Digitizing Payments Process Kit

Work Plan, Framework, and Practical Tools

United States Agency for International Development

Bill & Melinda Gates Foundation
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1. Introduction

Globally, governments, the development community, and the private sector distribute billions of dollars in payments to individuals for salaries, supplier fees, social welfare stipends, cash-for-work programs, emergency relief payments, and other purposes.\(^1\) Most of these disbursements are cash transactions, presenting operational and security challenges, particularly in countries with limited physical and financial infrastructure, as they require carrying cash in small denominations from urban centers to remote rural areas. More specifically, cash payments can bear high financial and social costs related to:

- **Security** – Individuals who carry large sums of cash, including merchants, couriers, payment beneficiaries, and parents paying school fees, are targets of theft.
- **Transparency and accountability** – Cash cannot be tracked and, therefore, it is impossible to document its disappearance. With mobile or electronic payments, transactions can be tracked. A recent CGAP survey found that Mobile Network Operators (MNOs) are taking oversight seriously, with each MNO having a dedicated staff to monitor and investigate suspicious or unusual transactions.
- **Transportation** – Hiring couriers to safely transport bags of cash to disbursement sites can be very expensive.
- **Development** – Moving cash from one location to another is expensive and time-consuming, reducing profit margins and growth opportunities for private businesses and development organizations. However, mobile money and electronic payments significantly lower transaction costs and enable sustainable fee-for-service models.\(^2\)

Shifting cash-based payments to electronic distribution methods creates considerable benefits for individuals, communities, and economies. Mobile phone-based money systems reduce the costs of transferring cash to remote populations, especially in areas with few financial institutions. Transfer recipients have a relatively safe and reliable alternative to cash when receiving (and making) payments, provided they have ready access to mobile money service providers.\(^3\) Further, research on the impact of digital payment systems in Kenya suggests that households were able to increase their access to financial services and informal private transfers between individuals, allowing them to better manage financial shocks.\(^4\)

To identify more effective ways of processing digital payments, Vital Wave, in partnership with the Bill and Melinda Gates Foundation, conducted extensive research in Kenya, Tanzania and Uganda. The aim of this research was to understand the stakeholder landscape and how mobile money systems have been successfully utilized by organizations to make payments to their beneficiaries. In Uganda, specifically, Vital Wave interviewed a cross section of local stakeholders in order to understand the challenges and opportunities of using mobile money to make bulk payments.

Vital Wave then worked with six USAID implementing partners to assist them in making the transition to digital payments for their beneficiaries. The project engaged key stakeholders,

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\(^1\) Better Than Cash Alliance
\(^2\) USAID Blog, http://blog.usaid.gov/2012/02/we-must-do-better-than-cash/
\(^3\) Center for Global Development, Zap It to Me: The Short-Term Impacts of a Mobile Cash Transfer Program
\(^4\) Center for Global Development, Zap It to Me: The Short-Term Impacts of a Mobile Cash Transfer Program
including USAID implementing partners and their beneficiaries, USAID Uganda Mission, MNOs, payment aggregators, and Ugandan regulators. The project supported six USAID implementing partners to transition away from cash payments in the field to bulk payments via mobile money.

This “Digitizing Payments Process Kit” describes the process and shares useful materials developed to facilitate the transition to digital bulk payments by USAID implementing partners to their beneficiaries. The Kit includes a work plan, process manuals, guidelines, and other resource documents. It is intended to inform and guide USAID missions, donor agencies, implementing partners, MNOs, Business Process Outsourcing vendors, or aggregators, and other interested service or technology providers.

2. Background

This section provides a brief overview of access to mobile technology and electronic payments, specifically in sub-Saharan Africa. This section also includes diagrams that capture the current model and the recommended model for the distribution of bulk payments.

Technologies such as mobile phones and the Internet have enabled millions of new users to access financial services in many developing countries. When technology is combined with business processes, electronic payments can be made inexpensively and transparently.

However, in most of sub-Saharan Africa, only a small percentage of upper-income households use card-based, online, or mobile banking and payment systems. Most consumers still pay with cash. One study shows that more than 90% of retail transactions in parts of Kenya remain cash-based, and Gallup’s survey of 11 countries in sub-Saharan Africa found that fewer than 20% of adults have made bill payments or remittances via mobile money.  

A lack of mobile technology is not the major obstacle to increasing mobile money penetration in the region: two-thirds of adults in sub-Saharan Africa currently use mobile phones. Instead, mobile money adoption is held back by the dearth of financial institutions, a discouraging regulatory environment, lack of trust in banks or telecommunication providers, or a limited agent network. For organizations that distribute large sums of money to diverse recipients, however, the benefits of mobile money are clear. USAID, for example, argues that digital payments lead to broader financial inclusion, as well as improvements in transparency, security, and cost savings for both governments and intermediaries (banks).

Digitizing payments has the potential to transform the way implementing partners make small payments to beneficiaries around the world. In Uganda, where USAID is the largest donor, and NGOs typically have multiple funding partners, a well-implemented digitization process can change the way beneficiary payments are made, increasing operational effectiveness and financial efficiency.

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5 Sub-Saharan Africa: A major potential revenue opportunity for digital payments, McKinsey & Company
6 Ibid.
Currently, many organizations are attempting to distribute bulk payments by working directly with MNOs (see Figure 1). This model creates many redundancies, and implementing partners are not able to perform many needed functions due to the limitations of the MNO platforms. As a result of the inherent limitations posed by working with the MNOs, an alternative approach is proposed. Working with an intermediary such as an aggregator simplifies operations, both to the implementing partners and to USAID (see Figure 2). Further, this approach increases transparency throughout the entire payments value chain.

This “Digitizing Payments Process Kit” provides useful resources for organizations to implement an Aggregator Payment Model. Below, and in the Appendices, readers will find the organizing process, framework and practical resources used in the Uganda Digital Payments project, with the recognition that any digitization effort is unique and will be informed by country context, stakeholder interests and other factors.
3. Work Plan

This section provides a proposed project schedule and detailed project stages recommended for the design, management, and implementation of a pilot digitization project. When entering a new country, implementing a well-designed pilot that engages several key implementing partners is critical.

3.1 Project Schedule

The project schedule provides a visual, five-month timetable to make the transition to digital payments, from kickoff to review.

<table>
<thead>
<tr>
<th>MONTH 1</th>
<th>MONTH 2</th>
<th>MONTH 3</th>
<th>MONTH 4</th>
<th>MONTH 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kickoff meeting</td>
<td>Selection</td>
<td>Contracts</td>
<td>Training</td>
<td>Test Pilot</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PILOT</th>
<th>PHASE 1</th>
<th>PHASE 2</th>
<th>PHASE 3</th>
<th>FINAL REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Kickoff meeting
- Selection
- Contracts
- Training
- Test Pilot

3.2 Project Stages

This section provides a detailed overview of activities at the week and month level across each stage in the process of transitioning to digital payments. The project is broken down into four stages: 1.) In-country Kickoff, 2.) Development and Testing, 3.) Pilot (further divided into three phases), and 4.) Final Review. For each stage, a list of direct actions is provided, involving coordination among a variety of stakeholders, to ensure the completion of each stage.

This work plan was developed for use in a pilot study involving several implementing partners. If, however, a single organization wishes to implement mobile payments, it can follow this work plan by omitting certain activities specific to the running of a pilot. Further, the work plan assumes implementation by a third-party Project Manager. If, however, it is implemented directly by a donor agency, specific donor coordination and approval tasks can be omitted. It should also be noted that, while specific weeks have been allocated for review meetings with donors, review meetings with implementing partners are to be held continuously throughout the project.
**Stage 1: In-country Kickoff**

### 1.1 Introduce Project Team and Pilot to Stakeholders

The Project Manager meets with all key stakeholders to introduce the pilot, gauge interest, and capture relevant data related to the pilot.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>Donor agency, MNOs, payment aggregators</td>
<td>Meet with key stakeholders to introduce the project team and discuss plan of action</td>
</tr>
<tr>
<td>Week 1</td>
<td>Donor agency, implementing partners</td>
<td>Kickoff meeting to introduce the pilot and answer questions from implementing partners</td>
</tr>
<tr>
<td>Month 1</td>
<td>Regulators</td>
<td>Meet with relevant regulators to discuss regulatory environment and introduce pilot</td>
</tr>
</tbody>
</table>

### 1.2 Select Partners

Following consultations with MNOs and the donor agency and a call for applications, the Project Manager selects payment aggregators (preferably three) and implementing partners (preferably five).

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>Donor agency</td>
<td>Meet with donor agency to discuss criteria of selection and application process</td>
</tr>
<tr>
<td>Week 1</td>
<td>Implementing partners, payment aggregators</td>
<td>Launch application process for implementing partners and payment aggregators</td>
</tr>
<tr>
<td>Week 2</td>
<td>Implementing partners</td>
<td>Meet with each implementing partners to gain better understanding of their operations</td>
</tr>
<tr>
<td>Week 3</td>
<td>Donor agency</td>
<td>Select 5 implementing partners following consultation with donor agency</td>
</tr>
<tr>
<td>Week 3</td>
<td>Agency, Implementing partners</td>
<td>Select 3 aggregator partners (1 preferred and 2 backups)</td>
</tr>
</tbody>
</table>

### 1.3 Negotiations

The Project Manager conducts negotiations over bulk payment pricing with MNOs and with payment aggregators.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Months</td>
<td>MNOs</td>
<td>Hold discussions with MNOs over bulk discount</td>
</tr>
<tr>
<td>Week 3</td>
<td>Payment aggregators</td>
<td>Negotiate bulk payment rate card with shortlisted payment aggregators</td>
</tr>
<tr>
<td>Weeks 3 - 7</td>
<td>MNOs, payment aggregators, implementing partners</td>
<td>Finalize agreements and aggregator integration schedules</td>
</tr>
</tbody>
</table>
1.4 Identify Key Potential Risks

Following an evaluation of the landscape and meetings with stakeholders, it is advisable to identify key risks, as well as a mitigation strategy or contingency plan for each risk.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 1</td>
<td>MNOs, payment aggregators, implementing partners</td>
<td>Meet with stakeholders to identify key areas of potential risk</td>
</tr>
<tr>
<td>Month 1</td>
<td>MNOs, payment aggregators, implementing partners</td>
<td>Design action plan and develop strategies to mitigate against potential risks</td>
</tr>
</tbody>
</table>

**Stage 2: Development, Testing and Change Management**

1.5 Software Development and Technical Integration

Software is developed to meet requirements defined by implementing partners.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 1 - 5</td>
<td>Payment aggregators, implementing partners</td>
<td>Consultation meetings with implementing partners and payment aggregators</td>
</tr>
<tr>
<td>Months 1 - 5</td>
<td>Payment aggregators</td>
<td>Aggregators develop any necessary software under supervision of Project Manager</td>
</tr>
<tr>
<td>Months 1 - 5</td>
<td>Payment aggregators, MNOs</td>
<td>Aggregators to update their APIs with MNOs where necessary to deliver on the project requirements</td>
</tr>
</tbody>
</table>

1.6 Define New Payment Processes

Digital payment processes are developed with implementing partners and payment aggregators.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weeks 4 - 6</td>
<td>Implementing partners</td>
<td>Meet implementing partners to document payment processes</td>
</tr>
<tr>
<td>Weeks 4 - 6</td>
<td>Implementing partners, payment aggregators</td>
<td>Identify key areas of change needed for transition to mobile payment systems</td>
</tr>
<tr>
<td>Weeks 4 - 6</td>
<td>Implementing partners, payment aggregators, MNOs</td>
<td>Meet with stakeholders to design digital process</td>
</tr>
</tbody>
</table>

2.1 Training

Training materials are developed detailing digital payment processes and troubleshooting in a user-friendly manner. Trainings for implementing partners are conducted by payment aggregators.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 1 - 2</td>
<td>MNOs, payment aggregators</td>
<td>Develop training materials</td>
</tr>
<tr>
<td>Month 2</td>
<td>Payment aggregators, implementing partners</td>
<td>Training session for implementing partners</td>
</tr>
</tbody>
</table>
2.2 Test Software

Software that has been developed is tested to ensure it complies with specific requirements.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 2</td>
<td>Payment aggregators, implementing partners</td>
<td>Testing of bulk payment software</td>
</tr>
<tr>
<td>Month 2</td>
<td>Payment aggregators</td>
<td>Beta testing</td>
</tr>
<tr>
<td>Month 2</td>
<td>Payment aggregators</td>
<td>Sign off User Acceptance Testing (UAT)</td>
</tr>
</tbody>
</table>

2.3 Encourage Internal Buy-in

Supporting internal buy-in is essential, so that implementing partners will receive support for their change management processes. They will also benefit from sharing experiences with other pilot partners and other successful organizations.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weeks 1 - 3</td>
<td>Implementing partners</td>
<td>Communicate decision to transition to digital payments to home office, local and field staff</td>
</tr>
<tr>
<td>Week 3</td>
<td>Implementing partners</td>
<td>Set up team of finance staff to help stir the process forward</td>
</tr>
<tr>
<td>Month 2</td>
<td>Implementing partners</td>
<td>Initiate change management processes and the development of digital payment policies</td>
</tr>
<tr>
<td>Month 2</td>
<td>Implementing partners</td>
<td>Communicate new policy clearly to field staff and draft presentation that staff can start sharing with beneficiaries at trainings</td>
</tr>
</tbody>
</table>

Stage 3: Proof-of-concept – Limited Implementation

A three-month proof-of-concept stage is recommended. Payments can be made in a staggered manner. It is recommended to carry out first test payments with staff. As confidence in the system grows implementing partners can start to roll-out payments, starting with one training session, and increasing in number over time, depending on the project needs and activity schedule. Reviews should be held regularly with all stakeholders, as required.

