

PD-ITCB-358

AUDIT OF THE  
DEVELOPMENT ASSISTANCE PROGRAM FOR  
NON-GOVERNMENTAL ORGANIZATIONS GRANT  
PHILIPPINES

Audit Report No. 2-492-90-11-N  
June 15, 1990

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UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
REGIONAL INSPECTOR GENERAL/AUDIT  
MANILA

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DATE: June 15, 1990

MEMORANDUM

TO: Mr. Malcolm Butler  
Director, USAID/Philippines

FROM: *for Dennis Smith*  
William C. Montoney  
Regional Inspector General

SUBJECT: Audit of the Development Assistance Program for  
Non-Governmental Organizations Grant - Philippines  
Audit Report No. 2-492-90-11-N

Carlos J. Valdes & Co., an affiliate of the international accounting firm Coopers & Lybrand, performed a financial audit of the Development Assistance Program for Non-Governmental Organizations under A.I.D. Grant No. 492-0367-G-SS-7032-00. Five copies of the audit report are enclosed for your action.

On May 27, 1987, USAID/Philippines granted almost \$450,000 to the Foundation for Educational Evolution and Development, Inc. (FEED) to implement the Development Assistance Program for Non-Governmental Organizations. The grant agreement covers the period from May 29, 1987, through September 28, 1991. FEED, a non-profit corporation, was established in September 1977. Its major goals are to encourage education

and community development. In October 1982, FEED became a USAID-registered private voluntary organization.

The purpose of the Development Assistance Program for Non-Governmental Organizations was to improve the socio-economic status of the poor in Regions III and IV and selected areas outside Metro-Manila. This program was to be implemented by local non-governmental organizations through activities designed to increase agricultural productivity and income from micro-enterprises. FEED is responsible for the overall management of the program.

The purpose of the audit was to determine whether: (1) expenditures made under the grant were allocable, allowable, and reasonable; (2) internal controls were adequate to segregate and account for USAID/Philippines funds; and (3) the grant agreement and applicable laws and regulations were complied with. The amount audited was \$332,889 in expenditures for the period from May 29, 1987, through February 28, 1990. The auditors reviewed pertinent financial records and reports submitted by FEED and the eight participating subgrantee organizations.

The auditors found that a majority of the expenditures made under the grant were allocable, allowable, and reasonable. However, the report questioned about \$153,000 in expenditures because the costs were either unallowable under the grant agreement or not supported by proper documentation. FEED's system of internal controls was generally adequate. However, FEED should strengthen its internal control procedures with regard to travel expenses. Finally, the auditors found several instances where FEED had not complied with the grant agreement or with applicable laws and regulations. For example, grant and non-grant funds were commingled, counterpart contributions were not verifiable, and sound procurement practices were not followed.

FEED management officials generally agreed with the audit findings and recommendations. The officials also agreed to take the actions necessary to implement the recommendations. FEED management's written comments are included as Appendix III of this report.

Recommendation No.1

We recommend that USAID/Philippines requires the Foundation for Educational Evolution and Development, Inc. to establish procedures to identify and prevent possible organizational conflict of interest; to prohibit the commingling of USAID grant funds with other funds owned or controlled by the Foundation; to properly record counterpart contributions; and to ensure that sound procurement practices, including the use of price quotations, are followed.

Recommendation No. 2

We recommend that USAID/Philippines requires the Foundation for Educational Evolution and Development, Inc. to establish adequate procedures related to employee travel. The procedures should require the use of travel orders and instruct travelers on the use of travel allowances and the preparation of travel vouchers.

Recommendation No. 3

We recommend that USAID/Philippines take the necessary actions to resolve the \$153,106 in questioned costs and recover from the Foundation for Educational Evolution and Development, Inc. any costs not allowable under the grant.

Please advise me within 30 days of any actions planned or taken to close these recommendations.

June 6, 1990

Mr. William C. Montoney  
Regional Inspector General for Audit  
United States Agency for International Development  
Ramon Magsaysay Center  
1680 Roxas Boulevard  
Manila

Dear Mr. Montoney:

This report presents the results of the Non-Federal Audit of Grant No. AID 492-0367-G-SS-7032-00 administered by the Foundation for Educational Evolution and Development, Inc. (FEED), as USAID's partial financial support for the Development Assistance Program for Non-Governmental Organizations (DAP I).

This undertaking was performed in the Philippines under the Indefinite Quantity Contract (IQC) No. 492-000-I-00-8199-00.

A. BACKGROUND

FEED is a non-stock, non-profit corporation which was founded in September 1977. Its two major concerns are education and community development. In October 1982, FEED became a USAID - registered Private Voluntary Organization (PVO). FEED received two grants under the PVO Co - Financing Program - the first grant is for the Ugnayan Farmers' Training Center Project in San Simon, Pampanga and the second grant is for the Human Resources Development Program in Negros Occidental.

On May 29, 1987, USAID granted the sum of ₱9,531,347 (US\$449,769) to provide support for the Development Assistance Program for Non-Governmental Organizations (DAP I) under Grant No. AID 492-0367-G-SS-7032-00. The purpose of this project is to improve the socio-economic status of the poor in Regions III and IV and selected areas outside of Metro-Manila. This will be achieved through subprojects which are implemented by local non-governmental organizations (NGOs) and which have the potential to increase agricultural productivity and to increase income from micro-enterprises. Only local NGOs that are established and recognized in the target project sites which meet the project criteria are eligible to implement the subprojects. FEED will be responsible for the overall management of the project and will be financially accountable to USAID. The grant was for a period of three years starting May 29, 1987 and ending on May 29, 1990, however it was amended on January 1, 1990 to extend up to September 28, 1991. The modification also realigned the budget to provide local currency in the amount of ₱595,967 from the dollar savings as a result of the foreign exchange fluctuation.

## B. OBJECTIVES AND SCOPE OF WORK

As indicated in the Delivery Order, the objective of this non-federal audit is to determine whether:

- expenditures made under the Grant were in fact allocable, allowable, and reasonable;
- internal controls were adequate to segregate and account for USAID funds; and
- the grant/subgrant agreements, applicable laws and regulations were complied with.

The scope of our audit covers the total expenditures from May 29, 1987 to February 28, 1990 which amounted to ₱7,098,844 (US\$332,889) as summarized in Exhibit I. This includes eight (8) subgrantees selected to undertake DAP I. The subgrantees are listed in Exhibit IV.

## C. RESULTS OF EXAMINATION

The following are the results of our examination:

### 1. Financial Review

Expenditures amounting to ₱3,264,983 (US\$153,106) or 46% of the total disbursements from May 29, 1987 to February 28, 1990 are being questioned by the auditors because they did not qualify as reimbursible costs as required under the Grant/Subgrant Agreements, applicable laws and regulations.

### 2. Compliance Review

Substantial provisions of the Grant/Subgrant Agreements, applicable laws and regulations were not complied by the grantee/subgrantees. (See Appendix I)

### 3. Review of Internal Control System

Weaknesses in internal control system were identified which need to be improved. (See Appendix II)

For the purpose of quantifying Philippine Pesos into U.S. Dollars an exchange rate of ₱21.325 to US\$1.00 was used.

We present in the succeeding sections the details of our report.

Section I - Auditor's Opinion

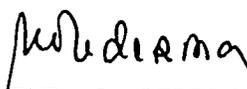
Section II - Appendices

Section III - Exhibits

Very truly yours,

CARLOS J. VALDES & CO.

By:

  
MINDA O. LEDESMA  
Partner

SECTION I - AUDITOR'S OPINION

- o Financial Report
- o Compliance with Grant/Subgrant Agreements,  
Applicable Laws and Regulations
- o Internal Control System

FINANCIAL REPORT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE DEVELOPMENT ASSISTANCE PROGRAM FOR  
NON-GOVERNMENTAL ORGANIZATIONS (DAP I)

ADMINISTERED BY:

FOUNDATION FOR EDUCATIONAL EVOLUTION  
AND DEVELOPMENT, INC.

AUDITOR'S OPINION

We have examined the Expenditure Reports and other pertinent books and records of the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. and the SUBGRANTEES for the Development Assistance Program for Non-Governmental Organizations (DAP I) for the period May 29, 1987 to February 28, 1990. Our examination was made in accordance with generally accepted auditing standards and the U.S. Comptroller General's "Standards of Audit of Governmental Organization, Programs, Activities and Functions", (1988 Revision), and included such other auditing procedures as we considered necessary in the circumstances.

Expenditures amounting to ₱3,264,983 (US\$153,106) or 46% of the total grant expenditures from May 29, 1987 to February 28, 1990 did not qualify as reimbursible costs as required under the Grant/Subgrant Agreements, applicable laws and regulations based on the books, records and documents examined.

In our opinion, except for the expenditures mentioned in the preceding paragraph the Expenditure Reports present fairly the receipts and disbursements of the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. and the SUBGRANTEES for the Development Assistance Program for Non-Governmental Organizations (DAP I) for the period May 29, 1987 to February 28, 1990.

*Carlos J. Valdes & Co.*

Metro-Manila, Philippines  
June 6, 1990

**Carlos J Valdes  
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COMPLIANCE WITH GRANT/SUBGRANT AGREEMENTS, APPLICABLE  
LAWS AND REGULATIONS

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE DEVELOPMENT ASSISTANCE PROGRAM FOR  
NON-GOVERNMENTAL ORGANIZATIONS (DAP I)

ADMINISTERED BY THE:

FOUNDATION FOR EDUCATIONAL EVOLUTION  
AND DEVELOPMENT, INC.

