitment to responsible global citizenship, financing environmentally and ethically responsible endeavours globally, and empowering the NGOs that are making a difference in many of the world’s most vulnerable communities.

Geographic Coverage
With a direct presence in over 100 countries globally, including 16 in Africa, 19 in Asia, 10 in Central, Eastern Europe, 25 in Latin America and 9 in the Middle East. Within each country, we aim to provide an unrivalled depth of service and consistency of approach: in Africa, for example, we have 190 proprietary branches and 3,800 payment and collection points, in order that our NGO customers can leverage our services across the urban and rural communities in which they operate. In countries in which we do not have a direct presence, we provide integrated banking services through partner and correspondent banking relationships, leveraging CitiDirect to provide NGOs with a consistent experience globally.
Key Points

- NGOs are tasked to demonstrate best-in-class integrity and responsibility in the way that they manage their cash. Without access to the right solutions and technology, this can be labour-intensive and expensive to achieve.

- Citi provides both cash-based and electronic payments, including mobile payments, through a single web-based electronic banking solution, CitiDirect. This enhances efficiency, automation and security for our NGO customers, whilst reducing costs and administration.

- The risk of loss, error or misdirection of funds could have a devastating effect on the work of NGOs and donor confidence. Working with a globally respected bank such as Citi increases stakeholder confidence and enables organisations to manage their operational and financial risks effectively.