Phase 1: Primary implementation

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 6 - 7</td>
<td>Implementing partners</td>
<td>Identify targets for primary digital payment test</td>
</tr>
<tr>
<td>Week 7</td>
<td>Donor agency, implementing partners</td>
<td>Review meeting</td>
</tr>
<tr>
<td>Week 7</td>
<td>Payment aggregators, MNOs, implementing partners</td>
<td>Launch small number of test payments to staff</td>
</tr>
<tr>
<td>Weeks 7 - 11</td>
<td>Payment aggregators, MNOs, implementing partners</td>
<td>Implement changes according to review results</td>
</tr>
</tbody>
</table>
Phase 2: Second iteration of implementation

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weeks 9 - 10</td>
<td>Implementing partners</td>
<td>Make first test payments to beneficiaries attending a small trainings session in an urban area</td>
</tr>
<tr>
<td>Month 3</td>
<td>Payment aggregators, MNOs, implementing partners</td>
<td>Gradually increase number of payments made to target beneficiaries</td>
</tr>
<tr>
<td>Week 11</td>
<td>Donor agency, implementing partners</td>
<td>Review meeting</td>
</tr>
<tr>
<td>Weeks 11 - 16</td>
<td>Implementing partner field staff, beneficiaries</td>
<td>Receive feedback from field staff and beneficiaries</td>
</tr>
<tr>
<td>Weeks 11 - 16</td>
<td>Payment aggregators, MNOs, implementing partners</td>
<td>Implement necessary changes according to feedback received from review meeting and field staff</td>
</tr>
</tbody>
</table>

Phase 3: Third iteration of implementation

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 4</td>
<td>Payment aggregators, MNOs, implementing partners</td>
<td>Increase number of payments made to target beneficiaries</td>
</tr>
<tr>
<td>Month 4</td>
<td>Implementing partners</td>
<td>Receive feedback from field staff and beneficiaries</td>
</tr>
<tr>
<td>Week 16</td>
<td>Donor agency, implementing partners</td>
<td>Conduct monthly review meetings</td>
</tr>
<tr>
<td>Week 16 - 21</td>
<td>Payment aggregators, MNOs, implementing partners</td>
<td>Implement changes according to feedback received</td>
</tr>
</tbody>
</table>

Stage 4: Final Review

The final review is conducted to share strategic recommendation with all stakeholders and to develop useful materials for future transitions.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Stakeholders</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 20</td>
<td>Implementing partners, payment aggregators, MNOs and donor agency</td>
<td>Conduct overall review with key stakeholders</td>
</tr>
<tr>
<td>Month 5</td>
<td>Project manager</td>
<td>Revise and share materials useful for workshops in other donor agencies</td>
</tr>
<tr>
<td>Month 5</td>
<td>Donor agency</td>
<td>Present findings to donor</td>
</tr>
</tbody>
</table>
4. Digitizing Payments Process and Resources

Vital Wave has identified four pillars that make up the process for transitioning to digital payments: Digital Adoption, Beneficiary Data Collection, Payment Process and Reconciliation and Issue Resolution (Figure 1, below). Each pillar represents a critical part of any digital payments policy and must be carefully thought out. While digital adoption is a one-time process that provides the foundation for switching to a digital payment system, all other pillars are continuously utilized throughout the digital payment process and can be reviewed and improved as payments increase and as an organization becomes comfortable with the process and aware of any inefficiencies.

This section provides a checklist of essential activities for each pillar, as well as a Document Reference Chart that maps out practitioner resources by pillar and by stakeholder. The resources listed in the Document Reference Chart can be found in the Appendix.

4.1 Digitization Process Flow

*Figure 1. Four Pillars of Digital Adoption*
Digital Adoption

Digital Adoption involves the technical and operational adjustments to be made by implementing partners and other mobile money stakeholders. It is time-consuming but crucial. It is necessary to not underestimate the amount of time it takes to get the foundations for a transition right.

**Digital Adoption Checklist**

<table>
<thead>
<tr>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design a plan for internal communication of transition to home office, local office and field staff</td>
</tr>
<tr>
<td>Communicate decision to digital payments to home office, country office and field staff</td>
</tr>
<tr>
<td>Secure the necessary approvals</td>
</tr>
<tr>
<td>Conduct procurement of aggregators through interviews, testing of systems and due diligence</td>
</tr>
<tr>
<td>Collect all necessary documentation for account set up</td>
</tr>
<tr>
<td>Review and signing of contract by legal teams in local or home office</td>
</tr>
<tr>
<td>Training for all user of new payment system</td>
</tr>
<tr>
<td>Clarify account funding procedures and agree on deadlines for account funding with aggregator</td>
</tr>
<tr>
<td>Set up user accounts</td>
</tr>
<tr>
<td>Update documentation used at trainings to capture mobile numbers of beneficiaries</td>
</tr>
<tr>
<td>Update travel advance forms to capture mobile numbers of staff</td>
</tr>
<tr>
<td>MNOS invited to organization office to register staff for mobile money</td>
</tr>
<tr>
<td>Identify date for first test payment to staff</td>
</tr>
<tr>
<td>Field staff communicate new policy to beneficiary community</td>
</tr>
<tr>
<td>Beneficiaries encouraged to register for mobile money by field staff</td>
</tr>
<tr>
<td>MNOS invited to attend trainings to register participants and present on how to use mobile money</td>
</tr>
<tr>
<td>First test payment made to beneficiaries community</td>
</tr>
<tr>
<td>Design plan for scaling of digital payments to all desired locations</td>
</tr>
</tbody>
</table>

**Beneficiary Data Collection**

Working to improve planning at the beneficiary data collection stage, the implementing partner can reduce the amount of time and human resources required to make payments by improving the accuracy of data. Beneficiaries should be warned well in advance that they will be paid using mobile money, allowing them enough time to register for the service and to share their number with program staff if they have not done so already.

For countries where beneficiaries must be registered for mobile money in order to receive funds, beneficiaries can be asked if their phones ‘send and receive money,’ rather than if their phones are ‘registered for mobile money.’ This reduces misunderstandings that may arise if beneficiaries think that being registered for mobile money is the same as having a registered SIM card.
**Beneficiary Data Collection Checklist**

<table>
<thead>
<tr>
<th>Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invitation sent to all training participants informing them they will be paid using mobile money and requesting their mobile money-registered numbers</td>
</tr>
<tr>
<td>Program staff collects data including beneficiary names, titles, and mobile money-registered phone numbers prior to training activity and sends to finance staff for pre-verification.</td>
</tr>
<tr>
<td>In office: pre-verification and approval of beneficiary information by finance staff</td>
</tr>
<tr>
<td>At training: beneficiaries provide field staff with name and numbers on day of training</td>
</tr>
<tr>
<td>Beneficiary information sheet transferred to finance staff at HQ for final verification and payment processing</td>
</tr>
</tbody>
</table>

**Payment Processing and Reconciliation**

The digital payment process mirrors the cash payment process in a number of ways, but instead of transferring money to a bank, cash is transferred to the aggregator’s account. From an operational standpoint, there is also a change in accounting procedures, as cash being sent to the field is no longer treated as an advance but can be reconciled in real time.

**Payment Processing Checklist**

<table>
<thead>
<tr>
<th>Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate total amount to be paid out, including aggregator, MNO and withdrawal charges</td>
</tr>
<tr>
<td>Transfer amount to aggregator account in accordance to pre-agreed deadlines in order to ensure funds are available for payment</td>
</tr>
<tr>
<td>Alert aggregator of payment schedule</td>
</tr>
<tr>
<td>Create payment sheet on CSV or excel with name, number and amount to be paid to each beneficiary and upload onto aggregator platform by finance staff</td>
</tr>
<tr>
<td>Send payment sheet for verification</td>
</tr>
<tr>
<td>Verification of list of numbers and names against database and amount to be paid carried out by finance staff</td>
</tr>
<tr>
<td>Approval of payment made by authorized staff</td>
</tr>
<tr>
<td>Beneficiaries receive notification alerting them to payment made on their mobile money account</td>
</tr>
<tr>
<td>Print payment report for immediate reconciliation</td>
</tr>
</tbody>
</table>
Issue Resolution

Once payments are made, there are a number of issues that may arise which will require quick resolution. It is important that all staff using the system are prepared for the issues that may arise and have a clear understanding of how to handle the situation and, should it be required, who to escalate the issue to.

<table>
<thead>
<tr>
<th>Issue Resolution Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discuss potential scenarios with aggregator and get clear understanding of escalation procedures</td>
</tr>
<tr>
<td>Design escalation flow charts and circulate among finance staff</td>
</tr>
<tr>
<td>Maintain good communication with aggregator relationship manager and alert immediately in the event of an issue</td>
</tr>
</tbody>
</table>
4.2 Document Reference Chart

The Appendix of this Kit includes resources developed for the Digital Payments Uganda project. The documents, forms, presentations and other resources can be used or adapted by implementing partners, MNOs, aggregators, and donors looking to implement a transition to digital payments. The document reference chart below organizes the relevant materials for each stakeholder across each pillar of the digitizing payments process, and indicates where they can be found in the Appendix, for easy reference.

<table>
<thead>
<tr>
<th>Implementing Partners</th>
<th>Digital Adoption</th>
<th>Beneficiary Data Collection</th>
<th>Payment Processing</th>
<th>Reconciliation &amp; Issue Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Requirements Document, App. 1.1</td>
<td>Attendance Sheet for Trainings, App. 2.1</td>
<td>Financial Model for Costs and Savings, App. 3.1</td>
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<td>Selection Criteria for Implementing Partners and Scorecard, App. 1.2</td>
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<td>Digitizing Payments Application, App. 1.3</td>
<td>Payment Sheet for Trainings, App. 2.2</td>
<td>Payment Sheets in Excel, App. 3.2</td>
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<td>Presentation for Beneficiaries on Transition, App. 1.7</td>
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<td>MNOs</td>
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<td>Instructional Manual on How to Use Mobile Money, App. 1.8</td>
<td>Screenshot of Message Sent to Beneficiary Phone, App. 3.3</td>
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<td>Aggregators</td>
<td>Aggregator Procurement Process and Selection Criteria, App. 1.10</td>
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<td>Bulk Payment e-mail Notification, App. 3.4</td>
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<td>Request for Information, App. 1.11</td>
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<td>Sample Report, App. 4.1</td>
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<td>User Acceptance Testing Checklist, App. 1.12</td>
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<td>User Acceptance Testing Sample, App. 1.13</td>
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<td>Proposed Bulk Payment Contract, App. 1.14</td>
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<td>Required Documentation to Register, App. 1.15</td>
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<td>Business Account Opening Form, App. 1.16</td>
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<td>Authorization Letter, App. 1.17</td>
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<td></td>
<td></td>
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<tr>
<td>User Training Manual, App. 1.18</td>
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</tbody>
</table>
5. Conclusion

While the process of transitioning to digital payments can be daunting, the potential of a successful transition are worth the investment. This section summarizes the benefits, challenges, and key lessons learned from a successful transition to digital payments.

5.1 Benefits

There are a number of benefits to be gained by moving away from cash payments, particularly within the development community and in a developing-country context.

- Staff no longer have to travel to the field with a large amount of cash, thus reducing the security and fraud risk
- Reduction of cash leakages through loss and/or theft, minimizing the overhead spent on fraud prevention
- Digital payments make it possible for organizations to conduct real-time reconciliations of payments made to beneficiaries as opposed to waiting for receipts to be sent from the field and processed at HQ
- Aggregator platforms and reporting functions make it possible for organizations to have more accurate financial records of payments made to field staff and training participants
- Audit trails and reporting functions increase accountability and transparency and improve the quality of reporting that can be presented to donors

5.2 Challenges and Mitigations

The process of transitioning to digital payments is not an easy one. It requires internal coordination, planning, training and capacity building, and relies on external and environment-specific requirements. The table below describes common challenges in the transition to digital payments and offers strategies to address these potential barriers.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Mitigation Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Challenge 1: Capacity of mobile money partners:</strong> Modest levels of customer service and capacity of mobile money partners make issue resolution difficult</td>
<td><strong>Mitigation:</strong> Implementing partners should conduct due diligence on MNOs and partner aggregators prior to developing a partnership with particular focus on issue resolution and escalation mechanisms</td>
</tr>
<tr>
<td><strong>Challenge 2: Poor agent network and liquidity:</strong> Outside urban centers agent availability and liquidity can undermine the opportunities of a mobile money system by making it difficult for beneficiaries to cash out</td>
<td><strong>Mitigation:</strong> Notify MNOs of any large payments taking place in areas with low agent penetration to support agent liquidity and presence. Simultaneously develop strategies to facilitate access of agents for beneficiaries such as organizing training sessions close to mobile money agents</td>
</tr>
</tbody>
</table>
### Challenge 3: Poor network availability

Some beneficiaries may be in areas where little to no network coverage exists. In times of network outage, notification messages informing beneficiaries of payments made may not arrive.

**Mitigation:** Start by rolling out payments to beneficiaries located in areas where network coverage exists. Encourage beneficiaries to check their mobile money account balances when they expect to receive funds, even without a notification messages. Implementing partners can also call beneficiaries to alert them that funds have been transferred.

### Challenge 4: Internal resistance to change

Staff and beneficiaries may resist change to payment systems.

**Mitigation:** Implementing partners should communicate with home office, key decision makers and accounting staff of decision to transition to digital payments early. Implementing should be ready to address concerns and answer questions. Once this is done an efficient service needs to be delivered for beneficiaries to accept and embrace mobile payments as a better alternative.

### Challenge 5: Beneficiary data collection

The data collection process can be time consuming, labor intensive and subject to error. Incorrect numbers and delays in transferring beneficiary data to HQ for payment processing can delay payments.