AUDITOR'S OPINION

We have examined the Expenditure Reports and other pertinent books and records of the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. and the SUBGRANTEES for the Development Assistance Program for Non-Governmental Organizations (DAP I) for the period May 29, 1987 to February 28, 1990. Our examination was made in accordance with generally accepted auditing standards and the U.S. Comptroller General's "Standards of Audit of Governmental Organizations, Programs, Activities and Functions" (1988 Revision), which includes additional standards and requirements for the review of compliance with the Grant/Subgrant Agreements, applicable laws and regulations.

The results of our examination indicated that the grantee/subgrantees did not comply with substantial provisions of the Grant/Subgrant Agreements, applicable laws and regulations as summarized in Appendix I.

In our opinion, the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT and the SUBGRANTEES for the Development Assistance Program for Non-Governmental Organizations (DAP I), did not substantially comply with the provisions of the Grant/Subgrant Agreements, applicable laws and regulations.

*Carlos J. Valdes & Co.*

Metro-Manila, Philippines  
June 6, 1990

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### INTERNAL CONTROL SYSTEM

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE DEVELOPMENT ASSISTANCE PROGRAM FOR  
NON-GOVERNMENTAL ORGANIZATIONS (DAP I)

ADMINISTERED BY:

FOUNDATION FOR EDUCATIONAL EVOLUTION AND  
DEVELOPMENT, INC.

### AUDITOR'S OPINION

We have examined the Expenditure Reports and other pertinent books and records of the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. and the SUBGRANTEES for the Development Assistance Program for Non-Governmental Organizations (DAP I) for the period May 29, 1987 to February 28, 1990 and have issued our report thereon dated June 6, 1990. As part of our examination, we made a study and evaluation of the grantee/subgrantees' system of internal control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and the U.S. Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (1988 Revision).

The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on whether the Expenditure Reports present fairly the receipts and disbursements of the Foundation for Educational Evolution and Development, Inc. and the Subgrantees for DAP I under the United States Agency for International Development Grant No. AID 492-0367-G-SS-7032-00. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal control taken as a whole.

The management of the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. and the SUBGRANTEES are responsible for establishing and maintaining a system of internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objective of a system is to provide management with reasonable but not absolute assurance that project disbursements are in accordance with the terms of the Grant/Subgrant Agreements, applicable laws and regulations and are properly supported. Because of inherent limitations in any system of internal control, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

Our study and evaluation made for the limited purposes described above resulted in certain recommendations which we believe will be useful in improving the overall system of internal control to safeguard grant funds from any irregularities. Our observations and recommendations are summarized in Appendix II.

In our opinion, there is no condition that we believe to be a material internal control weakness except for those described in the accompanying observations and recommendations.

*Carlos J. Valdes y Co.*

Metro-Manila, Philippines  
June 6, 1990

SECTION II - APPENDICES

- Appendix I - List of Provisions under the Grant/Subgrant Agreements, Applicable Laws and Regulations which were Not Complied by Grantee/Subgrantees
- Appendix II - List of Observations and Recommendations and Auditee's Comments
- Appendix III - Auditee's Letter to Bryant George re: Response to Auditors' Observations and Recommendations

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00

FOR THE

DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY : FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC.

LIST OF PROVISIONS UNDER THE GRANT/SUBGRANT AGREEMENTS,  
APPLICABLE LAWS AND REGULATIONS WHICH WERE  
NOT COMPLIED BY THE GRANTEE/SUBGRANTEES

1. The purpose of this project is to improve the socio-economic status of the poor in Region III (Central Luzon provinces including Zambales, Bataan, Tarlac, Pampanga, Bulacan and Nueva Ecija) and Region IV (Southern Tagalog provinces including Cavite, Batangas, Rizal, Laguna and Quezon) and selected areas outside of Metro-Manila.

Subprojects should contribute towards achievement of the project purpose which is to increase the income of the poor in selected areas in Central and Southern Luzon. The following are illustrative examples of possible subprojects:

- a) Food Production Subprojects:
- b) Micro-enterprise Subprojects

Of the eight (8) subgrantees selected to undertake the DAP I Project, three (3) subgrantees were not geographically located in the areas specified in the Grant Agreement (Exhibit II). These subgrantees claimed for reimbursement expenditures amounting to ₱2,242,705 (US\$105,168). In addition, one of the subgrantees, Church of the Holy Trinity Community Clinic, Inc. embarked on a subproject which is involved in primary health care: a subproject which does not conform with the purpose described above.

2. Criteria for selection of Subproject Implementors/NGO's include:
  - a) must have a proven track record for effective implementation of projects within the target project areas, including "relief" type activities:
  - b) must have demonstrated the ability to manage and account for project funds.
  - c) must be capable of providing a minimum counterpart contribution of 25% of the total subproject cost, in cash or in kind.

Five (5) out of the eight (8) subgrantees did not comply with these criteria because they were relatively new. One subgrantee was pre-terminated after one year of operations.

On April 29, 1988, FEED executed a Subgrant Agreement with the Foundation for Regional Development, Inc. (FRDI) to provide financial assistance for the Los Baños Duck Raising Project. Review of correspondences prior to the signing of the Subgrant Agreement revealed that it was the Countryside Integrated Development Foundation (CIDF), who originally applied to FEED for financial assistance. When FEED submitted to USAID the subgrant agreement, FRDI was already the subgrantee and not CIDF. FEED reported that CIDF's name has been changed to FRDI as represented by its president. However, our examination of the Articles of Incorporations of both foundations showed that CIDF and FRDI were two different entities registered with the SEC on April 28, 1987 and December 22, 1987, respectively.

3. Technical assistance will be made available through the provision of long or short-term consultants and/or short-term training to improve the capability of local NGO's and target beneficiaries to plan, manage, implement, monitor and evaluate subprojects. Towards this goal, a technical assistance fund will be established. These funds will be programmed to (a) provide for specific workshop, training programs, and material development, relevant to the needs of NGO's in terms of development activities; (b) make available specific technical expertise that an NGO might require to develop management skills. This includes (but is not limited to) financial management, bookkeeping, accounting and reporting; monitoring and evaluation systems; and sector specific topics such as income - generating projects.

As of February 28, 1990, FEED reported disbursements from the Technical Assistance Fund aggregating to ₱466,667 (US\$21,884) for the technical services rendered by the Urban Integrated Consultants, Inc. (UICI) for the following NGO's which were not subgrantees of DAP I:

| NGO's                                 | Philippine Peso | U.S. Dollar |
|---------------------------------------|-----------------|-------------|
| -----                                 | -----           | -----       |
| 1. Ac' or for Socio-Economic Progress | 83,333          | 3,908       |
| 2. Mother Rosa Memorial Foundation    | 83,333          | 3,908       |
| 3. Xavier Science Foundation          | 45,833          | 2,149       |

|  |         |        |
|--|---------|--------|
| 4. Ecumenical Foundation for<br>Minority Development | 45,834  | 2,149  |
| 5. Ranaw Development Foundation                      | 91,667  | 4,299  |
| 6. Pagtambayayong Foundation                         | 83,334  | 3,908  |
| 7. Unidentified NGO                                  | 33,333  | 1,563  |
|  | -----   | -----  |
|  | 466,667 | 21,884 |
|  | =====   | =====  |

4. The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the Grant Officer to be reasonable, allocable and allowable in accordance with the terms of (1) this grant; (2) any negotiated advance understanding on particular cost items and (3) cost principles contained in OMB Circular A-122 entitled "Cost Principles for Non-Profit Organizations" in effect on the date of this grant.

Based on our examination of FEED and the subgrantees books, records and documents, we have determined that disbursements aggregating to P3,264,983 (US\$153,106) did not meet the criteria for reimbursable costs. (See Exhibit II).

5. Monitoring is the process of determining whether the project is being implemented as planned or whether adjustments in the implementation plan, in terms of projects objectives, resources, timetable and other factors, need to be made. Monitoring of subgrants will involve:
- a) site visits to subgrantee project sites. Using USAID's guidelines for site visits, FEED will institute monthly and/or quarterly monitoring visits to each subgrant.
  - b) periodic reports from the subgrantees. FEED will compile these quarterly report by summarizing the status of subproject inputs and outputs and highlighting issues involved and potential solutions for submission to USAID.

Our review indicated that monitoring activities particularly in financial reporting and compliance areas were not conducted on a regular basis. Successive financial reviews of subgrantees were conducted only during the latter part of 1989. Specifically, there was no indication that Foundation for Regional Development, Inc. was monitored.

6. Funds provided by USAID under this Grant may not be commingled with other funds owned or controlled by the Grantee or any subgrantee, including other funds provided to the Grantee or subgrantee by USAID.

The following transactions made by subgrantees show that commingling of funds were made:

- a) In January 1990, Lusok Projects, Inc. advanced from the corporate funds of FEED ₱300,000 to augment its loan revolving fund. Said amount was commingled with the Grant fund.
- b) Grant funds were used to accomodate postdated checks amounting to ₱80,000 (US\$3,751) of an Executive Officer of Mindoro Kabuhayan Foundation, Inc.
- c) On August 22, 1989, a cash advance was released by Valderrama Memorial Foundation, Inc. for ₱36,000 (US\$1,688) to the Project Coordinator for a scheduled training. The training was cancelled but the money advanced was not reverted to the Grant fund until March 1990.
- d) In the Kalipunan ng mga Samahan ng Mamamayan (KASAMA), the subgrantee used grant funds in the amount of ₱26,705 (US\$1,252) to settle obligations for training cost of another project.

7. Cash and in-kind contributions shall be accepted toward satisfaction of the counterpart contribution requirement only if such contributions are verifiable from the grantee's records.

If the purpose of the Grant is to support activities that require the use of the property, the cash counterpart contribution shall equal the depreciation or use charges properly chargeable to the property during the period of the Grant using the straight-line method of depreciation, based on the cash outlay made to acquire the property and the useful life of the property.

