



STANDARD OPERATING PROCEDURE

Number	SOP-IND-APPSANI-003
Revision	2
Date	February 28, 2014
Page	1of11

**ONE STOP SHOP SANITATION SERVICE
(PAYMENT)**

1. PURPOSE

This procedure is specifically aimed to organize the steps in term of **payment** within the One Stop Shop Sanitation Services, so that this phase can be implemented consistently and well-planned according to the requirements.

This is the **third part** of a complete SOP files which are aimed as references used by the ENTREPRENEUR (including Sanitarian who wants to be or are working as an entrepreneur in sanitation business), which consist of several SOP documents as follow:

Business Process Map of One Stop Shop Sanitation Services as a simple visualization of the whole process flow of this sanitation business (filename: **@2 Business Process Map One Stop Shop Sanitation.pdf**)

The first part of SOP that explains procedures of **one-stop** shop sanitation services from developing social map, triggering and product introduction until order processing (filename: **01_SOP one shop sanitation social map until order.docx**).

The second part of SOP that explains procedures of one-stop shop sanitation services from receiving order, materials preparation, construction, until handover (filename: **02_SOP one shop sanitation WSP construction.docx**).

The third part of SOP that explains procedures of one-stop shop sanitation services on how an entrepreneur and the customers could select different type of payment methods until the final payment process (filename: **03_SOP one shop sanitation WSP payment.docx**).

The first, second, and third part of SOP are part of the business cycle while the fourth part of SOP is the process that needs to be done prior to starting the business.

The fourth part of SOP that explains procedures of one-stop shop sanitation services for a new entrepreneur to prepare the sanitation business. This SOP is a prerequisite for starting a new business, which means in term of value stream this SOP is not part of the common Business Process Map cycle (filename: **04_SOP Business Plan.docx**).

As an SOP, in general these documents are considered the best the process that are performed **today**, hence these documents should be revised and updated to keep up with the latest practices and technology.



STANDARD OPERATING PROCEDURE

Number	SOP-IND-APPSANI-003
Revision	2
Date	February 28, 2014
Page	2of11

**ONE STOP SHOP SANITATION SERVICE
(PAYMENT)**

2. SCOPE

This procedure covers **payment** scheme, initial payment process or down payment (DP), final payment, up to proof of payment issuance that is **the third part** of the SOP documentation related to sanitation business.

3. DEFINITION

- 3.1. **Sanitation Committee** is the people who are appointed or volunteer to be the coordinator in socialization and education of health programs in a district, including coordinating toilets ordering and payment. In Indonesia is known as STBM Committee (STBM: Sanitasi Total Berbasis Masyarakat or Community Based Total Sanitation).
- 3.2. **Entrepreneur** is business actor (private party) who owns a business in sanitation/healthy toilet construction sector. In terms of payment via installments, Entrepreneur is also the one who funds the toilet construction that is then repaid by installments by Customer.
- 3.3. **Enterprise** is an entity that becomes the Entrepreneur's business organization in managing the one stop shop sanitation service, which also includes marketing/sales officer, administration officer and the section that prepares the materials.
- 3.4. **Cadre/Trained Agent** is the officer in the hamlet who becomes the spearhead in giving information, service and public empowerment and directly interacts with public either in face-to-face or using other media.
- 3.5. **Customer** is people or who orders a toilet.
- 3.6. **Bank** is the party who will provide the funds for the customer in terms of small business loans (micro financing) that can be used by customer to build a toilet.

4. GENERAL PROVISIONS

- 4.1 Toilet construction payment scheme through 4 types, namely: **Cash, Installments to Entrepreneur, Bank Credit and Social Gathering** (*Arisan*, in Bahasa Indonesia)
- 4.2 **Cash** is payment in cash to entrepreneur who provides healthy toilet construction service. **The advantage** of this method is very simple for both the customer and entrepreneur. **The disadvantage** is it may be difficult for customers who don't have enough cash or buying capacity in short term.
- 4.3 **Payment by Installments to entrepreneur** is payment with installments (for example 10 times payment) to entrepreneur who provides healthy toilet construction service. In this case, Entrepreneur bears the risk by lending so that he needs to



STANDARD OPERATING PROCEDURE	Number	SOP-IND-APPSANI-003
	Revision	2
ONE STOP SHOP SANITATION SERVICE (PAYMENT)	Date	February 28, 2014
	Page	3of11

incorporate risk element to the pricing. **The advantage** for the customers is it make make the toilet become affordable, and for the entrepreneur it can give more orders due to affordability. **The disadvantage** for the customer is the price will be marked up to cover the risk and for the entrepreneur there will be risk for non-performing credit and also complex process and tracking.