**Mitigation:** Develop internal processes that improve the quality of data collected, such as collecting beneficiaries’ numbers prior to an event. Where possible, utilize software tools to simplify the beneficiary data collection by electronically collecting beneficiary phone numbers, thus improving reliability and timeliness of data collected.

### Challenge 6: Payment delays due to technical issues

Technical problems related to network outages and/or internal upgrades on the part of the MNO or aggregator may lead to payment delays.

**Mitigation:** Alert aggregator partners of payment schedule and ensure that aggregator communicates any plans for upgrades and/or foreseen technical issues in advance to assist planning. Unless confident in partners’ ability to carry out issue resolution over the weekend, avoid making payments on a Friday.

### 5.3 Key Lessons Learned

Based on Vital Wave’s experience in Uganda, the following key lessons were crucial for the successful transition to a digital payments system:

- Organizations should conduct thorough due diligence of aggregator partners, paying particular attention to their technical know-how, customer service and responsiveness.
- Engage the home office early, especially accounting staff, as there may be concerns that require attention and delay the roll-out process.
- Do not underestimate the amount of time needed to build internal buy-in, agree on and sign contracts, and set up user accounts.
- Conduct pre-tests with staff for testing the system internally, creating internal buy-in and reducing the risk of beneficiary resistance.
- Make small incremental payments before rolling out to a large number of beneficiaries.
- Improve planning mechanisms and internal communication between finance and program staff and communicate payment plans to partner aggregator regularly.
6. Appendix

This section includes tools that can be used or adapted by implementing partners, MNOs, aggregators, and donors looking to implement a transition to digital payments. Please reference the Document Reference Chart in Section 4.2 above, and the table below, to navigate the resources that follow.

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Appendix 1.1 – Business Requirements Document

United States Agency for International Development

Bill and Melinda Gates Foundation

Business Requirements Document (BRD)

1. Introduction

1.1 Document Purpose

The purpose of this document is to describe business requirements of the Bulk Payment Aggregation solution, which is comprised of applications, services, processes, and policies to facilitate the distribution of bulk payments from USAID implementing partners to their beneficiaries.

- Business requirements for major enhancements to an existing application
- Business requirements for new application development
- Business requirements for replacement application development
- Business requirements for a request for proposals (RFP)

1.2 Intended Audience
The intended audience for this document includes implementing partners, Mobile Network Operators (MNO’s), Business Process Outsourcing vendors (or aggregators), and other interested service or technology providers.

1.3 Project Background

Extensive work in the global development community has identified the important role technology has to play in achieving affordable access to, and use of, financial services by the poor. In addition, when technology is combined with business processes, electronic payments can be made inexpensively and transparently.

This project aims to change the way non-governmental organizations (NGOs) and projects in Uganda make small payments to beneficiaries. USAID is the lead donor in the country, and many NGOs have multiple funding partners. If successful, those NGOs and USAID could change the way beneficiary payments are made in countries beyond Uganda.

Currently, many organizations are attempting to distribute bulk payments by working directly with MNOs (see Figure 1, upper right). This model creates many redundancies, and implementing partners are not able to perform many needed functions due to the limitations of the MNO platforms.

As a result of the inherent limitations posed by working with the MNOs, an alternative approach has been proposed. Working with an intermediary such as an aggregator simplifies operations and lowers costs, both to the implementing partners and to USAID (see Figure 2, lower right). Further, this approach increases transparency throughout the entire payments value chain.

1.4 Business Goals/Objectives

The objective of the project is to demonstrate the financial and operational feasibility of digital payments for USAID implementing partner programs in Uganda through the implementation of a proof-of-concept project.

1.5 Stakeholders

Key stakeholders with vested interest in the project outcomes are:

1) USAID implementing partner beneficiaries
2) USAID implementing partners
3) Uganda mobile network operators (MNOs)
4) Uganda payments aggregators
5) Uganda MNO banking partners
6) USAID Uganda Mission
7) USAID Washington, DC
8) Bill and Melinda Gates Foundation

1.6 Dependencies on Existing Systems

The success of the project depends on the ability of MNOs to continue to accept bulk payment requests and funds, distribute bulk payments to individual subscribers, and to make their application program interface (APIs) available to bulk payment aggregators. The pricing and tariff schedules are a key dependency for those who initiate bulk payments and for end users (beneficiaries) who receive payments.

The project also depends on a consistent and predictable regulatory environment that allows appropriate access to beneficiary payment systems and mobile phone tools in a manner that is attractive to end users, as well as institutions that initiate bulk payments.

The delivery of payments and services is dependent on several factors, including MNO network availability, agent presence and liquidity, the acceptance of mobile payments by merchants or other service providers, and the ubiquity and reliability of Internet access so that implementing partners can access payment portals and tools used by payment aggregators.

1.7 Assumptions

The following assumptions are integrated into the planning of the project:

1) A sufficient number of USAID implementing partners will participate in the proof-of-concept project to make the outcomes measurable and relevant to a larger community, including implementing partners outside Uganda.

2) Aggregators will be interested in developing solutions to meet the needs of implementing partners at no cost to the project.

3) MNOs will consider alternative pricing models (volume-based discounts, for example) to enhance financial viability.

4) Systems integration between the aggregators and MNOs will be completed in a timely manner.

5) Aggregators will be willing to make the changes to their front-end, middleware and platform integration APIs to meet the needs of the implementing partners.

6) Aggregators will be willing to adopt a volume-based pricing model, reducing costs for higher volumes of transactions.

2. Functional Requirements

2.1 Requirements Summary
This section describes the functional requirements for each participant in the digital payments value-chain. The functional requirements may affect applications, processes, policies, or procedures. All functional requirements must be addressed to achieve a functional digital payments system.

2.2 Implementing Partner Business Requirements

The USAID implementing partners currently are delivering payments to their beneficiaries via non-digital methods. To adopt digital payments, the following requirements should be fulfilled.

1) Implement new training curricula
   a. Internal training: Operations manuals and training for procedures on how to use web-based payments portal provided by aggregator of bulk payments
   b. Internal training: Processes for initiation (scheduling), verification and releasing of digital payments
   c. Internal audit: Validation of payment delivery, balancing of bank accounts to digital payment ledgers, balancing of MNO (via aggregator) ledgers to payment requests
   d. Field training: Initiation of payment requests via portal or mobile devices
   e. Field training: Validation of delivery of services or goods which trigger scheduled payments

2) Implement processes
   a. Preparation of electronic bulk payment beneficiary repositories containing:
      i. National ID or other unique identifying number
      ii. Name
      iii. Phone number
   b. Design payment programs for specific interventions/activities:
      i. Payment program
      ii. Beneficiary
      iii. Schedule of payments (date, time and amounts)

3) Implement payment hierarchy with appropriate levels of controls and authorities to initiate, review, and approve bulk payments.

2.3 Aggregator Business Requirements

Aggregators who successfully implement the requirements listed below will be in a position to work with implementing partners to accept and distribute bulk payments.

1) Reporting
   a. Payment activity summary (successful and undelivered) and details including transaction numbers organized by:
      i. Specific date
ii. Specific week
iii. Specific month
iv. Specific year
v. Date range
vi. Beneficiary
vii. Beneficiary data (organized by name, phone number, and National ID)
viii. Others as specified

b. Customer service reports by
   i. Date
   ii. Disposition code
   iii. Beneficiary name, national ID, and phone number

2) Web portal functions
   a. Payment scheduling that generates a unique ID for:
      i. Single payments (one-time or recurring)
         1. Direct entry of recipient information into portal
      ii. Bulk payments (one-time or recurring)
         1. Direct entry of recipient information into portal
         2. Upload of data file (CSV or other mutually agreed format)
         3. From database maintained on portal on behalf of implementing partner

3) Customer support
   a. Receive beneficiary customer service requests relating to payment issues
   b. Maintain a log of requests, disposition and resolution date, including a unique ticket number, date, time, beneficiary name, phone number and other pertinent information
   c. Catalog all support tickets based on disposition codes

4) Mobile portal functions based on appropriate level of access
   a. Ability to view payment status by entering scheduled payment ID
   b. Ability to modify (pause, cancel, and release) scheduled payments for use by field personnel at the conclusion of intervention or project

5) Pricing
   a. Volume-based activity
      i. Aggregator to provide pricing schedule based on volume of payments by month or in total
   b. Rate card for system enhancements or new features
   c. Pricing for hosting databases

6) Data security
   a. Encryption methods to be industry standard and compliant with Ugandan regulations for privacy and security
   b. Physical storage in compliance with Ugandan regulations for privacy and security, and in a manner that grants access only to authorized personnel

7) User security
a. Implementing partner will be issued a master ID for use in managing authentication and access by partner employees or contractors
b. Payment portal will provide at least three levels of access:
   i. Master: Ability to access all transactions, reports, and databases. Master ID will be able to add users, alter authentication levels, and remove users in addition to all functions in the Designate level
   ii. Designate: Ability to view scheduled payments, review and release payments that have been scheduled, request and review all reports online, print all reports in addition to all functions in the Basic level
   iii. Basic: Ability to prepare and upload payments to the portal, review certain reports online, and review specific transactions in support of customer service activities
c. Payments portal will provide multiple layers of authentication (multi-hierarchy) to limit access to features and functions

2.4 MNO Business Requirements

1) Pricing
   a. Negotiated rate card based on volume-based pricing for bulk payments

2) Agent Network
   a. Negotiated rate card or subsidized for cash out for beneficiaries
   b. Liquidity management based on bulk payment targets

3. Data Retention and Archiving

The successful aggregator will maintain all transaction data on behalf of the implementing partner for as long as is allowable by law and Ugandan regulations. Copies of the data, protected by password, will be provided to the implementing partner upon request in either printed or digital format.

4. Availability Requirements

The aggregator payments portal will be available to the implementing partner on a full-time basis (365 days/year, 24 hours/day) with the exception of outages for system upgrades and enhancements, to be scheduled during non-business hours and in pre-agreement with implementing partners. The Aggregator will provide a schedule of maintenance periods to all implementing partners.

The Aggregator will maintain a help line for use by implementing partners to report outages to the aggregator. Finally, the Aggregator will publish and adhere to a Service Level Objective policy that clearly outlines the aggregator policies and processes which will be taken to restore service.

5. Revision Log
Appendix 1.2 – Selection Criteria for Implementing Partners and Scorecard

The implementing partner selection process followed five steps: Pre-screening, Notification, Formal Application, Pre-Selection, and Selection. The process was developed in close consultation with the USAID Uganda Mission.

<table>
<thead>
<tr>
<th>Point</th>
<th>Selection Criteria</th>
<th>IP 1</th>
<th>IP 2</th>
<th>IP 3</th>
<th>IP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Implementing Partner demonstrates elevated levels of risk or previous difficulties with cash disbursement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>Implementing Partner makes bulk payments to beneficiaries currently</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15</td>
<td>Implementing Partner has relatively high average transaction amounts and high frequency of bulk payments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Implementing Partner has shown an interest in implementing digital payments for making beneficiary payments and for the purpose of addressing risk associated with cash payments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Implementing Partner has a productive relationship with USAID Uganda</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Implementing Partner maintains adequate service delivery controls pertaining to disbursements</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10</td>
<td>Implementing Partner has more than 2 years left in their project/activity</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Preferred: Implementing Partner has a country office or partner in another country (or a member of staff) that has already undergone the transition to mobile payments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Preferred: Implementing Partner beneficiaries are in close proximity to functioning agent (for interview)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>100</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

1. Very Poor - IP does not fulfill criteria
2. Poor - IP fulfills criteria only minimally
3. Moderate - IP shows some but not all requirements to fulfill criteria
4. Good - IP shows most but not all requirements to fulfill criteria
5. Excellent - IP demonstrates all requirements to fulfill criteria
Appendix 1.3 – Application for the ‘Digitizing Payments for USAID Beneficiaries in Uganda’ Program

Application for Assistance and Guidance in the Digitalizing Payments Program

Please submit all applications via email (MS Word or PDF) to [insert Project Coordinator e-mail] by [insert date], [insert time] East African Time.

Note:

a) All information provided in this application is strictly confidential.
b) The timeliness of your application will be taken into consideration.
c) The space given under each category of the application is indicative of the amount of information needed. Applicants are encouraged to use as much space as needed.
d) Should you have any questions regarding this application process or program, please contact the Project Coordinator at [insert Project Coordinator e-mail].

Date of Application: ________________________________

Section A: Contact Information

<table>
<thead>
<tr>
<th>Name of organization</th>
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<tbody>
<tr>
<td>Name of activity/project</td>
<td></td>
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<tr>
<td>Type of organization running the activity/project (CBO/NGO/private company/other – specify)</td>
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</tr>
<tr>
<td>Name of the chief of party</td>
<td></td>
</tr>
<tr>
<td>Office location</td>
<td></td>
</tr>
<tr>
<td>Office phone number</td>
<td></td>
</tr>
<tr>
<td>Mobile phone number (chief of party)</td>
<td></td>
</tr>
<tr>
<td>Fax</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Key contact person – name and designation</td>
<td></td>
</tr>
<tr>
<td>Contact number of key contact person</td>
<td></td>
</tr>
</tbody>
</table>
Section B: Application

1. **Rationale/Need Justification**

Describe in detail the situation/circumstances that have led to the decision to digitize payments. Provide as much supporting information as possible.

2. **What is your project/activity’s experience with making bulk payments in cash to beneficiaries?**

Describe the situations that require bulk payments, how often bulk payments are made, the average amount of each transaction, and the number of beneficiaries who receive payments.

3. **Has your project/activity faced any risks or previous difficulties with cash payments?**

4. **What tools does your project/activity use to ensure the adequate service delivery or controls pertaining to cash payments?**
5. Does your project/activity have a country office or partner in another country or member of staff that has already undergone the transition to mobile payments?