The counterpart contributions of FEED and a subgrantee amounting to ₱497,601 (US\$23,334) cannot be verified from available records and documents. Should this amount be deducted from the total reported contributions, both would be short by a total of ₱400,411 (US\$18,777) of the required minimum counterpart contributions.

On the other hand, two subgrantees reported the total market value of the property and equipment amounting to ₱517,597 (US\$24,251) as counterpart contributions. If the straight-line method of depreciation will be used to compute the amount chargeable as counterpart contributions, both subgrantees would have contributed only ₱216,930 (US\$10,174) or ₱300,192 (US\$14,077) short of the required 25% contributions. (See Exhibit III).

8. The Grantee shall follow sound procurement policies, utilizing competition to the maximum extent, obtaining the lowest available price and documenting such procurements to justify the method used and the price established.

Purchase made by the grantee and the subgrantees were in most instances not supported by documents to show that solicitation of price quotations were obtained from qualified suppliers.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00

FOR THE

DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC.

LIST OF OBSERVATIONS, RECOMMENDATIONS AND AUDITEE'S COMMENTS  
For the Period May 29, 1987 to February 28, 1990

OBSERVATIONS

1. Three subgrantees which claimed for reimbursement expenditures amounting to F2,242,705 (US\$105,165) did not qualify for funding because they were not within the geographical location specified in the Grant Agreement. Incidentally, the subproject of one subgrantee did not conform with the Grant's objective.

FEED signified that two of subgrantees which claimed expenditures amounting to F1,347,937 (US \$63,209) were recommended by USAID for funding. The Subgrant Agreements were likewise approved by USAID.

2. The following criteria in the selection of subproject implementors as defined in the Grant Agreement were not possibly considered by FEED in evaluating the eligibility of the subgrantee to participate in DAP I.

- a) must have a proven track record for effective implementation of projects within the target project areas including "relief" type activities.
- b) must have demonstrated the ability to manage and account for project funds.
- c) must be capable of providing a minimum counterpart contribution of 25% of the total subproject cost; in cash or in kind.

RECOMMENDATIONS

Since Subgrant Agreements did not conform with the requirements of the Grant Agreement, the Subgrant Agreements can be voided. We recommend that in the future, USAID should amend the Grant Agreement prior to any modification.

Since this can not be corrected anymore, we suggest that in future grants, subproject implementors should be carefully screened by the PVO. Approval of subgrant funding should be given by USAID only when the requirements of the Grant Agreement have been satisfied.

AUDITEE'S COMMENTS

See Appendix III

See Appendix III

## OBSERVATIONS

Five out of the eight subgrantees were in existence for less than two years, thus, proven track record can not be ascertained.

| SubGrantee                                       | Date of SEC Registration | Date of Eligibility |
|--|--------------------------|---------------------|
| Foundation for Regional Development, Inc. (FRDI) | 12/22/87                 | 04/29/88            |
| Kalipunan ng mga Samahan ng Hamansyan            | 10/16/87                 | 04/29/88            |
| Lusok Projects, Inc.                             | 01/24/86                 | 08/29/87            |
| Mindoro Kabubayan Foundation, Inc.               | 12/17/87                 | 04/07/89            |
| Muntinlupa Development Foundation, Inc.          | 10/07/86                 | 08/29/87            |

Expenditures amounting to P465,667 (US\$21,884) from the Technical Assistance Fund for six NGO's who are not subgrantees of DAP I are not allocable to the Grant. FEED indicated that these funds were "parked" by USAID in the DAP Project to support other NGO's.

Expenditures amounting to P3,264,983 (US\$153,106) are being questioned by the Auditors because they did not qualify as reimbursible cost under the requirements of the Grant/Subgrant Agreements, applicable laws and regulations. See Exhibit II for details.

## RECOMMENDATIONS

USAID should discourage this practice because it does not conform with the provisions of the Grant Agreement, applicable laws and regulations.

These expenditures should be disposed of as follows:

| Philippine Peso | U.S. Dollars |   |
|-----------------|--------------|---|
| 500,123         | 23,452       | Should be refunded by grantee/subgrantee to USAID.  |
| 2,717,903       | 127,452      | Should be resolved by USAID. USAID should not approve expenditures/agreements that do not conform with the Grant Agreement unless an amendment has been made. |
| 46,957          | 2,202        | Subgrantee should document transaction to substantiate claim.   |

## AUDITEE'S COMMENTS

See Appendix III

See Appendix III. The difference in amount between this report and the Auditee's response represents adjustments made after the audit of the Foundation for Regional Development, Inc. (FRDI) was completed. The records of FRDI was not available for examination before the completion of the first draft of the Auditors' Report

OBSERVATIONS

RECOMMENDATIONS

AUDITOR'S COMMENTS

|  |   |                         |
|--|---|-------------------------|
| <p>5. We noted that financial monitoring of subgrantees was started by FEED only during the third quarter of 1989 due to manpower constraints. This resulted to the inability of the subgrantees to properly comply with the provisions of the Grant/Subgrant Agreements due to lack of awareness.</p>   | <p>There is a need to upgrade the compensation structure of grant personnel to attract qualified people not only for the monitoring activities but also in accounting and financial management areas.</p>   | <p>See Appendix III</p> |
| <p>FEED can not employ qualified people because its present compensation structure is not competitive. The budget allocated for monitoring is only 2.5% of the total grant.</p>  |   |                         |
| <p>6. Funds provided by USAID under the grant were commingled by subgrantees with other funds or vice versa.</p>   | <p>Prior to the implementation of the project, this particular provision of the Grant Agreement should be emphasized for compliance.</p>  | <p>See Appendix III</p> |
| <p>7. We observed that the grantee and a subgrantee do not maintain adequate and verifiable accounting records regarding counterpart contributions. Moreover, two subgrantees did not compute counterpart contributions (property and equipment) in accordance with the Grant/Subgrant Agreements. If questionable counterpart contributions will be deducted, counterpart contributions would be short by P700,603 (US\$32,854). See Exhibit III.</p>   | <p>We recommend that sufficient and verifiable documentation be kept for counterpart contribution to qualify as such. In addition, the concerned subgrantees should revise their reported counterpart contributions for property and equipment in compliance with the provisions of the Grant/Subgrant Agreements. Additional contributions should be made to meet the 25% requirement.</p> | <p>See Appendix III</p> |
| <p>8. Our review of the purchasing documents of the grantee and the subgrantees showed that, generally, solicitation of price quotations from qualified suppliers is not regularly practiced.</p>  | <p>In accordance with the Grant/Subgrant Agreements, applicable rules and regulations, the grantee should utilize competition to the maximum extent, obtaining the lowest available price and documenting such procurements.</p>  | <p>See Appendix III</p> |
| <p>9. One of the subgrantees eligible to receive subgrant funds is a related party. The project manager, who is also the Vice-President of FEED, is a member of the Board of Trustees of Valderrama Memorial Foundation, Inc. (VMFI). Incidentally, VMFI paid FEED P305,600 (US \$14,331) out of subgrant funds for training cost of eighty (80) beneficiaries held at Assumption Training Center in Antipolo over and above expenses incurred for meals, transportation allowance of participants, salaries of training staff and training center personnel. This expenditure is supported only by a billing statement from FEED.</p> | <p>FEED should adopt a policy on organizational conflict of interest.</p>   | <p>See Appendix III</p> |

OBSERVATIONS

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10. The following were observed during the examination of disbursement vouchers related to travel expenses:

- a) Advances for travel made by officers and employees are in most instances not supported by travel orders.
- b) The grantee and subgrantees do not have established policies with regards to travelling allowances for meals, lodging, and transportation for in-town and out-of-town travels.
- c) Liquidation of most travel advances do not have adequate documentation like liquidation reports, travel authorization, tickets, receipts, etc.

RECOMMENDATIONS

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Travel orders should be prepared by requisitioning personnel indicating the purpose of travel, date of travel and estimated expenses. Travel orders should be noted by the immediate supervisor and approved by a responsible officer. The preparation of a travel order is a good indication that travel expenses are valid and are properly authorized.

We recommend that guidelines should be created by the grantee and subgrantees with regards to travel allowances for in-town and out-of-town travels. These guidelines should be strictly enforced to all officers and employees.

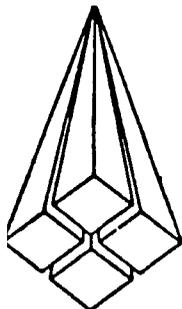
We recommend, for internal control purposes, that all financial transactions be clearly documented. Specifically, we recommend that when liquidating travel advances, employees should prepare a liquidation report which should show:

- a) Time and date of departure and arrival at each location;
- b) Locations visited;
- c) Details of costs incurred supported by documentation;
- d) Purpose of the trip; and
- e) Approval by a responsible personnel

AUDITOR'S COMMENTS

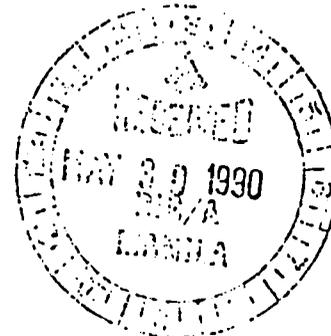
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See Appendix III



Foundation for  
Educational  
Evolution and  
Development, Inc.

May 30, 1990



Mr. Bryant George  
Chief, O/FFPVC USAID  
Ramon Magsaysay Center  
Roxas Boulevard, Manila

Re: Results of the Non Federal Audit of Grant No.  
AID 492-0367-G-SS-7032-00 as submitted by  
Carlos J. Valdes

Dear Mr. George:

We are happy to note that the auditors opined that FEED Expenditure Reports present fairly our receipts and disbursements.

On Observation 10 and its recommendation:

- a) Travel Order - We will correct our present forms to comply with the auditors' wishes.
- b) Policies for meals for intown and out of town travels - We will reform our policies some more.
- c) Travel Liquidation Report - We will follow the government's forms. However specific compliance with these recommendations can be simplified if USAID provides us with approved forms.

