

Reducing foreign exchange costs by 40%

MapAction (Charity No: 1126727)





“Charitytransfers.org enabled us to reduce our foreign exchange costs by 40% in a matter of days. They supported us through the tendering stage with due diligence packs and compliance set-up, the process was smooth and required minimal administration from MapAction.”

Agata Szczesna, Chief Financial Officer

ABOUT THE CHARITY

Humanitarian emergencies often strike without warning, destroying lives and livelihoods within a matter of seconds. In the immediate aftermath, the challenge for those responding is to know where to start.

Information is vital.

Which area has been worst affected? Where are the most vulnerable people? What has happened to roads, railways and communication networks? Where are medical supplies and where are they needed most?

MapAction quickly gathers this crucial data at the disaster scene, conveying it visually in the form of maps. By creating this ‘shared operational picture’ for aid agencies, governments and local partners, we can help them make informed decisions and deliver aid and emergency supplies to the right place, quickly.

Since 2003, MapAction has been applying expertise in geographical information and data to make humanitarian disaster response as effective as possible, saving many thousands of lives in the process.

MapAction received funding from overseas but faced a need to use this funding to make payments to UK based consultants. Originally, they approached their auditors with the question of whether using their bank to convert the funds was the most effective and more importantly, the most cost-efficient method. Their auditors introduced MapAction to Charitytransfers.org and soon realised that there could be large savings.

ENGAGEMENT PROCESS

Day 1. Complimentary transaction cost analysis

MapAction sent Charitytransfers.org historic transaction data for our organization to calculate the costs associated with each trade.

Historic data analysed

- Transactions: 27
- Volume analysed: GBP 530,000
- Currency pairs: EURGBP, USDGBP

Transaction cost analysis results

- Average transaction margin: 2.15%
- Total cost to charity: £11,490

Improvement recommendations

- ✓ New target transaction margin: 1.0 -1.5%
- ✓ New counterparties: 1
- ✓ Saving forecast: >40%



Transaction Cost Analysis (TCA) has been developed to help charities uncover the implicit costs involved when translating currencies before sending to overseas beneficiaries. The key to accurate TCA is the reliability of the mid reference rate. We utilise data provided by the award-winning firm 'New Change FX' (NCFX).

Day 2. Complimentary tender released

MapAction accept the new improved margins having spoken to their wider finance committee members. CT.org released a competitive tender to negotiate the newly improved margins with their tier 1 liquidity provider network.

Day 3. Tender results & applications

CT.org negotiated the improved pricing terms with a tier 1 currency provider. A due diligence pack is provided to ensure security screening and aid decision making.

MapAction accept the improved pricing and the new currency provider. CT.org forward the onboarding requirements – pre-populated where possible.



CT.org Tendered Execution identifies the most suited currency provider. We act as a gateway to improved terms and more efficient transfers. This tender process provides access to the most competitive pricing and credit terms in the industry.

Day 4. Onboarding process

Completed application sent to CT.org for onboarding, CT.org hand hold the charity through the process to ensure the process runs smoothly.

Day 5. Account manager introductions

Currency trading account is activated. CT.org organise a handover call to introduce the assigned account manager. MapAction can benefit from improved pricing, ensuring more money is delivered to an area in need.

How much did all this cost?

The cost of this entire initial TCA service and tendered execution is wholly funded by our CSR budget provided by Audere Solutions.

Find out more at: www.charitytransfers.org