If yes, please explain.

6. Project Beneficiaries

<table>
<thead>
<tr>
<th>To whom is your project/activity making bulk payments?</th>
<th>Service providers and vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tick as appropriate</td>
<td>Staff in the field</td>
</tr>
<tr>
<td>Where are your project/activity’s beneficiaries located?</td>
<td>Beneficiaries in the field</td>
</tr>
<tr>
<td>How many beneficiaries does your project/activity make bulk payments to and how often?</td>
<td></td>
</tr>
<tr>
<td>How would you characterize the use of bulk payments in your project/activity?</td>
<td></td>
</tr>
<tr>
<td>Tick as appropriate</td>
<td>High Frequency/Low Amount</td>
</tr>
<tr>
<td></td>
<td>High Frequency/High Amount</td>
</tr>
<tr>
<td></td>
<td>Low Frequency/Low Amount</td>
</tr>
<tr>
<td></td>
<td>Low Frequency/High Amount</td>
</tr>
</tbody>
</table>

7. Details of the Proposed Team for Project Implementation

Please provide information on the key staff proposed for the project with relevant technical skills and responsibilities within the proposed project. Provide as much background information as possible (CVs if available).

<table>
<thead>
<tr>
<th>Name</th>
<th>Proposed Position</th>
<th>Total Working Experience</th>
<th>Currently working with your organization (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

8. Sharing of Information*

In order for us to better understand how your organization works, are you willing to share:

<table>
<thead>
<tr>
<th>I. Financial data, down to transaction levels? Tick as appropriate</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>II. Internal processes and procedures? Tick as appropriate</td>
<td></td>
<td></td>
</tr>
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</table>
Section C: Application Checklist and Declaration

<table>
<thead>
<tr>
<th>All sections of the applications have been filled as per given directions</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

To the best of my knowledge, I declare that all the above information is true and accurate.

Sincerely,

Name: __________________________

Position: _______________________

Signature: _______________________

(To be signed by authorized party)
Appendix 1.4 – Project Description Accompanying Digitizing Payments Application

Digitizing Payments for USAID Beneficiaries in Uganda Program

I. Project Description

Vital Wave, a consulting firm contracted by the Gates Foundation on behalf of USAID/Uganda, will work with 4-6 USAID implementing partners to assist them in making the transition to digital payments for their beneficiaries. Vital Wave has conducted extensive research in Kenya, Tanzania and Uganda to understand the stakeholder landscape and how mobile money systems have been and can be used by organizations to make payments to their beneficiaries. In Uganda specifically, Vital Wave has worked closely with USAID to interview a cross-section of local stakeholders in order to understand the challenges and opportunities of using mobile money to make bulk payments.

This project will be a pilot study with the 4-6 selected partners. If successful, it has the potential to change the way NGOs and projects in Uganda and East Africa make payments to beneficiaries.

Participation in the pilot will provide implementing partners with support and guidance for moving away from cash payments in the field to making bulk payments via mobile money. The 4-6 selected implementing partners will:

- receive support for developing new digital payment operational and financial processes
- receive training, manuals and support on how to use mobile bulk payment platforms
- gain and learn from the knowledge acquired by Vital Wave through extensive research conducted in East Africa
- benefit from experience with troubleshooting and best practices learned by organizations that have succeeded in transitioning to digital payments in other East African countries
- be supported in their relations and dealings with MNOs and aggregators
- benefit from the availability of software developed to support the digital payments transition in a secure and user-friendly way

Reviews will be conducted monthly between implementing partners, Vital Wave and USAID to report on the progress of the pilot and identify, learn from, and apply lessons learned.
Appendix 1.5 – E-mail Accompanying Digitizing Payments Application

Dear USAID Implementing Partners,

Please find attached the application for participation in the 'Digitizing Payments for USAID Beneficiaries in Uganda' program. The deadline for submission of applications is [insert date and time].

Successful projects and/or activities will benefit from support and guidance in transitioning from cash to mobile money when making bulk payments to beneficiaries.

Your projects/activities have already passed the initial pre-screening stages of the application process. Following submission of applications, a kickoff meeting will be held and shortlisted candidates will be interviewed. 4-6 Implementing Partners will be selected for the program.

Should you have any questions on the application process or program please contact the Project Coordinator at [insert Project Coordinator e-mail].

We look forward to receiving your applications.

Kind regards,

Name: _________________________

Position: _________________________
Appendix 1.6 – Board Resolution

THE REPUBLIC OF UGANDA
IN THE MATTER OF THE COMPANIES ACT CAP 110
AND
IN THE MATTER OF [NGO]

ORDINARY RESOLUTION

At a meeting of the Board of Directors of the company on the [Date], be it resolved as follows:

1. THAT [NGO] shall as recommended by USAID/Uganda join the ‘Digitizing Payments for USAID Beneficiaries in Uganda’ Project as coordinated by Vital Wave Consulting.
2. THAT as a prerequisite for this service to become operational this resolution is so hereby made to facilitate this with the Aggregator who will be identified by USAID/Uganda and Vital Wave Consulting.
3. THAT the Board liability shall be limited to passing this resolution.
4. THAT the financial instruments of this project be signed as per [NGO] financial management policy.
5. THAT this resolution be filed with the Uganda Registration Services Bureau.

DATED at Kampala on [Date].

Signed By:
[NGO] Board of Directors

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Title</th>
<th>Approved</th>
<th>Not Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 1.7 – Presentation for Beneficiaries on Transition to Digital Payments

USE OF MOBILE MONEY

Background:

USAID has requested its partners to consider making payments using a mobile money system. After a successful introduction of mobile money payments with six USAID partners, the program will be expanded to other partner organizations.

Current challenges faced:

a) Usually the sum to be paid out is a large amount, posing the risk of traveling and working with a lot of cash.
b) Administratively, it’s challenging to gather all beneficiaries in one place to pay them after a workshop has closed and the recipients have begun to disperse.
c) Also, it consumes a lot of time to make payments to many people
d) There is no guarantee that the person registered is the one who collects the payment, since many participants may not have IDs.

How it will work

a) Participants will be required to register their mobile numbers for a mobile money payment system.
b) Participants will then register their numbers with the program staff for the database.
c) When participants are invited for a workshop, they will be required to register. As the workshop is taking place, the [insert name of activity] will carry out their verification before releasing the money to the registered mobile number.
d) The [insert name of activity] will receive reports to show all the transactions that have been made.

Benefits to:

[insert name of activity]

a) No risk on the side of [insert name of activity], since staff will no longer carry large sums of money.
b) [insert name of activity] will be able to view reports of all payments made to the attendees of any event.
c) There are reduced challenges in managing the payment of beneficiaries (i.e., no queues, no need for signatures or identification, etc.).
d) There is less susceptibility to fraud or loss of money.

---

7 SDS Programme, 2013.
Beneficiaries
   a) Fewer delays in payments
   b) Reduced risk of one participant signing for money meant for another.
   c) Avoid the inconvenience of queuing up for a payment.
   d) No risk of carrying cash from a workshop to home.
   e) Enjoy all the benefits of having a mobile wallet.

Note: All mobile money transfers will include agent’s fees (i.e., recipients will receive the full amount they would have previously received in cash).
Appendix 1.8 – Instructional Manual on How to Use Mobile Money

Airtel Money/Warid Pesa

*185#
Customer Menu

1. Send Money
2. Buy Airtime
3. Withdraw money
4. Pay BILLS
5. Mobile Banking
6. My Account
7. Request Message Recei

1. *185#

5. Enter your A.Money PIN, a confirmation message will be sent to you.
5. Enter your A.Money PIN ___ a confirmation message will be sent to you.

NB: A customer receives a CODE at stage 3 which the agent uses to give the cash.

6. Enter your A.Money PIN ___ a confirmation message will be sent to you.
Appendix 1.9 – Mobile Money Agent Training Curriculum

User Menu

Step 1

Step 2

Step 3

Sending Money

- A registered user can send money to anyone, whether registered or not, with or without a phone.
- If sending money to a person who has a mobile phone, the sender should go to the **Send money**. A mobile user can either be registered or un-registered.
- When sending money to a non registered user, the system will ask for a **secret code** (4 digit number) that is to be entered by the sender. It will then provide a **Token ID** (11 digits).
- The **Token ID** and **Secret Code** are to be shared with the recipient only as this is what s/he will give to an agent to process the transaction.
Sending Money [To a Registered User]

Step 1: Select Mobile Money
Step 2: Select Send Money to
Step 3: Select Mobile User
Step 4: Enter Mobile Number

Sending Money [To a Registered User]...

Step 5: Enter Amount
Step 6: State reason
Step 7: Confirm details
Step 8: Enter MM Pin

©2011 Mobile Telephone Networks. All rights reserved.
Sending Money [To a Registered User]...

Step 9

Transaction confirmed

Step 10

Balance confirmation

©2011 Mobile Telephone Networks. All rights reserved.

Sending Money [To a Registered User]...

Step 9

Enter secret code

Step 10

Confirm details

Step 11

Enter M/M Pin

Step 12

Transaction confirmed

©2011 Mobile Telephone Networks. All rights reserved.
Sending Money [a non-registered User]

**Step 13**

Balance confirmation

**Step 14**

Transaction completion

Sending Money [Non-registered User]

**Step 1**

Select Mobile Money

**Step 2**

Select 'Send Money to'

**Step 3**

Select Non mobile user

**Step 4**

Enter Amount

©2011 Mobile Telephone Networks. All rights reserved.
Sending Money [Non-registered User]

Step 6
- State reason

Step 7
- Confirm transaction details

Step 8
- Enter MM Pin

Step 9
- Enter secret code

©2011 Mobile Telephone Networks. All rights reserved.

Sending Money [Non-registered User]

Step 10
- Confirm details

Step 11
- Enter MM Pin again

Step 12
- Transaction details confirmed

Step 13
- Transaction completed

©2011 Mobile Telephone Networks. All rights reserved.
Checking Balance

Step 1
Select Mobile Money

Step 2
Select My Account

Step 3
Select Balance

©2011 Mobile Telephone Networks. All rights reserved.

Checking Balance

Step 4
Enter MID Pin

Step 5
Balance confirmation

©2011 Mobile Telephone Networks. All rights reserved.
Paying Bills

Step 1
Select Mobile Money

Step 2
Select Pay Bill

Step 3
Select Bill to pay

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Appendix 1.10 – Aggregator Procurement Process and Selection Criteria

Aggregators were selected from a shortlist of integrated and certified aggregators presented by the MNOs. Yo! Payments, Pegasus and Cellulant were selected as aggregators.

The aggregator selection process followed five steps: Pre-screening, Notification, Request for Information, Pre-Selection, and Selection.

The aggregator selection criteria were informed by the Business Requirements Document, which synthesized implementing partner requirements and the results of research carried out by Vital Wave.

<table>
<thead>
<tr>
<th>Selection Criteria</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregator has an existing connection with the two largest MNOs</td>
<td>15</td>
</tr>
<tr>
<td>Aggregator has an existing bulk payments solution</td>
<td>15</td>
</tr>
<tr>
<td>Aggregator is currently servicing clients on the bulk payments solution</td>
<td>15</td>
</tr>
<tr>
<td>Aggregator meets all the BRD requirements</td>
<td>15</td>
</tr>
<tr>
<td>Aggregator shows capacity to handle the transaction volume</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator is a Limited Liability Company (LLC)</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator has been in operations for over two years</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator has adequate business continuity management</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator has adequate staff</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator is financially stable</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator has a flexible pricing arrangement</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator has a good relationship with a top-tier bank</td>
<td>5</td>
</tr>
<tr>
<td>Aggregator has other services that may be beneficial to the project (SMS, USSD, WAP)</td>
<td>5</td>
</tr>
</tbody>
</table>

Highest Possible Score: 105
Appendix 1.11 – Request for Information

Aggregator

Request for Information (RFI)

Digitizing Payments in Uganda Program

Prepared by: Sieka Gatabaki
Prepared for: MNO Certified Aggregators
Date Submitted: October 4, 2013

Project Sponsor: Bill and Melinda Gates Foundation
Client Acceptor: Bryce Edgar
Engagement Manager: David Sessions
Lead Analyst: Leah Gatt
Advisor: Sieka Gatabaki

Confidentiality
All information included in this RFI is confidential and only for the recipient knowledge. No information included in this document or in discussions connected to it may be disclosed to any other party.

Introduction and purpose of the RFI
With this RFI we request information regarding your company and your products/services. The same information will be gathered from different companies and will be used to evaluate which aggregators will be selected for the Digitizing Payments in Uganda Program.

Scope
Specific information is requested according to the form below.

RFI procedure
To answer this RFI please fill in the attached form. The contact person/s listed below is available for assistance if needed. All questions should be submitted in email to the contacts below and responses shall be shared with all applicants.

How to deliver the answer
Send the attached form in PDF format by email to [insert project coordinator’s email]

Timeframe
This is the timeframe for the RFI submission and evaluation
[Insert Date] – The RFI is sent out
[Insert Date] – Last date for questions
[Insert Date] – Last date for submission of answer
[Insert Date] – Final aggregator(s) chosen for prototyping and tests
[Insert Date] – Start of project

Background Description

Project Context

This project aims to change the way non-governmental organizations (NGOs) and projects in Uganda make small payments to beneficiaries. USAID is the lead donor in the country, and many NGOs have multiple funding partners. If successful, those NGOs and USAID could change the way beneficiary payments are made in Uganda and throughout East Africa.

Currently, many organizations are attempting to distribute bulk payments by working directly with MNOs. This model creates many redundancies, and implementing partners are not able to perform many needed functions due to the limitations of the MNO platforms.