On Observation 9 & 1

We are distressed to note that even after repeated explanations and presentation of documents to the auditors they still persist in their opinion that P3,266,210 or (US\$153,163) "did not qualify as reimburseable costs."

At the very onset, during the opening conference, we brought the Church of Holy Trinity and Valderrama Memorial Foundation Inc./Smokey Mountain subgrantees to her attention as indeed not in the geographical location as specified by the Grant. However these were projects presented to FEED by USAID as projects noteworthy of receiving grants and FEED agreed because of the deplorable situation of the poor they were assisting in Malibay and Smokey Mountain. FEED then went through the screening mechanisms needed to make them subgrantees.

In the case of the Smokey Mountain Residents Self Realization Project, which did not have a foundation or entity to implement the project, VMFI was requested by FEED to be the NGO vehicle/entity to help them. At that time, the Project Manager of the DAP I project was Ms. Marietta P. Goco and not Ms. Mercedes V. Arroyo.

The Auditors blow up the use of VMFI as an issue of "conflicting interest". Not only do we completely agree that "FEED should adopt a policy on organizational conflict of interest", but in fact we have such a policy in place. Mercedes V. Arroyo who is Vice President and Project Manager of FEED is concurrently Charter President of a Zonta Club which has its own community project. This project has proven worthy of funding as evidenced by a PBSP grant. However precisely because of the issue of conflict of interest, this project was not presented to FEED.

VMFI/Smokey Mountain Project was principally a training grant which is the very reason why Fr. Beltran was sent to FEED by USAID. Therefore, besides actual training costs, the project had to cover also the hands-on and close supervision of the participants in the actual implementation of their learnings in community development.

During this project's life both USAID and FEED realized that implementing a training program such as this through a mechanism of FEED's granting an amount to a subgrantee, which would in turn avail of FEED's

training services, did not sit well with us. Thus, as can be proven by DAP II Grant No. 492-0419-G-SS-9056-00 provisions, all trainings to be given to subgrantees by FEED now come from a Technical Assistance Fund and not from the Subgrant Fund.

All the above had been explained to the auditor, but still she blows it up as an issue of "conflict of interest." However, she is entitled to her opinion.

The Muntinlupa Development Foundation project was part of the main Grant agreement between USAID and FEED and as such was already approved. This approval was further buttressed by another, second approval by USAID of FEED/MDF's subgrant agreement.

All the subgrant agreements with CHT, MDF, VMFI/Smokey Mountain were officially, in writing, approved by USAID prior to signing. This written approval by the grantor is a suppletory agreement and therefore as good as an amendment. Any further amendment would be superfluous. However we have done the superfluous by requesting an amendment to cover these subgrants on May 1990.

On Observation 2 - "The criteria of subproject implementors... were not possibly considered by FEED..."

Again as we brought out to her at the very start, at the opening conference, USAID developed the mechanism of intermediate institutions like FEED, to help smaller local organizations who have started helping the poor but needed to strengthen their institutional capabilities to eventually qualify as a PVO directly funded by USAID. This is the underlying spirit behind the criteria set forth in the grant. It seems this concept is hard to grasp by the auditors, because even after this explanation she persists in her judgment that FEED should only help those who are already well established.

On Observation 3 - Technical Assistance Fund of P466,667 spent "for 6 NGOs who are not subgrantees of DAP are not allocable to the grant."

Grant Provision: Section III # 6. b Technical Assistance Nowhere in the whole paragraph does it say that Technical Assistance will be given only to NGOs of DAP I. It seems the auditors are stepping beyond the boundaries of their engagement which is to "determine whether... the grant/subgrant agreements, applicable laws and regulations were complied with"

With this observation and recommendation, she questions even the Grant itself, and not just FEED's compliance.

Again, USAID letters authorizing this expenditure are present in our files.

On Observation 4 - Expenditures Questioned

See Annex I - comments on Exhibit II

On Observation 5 - On financial monitoring.

AT LAST we have succeeded in making the auditors see our plight. We THANK THEM for supporting our long standing request to upgrade staff compensation structure and to allow a bigger percentage for administrative, financial and monitoring costs which presently hovers from 9 to 13% of grant funds and even less againts total project cost.

We admit that a much improved financial monitoring was done in mid 1989. However, financial monitoring was done even from the beginning of the grant but which may not have been perfectly documented. For the record, we believe our present accountant may not be perfect but she is qualified, contrary to the allegations of the auditor. However, if we had more funds, to hire an assistant accountant or an accounting clerk, for example, our financial monitoring would be even more effective and helpful to the subgrantees.

They specifically site FRDI with "No indication that it was monitored" in spite of Ms. M.V. Arroyo's informing

her that she herself spoke to the beneficiaries and confirmed their having received the amount and saw the ducks dying due to the "tanga" disease. This condition was also seen by Marilen Drew of USAID whom we consulted and brought to the project site. We admit to inadequate financial monitoring and documentation of monitoring activities in the earlier part of our being an intermediate institution. But what we strongly RESENT is the judgement that the Auditors made as a result of her wrong conclusion of "no monitoring," and her complete and utter disregard of our word, even as our quarterly report to USAID contain the degeneration of the project and the reason for its pre termination.

On Observation 6 Commingling of Funds - the auditors recommend this provision "should be emphasized...."

Contrary to what the auditors may believe, FEED has emphasized, NAGGED, cajoled, threatened the subgrantees not to commingle grant funds with other money, and the accounting systems in place generally show this to be the case. However the auditors insist on focusing on and blowing up specific incidents which were subsequently corrected.

a) For 2 years LPI has NEVER commingled grant funds. They make a mistake toward the end of the grant, by depositing a loan also from FEED but not from USAID, with grant (and therefore to them FEED funds,) and the auditor uses this as an example.

b) The accommodated "postdated checks" were for the payroll of other personnel of MKFI. MKFI's chairman has been made aware of and sternly reminded that this was prohibited.

c) VMFI never commingled grant and other funds. On the issue brought up, said training for Project Development had been postponed first because schedules of participants and resource persons would never coincide, and, when it finally did, the attempted coup d'etat happened. By then the Smokey Mountain residents were all too

engrossed with surviving so we decided to cancel this training completely and thus redeposited the money back to Grant funds.

d) KASAMA has been faithful in separating grant funds. In this instance the Auditors again present facts in a bizarre manner. KASAMA did NOT "use grant funds to settle obligations for training cost of another project". The PBSP funds for training was delayed, and Kasama advanced Grant money which was later paid back.

The subgrantees erred in using their common sense and not scrupulously following the Grant provisions. Verbally, and sometimes officially, we have already called their attention to this.

But the point is these instances do not warrant the auditors making it an issue, except may be for MKFI's case.

On Observation No. 7 - On Counterpart Contributions documentation.

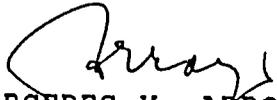
After the RIG Audit of our First Farmers Grant No. 492-0367-G-SS-5058-00 we thought we learned how to document counterpart contribution. After looking at our documents for volunteer time and equipment use, (see attached samples) the auditor still questions it and wants a bundy clock (or better yet a tournament chess timer?) to record when a volunteer officer or an equipment starts working for DAP I and when for other projects - we give up !!! Hopefully we will learn some more in the financial management courses to be given by USAID.

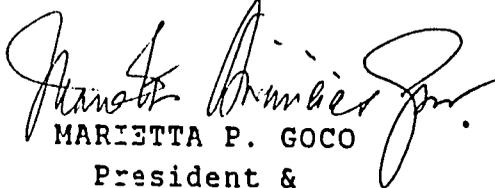
On Observation 8 - Canvassing  
O.K. we will ensure that subgrantees comply by documenting their canvassing procedure.

Since the draft report dated May 7 was received only on May 21, and our answer is being asked by today, this answer is not completely to our satisfaction . To start with we are at a loss on how to deal with an auditing procedure that we perceive to have an adversarial tone rather an an instructive one. Their conclusions reached and their formulation in writing does not, to say the least, foster a healthy working relationship. From the start of our official relationship with you the objective has always been one of service. We are in this business to serve and to deliver a service, not to make a fast buck. We do recognize the assigned auditor's thoroughness. But in our opinion they go to extremes just to prove their thoroughness at the expense of the PVO. Many of their written statements are subjective and based on premises not contemplated by your office nor ours.

Based on our experience therefore may we recommend that at least for the PVO program Carlos J. Valdes or Minda Ledesma and her crew are unsuitable . She does no justice to the cause of partnership and exacerbates rather than clarifies, offends rather than instructs.

In the end we choose to take this experience from a constructive perspective even as we choose to draw the good from this whole process. And as always, we thank you and your office for your support.

  
MERCEDES V. ARROYO  
Vice President &  
Project Manager

  
MARIETTA P. GOCO  
President &  
Project Director

cc: Mr. W. Montoney  
RIG

ANNEX I

OBSERVATION #4 - COMMENTS ON EXHIBIT II

List of Expenditures questioned by the Auditors

I. PERSONNEL COST - 14,844.00 - the auditors claim an "excess" of actual costs.

The increase of salary of DAP I project staff was due to government mandated increase which took effect January, 1988. Breakdown shown below indicates that the project has still P70,292.17 or is 12% UNDER the total budget.

|                                 |            |              |
|---------------------------------|------------|--------------|
| Per budget Year I               | 202,475.00 |              |
| Year II                         | 212,599.00 |              |
| June 1989 - Feb. 1990           | 154,543.86 |              |
|                                 | -----      |              |
| Total per budget                |            | P 569,617.86 |
| per expenditure up to Feb. 1990 |            | 499,325.67   |
|                                 |            | -----        |
| Balance 12% <u>below</u> budget |            | 70,292.17    |

Per DAP I Grant agreement Section 5.5 - Without prior written approval of USAID, the grantee may increase or decrease by up to 25% the amount budgeted for each major line item in the budget except "Other Direct Cost" with out changing the total budget cost. Our personnel cost was decreased by 12%:

II. ADMINISTRATIVE COST

OFFICE SUPPLIES - 4,060.00

DAP I allows FEED an administration cost of P35,000.00 from June 1987 - February 1990 for office supplies and communication. The P4,060.00 being questioned here were spent for gasoline for going to and from site visits and meetings, bringing documents from FEED to USAID or other offices, expenses for meals and grocery items were incurred at meetings with and in the course of grant business for FEED or our subgrantees. Other office supplies questioned are tissue, floor wax, or purchases made in bookstores supported by cash register tapes.