4.4 **Payment by Bank Credit** is payment via micro credit in which a bank pays the toilet construction cost to entrepreneur and customer makes the payment via installments to the Bank who gives the loan. One of the main requirements for this method is customer must have a business that generates income. The amount of loan granted by the bank depends on customer's profile and income. **The advantage** for the customers is it will make having a toilet more affordable and no risk from the entrepreneurs. **The disadvantage** is it requires a customer has a small business which income will determine the amount of loan provided by the bank.

4.5 **Payment by Social Gathering** is payment that leverages social collaboration spirit within a hamlet/village where each 10 households will hold the social gathering together. This group is called Group of Ten Houses (*Dasa Wisma*) and all *Dasa Wisma* members within a hamlet is organized by Sanitation Committee to raise funds through social gathering concept (for example \$1 per day, in Indonesia it is Rp 1000 per day). In terms of payment, Entrepreneur will use collected funds to pay the constructed healthy toilet in cash at the time of ordering or upon completion. **The advantage** of this method is making a toilet become very affordable through a movement by the whole hamlet and village. **The disadvantage** is it requires a lot of hard work for convincing and coordinating all hamlet and village stakeholders especially the prospect customers.

5 INDICATORS AND SUCCESS CRITERIA

- 5.1 Recording and bookkeeping process must be well documented supported by related documents/attachments.
- 5.2 No bad credit or failure to pay from customer to the entrepreneur or to a bank.
- 5.3 There is monthly income statement (or monthly profit/loss tracking).



STANDARD OPERATING PROCEDURE

Number

SOP-IND-APPSANI-003

Revision

2

ONE STOP SHOP SANITATION SERVICE (PAYMENT)

Date

February 28, 2014

Page

4of11

6 PROCEDURE CONTENTS

6.1 Customer chooses payment method

- 6.1.1 Customer chooses toilet payment method (cash or installment, micro credit, financing regular social gathering to entrepreneur) based on customer's economic capability and preference. Entrepreneur and cadre support by giving comprehensive information.
- 6.1.2 Cash payment is the simplest payment method.
- 6.1.3 Payment by installments to entrepreneur is also simple and common for customer. This is when the payment spread periodically based on agreement between the entrepreneur and the customer.
- 6.1.4 Payment by micro credit is the payment from customer through Bank with installment within a determined tenor/period.
- 6.1.5 Payment by social gathering is a method which requires coordination in group within a hamlet/village. It requires good planning and coordination.

6.2 Cash Payment

- 6.2.1 Health Cadre carries out data and down payment (DP) collection from customer who orders the toilet and then submits them to the entrepreneur.
- 6.2.2 Entrepreneur receives customer's data and down payment (DP) for toilet construction.
- 6.2.3 Entrepreneur and his team conduct location survey to determine the placement layout of the toilet to be constructed.
- 6.2.4 Entrepreneur prepares required materials procurement for toilet construction and sends the materials to customer's location.
- 6.2.5 Entrepreneur sends masons (workers) to start toilet construction execution in customer's location.
- 6.2.6 Cadre performs the collection of the rest of payments to customer to be submitted to Entrepreneur.
- 6.2.7 Cadre or sanitarian receives fee based on number of healthy toilet that is successfully constructed by entrepreneur that has been paid by customer.

6.3 Payment by installment to Entrepreneur

- 6.3.1 Cadre carries out data and down payment (DP) collection from customer who orders the toilet and then submits them to entrepreneur.
- 6.3.2 Entrepreneur receives customer's data and down payment (DP) for toilet construction.
- 6.3.3 Entrepreneur and his team conduct location survey to determine the placement layout of the toilet to be constructed.



STANDARD OPERATING PROCEDURE

Number	SOP-IND-APPSANI-003
Revision	2
Date	February 28, 2014
Page	5of11

**ONE STOP SHOP SANITATION SERVICE
(PAYMENT)**

- 6.3.4 Entrepreneur prepares the required materials procurement for toilet construction and sends the materials to Customer location.
- 6.3.5 Entrepreneur sends masons (workers) to start toilet construction execution in Customer location.
- 6.3.6 Cadre performs the collection of the rest of payments to Customer to be submitted to Entrepreneur.
- 6.3.7 Cadre or Sanitarian get fee based on number of healthy toilet that is successfully constructed.