As a result of the inherent limitations posed by working with the MNOs, an alternative approach has been proposed. Working with an intermediary such as an aggregator simplifies operations and lowers costs, both to the implementing partners and to USAID. Further, this approach increases transparency throughout the entire payments value chain.
Requirements

Aggregators who successfully implement the requirements listed below will be in a position to engage with implementing partners to accept and distribute bulk payments.

1) Reporting
   a. Payment activity summary (successful and undelivered) and details including transaction numbers organized by:
      i. Specific date
      ii. Specific week
      iii. Specific month
      iv. Specific year
      v. Date range
      vi. Beneficiary
      vii. Beneficiary range (organized by name, phone number, and National ID)
      viii. Others as specified
   b. Customer service reports by:
      i. Date
      ii. Disposition code
      iii. Beneficiary name, national ID, and phone number

2) Web portal functions
   a. Payment scheduling that generates a unique ID for:
      i. Single payments (one-time or recurring)
         1. Direct entry of recipient information into portal
      ii. Bulk payments (one-time or recurring)
         1. Direct entry of recipient information into portal
         2. Upload of data file (CSV or other mutually agreed format)
         3. From database maintained on portal on behalf of implementing partner

3) Customer and Implementing Partner support
   a. Receive beneficiary customer service requests relating to payment issues
   b. Maintain a log of requests, disposition and resolution date, including a unique ticket number, date, time, beneficiary name, phone number and other pertinent information
   c. Catalog all support tickets based on disposition codes
   d. Develop and deliver a train the trainer course on the bulk payments system and processes.
   e. Provide training materials and guidelines for each implementing partner.

4) Mobile portal functions based on appropriate level of access
   a. Ability to view payment status by entering scheduled payment ID
   b. Ability to modify (pause, cancel, and release) scheduled payments for use by field personnel at the conclusion of intervention or project
5) Pricing
   a. Volume-based activity
      i. Aggregator to provide pricing schedule based on volume of payments by
         month or in total
   b. Rate card for system enhancements or new features
   c. Pricing for hosting databases

6) Data security
   a. Encryption methods to be industry standard and compliant with Ugandan
      regulations for privacy and security
   b. Physical storage in compliance with Ugandan regulations for privacy and security,
      and in a manner that grants access only to authorized personnel

7) User security
   a. Implementing partner will be issued a master ID for use in managing authentication
      and access by partner employees or contractors
   b. Payment portal will provide at least three levels of access:
      i. Master: Ability to access all transactions, reports, and databases. Master
         ID will be able to add users, alter authentication levels, and remove
         users in addition to all functions in the Designate level.
      ii. Designate: Ability to view scheduled payments, review and release
          payments that have been scheduled, request and review all reports on-
          line, print all reports in addition to all functions in the Basic level
      iii. Basic: Ability to prepare and upload payments to the portal, review
           certain reports on-line, and review specific transactions in support of
           customer service activities
   c. Payments portal will provide multiple layers of authentication (multi-hierarchy) to
      limit access to features and functions
   d. Generally accepted password policies to be applied for all users including but not
      limited to, minimum password length, password complexity, password aging, initial
      password change, and user account lockout and password history.
Qualifications

Mandatory

1. The aggregator must have integrated to one or more of the top MNO mobile money providers in Uganda
2. The aggregator must have a running bulk payments solution in place
3. The aggregator must be a limited liability company
4. The aggregator must have backup and redundancy capabilities

Optional

1. The aggregator should have been in business for more than two (2) years
2. The aggregator should have a 24-hour call center
3. The aggregator should have audited reports for the last financial year
4. The aggregator should be registered with the Uganda Communications Commission as a content service provider

Aggregator Questionnaire

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company name</td>
<td></td>
</tr>
<tr>
<td>Company address</td>
<td></td>
</tr>
<tr>
<td>Company website</td>
<td></td>
</tr>
<tr>
<td>Main products/services</td>
<td></td>
</tr>
<tr>
<td>Mobile Network Operators your have completed integrated with</td>
<td></td>
</tr>
<tr>
<td>Mobile Network Operators your are integrating to and timelines</td>
<td></td>
</tr>
<tr>
<td>Main market/customers</td>
<td></td>
</tr>
<tr>
<td>Ownership structure with ownership distribution in percentage</td>
<td></td>
</tr>
<tr>
<td>Structure of mother corporation, joint ventures, subsidiaries, partnerships or other relevant relations</td>
<td></td>
</tr>
<tr>
<td>Number of years in business</td>
<td></td>
</tr>
<tr>
<td>Company location(s)</td>
<td></td>
</tr>
<tr>
<td>Describe your business continuity management</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
</tr>
<tr>
<td>Financial information</td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td>---</td>
</tr>
<tr>
<td>Last year turnover</td>
<td></td>
</tr>
<tr>
<td>Last year gross margin</td>
<td></td>
</tr>
<tr>
<td>Last year profit/loss</td>
<td></td>
</tr>
<tr>
<td>Escrow bank name and relationship manager contacts</td>
<td></td>
</tr>
<tr>
<td>Contact person responsible for answering this RFI</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Capacity conditions today</td>
<td>maximum number of transactions/clients</td>
</tr>
<tr>
<td>Anticipated capacity conditions within 12 months</td>
<td></td>
</tr>
<tr>
<td>Requirements listed in the RFI that cannot be met</td>
<td></td>
</tr>
<tr>
<td>Proposed pricing rate card based on estimated transaction bands</td>
<td></td>
</tr>
<tr>
<td>(e.g. 0-1,000 transactions - 0.5% of value or UGS 100; 1001-10,000 – 0.4% of value, etc.)</td>
<td></td>
</tr>
<tr>
<td>Description of products or services that are already delivered to customers today, and could be comparable to what is requested in this RFI</td>
<td></td>
</tr>
<tr>
<td>Reference customers using comparable products or services (including contact information)</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 1.12 – User Acceptance Testing Checklist

User Acceptance Test (UAT)
Digitizing Payments in Uganda Program

Confidentiality

All information included in this UAT is confidential and only for the recipient knowledge. No information included in this document or in discussions connected to it may be disclosed to any other party.

Purpose of the UAT

This UAT has been designed to test the critical functions of the Aggregator portal and ensure it meets the Business Requirements Specifications prior to presentation to the end users.

Scope

All test cases in the UAT are derived from the relevant Business Requirements Specifications.

Test Cases

1. Reporting

| Does the system provide Payment activity summary (successful and undelivered) and details including transaction numbers organized by: |
|---|---|
| i. Specific date | Pass | Fail |
| ii. Specific week |   |   |
| iii. Specific month |   |   |
| iv. Specific year |   |   |
| v. Date range |   |   |
| vi. Beneficiary |   |   |
| vii. Beneficiary range (organized by name, phone number, and National ID) |   |   |

Pass | Fail
2. Web Portal Functions

Payment scheduling that generates a unique ID for:

<table>
<thead>
<tr>
<th>I. Single payments (one-time or recurring)</th>
<th>Pass</th>
<th>Fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Allows for direct entry of recipient information into portal</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II. Bulk payments (one-time or recurring)</th>
<th>Pass</th>
<th>Fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Direct entry of recipient information into portal</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>ii. Upload of data file (CSV or other mutually agreed format)</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>iii. From database maintained on portal on behalf of implementing partner</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

3. Mobile portal functions based on appropriate levels of access

<table>
<thead>
<tr>
<th>a. Ability to view payment status by entering scheduled payment ID</th>
<th>Pass</th>
<th>Fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Ability to modify (pause, cancel, and release) scheduled payments for use by field personnel at the conclusion of intervention or project</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

4. User security

<table>
<thead>
<tr>
<th>a. Implementing partner will be issued a master ID for use in managing authentication and access by partner employees or contractors</th>
<th>Pass</th>
<th>Fail</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Payment portal will provide at least three levels of access:</td>
<td>Pass</td>
<td>Fail</td>
</tr>
<tr>
<td>i. Master: Ability to access all transactions, reports, and databases. Master ID will be able to add users, alter authentication levels, and remove users in addition to all functions in the Designate level.</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>
ii. Designate: Ability to view scheduled payments, review and release payments that have been scheduled, request and review all reports on-line, print all reports in addition to all functions in the Basic level

iii. Basic: Ability to prepare and upload payments to the portal, review certain reports on-line, and review specific transactions in support of customer service activities

c. Payments portal will provide multiple layers of authentication (multi-hierarchy) to limit access to features and functions

d. Generally accepted password policies to be applied for all users including but not limited to, minimum password length, password complexity, password aging, initial password change, user account lockout and password history

Sign off

<table>
<thead>
<tr>
<th>Project Advisor</th>
<th>Signatures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Analyst</td>
<td></td>
</tr>
<tr>
<td>Aggregator</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 1.13 – User Acceptance Testing Sample

### YO PAYMENTS UATs: BULK PAYMENTS FEATURES - 2

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>PASS/FAIL</th>
<th>TEST DONE BY</th>
<th>COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Create a list of beneficiary having subscriber number from all supported MNO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Confirm that you are able to create a bulk payment using the list by uploading it. After the bulk payment is marked as completed, confirm that all subscribers received their respective payments as layed out in the beneficiary list.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Extend Bulk Payments so that it can allow upload of a single file with all supported networks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Extend Bulk Payments to display displayed estimated cashout charges</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Technology Enabled Business Solutions**

5th Floor Impala House, 13 Kimathi Avenue | P.O. Box 27105 Kampala, Uganda
Tel: +256 31 324-4641 | Email: info@yo.co.ug | www.yo.co.ug
<table>
<thead>
<tr>
<th><strong>Addition of Total Balance Field</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Log into the account and go to the Balance page</td>
</tr>
<tr>
<td>2. Confirm that you are able to see a total of all balances on the different MNOs</td>
</tr>
</tbody>
</table>

---

**Technology Enabled Business Solutions**

5th Floor Impala House, 13 Kimathi Avenue  |  P.O. Box 27105  | Kampala, Uganda
Tel:  +256 31 224 4641  |  Email: info@yo.co.ug  |  www.yo.co.ug

Tested by:

For VITAL WAVE

Date

In presence of:

For Yo! Uganda Limited

Date
Agreement for a Multiple Payments Solution Using the 'Aggregator Payment Platform' E-Commerce Solution

Between

[Aggregator]

And

[NGO Name]

Drawn by

Legal Department
‘Aggregator’
Plot _____, _________ Road,
P. O. Box _________________
Kampala, Uganda
Tel: (+256) ________________
THIS AGREEMENT is made on the ............... day of .................... Two Thousand and Fourteen

BETWEEN

1. ‘AGGREGATOR’ a limited liability company incorporated in accordance with the Laws of Uganda and having its registered office at Plot .........., ...............Kampala, and of Post Office Box Number ........................., Kampala, Uganda, (hereinafter referred to as “AGGREGATOR” which expression shall where the context so admits include its successors and assigns) of the one part;

   AND

2. ‘NGO NAME’ a limited liability company incorporated in the Republic of Uganda whose principal place of business is at Plot .........., ...............Kampala, and of Post Office Box Number ........................., Kampala, Uganda, (hereinafter called “the CLIENT” which expression shall except where the context otherwise provides include its successors and assigns) of the other part.

WHEREAS

1. Aggregator is duly authorised Telecom Payments Aggregator to operate payments aggregation services and offer associated services and value added services in Uganda.

2. CLIENT is engaged in the provision of NGO Services in the Republic of Uganda.

3. THE CLIENT is desirous that AGGREGATOR facilitates the disbursement of payments to its customers, employees, business associates, agents or any of the CLIENT’s nominees (the “third party”) as shall be indicated by the CLIENT from time to time through Aggregator’s Payments platform.

4. AGGREGATOR has agreed to offer the CLIENT a solution to facilitate the disbursement of payments to third parties on behalf of the CLIENT which involves the use of Aggregator’s Payments service subject to the terms and conditions hereinafter contained.

2. Aggregator and the CLIENT confirm that they have the requisite authority and capacity to enter into and give effect to this Agreement.
NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1) DEFINITIONS

Unless the context otherwise provides, the following terms whenever used in this Agreement document shall have the meanings given here below:

‘Aggregator Account’ means an E-Value Account held by Aggregator.

‘Bank Account’ means a bank account held with any of the Commercial Banks in Uganda.

‘Cash Payment Service’ shall mean the service extended to the Third Party through Aggregator, for the disbursement of payments through the Aggregator payments service, in accordance with Aggregator’s operating procedures.

‘CLIENT’s Aggregators Payment Platform Account’ shall mean the CLIENT’s designated Aggregator account number as shall be advised by the CLIENT, where all payments shall be made through and where Aggregator will be crediting E-value. It shall also mean an account on the Aggregator Payment Platform system with E-value equivalent to real-money deposited in the Aggregator Payment Platform Account by the CLIENT to be used for payments of the third party.

‘E-Value’ means the electronic value recorded in an E-Value Account, such electronic value representing that E-Value Account holder’s entitlement to an equivalent amount of the Real Money held in the Bank Account.

‘Force Majeure’ shall mean any event or circumstance which affects either party and is not within the reasonable control (directly or indirectly) of the Party affected, to the extent that such event or circumstance or its effects cannot be prevented, avoided or removed by such party acting in accordance with Prudent Operating Practice. “Force Majeure” shall include each of the following events and requirements:

i) Any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or sabotage provided that any such event occurs within or directly involves the Republic of Uganda.

ii) Any act of God including but not limited to lightning, fire, earthquakes, volcanic activity, floods, storms, cyclones, typhoons, or tornadoes.

iii) Epidemics or plagues.

iv) Explosions or chemical contamination (other than resulting from an act of war).

v) Labour disputes including strikes, go-slows or lockouts that are extended beyond Aggregator’s control or are widespread or nation-wide; except where the same is occasioned by Aggregator’s default.

vi) Change in Law to the extent that it will adversely affect any party’s performance of its obligations under this Agreement.