Office rental - P3,620.00 as "over allocated to the grant funds".

In the past 2 1/2 years - June 1987 to December 1989, FEED has been paying our office space from Counterpart Funds. Only for the amended and extended portion did we ask for and were granted rental charges. FEED has been paying the rent as per budget from Jan. 1990 only.

However, here again, the auditors extend the boundaries of their jobs and questions the amount itself as stipulated in the Grant. She goes into a formula based on 3 wrong premises -

1. on the rental paid by FEED for only one unit (when FEED occupies 2 units)
2. on the rental paid by FEED on 80 sq. meters, when FEED occupies 135 sq. m., 20 sq. meters of which are given rent free as donation by the bldg. owners.
3. on the rental rate paid by FEED of P85/sq. m. which is a subsidized rate. The neighboring units pay P170/sq.m.

Notwithstanding her illogical processes, the point is that she questions the judgement of the PVO office, when her job is only to determine if the grantee conforms with grant provisions.

#### Personal Long Distance Calls

We admit to an error here where payments for personal calls were all deposited to Corporate funds. Those paid by Grant funds should be deposited back to Grant account. The cashier is now minutely studying this to correct the deposits.

### III. MONITORING & EVALUATION - 35,589.00

TRANSPORTATION - These are Transportation expenses of messenger in going to USAID and to SGV regarding transactions on DAP I. Toll fees are those incurred in going to the project site for monitoring.

Lino de la Cruz allowed some ExCom expenses to be charged in the project only once a month, and thus some of the expenses were reimbursed by corporate account. Amount in books is net of such expenses. Meals of the project staff while on project monitoring are part of the per diem.

IV. TECHNICAL ASSISTANCE FUND - 3,452.00

Per discussion with Lino de la Cruz, Mrs Arroyo & Mrs. Server last October 19, 1989 this amount can be charged to Technical Assistance fund under DAP I as pre project site visits when Ex-com went to Bicol for an environmental scan.

The P466,667 is the amount incurred by UICI in helping other subgrantees not under DAP I which she questions when the Grant does not specify only DAP I subgrantees. (see our comment on Observation 3)

V. GRANTEE - SUBGRANTEE

CHURCH OF THE HOLY TRINITY COMMUNITY CLINIC (CHTCC)  
"P5,000.00 - recommended for refund to USAID". This represents audit services of an independent CPA which FEED encouraged and approved CHT to avail of because it is in the budget and CHT badly needed help in straightening their books.

"P292,937.00 - for resolution by USAID". See comments on observation 1 & 9

FEDERATION FOR LAND REFORM FARMERS (FLRF)  
P1,020 - cost of camera for documenting activities under monitoring & evaluation.

MUNTINLUPA DEVELOPMNET FOUNDATION (MDF)  
"P894,768.00 - for resolution by USAID". See comments on Observation 1 & 9

KALIPUNAN NG MGA SAMAHAN NG MAMAMAYAN (KASAMA)  
"42,306.00 - for additional documentation". All the supporting documents for these expenses had been checked by our accountant in her previous monitoring last November 1989. However the typhoon in December destroyed part of their office and some of the documents. We have asked their chairman, Ka Fely Matienzo to issue an affidavit that this amount was indeed spent for the project.

VALDERRAMA MEMORIAL FOUNDATION, INC. (VMFI)  
PERSONNEL - 13,852.00 - We admit the employees' benefit was not in the budget, but since VMFI was able to save, VMFI

used the savings for the employees benefit. FEED allowed VMFI to do this.

MATERIALS & EQUIPMENT - 7,226.00 - Auditors allege VMFI has no computer. VMFI has 2 computers, 1 Radioshack and 1 IBM Compatible. Both are located at 2nd floor of same bldg.

ADMINISTRATIVE - 5,279.00 - In office rental, VMFI did overcharge the budget by P300/month. But light and water of Antipolo Training Center for P454.00 was paid back by FEED to VMFI as per OR# 0068 dated August 14, 1989.

MONITORING & EVALUATION - Meals of P3,379.00 was allowed to be taken from Grant funds because the Smokey Mountain residents could not come up with meals counterpart at all. This was one way of attracting them to the evaluation sessions.

Refunds of P1,110.00 was erroneously deposited to FEED. This will be corrected.

Transpo Expenses of P7,853.00 was used for transportation expenses of training staff - i.e. documentors, trainers and FEED project coordinators in going to training sessions at Antipolo. The practicum and actual operations are at Tondo but at times project staff would attend training sessions so that there is coordination between what the training gives and actual project needs.

TRAINING - 305,600.00 was paid to FEED to cover resource persons fees, salary of Training staff, training materials, rental of training center.

The 313,500.00 covered 45 training days of meals for the 80 participants and their transpo expenses from Tondo to Antipolo.

705,700.00 - for resolution by USAID. See comment on Observation 1 & 9.



Foundation for Educational Evolution and Development, Inc.

JOURNAL VOUCHER

JV N<sup>o</sup> 0538

November 29, 1989

| Account Code | Particulars and Explanation   | Debit      | Credit     |
|--------------|---|------------|------------|
|              | Resource Person<br>Grantee Counterpart  | P 4,932.00 |            |
|              | To record counterpart contribution on<br>Personnel Cost this quarter May 29, 1989<br>to November 29, 1989 |            | P 4,932.00 |

Prepared by: *Josefina D. Sarría*

Recorded by: .....

Noted and Approved by:

.....  
Approving Officer

SONIA M. ROCO

---

Monthly Rate

₱ 20,000.00

$20,000.00 \times 12 \text{ mos.} \div 365 \text{ days} \div 8 \text{ hrs.} = ₱ 82.20$

$82.20 \times 5 \text{ hrs.} / \text{week} = 411.00 / \text{week}$

$411.00 \times 4 \text{ week} = 1,644.00 / \text{mos.}$

$1,644.00 \times 3 \text{ mos.}$

₱ 4,932.00 / Qtr.

C E R T I F I C A T I O N

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This is to Certify that MS. SONIA M. ROCO, our Executive Committee member has rendered services for Development Assistance Program I project as Resource Person this quarter August 29, 1989 to November 28, 1989.

  
MA. EUGENIA B. SERVER  
Project Manager

Foundation for Educational Evolution and Development, Inc.

JOURNAL VOUCHER

JV N<sup>o</sup> 0540

November 23, 1939.

| Account Code | Particulars and Explanation  | Debit       | Credit      |
|--------------|--|-------------|-------------|
|              | Administrative Cost  | P 11,610.00 |             |
|              | Grantee Counterpart  |             | P 11,600.00 |
|              | To record counterpart contribution on Administrative Cost this quarter August 29, 1939 to November 23, 1939. |             |             |

Prepared by: *Josefina D. Sarcia*

Recorded by: .....

Noted and Approved by:

.....  
Approving Officer

USE OF OFFICE EQUIPMENT :

COMPUTER : Per hour rate 25.00 for 1st hr. use  
20.00 for the succeeding hour  
3 hrs./day = 65.00 x 10 days/mos. = 650.00  
650.00/mos. x 4 mos. = 1,950.00/qtr.

TYPEWRITER : Per hour rate 10.00  
3 hrs. / day x 15 days = 450.00/mos.  
450.00 / mos. x 3 mos. = 1,350.00 / qtr.

CALCULATOR : Per hour rate 2.50  
3 hrs use per day = 20.00 x 20 days = 400.00  
400/mos. x 3 mos. = 1,200.00/ qtr.

|           |            |            |
|-----------|------------|------------|
| Summary : | Computer   | ₱ 1,950.00 |
|           | Typewriter | 1,350.00   |
|           | Calculator | 950.00     |
|           |            | -----      |
|           |            | ₱ 4,250.00 |

OFFICE RENTAL:

|                 |            |
|-----------------|------------|
| September, 1939 | ₱ 2,450.00 |
| October, 1939   | 2,450.00   |
| November, 1939  | 2,450.00   |
|                 | -----      |
|                 | ₱ 7,350.00 |

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*Handwritten signature or initials*

Foundation for Educational Evolution and Development, Inc.

JOURNAL VOUCHER

JV N<sup>o</sup> 0539

.....November...29....., 1939....

| Account Code | Particulars and Explanation  | Debit      | Credit     |
|--------------|--|------------|------------|
|              | Monitoring & Evaluation<br>Grantee Counterpart<br><br>To record counterpart contribution<br>on monitoring & evaluation this quarter<br>August 29, 1939 to November 23, 1939. | ₱ 9,945.00 | ₱ 9,945.00 |

Prepared by: *Josefina D. Sarria*  
 Recorded by: .....