6.4 Payment by Bank Credit

- 6.4.1 Account/bank officer will perform selection of prospective client (debtor) data received from entrepreneur to ensure completeness of the data based on Bank requirements.
- 6.4.2 Account/bank officer conducts prospective client's residence survey (in this case the Customer) to ensure the conformity of submitted data.
- 6.4.3 Bank performs assessment of character, payment capability and guarantee from prospective client to determine whether the prospective client is eligible for the credit.
- 6.4.4 Bank approves client to get business credit that can be used to pay healthy toilet construction.
- 6.4.5 Bank delivers credit approval to the entrepreneur to immediately construct the ordered toilet.
- 6.4.6 If the submission of bank credit is not approved then Customer can choose payment by installments to the entrepreneur.
- 6.4.7 For approved credit, client signs the loan agreement with the bank after the credit is approved; the entrepreneur will accompany the signing.
- 6.4.8 Customer is required to open a savings account at the Bank who provides credit.
- 6.4.9 Bank performs credit disbursement to customer and immediately makes overbooking (transfer of funds) to entrepreneur's account after the toilet construction is finished with handover official report as the proof.
- 6.4.10 Client makes payment of installments to bank every month starting from when the credit is disbursed to Entrepreneur.

6.5 Payment by Social Gathering (*Arisan*)

- 6.5.1 Hamlet Committee forms a social gathering group where each group consists of 10 households, called Group of Ten House (*Kelompok Dasa Wisma*).
- 6.5.2 Each group appoints Group Head who serves to collect daily contributions from each family.



STANDARD OPERATING PROCEDURE

Number	SOP-IND-APPSANI-003
Revision	2
Date	February 28, 2014
Page	6of11

ONE STOP SHOP SANITATION SERVICE (PAYMENT)

- 6.5.3 Group Head submits the group members' contributions fund to the Head of Hamlet Sanitation Committee every week.
- 6.5.4 Hamlet Committee, *Head of Kelompok Dasa Wisma*, cadre and the entrepreneur work together to determine the schedule of healthy toilet construction in the hamlet.
- 6.5.5 Entrepreneur receives the collected group contributions fund from Head of Hamlet Sanitation Committee every month.
- 6.5.6 Entrepreneur gives the proof of receipt of the collected contributions fund to the Head of Hamlet Sanitation Committee.
- 6.5.7 Entrepreneur makes a report of group contributions fund receipt in financial statements (debit) and expense report for toilet construction in financial statements (credit). These reports are outlined in the interim healthy toilet construction report.
- 6.5.8 Healthy toilet construction activity interim report is used to monitor the collected fund, fund that has been paid to the entrepreneur and number of constructed toilet.
- 6.5.9 Entrepreneur will issue payment receipt when the toilet construction payment bill has been paid (settled).

7 ROLES AND RESPONSIBILITIES

7.1 Entrepreneur

- 7.1.1 Entrepreneur serves as the healthy toilet construction service provider by ensuring all processes ranging from receiving order, toilet construction, handover, quality inspection to payment.
- 7.1.2 Entrepreneur coordinates with cadre to follow up triggering results, evaluates the Social Map and develops business plan to improve access to healthy toilet profitably.
- 7.1.3 Entrepreneur manages team in his enterprise to ensure order recording, construction scheduling, mason management, materials procurement and deadline agreement with customer go well.
- 7.1.4 Entrepreneur ensures tools and mold are available.
- 7.1.5 Entrepreneur is obliged to always improve process, product and service so that he can deliver better, healthier, faster and more affordable service while keep generating profits.

7.2. Cadre/Trained Agents

- 7.2.1 Cadre creates Social Map to locate the name of households, location and number of house/household with and without healthy toilet in a simple map. The existing data also determines target residents for triggering plan.



STANDARD OPERATING PROCEDURE

Number	SOP-IND-APPSANI-003
Revision	2
Date	February 28, 2014
Page	7of11

**ONE STOP SHOP SANITATION SERVICE
(PAYMENT)**

- 7.2.2 Health Cadre together with sanitarian and entrepreneur schedule and execute the triggering event.
- 7.2.3 Cadre follows up triggering event by recording residents who already have healthy toilet and residents who want to create healthy toilet (order).
- 7.2.4 Cadre submits these data and order and coordinates with the entrepreneur in registration, initial payment, toilet construction, handover, quality inspection of work result and final payment.
- 7.2.5 Specifically for payment method by regular social gathering, cadre also serves to work together with Hamlet Sanitation Committee to manage the social gathering events that are leveraged for toilet construction.

8 RELATED DOCUMENTS

- 8.1 Healthy Toilet Construction Activity Interim Report
- 8.2 Receipt
- 8.3 Healthy Toilet Sanitation Installation Card
- 8.4 Handover Official Report