‘Instruments’ shall mean Electronic Funds Transfer (EFT).

‘Operating Procedures’ shall refer to the procedures and processes through which payments shall be remitted from the CLIENT to the Third Parties through the Aggregator Payments Solution.

‘Real Money’ means Uganda Shillings being the lawful currency of the Republic of Uganda.

‘Services’ shall mean any services provided by Aggregator pursuant to this Agreement.

‘Third Party’ shall mean anyone receiving payment from the CLIENT.
2. **SCOPE OF SERVICES**

2.1 The Payment Service shall be based on Aggregator’s Mobile Commerce Platform.

2.2 The Aggregator Payments Solution has now been developed by Aggregator to collect information that allows for the remittance of CLIENT’s payments through the Aggregator Payments Solution.

3. **DURATION**

This Agreement shall remain in force unless and until terminated by either party in accordance with the provisions of Clauses 9 to 10 hereinafter appearing.

4. **FEES AND CHARGES**

4.1 In consideration of Aggregator providing the Services herein described, the CLIENT shall pay Aggregator the Transactional Fees set out in the Schedule attached hereto as Annex 1 and incorporated herein by reference (including subsequent revisions thereof approved in the manner provided for by amendments to this Agreement).

4.2 The parties expressly agree that the Transactional Fees shall be solely determined by Aggregator and Aggregator retains the right upon Seven days’ notice to the CLIENT to review the Transactional Fees as it shall deem fit.

4.3 The Transactional Fees in Annex 1 shall however apply until any new charges are agreed upon by the parties.

5. **COLLECTION AND TRANSMISSION OF MONIES**

5.1 Aggregator will avail the application for payments processing to the CLIENT’s designated computers.

5.2 CLIENT shall be provided by Aggregator with the Aggregator Payments Solution Account on which Aggregator will credit E-value equivalent to Real Money paid to Aggregator.

5.3 Prior to launching the Service captured herein the parties shall carry out tests (to a satisfactory level) to confirm the compatibility and use of acceptable file formats with regard to the Service as being suitable for the proper functioning and performance of each party’s obligations under this Agreement.

5.4 The payments by the CLIENT will be executed via Aggregator’s Core Application system that will be interfaced with a connection to the CLIENT computer system for purposes of providing the payment particulars to CLIENT.

5.5 Aggregator will provide the CLIENT with full details of all payments through the connection in accordance with the Operating Procedures and process flow in the Annex 1 hereto.

5.6 Aggregator undertakes to ensure that the information posted through the connection is accurate and up to date; however Aggregator shall not be liable to the CLIENT for any loss that the CLIENT may suffer in the event that such information is tampered with by the CLIENT staff or such other third parties who may gain un-authorized access thereto or for any incorrect information provided by the Persons /suppliers PROVIDED THAT Aggregator shall be liable for any losses that arise from the negligence or breach of contract of Aggregator’s employees, agents and/ or independent contractors.

5.7 Aggregator further undertakes to indemnify and keep the CLIENT fully indemnified from any losses; expenses, costs damages arising from such negligence or breach of contract.
6. **STANDARD OF PERFORMANCE**

6.1 Aggregator shall perform the services and carry out its obligations under this Agreement with all due diligence and efficiency in accordance with the generally accepted techniques and practices commonly recognized by the industry.

6.2 The CLIENT acknowledges that the Service is not fault free and the quality and availability of the Service may be affected by factors outside the control of Aggregator such as local geographic or physical obstructions, atmospheric conditions, and other causes of radio interference as well as faults in other telecommunication networks to which the Network is connected or dependent. The Network and the Service may also from time to time require upgrading, modification, maintenance, or other works that may also result in the Service or any part thereof becoming temporarily unavailable. Pegasus however undertakes to act on such interferences promptly.

7. **OBLIGATIONS OF THE CLIENT**

7.1 Inform the Third Party in a sufficiently prominent manner about Aggregator’s solution as a payment channel for the CLIENT payments.

7.2 Advise Aggregator promptly in the event of any changes in or re-organization of the CLIENT and any other relevant departments, which may have a material implication on the operations of this Agreement as envisaged by Clause 11.3 herein.

7.3 To ensure appropriate system safeguards are in place to protect the unauthorized access to and/or use of or tampering with information held by the CLIENT in connection with this Agreement.

7.4 Subject to Clause 5.6 above, the CLIENT will Indemnify and keep Aggregator indemnified against all losses, claims, demands, actions, proceedings, costs and expenses, of whichever nature, arising as a consequence of Aggregator carrying out its obligations under this Agreement. Such indemnity shall include but not limited to, any loss that Aggregator may suffer arising out of the transmission of confidential information in accordance with the agreed procedures and guidelines annexed hereto.

7.5 Adhere to all relevant statutory provisions with regard to tax and all other relevant statutory payments **PROVIDED THAT** Aggregator shall not be liable for any default occurring from non-observance of any statutory provisions by the CLIENT and the CLIENT holds Aggregator fully indemnified against any default occurring from non-observance of any statutory provisions.

7.6 Notwithstanding any other clause herein the CLIENT undertakes to indemnify and keep Aggregator fully indemnified from any losses; expenses, costs, damages arising from such negligence or breach of contract occasioned by the CLIENT, its employees and/or its duly authorised agents.

8. **OBLIGATIONS OF AGGREGATOR**

8.1 To advise the CLIENT promptly in the event of any changes in or re-organization of Aggregator and any other relevant departments, which may have a material implication on the operations of this Agreement as envisaged by Clause 11.3 herein.

8.2 To ensure appropriate system safeguards are in place to protect the unauthorized access to and/or use of or tampering with information held by Aggregator in connection with this Agreement.

8.3 Subject to the other provisions of the Agreement Aggregator shall indemnify the CLIENT against any losses suffered by the CLIENT as a result of any disconnection of supply to any person/supplier arising from the error or omission of Aggregator. The value of the Indemnity will be limited to the value of the loss in question.
9. **TERMINATION - GENERAL**

Either party may terminate the Agreement without prejudice to the antecedent rights and obligations accruing to either party for any reason provided that such termination is communicated to the other Party by way of a written notice and provided that such notice is given three (3) months to the date of termination **PROVIDED THAT** the CLIENT shall not make any payment to the Third Party at least three (3) consecutive working days to the date of termination.

10. **TERMINATION BY NOTICE**

The Agreement may be terminated by notice from either party in its entirety in the following instances:

a) By either party giving Three (3) months notice in writing at any time of the intended termination.

b) By either party in the event that the other party commits or permits any material breach of any term of this Agreement and fails to remedy such breach within Thirty (30) days of receiving a request in writing from the other party to remedy such breach.

11. **AUTOMATIC TERMINATION IN CERTAIN CIRCUMSTANCES**

11.1 The Agreement shall forthwith terminate if at any time any party becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or other similar official of all or any substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding up or dissolution of either parties or if a receiver, administrator or other similar official of such Agent or all or any substantial part of its property or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law, or if any public officer takes charge or control of either party or its property or affairs for the purpose of rehabilitation, conservation or liquidation so as to render this Agreement impossible to perform.

11.2 If any law is passed for the de-establishment of any party so as to render this Agreement impossible to perform.

11.3 In the event of any changes in and or re-organization of Aggregator or the CLIENT which may have a material implication on the operations of this Agreement, rendering the implementation thereof to be impossible.

12. **EFFECT OF TERMINATION**

12.1 Any termination of the Agreement in whole or in part however occasioned shall not affect any accrued rights or liabilities of either party, nor shall it affect the coming into force or continuance in force of any provision hereon which is expressly or by implication intended to come into or continue in force on or after such termination.

12.2 In the event of termination the CLIENT shall be entitled to payment of all monies collected on behalf of the CLIENT by Pegasus.

12.3 In the event of termination Pegasus shall be entitled to all payments of fees due up to the effective date of actual termination.
13. **LIMITATION OF LIABILITY**

The CLIENT shall exclude Aggregator from liability for any loss that occurs due to any of the events of Force Majeure as defined herein. Aggregator shall not be liable under any circumstances for any incidental or consequential loss or damage or any damages for negligence and its liability shall be expressly limited to the performance of the service provided by this Agreement unless otherwise agreed by mutual consent.

14. **RESOLUTION OF DISPUTES**

14.1 Any dispute or disagreement arising between the Parties in relation to this Agreement shall, upon the request of one Party to the other, be referred to a senior manager of each Party who shall meet within Fourteen (14) days of such notice in good faith in order to determine whether the matter referred to them is capable of resolution and, if so, to resolve the matter between them.

14.2 If such senior managers shall fail to reach agreement within a reasonable time and in any event within seven (7) days of first meeting, any such dispute shall be referred to a senior executive nominated by the chief executive officer (or equivalent) of each of the Parties who shall meet in good faith within fourteen (14) days of such dispute or disagreement being so referred in order to determine whether the matter referred to them is capable of resolution and, if so, to resolve such matters.

14.3 This clause and any discussion of senior personnel which takes place hereunder shall not prejudice any right or remedy which any Party may ultimately have should the matter fail to be resolved by such discussions.

14.4 If any such dispute or disagreement cannot be settled in accordance with the foregoing provisions of this Article, the dispute shall be referred on election of either Party (the "Notice of Arbitration") to arbitration by a single arbitrator to be appointed by agreement between the parties or in default of such agreement within 14 days of service of Notice of Arbitration upon the application of either party, by the Executive Director of the Centre for Arbitration and Dispute Resolution (CADER).

14.5 Such arbitration shall be conducted in Kampala in accordance with the provisions of the Arbitration and Reconciliation Act, Cap 4, Laws of Uganda 2000 or its successor legislation.

14.6 To the extent permissible by law, the determination of the arbitrator shall be final, conclusive and binding upon the parties hereto.

14.7 Pending final settlement or determination of a dispute, the parties shall continue to perform their subsisting obligations hereunder.

14.8 Nothing in this Agreement shall prevent or delay a party seeking urgent injunctive or interlocutory relief in a court having jurisdiction.

15. **CONFIDENTIALITY**

15.1 The Parties acknowledge that during the course of this Agreement they may have access to financial, legal, marketing, technical and other knowledge and information pertaining to each other’s business affairs as necessary under this Agreement (hereinafter referred to as “Confidential Information”).

15.2 Each Party agrees to keep the Confidential Information confidential and agrees that it shall not without the prior written consent of the owner of the Confidential Information, disclose such Confidential Information either directly or by its representatives, persons /suppliers and/or agents, to any person or in any manner whatsoever, in whole or in part. The Parties agree that the Confidential Information shall not be used by the Parties or their representatives, persons /suppliers and/or agents other than in connection with this Agreement. Moreover the Parties shall be responsible for any breach of this clause by their representatives, persons /suppliers and/or agents.
15.3 The Parties agree that the Confidential Information shall so remain until such information becomes part of public domain through no fault or breach of this Agreement or the same is required by a body mandated under law to request for the same.

16. **ASSIGNMENT**

Neither party shall assign or otherwise transfer any of its rights under this Agreement or any interest herein without the prior written consent of the other party and any such attempted assignment or transfer without the other party’s consent shall be void and of no effect.

17. **GOVERNING LAW**

This Agreement shall be governed by the Laws of Uganda.

18. **WAIVER**

The waiver by either party of any breach of any of the provisions of this Agreement shall not be construed as a waiver of any succeeding breach of the same or other provisions, nor shall delay or omission on the part of the aggrieved party to exercise or avail itself of any right, power or privilege that it has, or may have hereunder operate as a waiver of any breach or default by the other party.

19. **NOTICES**

19.1 Any notice, request or consent required or permitted to be given or made pursuant to this Agreement shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the party to whom the communication is addressed, or when sent by registered mail, telegram or facsimile to such party at the following address:

For **CLIENT**:  
The Managing Director  
(NGO Name)  
Plot ........, .................. Road,  
P. O. Box ..........................,  
Kampala, Uganda  
Tel: (+256) .........................

For **AGGREGATOR**:  
The Managing Director  
(Aggregator Name)  
Plot ........, .................. Road,  
P. O. Box ..........................,  
Kampala, Uganda  
Tel: (+256) .........................

19.2 Notices will be deemed to be effective as follows:

a) In the case of personal delivery, on delivery.

b) In the case of registered mail, seven days from the date of registration, subject to the confirmation of the sender.

c) In the case of telegrams, facsimiles e-mail 24 hours from the date of the confirmed transmission.
19.3 A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to this clause.

20. **GENERAL**

20.1 This Agreement constitutes the entire Agreement between the Parties and supersedes any previous Agreement or relationship in respect of the same matter.

20.2 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each Party.

20.3 Except where this Agreement provides otherwise, the rights and remedies contained in it are cumulative and not exclusive to rights or remedies provided by law. The failure by either Party to enforce at any time or for any period any one or more of the terms or conditions of this Agreement shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of this Agreement.

20.4 If any provision of this Agreement is declared by any judicial or other competent authority or an arbitrator appointed hereunder to be void, illegal, or otherwise unenforceable, the Parties shall amend that provision in such reasonable manner as achieves the intention of the Parties without illegality.

21. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

[SPACE DELIBERATELY LEFT BLANK]
IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have set hereunto their respective hand and or seals on date herein above mentioned.