Noted and Approved by:  
 .....  
 Approving Officer

JANE S. BANZHAF

|   |                   |
|---|-------------------|
| Monthly rate                                      | ₱ 20,000.00       |
| 20,000.00 x 12 mos. ÷ 365 days ÷ 8 hrs. = ₱ 82.20 |                   |
| 82.20 x 8 hrs. x 6 project                        | ₱ 3,945.60        |
| Rental on L-300 of Mrs. Arroyo                    |                   |
| per trip with driver 1000.00/ day x 6 projects    | <u>6,000.00</u>   |
|   | <u>₱ 9,945.60</u> |

C E R T I F I C A T I O N

This is to certify that MS. JANE S. BANZHAF, our Executive Committee member has rendered services for Development Assistance Program I project as Project Evaluator this quarter August 29, 1989 to November 23, 1989.

  
MA. EUGENIA B. SERVER  
Project Manager

SECTION III - EXHIBITS

| <u>Exhibit No</u> | <u>Title</u>  |
|-------------------|---|
| I -               | Expenditure/Liquidation Report - Grantee                                |
| A.                | Schedule of Subgrant Funds  |
| B.                | Church of the Holy Trinity Community Clinic, Inc.                       |
| C.                | Federation of Land Reform Farmers                                       |
| D.                | Foundation for Regional Development, Inc.                               |
| E.                | Kalipunan ng mga Samahan ng Mamamayan                                   |
| F.                | Lusok Projects, Inc.  |
| G.                | Mindoro Kabuhayan Foundation, Inc.                                      |
| H.                | Muntinlupa Development Foundation, Inc.                                 |
| I.                | Valderrama Memorial Foundation, Inc.                                    |
| II -              | List of Expenditures Questioned by the Auditors                         |
| III -             | Schedule of Counterpart Contributions Questioned by the Auditors        |
| IV -              | List of Non-Government Organizations (NGOs) Selected to Undertake DAP I |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE  
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - GRANTEE  
For the Period May 29, 1987 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 864,129            | 40,522          | 606,892             | 28,459          | 257,237                | 12,063          | 517,472                  | 24,266          | 89,420             | 4,193           | 200,851            | 9,419           | 135,201            | 6,340           | 65,650                    | 3,079           |
| Equipment and commodities | 50,000             | 2,344           | 20,000              | 938             | 30,000                 | 1,406           | -                        | -               | 20,000             | 938             | -                  | -               | -                  | -               | -                         | -               |
| Monitoring and evaluation | 366,079            | 17,167          | 209,400             | 9,819           | 156,679                | 7,348           | 79,024                   | 3,706           | 130,376            | 6,113           | 175,997            | 8,253           | 45,997             | 2,157           | 130,000                   | 6,096           |
| Administration            | 170,705            | 8,005           | 84,710              | 3,972           | 85,995                 | 4,033           | 78,607                   | 3,686           | 6,103              | 286             | 275,356            | 12,912          | 173,656            | 8,143           | 101,700                   | 4,769           |
| Subgrants                 | 7,631,502          | 357,866         | 5,911,962           | 277,232         | 1,719,540              | 80,634          | 5,910,975                | 277,186         | 987                | 46              | 2,557,248          | 119,918         | 2,761,075          | 129,476         | (203,827)                 | (9,558)         |
| Technical assistance fund | 508,932            | 23,865          | 641,665             | 30,090          | (132,733)              | (6,225)         | 512,766                  | 24,045          | 128,899            | 6,045           | -                  | -               | -                  | -               | -                         | -               |
| Other direct costs        | -                  | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 61,201             | 2,870           | 60,607             | 2,842           | 594                       | 28              |
| <b>Total</b>              | <b>9,591,347</b>   | <b>449,769</b>  | <b>7,474,629</b>    | <b>350,510</b>  | <b>2,116,718</b>       | <b>99,259</b>   | <b>7,098,844</b>         | <b>332,889</b>  | <b>375,785</b>     | <b>17,621</b>   | <b>3,270,653</b>   | <b>153,372</b>  | <b>3,176,536</b>   | <b>148,558</b>  | <b>94,117</b>             | <b>4,414</b>    |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE  
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

SCHEDULE OF SUBGRANT FUNDS  
For the Period May 29, 1987 to February 28, 1990

| N G O's   | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|   | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|   | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Church of the Holy Trinity<br>Community Clinic, Inc.      | 630,000            | 29,542          | 297,937             | 13,971          | 332,063                | 15,571          | 297,888                  | 13,969          | 49                 | 2               | 312,980            | 14,677          | 160,894            | 7,545           | 152,086                   | 7,132           |
| Federation of Land Reform<br>Farmers                      | 738,450            | 34,628          | 647,700             | 30,373          | 90,750                 | 4,255           | 641,573                  | 30,085          | 6,127              | 288             | 256,900            | 12,047          | 204,500            | 9,590           | 52,400                    | 2,457           |
| Foundation for Regional<br>Development, Inc.              | 500,000            | 23,447          | 439,770             | 20,622          | 60,230                 | 2,825           | 386,850                  | 18,141          | 52,920             | 2,481           | 452,950            | 21,240          | 198,204            | 9,294           | 254,746                   | 11,946          |
| Kalipunan ng mga Samahan<br>ng Mananayan                  | 500,000            | 23,447          | 500,000             | 23,447          | -                      | -               | 542,611                  | 25,445          | (42,611)           | (1,998)         | 478,500            | 22,438          | 358,701            | 16,821          | 119,799                   | 5,617           |
| Lusok Projects, Inc.                                      | 1,200,000          | 56,272          | 1,100,000           | 51,583          | 100,000                | 4,689           | 1,124,937                | 52,752          | (24,937)           | (1,169)         | 355,591            | 16,675          | 434,568            | 20,379          | (78,997)                  | (3,704)         |
| Mindoro Kabubayan<br>Foundation, Inc.                     | 1,002,800          | 47,025          | 980,800             | 45,993          | 22,000                 | 1,032           | 970,228                  | 45,497          | 10,572             | 496             | 371,197            | 17,406          | 347,391            | 16,290          | 23,806                    | 1,116           |
| Muntinlupa Development<br>Foundation, Inc.                | 960,000            | 45,017          | 894,768             | 41,959          | 65,232                 | 3,058           | 960,000                  | 45,017          | (65,232)           | (3,058)         | 575,768            | 27,000          | 652,781            | 30,611          | (77,013)                  | (3,611)         |
| Valderrana Memorial<br>Foundation, Inc.                   | 1,050,000          | 49,238          | 1,050,000           | 49,238          | -                      | -               | 978,993                  | 45,908          | 71,007             | 3,330           | 528,148            | 24,767          | 404,016            | 18,946          | 124,132                   | 5,821           |
| Funds not contracted (over-<br>contracted) to subgrantees | 1,050,252          | 49,250          | -                   | -               | 1,050,252              | 49,250          | -                        | -               | -                  | -               | (774,786)          | (36,332)        | -                  | -               | (774,786)                 | (36,332)        |
| <b>Total</b>  | <b>7,631,502</b>   | <b>357,866</b>  | <b>5,910,975</b>    | <b>277,186</b>  | <b>1,729,527</b>       | <b>80,680</b>   | <b>5,903,080</b>         | <b>276,814</b>  | <b>7,895</b>       | <b>372</b>      | <b>2,557,248</b>   | <b>119,918</b>  | <b>2,761,075</b>   | <b>129,476</b>  | <b>(203,827)</b>          | <b>(9,558)</b>  |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-SS-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED  
 EXPENDITURE/LIQUIDATION REPORT - CHURCH OF THE HOLY TRINITY COMMUNITY CLINIC, INC.  
 For the Period March 6, 1989 to February 28, 1990

