
Zoom on Vouchers

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This section provides an overview of vouchers: both paper and e-vouchers. When using vouchers, you should be able to describe how the vendors are selected, including the selection criteria, the process, the IOM units involved in this process and mode of payment. In addition, relevant information on tax exemption, price fixing or range of flexibility, timing and frequency of payments, equipment and training provided, control mechanisms put in place to monitor the behaviour and performance of the vendors, anti-terrorism vetting, among others, need to be looked into. Do note that the vendor needs to be selected according to procurement rules based on transparent criteria (vendor location vis-à-vis project target area; shop space and dimensions in relation to beneficiary numbers; availability of commodities with respect to product variety and quality range; ability to meet demand; customer treatment; acceptance of IOM's terms and conditions) and undergo a restricted party screening, commonly termed as vetting, in order to mitigate the risk of inadvertently channelling funds to sanctioned groups/individuals.

1. **Select and train traders:** First, you will need to identify traders to participate in the programme (see section on [Voucher-related assessments](#)). Once they are identified and contracted, they will need to be trained on the programme. This will include explaining their role and how they will be reimbursed, including the documentation they will need in order to be reimbursed. It also includes training them on how to identify fake vouchers, check the beneficiary's authenticity, use of Point-of-Sale devices for e-vouchers, track any required monitoring information (such as the ratio of men to women who redeem the vouchers), and to treat beneficiaries respectfully. A vendor account in PRISM shall be created for all selected traders, duly supported by business registration and vendor ID.
2. **Prepare vouchers:** You will need to design vouchers with security features to avoid forgery. For paper vouchers, work with a trusted printer and add security features to reduce the risk of fraud. For e-vouchers, consider adding biometric information and select the technical features that are most appropriate, such as magnetic stripe, contactless or barcodes.
3. **Communicate with beneficiaries:** You will need to train the beneficiaries on how to use the paper or e-vouchers: explaining which goods they can purchase, at which shops, and over what period of time. Once the vouchers and vendors are set, you will need to notify beneficiaries of the time and location of the vouchers' distribution.
4. **Distribute vouchers:** To distribute vouchers, either follow IOM's distribution management procedures for in-kind goods or follow the same process as the one for distributing cash, as previously described, but keep in mind that the distribution of vouchers requires specific communication on their use and restrictions.
5. **Redeem vouchers:** Beneficiaries will redeem vouchers at the selected shops for goods and

services. Vendors will verify the beneficiaries' details and voucher authenticity before accepting payment in vouchers and record the sales transaction as they would for usual credit sales.

6. **Monitor vendors and the use of vouchers:** Monitor that the vendors are providing the beneficiaries with the right quality and quantity of products, for example through ghost shopping. If required, add more vendors to the programme to ensure competition.
7. **Risk mitigation:** Consider potential risks and risk mitigation measures.
8. **Reimburse vendors:** The final step is reimbursing the vendors. At agreed time intervals, the vendors shall present an invoice, duly supported by the redeemed vouchers to be reimbursed.

Another option, which is appropriate when there is a lack of available shops in the area being targeted, is to organize fairs with a specified time and place for beneficiaries to use their vouchers.

[IN/168 - Procurement Manual](#)



Sample of IOM voucher design, front side found in the "[Tips of designing a paper voucher](#)".



Sample of IOM voucher design, back side found in the "[Tips of designing a paper voucher](#)".

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