SIGNED for and on behalf of ____________________________ by:

[Aggregator name]

MANAGING DIRECTOR

Name: ____________________________

Signature: ____________________________

Date: ____________________________

In the presence of:
DIRECTOR/COMPANY SECRETARY

Name: ____________________________

Signature: ____________________________

Date: ____________________________

SIGNED for and on behalf of ____________________________ by:

[NGO name]

DIRECTOR

Name: ____________________________

Signature: ____________________________

Date: ____________________________

In the presence of:
DIRECTOR/COMPANY SECRETARY

Name: ____________________________

Signature: ____________________________

Date: ____________________________
ANNEX ONE

TRANSACTIONAL FEES

<table>
<thead>
<tr>
<th>Aggregator Payments Solution</th>
<th>Telecoms Charge (Per Transaction in UGX)</th>
<th>Aggregator Charge (Per Transaction in UGX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Payments</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**Notes:**

The Transactional Fees above are exclusive of all applicable taxes.
ANNEX TWO

OPERATING PROCEDURES AND PROCESS FLOW

1. SCOPE OF DOCUMENT

The purpose of this document is to outline the process of Aggregator Bulk Payment Service for Aggregator Merchants, improve and manage expectations, clarify responsibilities and build the foundation for a win-win relationship between the Pegasus Technologies Ltd herein referred to as ‘Aggregator’, and the CLIENT using the facility, as well as its clients (customers).

2. OBJECTIVES OF AGGREGATOR BULK PAYMENT SERVICES

Aggregator Bulk Payment Solution enables organizations (clients) to send money in the form of E-Value to multiple recipients. The service was designed to assist clients in:

1. Payment of salaries and wages.
2. Payment of suppliers for goods and or services supplied.
3. Payment of winners’ cash prizes in Consumer Promotions.

This greatly reduces their costs in cash handling in terms of Bank charges, security and other Administrative costs.

3. SERVICE DETAILS

3.1 Acquisition

A prospective client may be proactively approached by Aggregator or seek Aggregator Bulk payment services from Aggregator.

3.2 The CLIENT will be required to submit the following documents to Aggregator for the purposes of KYC (Know Your Customer)

   a) Duly filled Aggregator Payments Solution Application form.
   b) Duly signed commercial contract between Aggregator and the CLIENT.

3.3 Implementation of the Aggregator Bulk Payment Solution

   o Aggregator will then activate a Aggregator Payment Solution account for the client, with an account number supplied to the customer. The account will appear in any Email/SMS that customers will receive when funds have been transferred to their account on Aggregator Payment Solution.
   o The client will be required to deposit cash in the Trust Account. (details to be specified in communication to the client).this money will be allocated to the CLIENTS’ Aggregator account by Aggregator Treasury team.
   o The client can choose to have access to the solution implemented in their premises through either
     I. Internet Modem
     II. Public Internet Protocol
3.4 **Features of Aggregator Bulk Payment Account**

- It is a virtual Aggregator Money Account available in the Aggregator Payments platform.
- Its operations are limited to the Aggregator Payment Platform System available on a PC or internet enabled mobile phone through a web browser.
- The account created can only be used for sending funds to multiple recipients using the Aggregator Payment Platform application.

3.5 **Transactional Process**

1) Funds must be available from the Client’s Aggregator Account.
   *P/S. Recipients of funds must be registered in the Aggregator Payment Platform system*

2) CLIENT creates a register on an Excel/CSV file with the telephone numbers of the recipients as well as the corresponding amounts to be paid.

3) This register is then saved as a “CSV” file.

4) CLIENT logs into the Aggregator Payment Platform portal and onward to the client’s Aggregator Payment Platform account.

5) The CSV file is then uploaded onto the Aggregator Payments Platform System.

6) CLIENT’s Aggregator Payments Platform Payments Authoriser clicks send.

7) The Aggregator Payments Platform payments system will then pick information from the file and send funds as allocated to the respective recipients.

8) Recipients can CASH OUT / withdraw money either in part or full at the nearest telecom agent.

*P/S: The CLIENT will be responsible for errors associated with sending funds to the wrong recipients; this is because the client has the full responsibility to ensure that the csv file created tallies with the list of intended recipients.*
Appendix 1.15 – Required Documentation to Register

1. Certificate of registration

2. Certified copy of certificate of charter/resolution/constitution or equivalent

3. Document specifying allocation of rights (who will have access to accounts and what each of their rights are)

4. Certified copy of Statement of Particulars of Directors/Members/Partners

5. Copies of identification for the directors

6. Aggregator form
**Appendix 1.16 – Business Account Opening Form**

APPLICATION AND REGISTRATION FORM  
FILL IN WITH BLOCK CAPITAL LETTERS

<table>
<thead>
<tr>
<th>Applicant’s (Organization’s) Full Legal Name</th>
<th>Name of Building ........................................ Plot No. &amp; Street ....................................... Landlord’s Name ..........................................</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Address</td>
<td>Postal Address ..................................... Town ..........................................................</td>
</tr>
<tr>
<td></td>
<td>Office Tel. Contact .............................. Fax .....................................................</td>
</tr>
<tr>
<td></td>
<td>Office Email Address ............................. Contact Person Name .................................</td>
</tr>
<tr>
<td></td>
<td>Contact Person Email ............................. Contact Person Mobile ................................</td>
</tr>
</tbody>
</table>

**Nature of Business**

**Yo! Payments Account Details**  
(Create account online at [https://payments.yo.co.ug/](https://payments.yo.co.ug/))

| Account Number .................................................. | Username .......................................................... |

**Particulars of Directors/Partners/Members/Trustees**

Name ................................................................. Tel.No........................................

| Name ................................................................. Tel.No........................................ |
| Name ................................................................. Tel.No........................................ |
| Name ................................................................. Tel.No........................................ |

**Tax Registration Number**

| TIN Number ................................................. | VAT Number ................................................. |

**Required Documents**

- [ ] Copy of Certificate of Incorporation/Equivalent Statutory Registration Document
- [ ] Copy of Trading License (if applicable)
- [ ] Copy of at least 1 Director’s ID Card (Managing Director)
- [ ] Copy of Memorandum/Articles of Incorporation or Equivalent Charter

**Additional Information**
I hereby confirm that the information provided above is true and correct and I wish to obtain a Yo! Payments Business Account. I confirm that I have read and fully understood the terms and conditions available on the website https://payments.yo.co.ug/. I also understand that this Registration Form and the attached terms and conditions constitute a binding Agreement between me and Yo! Uganda Limited.

For and on behalf of the Applicant

Name _______________________________ Signature ___________________________   Date_____________________

Email Address ___________________________________   Mobile Number ________________________________

Official Stamp/Seal

Verification: I certify that all requisite information has been provided, and I have seen and verified the original documents for which copies have been provided herewith. Applicant account may be upgraded to a Business Account.

Yo! Uganda Limited Representative’s Name ___________________________ Signature ________________

Email Address_______________________________   Mobile Number ________________________________
Appendix 1.17 – Authorization Letter

Dear Sir/Madam,

RE: AUTHORIZATION FOR USE OF YO! PAYMENTS ACCOUNT

Please accept my endorsement to use the [AGGREGATOR NAME] account number [ACCOUNT NUMBER] for our internal business use.

The following individual(s) will be allowed **FULL ADMINISTRATOR ACCESS** to our account:

<table>
<thead>
<tr>
<th>Full Names</th>
<th>Email Address</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

The following individual(s) will be allowed **VIEW ONLY** access to our account:

<table>
<thead>
<tr>
<th>Full Names</th>
<th>Email Address</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Any mobile money withdrawal transactions must be pre-approved by the following individuals on behalf of the company using your "Email Authorization" feature:

<table>
<thead>
<tr>
<th>Full Names</th>
<th>Email Address</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
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</table>

In the event that we make a request to withdraw funds from our [INSERT AGGREGATOR NAME] account to a bank account, these are the details:

Bank Account Name:  
Bank Account Number: 
Bank Name and Branch: 
Bank Address:  

Yours Faithfully,

[NAME]  
[DESIGNATION]
COPYRIGHT NOTICE & DISCLAIMERS

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Yo! Payments: Web Interface Guide

Changes may be made periodically to the information in this publication. Such changes will be incorporated in new editions of the specification. The service described in this document is made available under a license agreement, and may be used only in accordance with the terms thereof. It is against the law to use the service except as specifically provided in the license agreement. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopied, recorded or otherwise, without the prior written permission of Yo Uganda Limited.

The service license is hereby incorporated herein by this reference.

All product names mentioned in this manual are for identification purposes only, and are either trademarks or registered trademarks of their respective owners.
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<td>9</td>
</tr>
<tr>
<td></td>
<td>MONITORING PAY-OUT PROGRESS</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>PAUSING, RESUMING AND CANCELING A RUNNING BULK PAYMENT REQUEST</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>DOWNLOADING REPORTS</td>
<td>11</td>
</tr>
</tbody>
</table>
# 1 DOCUMENT HISTORY

<table>
<thead>
<tr>
<th>Revision Date</th>
<th>Comments</th>
<th>Reviewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2013</td>
<td>Bulk Payments</td>
<td></td>
</tr>
</tbody>
</table>
2 INTRODUCTION

2.1 ABOUT YO! PAYMENTS
Yo! Payments is a revolutionary mobile payments gateway service. Yo! Payments enables businesses to receive payments from their customers via mobile money, as well as make mobile money payments to any mobile money account holder. Yo! Payments offers a rich API which enables seamless integration with websites, IVR services, SMS services and any other medium through which businesses interact with their customers. Yo! Payments also offers an "internal transfer" service which enables account holders to cheaply transfer funds amongst each other.

Yo! Payments essentially opens the door for all types of businesses to benefit from the highly successful mobile money transfer phenomenon.

2.2 YO! PAYMENTS API
Yo! Payments offers an Application Programming Interface (API) for businesses who wish to customize their customers' payment experience. The API is only available for Business Account holders.

2.3 TRANSACTIONS SUPPORTED BY THE API
The API supports the following transactions, which are also available from the Web Interface:

- Withdraw Funds
- Deposit Funds
- Internal Transfer

The above transactions are fully described in the later sections of this document, as well as the Web Interface.

2.4 YO! PAYMENTS WEB INTERFACE
Yo! Payments comes with a user friendly web-based interface with multiple features aimed at making your experience with Yo! Payments as delightful as possible. Some of the features offered by the web interface are:

- Receive Mobile Money Payment
- Send Mobile Money Payment
- Multi-Currency Support
- Internal Transfers
- Online Support
- Narrative Attachments
- Email Authorization
- Administrative Email Authorization
- Sub-Accounts
- Extensive Access Control
- Withdrawal Limits for Sub-Accounts
- Detailed Audit Trail

The Yo! Payments web interface shall be the primary focus of this document.
3 BULK PAYMENTS

Yo! Payments comes with an advanced Bulk Payments feature. This feature enables you to transmit funds to multiple beneficiaries in one go. This feature is useful for any payments made to several individuals for a similar purpose. Use cases include salary payments, rewards disbursements, loan disbursements etc.

NOTE: The Bulk Payments feature is only available to Business Account holders. For information on how to obtain a business account, refer to the Yo! Payments website or contact your account manager.

Note that bulk payments are affected by the configured authorization structure discussed in section Error! Reference source not found.. Any outgoing bulk payments will be sent for authorization first.

3.1 PROCESS OVERVIEW

In a nutshell, the following process summarizes what you need to do in order to make bulk payments:

1. **Fund your Account.** Ensure your account has sufficient funds to complete the bulk payment, including any chargeable fees;

2. **Create Bulk Payment Request.** Create and submit your bulk payment request.

3. **Authorize Request.** If configured, the request needs to be authorized.

4. **Start Payment Process.** Payment process must be explicitly started before pay-out starts.

5. **Monitor Progress.** During the payment process, you may monitor progress and have opportunity to pause / cancel payment.

6. **Download Reports.** Upon completion of payment, you may download reports.

3.2 ACCESSING THE BULK PAYMENTS FEATURE

Access the Bulk Payments feature by logging into your account and clicking the "Bulk Payments" link on the left-hand-side menu. Clicking this link will result in the system displaying a list of available bulk payment requests as shown in the diagram below:
3.3 **CREATING A NEW BULK PAYMENT REQUEST**

To create a new Bulk Payment request, log into your account, access the Bulk Payments section and click the button labeled “New Bulk Payment”. Clicking this button will result in the system displaying a form for you to fill in the relevant details of your Bulk Payment request.

**New Bulk Payment Request**

Here, fill in the required details, and provide a file to upload with the beneficiaries’ information.

Provide here a short name which describes what this Bulk Payment is for in the least number of words. For example: “Salary Payments for January 2011”.

**Name:**

Provide a more detailed description of the Bulk Payment. You may provide as much detail as necessary to describe the payment in a way that best suits your organization.

**Description:**

Here, select the currency in which you wish to carry out the Bulk Payment.

**Currency:**

Here, provide the file containing the list of beneficiaries. **IMPORTANT NOTE:** The file must be in CSV (Comma Separated Values) format. The columns in the file should be as follows: (1) The first column should contain the amount. Do not include commas in the amount. For example, specify 12000 instead of “12,000”. (2) The second column should contain the Account Number of the Beneficiary. This may be the full international format mobile money number of the beneficiary or the Yol Payments account number. The system will differentiate between the two types of account numbers by looking at the 4th column. (3) The third column should contain the name of the beneficiary. You are not absolutely required to provide a name. You may leave this column blank but **DO NOT CMII**. (4) The fourth column should contain the words “Mobile Money” if the beneficiary account number you provided in the second column is a Mobile Money account number, or the words “Bank Account” if the account number you provided in the second column is a Bank Account account number.

**Save**, **Repeat**

Fill in the form and submit.