|                           | G R A N T . F U N D S - |                 |                                     |                 |   |                 |   |                 |                                   |                 | C O U N T E R P A R T F U N D S |                 |                                   |                 |   |                 |
|---------------------------|-------------------------|-----------------|-------------------------------------|-----------------|---|-----------------|---|-----------------|-----------------------------------|-----------------|---------------------------------|-----------------|-----------------------------------|-----------------|---|-----------------|
|                           | B U D G E T             |                 | C U M U L A T I V E A D V A N C E S |                 | A M O U N T S T I L L O B L I G A T E D |                 | C U M U L A T I V E D I S B U R S E M E N T S |                 | U N E X P E N D E D B A L A N C E |                 | B U D G E T                     |                 | A M O U N T C O N T R I B U T E D |                 | B A L A N C E T O B E C O N T R I B U T E D |                 |
|                           | Philippine<br>Peso      | U. S.<br>Dollar | Philippine<br>Peso                  | U. S.<br>Dollar | Philippine<br>Peso                      | U. S.<br>Dollar | Philippine<br>Peso                            | U. S.<br>Dollar | Philippine<br>Peso                | U. S.<br>Dollar | Philippine<br>Peso              | U. S.<br>Dollar | Philippine<br>Peso                | U. S.<br>Dollar | Philippine<br>Peso                          | U. S.<br>Dollar |
| Personnel                 | 497,039                 | 23,308          | 239,967                             | 11,253          | 257,072                                 | 12,055          | 239,017                                       | 11,208          | 950                               | 45              | 92,180                          | 4,323           | 33,113                            | 1,553           | 59,067                                      | 2,770           |
| Equipment and commodities | 19,680                  | 923             | 9,720                               | 456             | 9,960                                   | 467             | 10,825  | 508             | (1,105)                           | (52)            | 87,800                          | 4,117           | 123,658                           | 5,799           | (35,858)                                    | (1,682)         |
| Monitoring and evaluation | 12,319                  | 577             | 5,050                               | 237             | 7,269                                   | 340             | 8,500   | 399             | (3,450)                           | (162)           | -                               | -               | -                                 | -               | -   | -               |
| Administration            | 65,190                  | 3,057           | 32,700                              | 1,533           | 32,490                                  | 1,524           | 32,096  | 1,505           | 604                               | 28              | 133,000                         | 6,237           | 4,123                             | 193             | 128,877                                     | 6,044           |
| Training                  | 35,772                  | 1,677           | 10,500                              | 492             | 25,272                                  | 1,185           | 7,450   | 349             | 3,050                             | 143             | -                               | -               | -                                 | -               | -   | -               |
| <b>Total</b>              | <b>630,000</b>          | <b>29,542</b>   | <b>297,937</b>                      | <b>13,971</b>   | <b>332,063</b>                          | <b>15,571</b>   | <b>297,888</b>                                | <b>13,969</b>   | <b>49</b>                         | <b>2</b>        | <b>312,980</b>                  | <b>14,677</b>   | <b>160,894</b>                    | <b>7,545</b>    | <b>152,086</b>                              | <b>7,132</b>    |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-55-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - FEDERATION OF LAND REFORM FARMERS  
 For the Period November 29, 1988 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 154,050            | 7,224           | 94,800              | 4,445           | 59,250                 | 2,779           | 126,400                  | 5,927           | (31,600)           | (1,482)         | 13,650             | 640             | 13,500             | 633             | 150                       |                 |
| Equipment and commodities | -                  | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 225,000            | 10,551          | 190,000            | 8,910           | 35,000                    | 1,64            |
| Administration            | 45,000             | 2,110           | 30,000              | 1,407           | 15,000                 | 703             | 36,743                   | 1,723           | (6,743)            | (316)           | -                  | -               | -                  | -               | -                         | -               |
| Monitoring and evaluation | 14,100             | 661             | 8,000               | 375             | 6,100                  | 286             | 11,193                   | 525             | (3,193)            | (149)           | 5,500              | 258             | 550                | 26              | 4,950                     | 23              |
| Training                  | 20,800             | 975             | 10,400              | 488             | 10,400                 | 487             | 4,737                    | 222             | 5,663              | 266             | 12,750             | 598             | 450                | 21              | 12,300                    | 57              |
| Loan Fund                 | 504,500            | 23,658          | 504,500             | 23,658          | -                      | -               | 462,500                  | 21,688          | 42,000             | 1,969           | -                  | -               | -                  | -               | -                         | -               |
| <b>Total</b>              | <b>738,450</b>     | <b>34,628</b>   | <b>647,700</b>      | <b>30,373</b>   | <b>90,750</b>          | <b>4,255</b>    | <b>641,573</b>           | <b>30,085</b>   | <b>6,127</b>       | <b>288</b>      | <b>256,900</b>     | <b>12,047</b>   | <b>204,500</b>     | <b>9,590</b>    | <b>52,400</b>             | <b>2.45</b>     |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-SS-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED  
 EXPENDITURE/LIQUIDATION REPORT - FOUNDATION FOR REGIONAL DEVELOPMENT, INC.  
 For the Period May 29, 1987 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 71,800             | 3,367           | 37,820              | 1,773           | 33,980                 | 1,594           | 35,900                   | 1,683           | 1,920              | 90              | 219,800            | 10,307          | 102,000            | 4,783           | 117,800                   | 5,524           |
| Equipment and commodities | -                  | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 90,000             | 4,220           | 46,104             | 2,162           | 43,896                    | 2,058           |
| Monitoring and evaluation | 1,750              | 82              | 1,000               | 47              | 750                    | 35              | 1,000                    | 47              | -                  | -               | 22,250             | 1,043           | 6,006              | 282             | 16,250                    | 761             |
| Administration            | 2,700              | 127             | 2,700               | 127             | -                      | -               | 2,700                    | 127             | -                  | -               | 60,900             | 2,856           | 29,100             | 1,364           | 31,800                    | 1,492           |
| Training                  | 12,000             | 563             | 12,000              | 563             | -                      | -               | 12,000                   | 563             | -                  | -               | -                  | -               | -                  | -               | -                         | -               |
| Loan fund                 | 411,750            | 19,308          | 386,250             | 18,112          | 25,500                 | 1,196           | 335,250                  | 15,721          | 51,000             | 2,391           | 60,000             | 2,814           | 15,000             | 703             | 45,000                    | 2,111           |
| <b>Total</b>              | <b>500,000</b>     | <b>23,447</b>   | <b>439,770</b>      | <b>20,622</b>   | <b>60,230</b>          | <b>2,825</b>    | <b>386,850</b>           | <b>18,141</b>   | <b>52,920</b>      | <b>2,481</b>    | <b>452,950</b>     | <b>21,240</b>   | <b>198,204</b>     | <b>9,294</b>    | <b>254,746</b>            | <b>11,946</b>   |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE  
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP 1)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - KALIPUNAN NG MGA SAMAHAN NG MAMAMAYAN  
For the Period April 29, 1988 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 136,000            | 6,378           | 136,000             | 6,378           | -                      | -               | 128,464                  | 6,024           | 7,536              | 354             | 82,000             | 3,845           | 69,333             | 3,251           | 12,667                    | 594             |
| Equipment and commodities | -                  | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 100,000            | 4,689           | -                  | -               | 100,000                   | 4,689           |
| Monitoring and evaluation | 16,000             | 750             | 16,000              | 750             | -                      | -               | 15,863                   | 744             | 137                | 6               | 9,000              | 422             | 9,000              | 422             | -                         | -               |
| Administration            | 13,000             | 610             | 13,000              | 610             | -                      | -               | 12,340                   | 579             | 660                | 31              | 5,000              | 234             | 7,500              | 352             | (2,500)                   | (118)           |
| Training                  | 15,000             | 703             | 15,000              | 703             | -                      | -               | 29,944                   | 1,404           | (14,944)           | (701)           | 82,500             | 3,869           | 91,368             | 4,285           | (8,868)                   | (416)           |
| Loan fund                 | 320,000            | 15,006          | 320,000             | 15,006          | -                      | -               | 356,000                  | 16,694          | (36,000)           | (1,688)         | 200,000            | 9,379           | 181,500            | 8,511           | 18,500                    | 868             |
| <b>Total</b>              | <b>500,000</b>     | <b>23,447</b>   | <b>500,000</b>      | <b>23,447</b>   | <b>-</b>               | <b>-</b>        | <b>542,611</b>           | <b>25,445</b>   | <b>(42,611)</b>    | <b>(1,998)</b>  | <b>478,500</b>     | <b>22,438</b>   | <b>358,701</b>     | <b>16,821</b>   | <b>119,799</b>            | <b>5,617</b>    |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-S6-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - LUSOK PROJECTS, INC.  
 For the Period August 29, 1987 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 212,750            | 9,977           | 212,750             | 9,977           | -                      | -               | 226,174                  | 10,606          | (13,424)           | (629)           | 184,591            | 8,656           | 253,847            | 11,904          | (69,256)                  | (3,248)         |
| Equipment and commodities | -                  | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 158,500            | 7,433           | 142,995            | 6,705           | 15,505                    | 728             |
| Monitoring and evaluation | 12,000             | 563             | 12,000              | 563             | -                      | -               | 4,357                    | 204             | 7,643              | 359             | -                  | -               | -                  | -               | -                         | -               |
| Administration            | 63,750             | 2,989           | 63,750              | 2,989           | -                      | -               | 78,176                   | 3,666           | (14,426)           | (677)           | 12,500             | 586             | 1,015              | 48              | 11,485                    | 538             |
| Training                  | 41,500             | 1,946           | 41,500              | 1,946           | -                      | -               | 46,230                   | 2,168           | (4,730)            | (222)           | -                  | -               | 36,731             | 1,722           | (36,731)                  | (1,722)         |
| Loan fund                 | 870,000            | 40,797          | 770,000             | 36,108          | 100,000                | 4,689           | 770,000                  | 36,108          | -                  | -               | -                  | -               | -                  | -               | -                         | -               |
| <b>Total</b>              | <b>1,200,000</b>   | <b>56,272</b>   | <b>1,100,000</b>    | <b>51,583</b>   | <b>100,000</b>         | <b>4,689</b>    | <b>1,124,937</b>         | <b>52,752</b>   | <b>(24,937)</b>    | <b>(1,169)</b>  | <b>355,591</b>     | <b>16,675</b>   | <b>434,588</b>     | <b>20,379</b>   | <b>(78,997)</b>           | <b>(3,704)</b>  |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-SS-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - MINDORO KABUHAYAN FOUNDATION, INC.  
 For the Period April 7, 1989 to February 28, 1990