3.4 **AUTHORIZING A BULK PAYMENT**

If you have set up email authorization as indicated in section Error! Reference source not found., all Bulk Payment requests which are created shall need to be authorized. In such a case, upon creating a Bulk Payment request, the new request will be displayed with the “AUTHORIZATION REQUIRED” tag as shown below:

**Authorization Display**

<table>
<thead>
<tr>
<th>Created</th>
<th>Name</th>
<th>Status</th>
<th>Authorizations</th>
<th>Progress</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-10-09 11:22:54</td>
<td>Fido Jackson</td>
<td>NOT RUNNING</td>
<td>AUTHORIZATION REQUIRED</td>
<td>$5</td>
<td>Open</td>
</tr>
</tbody>
</table>

[Authorize]
3.5 STARTING THE PAY-OUT PROCESS
Once you have created and authorized a Bulk Payment request, starting the Pay-Out process is as simple as clicking the "Start" button and confirming. This will cause its status to change from "NOT RUNNING" to "RUNNING". Note however, that despite the fact that a bulk payment's status is "RUNNING", if not authorized, the pay-out process will not start.

3.6 MONITORING PAY-OUT PROGRESS
Once a Bulk Payment Request has been authorized and started, you may monitor its progress by viewing it in the Bulk Payments list as below. A Bulk Payment request which has been authorized and is running has its Status as "RUNNING" and Authorization as "AUTHORIZED" as seen in screenshot below.

3.7 PAUSING, RESUMING AND CANCELING A RUNNING BULK PAYMENT REQUEST
A running Bulk Payment Request may be paused, resumed or cancelled as demonstrated below.

3.7.1 Pausing a Bulk Payment Request
This action is performed by clicking the "Pause" button and confirming the action in the confirmation pop-up that is displayed.
A paused Bulk Payment Request will have its status as "PAUSED"

3.7.2 Resuming a Bulk Payment Request
A paused Bulk Payment may be resumed by clicking the "Continue" button.

3.7.3 Canceling a Bulk Payment Request
A Bulk Payment Request may be cancelled by clicking the "Cancel" button.
3.8 Downloading Reports

You may download reports corresponding to a Bulk Payment Request by clicking the "Open" button adjacent to the Bulk Payment request, and accessing the "Reports" tab in the resultant Window.

![Image of bulk payment window with reports section]

This section offers two types of reports which give you detail about payments that have been made. The Summarized Report essentially tells you who has been paid and who has not yet been paid. The Summarized Report does not give detail about the reason any one beneficiary may have not been paid. Therefore, only use the Summarized Report for purposes of reconciliation if the Bulk Payment is in the "COMPLETE" state. The Detailed Report gives you full detail about the attempts at making payment. The Detailed Report is useful in determining the exact reason a payment may have failed.

Click here to download the Summarized Report
Click here to download the Detailed Report

Save Changes  Reset
Appendix 2.1 – Attendance Sheet for Trainings

NGO Organization Name____________________________________________________________
Place of Activity_______________________________________________________________________
Details of Activity_____________________________________________________________________
Activity Starting Date _______________ Activity Ending Date ___________________________
Name of Workshop Supervisor/Staff _________________ Signature _____________________

<table>
<thead>
<tr>
<th>Participant Name</th>
<th>ID No.</th>
<th>Gender</th>
<th>District</th>
<th>Health Facility</th>
<th>Designation</th>
<th>Telephone</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
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<td>3</td>
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<td>5</td>
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<td></td>
</tr>
</tbody>
</table>
Appendix 2.2 – Payment Sheet for Trainings

NGO Organization Name_________________________________________________________
Place of activity_________________________________________________________________
Description of activity____________________________________________________________
Date of activity___________________________________________________________________
Name of activity supervisor__________________Signature_________Date____________

<table>
<thead>
<tr>
<th>No</th>
<th>Participant Name</th>
<th>Mobile number</th>
<th>Network</th>
<th>Title</th>
<th>Location</th>
<th>Per Diem amount</th>
<th>Transport amount</th>
<th>Total amount to pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>2</td>
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</tr>
<tr>
<td>7</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Appendix 3.1 – Financial Model for Costs and Savings

Electronic Payments Transition Toolkit
Costing Utility Analysis
Contents
1. Costs of Non-Digital Payments
2. Costs of Digital Payments
3. Cost-Saving Analysis

Introduction & Analysis

Purpose
Across the world today, USAID implementing partners disburse millions of dollars in cash payments each year. These payments include salaries, payments to vendors, payments to program participants, such as cash-for-work programs, emergency relief payments, and others. In 2012, USAID announced its commitment to encourage the evaluation and use of electronic payments (e-payments) in development programs including its own, as a member of The Better than Cash Alliance. USAID also has made the use of e-payments a priority in the Agency’s Implementation and Procurement Reform.

This Workbook is designed as reference tool and guide for organizations to conduct a comparative evaluation of the non-financial and financial costs of using physical cash and e-payments in their programming and administration. The tool suggests categories of costs that organizations may incur in using cash and e-payments. Organizations are encouraged to expand and modify the categories to fit a program’s profile. The Workbook also provides an analytical framework for organizations to compare the identified costs of cash with the costs of transitioning and using e-payments.

Definitions
Non Digital Payments: Program related payments made using physical cash or checks.

Digital Payments or e-payments: Program related payments made using an e-payment process and not by use of physical cash or checks. Examples include bank transfers (AFT), credit or debit card payments, and mobile money.

Instructions
Cost-Saving Analysis tab: An organization will need to collect and input the quantifiable costs of using cash payments and e-payments to complete the Cost-Saving Analysis worksheet. This worksheet is designed to evaluate average costs on a monthly basis but can be modified to meet an organization’s program needs. In order to complete this sheet:
1. Identify whether the expense is non-digital or digital in columns A and F. Columns A through E should be used to capture non-digital costs and columns F through J should be used to capture digital costs.
2. Using the tabs titled ‘Costs of Digital Payments’ and ‘Costs of Non-Digital Payments’, identify the Cost Type that best captures the type of cost you are quantifying.
3. Document the cost of the specific expense in UGX. This amount in USD will automatically calculate based on the value entered under UGX in columns C and H.
4. Include a detailed description of the event or occurrence related to this expense.
5. Continue documenting each expense related to both digital and non-digital payments. Once completed, the Cost-Saving Analysis tab will produce a summary of costs of using cash payments or e-payments in the program being evaluated.
## Costs of Non-Digital Payments

**Financial Model for Digitizing Payments: Costs (Non-digital)**

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments: Couriers</td>
<td>Amount paid to individual(s) who transport money to trainings, excluding per diems</td>
</tr>
<tr>
<td>Cash payments: Per diems for staff travelling to field</td>
<td>Total value of per diems made to individual(s) traveling to the field</td>
</tr>
<tr>
<td>Cash payments: Accommodation for staff travelling to field</td>
<td>Total value of hotel or other overnight accommodations made for staff traveling to the field</td>
</tr>
<tr>
<td>Cash payments: Transportation for staff travelling to field</td>
<td>Total value of transportation (gas for motorbike or bus ticket, for example) for staff traveling to the field</td>
</tr>
<tr>
<td>Cash payments: Cost of having staff out of office</td>
<td>Additional costs from having core staff in the field. For example, if another staff member needed to work 2 additional hours in a given week to make up for the absence of staff member in the field, please include amount paid to the staff member who remained in the office for the additional 2 hours.</td>
</tr>
<tr>
<td>Cash payments: Vehicle hire to distribute money in field</td>
<td>Cost of vehicle hire to transport money in the field</td>
</tr>
<tr>
<td>Cash payments: Fuel for vehicle to distribute money in field</td>
<td>Cost of fuel for vehicle used to transport money in the field</td>
</tr>
<tr>
<td>Cash payments: Driver</td>
<td>Total cost of driver for vehicle used to transport money in the field</td>
</tr>
<tr>
<td>Cash payments: Loss due to fraud</td>
<td>Value of funds lost due to fraud</td>
</tr>
<tr>
<td>Cash payments: Insurance</td>
<td>Cost of insurance against theft</td>
</tr>
<tr>
<td>Cheques: Travel to bank</td>
<td>Total value of transportation (gas for motorbike or bus ticket, for example) to bank to withdraw cash</td>
</tr>
<tr>
<td>Cheques: Courier charges</td>
<td>Amount paid to individual(s) who transport money from the bank, excluding per diems</td>
</tr>
<tr>
<td>Cheques: Head office processing</td>
<td>Amount paid to head office staff for processing payments</td>
</tr>
<tr>
<td>Cheques: Field office delivery</td>
<td>Cost of delivering cheque to field office</td>
</tr>
<tr>
<td>Cheques: Travel to bank</td>
<td>Total value of transportation (gas for motorbike or bus ticket, for example) to bank to cash cheque</td>
</tr>
<tr>
<td>Banks: Transportation costs to bank</td>
<td>Total value of transportation (gas for motorbike or bus ticket, for example) to bank to withdraw cash</td>
</tr>
<tr>
<td>Banks: Transfer charges</td>
<td>Bank transaction costs</td>
</tr>
</tbody>
</table>

## Costs of Digital Payments

**Financial Model for Digitizing Payments: Costs (Digital Payments)**

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile payments: Technology bought</td>
<td>Total cost of technology or software purchased in order to make bulk payments</td>
</tr>
<tr>
<td>Mobile payments: Aggregator charge</td>
<td>Total cost of fee charged by aggregator to execute bulk payments</td>
</tr>
<tr>
<td>Mobile payments: Additional staff</td>
<td>Total cost of salaries for additional staff hired to manage and facilitate digital payments</td>
</tr>
<tr>
<td>Mobile payments: Bulk payment charge</td>
<td>Payment charged by mobile network operator to make bulk payment</td>
</tr>
<tr>
<td>Mobile payments: epochs for SIM cards</td>
<td>Total cost of SIM cards purchased for organization staff or field officers to facilitate digital payments</td>
</tr>
<tr>
<td>Mobile payments: Beneficiary costs: Transport costs to agent</td>
<td>Total value of transportation (gas for motorbike or bus ticket, for example) for staff or beneficiaries traveling to agent to withdraw funds</td>
</tr>
</tbody>
</table>
### Costs-Savings Analysis

Digitizing Payments: Cost-Saving Analysis

<table>
<thead>
<tr>
<th>Non-digital</th>
<th>Cost type</th>
<th>Amount in USD</th>
<th>Amount in UGX</th>
<th>Description</th>
<th>Digital</th>
<th>Cost type2</th>
<th>Amount USD</th>
<th>Amount UGX</th>
<th>Description 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Non-digital total costs (USD): 0  
Non-digital total costs (UGX): 0  
Savings from non-digital system (UGX): 0  
Savings from non-digital system (USD): 0  

Digital total costs (USD): 0  
Digital total costs (UGX): 0  
Savings from digital system (UGX): 0  
Savings from digital system (USD): 0  

### Appendix 3.2 – Payment Sheets in Excel

**Sample Payment Sheet**

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Amount to Credit</td>
<td>Beneficiary Account Number</td>
<td>Beneficiary Name</td>
<td>Beneficiary Account Type</td>
</tr>
<tr>
<td>2</td>
<td>1000</td>
<td>25678368794</td>
<td>Jonna Kiith</td>
<td>MOBILE MONEY</td>
</tr>
<tr>
<td>3</td>
<td>1000</td>
<td>256752246039</td>
<td>Joshua Mutyaba</td>
<td>MOBILE MONEY</td>
</tr>
<tr>
<td>4</td>
<td>1000</td>
<td>25677234457</td>
<td>Juma Katumba</td>
<td>MOBILE MONEY</td>
</tr>
<tr>
<td>5</td>
<td>1000</td>
<td>25677291983</td>
<td>Kato Lubwama</td>
<td>MOBILE MONEY</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Digitizing Payments Process Kit  
February 20, 2014  
VITAL WAVE™  
Page 90 of 94
### Sample Breakdown of Bulk Payment

<table>
<thead>
<tr>
<th></th>
<th>Beneficiary</th>
<th>Cashout Charge</th>
<th>Actual Payout Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>256783086794</td>
<td>UGX 300/=</td>
<td>UGX 1,300/=</td>
</tr>
<tr>
<td>2</td>
<td>256752240569</td>
<td>UGX 300/=</td>
<td>UGX 1,300/=</td>
</tr>
<tr>
<td>3</td>
<td>256772334457</td>
<td>UGX 300/=</td>
<td>UGX 1,300/=</td>
</tr>
<tr>
<td>4</td>
<td>256772991983</td>
<td>UGX 300/=</td>
<td>UGX 1,300/=</td>
</tr>
</tbody>
</table>
Payment Processing: MNOs

Appendix 3.3 – Screenshot of Message Sent to Beneficiary Phone
Appendix 3.4 – Bulk Payment E-mail Notification

From: PEGPAY PAYMENTS INTERFACE [mailto:pegasustechug@gmail.com]
Sent: 29 January 2014 15:14
To:  
Subject: PEGPAY INTERFACE PAYMENT PROCESSED

Hello <name of approver>,

A payment has been processed by <name of verifier> and is pending approval
Payment BatchNo: 29012014-110
Appendix 4.1 – Sample Report

<table>
<thead>
<tr>
<th>Batch Number</th>
<th>Contact</th>
<th>Beneficiary Name</th>
<th>Amount</th>
<th>MNO Fee</th>
<th>Aggregator Fee</th>
<th>Withdrawal Fee</th>
<th>Payment No</th>
<th>Date</th>
<th>Network</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>26102013-1</td>
<td>256795925000</td>
<td>OKITO STEVE</td>
<td>100,000</td>
<td>390</td>
<td>130</td>
<td>1750</td>
<td>P00001</td>
<td>11/1/2013</td>
<td>MTN</td>
<td>SUCCESSFUL</td>
</tr>
<tr>
<td>26102013-2</td>
<td>256759678944</td>
<td>NYAMBA JAMES</td>
<td>100,000</td>
<td>390</td>
<td>130</td>
<td>1750</td>
<td>P00002</td>
<td>11/1/2013</td>
<td>MTN</td>
<td>SUCCESSFUL</td>
</tr>
<tr>
<td>26102013-3</td>
<td>256759678945</td>
<td>ARANYA GRACE</td>
<td>100,000</td>
<td>390</td>
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