|                           | G R A N T F U N D S |                 |                     |                 |                        |                 |                          |                 |                    |                 | C O U N T E R P A R T F U N D S |                 |                    |                 |                           |                 |
|---------------------------|---------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|---------------------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET              |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET                          |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso              | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel cost            | 244,400             | 11,461          | 225,600             | 10,579          | 18,800                 | 882             | 217,228                  | 10,187          | 8,372              | 392             | -                               | -               | -                  | -               | -                         | -               |
| Equipment and commodities | -                   | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 327,597                         | 15,362          | 327,597            | 15,362          | -                         | -               |
| Administration            | 28,800              | 1,351           | 26,400              | 1,238           | 2,400                  | 113             | 26,240                   | 1,230           | 160                | 8               | 24,000                          | 1,125           | 17,294             | 811             | 6,706                     | 314             |
| Monitoring and evaluation | 9,600               | 450             | 8,800               | 413             | 800                    | 37              | 6,760                    | 317             | 2,040              | 96              | 3,600                           | 169             | -                  | -               | 3,600                     | 161             |
| Training                  | -                   | -               | -                   | -               | -                      | -               | -                        | -               | -                  | -               | 16,000                          | 750             | 2,500              | 117             | 13,500                    | 633             |
| Loan fund                 | 720,000             | 33,763          | 720,000             | 33,763          | -                      | -               | 720,000                  | 33,763          | -                  | -               | -                               | -               | -                  | -               | -                         | -               |
| <b>Total</b>              | <b>1,002,800</b>    | <b>47,025</b>   | <b>980,800</b>      | <b>45,993</b>   | <b>22,000</b>          | <b>1,032</b>    | <b>970,228</b>           | <b>45,497</b>   | <b>10,572</b>      | <b>496</b>      | <b>371,197</b>                  | <b>17,406</b>   | <b>347,391</b>     | <b>16,290</b>   | <b>23,806</b>             | <b>1,116</b>    |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE  
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED  
EXPENDITURE/LIQUIDATION REPORT - MUNTINLUPA DEVELOPMENT FOUNDATION, INC.  
For the Period August 29, 1987 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 300,964            | 14,113          | 254,985             | 11,957          | 45,979                 | 2,156           | 300,964                  | 14,113          | (45,979)           | (2,156)         | 33,816             | 1,586           | 33,816             | 1,586           | -                         | -               |
| Equipment and commodities | 69,977             | 3,281           | 69,524              | 3,260           | 453                    | 21              | 69,977                   | 3,281           | (453)              | (21)            | 39,365             | 1,846           | 27,791             | 1,303           | 11,574                    | 543             |
| Monitoring and evaluation | 10,000             | 469             | 8,846               | 415             | 1,154                  | 54              | 10,000                   | 469             | (1,154)            | (54)            | 7,500              | 352             | 474                | 22              | 7,026                     | 330             |
| Administration            | 109,632            | 5,141           | 96,986              | 4,548           | 12,646                 | 593             | 109,632                  | 5,141           | (12,646)           | (593)           | 310,187            | 14,546          | 441,431            | 20,700          | (131,244)                 | (6,154)         |
| Training                  | 149,427            | 7,007           | 149,427             | 7,007           | -                      | -               | 149,427                  | 7,007           | -                  | -               | 84,900             | 3,981           | 24,525             | 1,150           | 60,375                    | 2,831           |
| Loan fund                 | 320,000            | 15,006          | 315,000             | 14,772          | 5,000                  | 234             | 320,000                  | 15,006          | (5,000)            | (234)           | 100,000            | 4,689           | 124,744            | 5,850           | (24,744)                  | (1,161)         |
| <b>Total</b>              | <b>960,000</b>     | <b>45,017</b>   | <b>894,768</b>      | <b>41,959</b>   | <b>65,232</b>          | <b>3,058</b>    | <b>960,000</b>           | <b>45,017</b>   | <b>(65,232)</b>    | <b>(3,058)</b>  | <b>575,768</b>     | <b>27,000</b>   | <b>652,781</b>     | <b>30,611</b>   | <b>(77,013)</b>           | <b>(3,611)</b>  |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-SS-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED  
 EXPENDITURE/LIQUIDATION REPORT - VALDERRAMA MEMORIAL FOUNDATION, INC.  
 For the Period May 16, 1988 to February 28, 1990

|                           | GRANT FUNDS        |                 |                     |                 |                        |                 |                          |                 |                    |                 | COUNTERPART FUNDS  |                 |                    |                 |                           |                 |
|---------------------------|--------------------|-----------------|---------------------|-----------------|------------------------|-----------------|--------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|---------------------------|-----------------|
|                           | BUDGET             |                 | CUMULATIVE ADVANCES |                 | AMOUNT STILL OBLIGATED |                 | CUMULATIVE DISBURSEMENTS |                 | UNEXPENDED BALANCE |                 | BUDGET             |                 | AMOUNT CONTRIBUTED |                 | BALANCE TO BE CONTRIBUTED |                 |
|                           | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso  | U. S.<br>Dollar | Philippine<br>Peso     | U. S.<br>Dollar | Philippine<br>Peso       | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso | U. S.<br>Dollar | Philippine<br>Peso        | U. S.<br>Dollar |
| Personnel                 | 164,680            | 7,722           | 164,680             | 7,722           | -                      | -               | 164,788                  | 7,728           | (108)              | (6)             | 39,000             | 1,829           | 45,000             | 2,110           | (6,000)                   | (281)           |
| Equipment and commodities | 49,000             | 2,298           | 49,000              | 2,298           | -                      | -               | 48,193                   | 2,260           | 807                | 38              | 12,000             | 563             | 14,160             | 664             | (2,160)                   | (101)           |
| Monitoring and evaluation | 19,000             | 891             | 19,000              | 891             | -                      | -               | 18,950                   | 889             | 50                 | 2               | 12,000             | 563             | 11,200             | 525             | 800                       | 38              |
| Administration            | 28,172             | 1,321           | 28,172              | 1,321           | -                      | -               | 28,117                   | 1,318           | 55                 | 3               | 43,368             | 2,033           | 64,550             | 3,027           | (21,182)                  | (994)           |
| Training                  | 638,780            | 29,955          | 638,780             | 29,955          | -                      | -               | 639,930                  | 30,008          | (1,150)            | (53)            | 170,280            | 7,985           | 213,306            | 10,003          | (43,026)                  | (2,018)         |
| Loan fund                 | 150,368            | 7,051           | 150,368             | 7,051           | -                      | -               | 79,015                   | 3,705           | 71,353             | 3,346           | 251,500            | 11,794          | 55,800             | 2,617           | 195,700                   | 9,177           |
| <b>Total</b>              | <b>1,050,000</b>   | <b>49,238</b>   | <b>1,050,000</b>    | <b>49,238</b>   | <b>-</b>               | <b>-</b>        | <b>978,993</b>           | <b>45,908</b>   | <b>71,007</b>      | <b>3,330</b>    | <b>528,148</b>     | <b>24,767</b>   | <b>404,016</b>     | <b>18,946</b>   | <b>124,132</b>            | <b>5,821</b>    |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
 GRANT NO. AID 492-0367-G-SS-7032-00  
 FOR THE  
 DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
 ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

LIST OF EXPENDITURES QUESTIONED BY THE AUDITORS  
 For the Period May 29, 1987 to February 28, 1990  
 (In Philippine Pesos)

ACTIONS TO BE TAKEN

| GRANTEE/SUBGRANTEE   | TOTAL AMOUNT | FOR REFUND<br>TO USAID | FOR RESOLUTION<br>BY USAID | FOR ADDITIONAL<br>DOCUMENTATION | REMARKS  |
|--|--------------|------------------------|----------------------------|---------------------------------|--|
| FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. |              |                        |                            |                                 |  |
| PERSONNEL  | 14,844       | 14,844                 | -                          | -                               | Excess of actual monthly salary rates claimed over the budgeted monthly salary rates of project manager, project coordinator, accountant and secretary/bookkeeper. Only 5% increase per annum is allowed under the Grant Agreement.  |
| MONITORING AND EVALUATION                                  | 35,589       | 30,938                 | -                          | 4,651                           | <p>P12,922 Meal expenses incurred in Metro-Manila of Excom, SGV auditors, etc.</p> <p>6,372 Repairs and maintenance of cars</p> <p>6,274 Transportation expenses not related to monitoring and evaluation activities</p> <p>5,370 Expenses of MPG and GSE<br/>re: trip to Cebu for NGO Regional Consultation</p> <p>4,651 Unsupported expenditure</p> <p>These expenses are not allowable because they do not qualify as monitoring and evaluation expenses as defined in the Grant Agreement.</p> |
| ADMINISTRATION   | 19,857       | 19,857                 | -                          | -                               | <p>P 4,060 gasoline, car repair, meals, grocery items and unidentified expenses claimed as office supplies when they do not classify as such.</p> <p>3,620 office rental over allocated to the grant funds. Amount claimed for reimbursement was based on budget rather than actual expenditure.</p> <p>12,177 Personal long distance calls of FEED officers and employees, telephone bills charged twice, etc.</p>  |

| GRANTEE/SUBGRANTEE                                | TOTAL AMOUNT | ACTIONS TO BE TAKEN |                         |                              | REMARKS  |
|---|--------------|---------------------|-------------------------|------------------------------|--|
|   |              | FOR REFUND TO USAID | FOR RESOLUTION BY USAID | FOR ADDITIONAL DOCUMENTATION |  |
| TECHNICAL ASSISTANCE FUND                         | 470,119      | 3,452               | 466,667                 | -                            | The amount for refund to USAID represents travel expenses not related to DAP I. The amount to be resolved by USAID represents professional fees paid to Urban Integrated Consultants, Inc. for NGO's not funded by this Grant. |
| TOTAL   | 540,409      | 69,091              | 466,667                 | 4,651                        |  |
| CHURCH OF THE HOLY TRINITY COMMUNITY CLINIC, INC. |              |                     |                         |                              |  |
| PERSONNEL   | 239,967      | -                   | 239,967                 | -                            | The amount to be refunded to USAID represents payment for audit services by an independent CPA of P5,000 which is not a monitoring and evaluation cost.  |
| EQUIPMENT & COMMODITIES                           | 9,720        | -                   | 9,720                   | -                            |  |
| MONITORING & EVALUATION                           | 5,050        | 5,000               | 50                      | -                            | All the expenditures of CHT has to be resolved by USAID because they do not qualify as to geographical location and project purpose.   |
| ADMINISTRATION                                    | 32,700       | -                   | 32,700                  | -                            |  |
| TRAINING  | 10,500       | -                   | 10,500                  | -                            |  |
| TOTAL   | 297,937      | 5,000               | 292,937                 | -                            |  |
| FEDERATION OF LAND REFORM FARMERS                 |              |                     |                         |                              |  |
| MONITORING AND EVALUATION                         | 1,020        | 1,020               | -                       | -                            | The amount to be refunded to USAID represents cost of camera which do not qualify as monitoring and evaluation cost.   |
| TOTAL   | 1,020        | 1,020               | -                       | -                            |  |

| GRANTEE/SUBGRANTEE   | TOTAL AMOUNT   | ACTIONS TO BE TAKEN |                         |                              | REMARKS   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|--|----------------|---------------------|-------------------------|------------------------------|---|--|--------|--------------------------------------|--------|-----------|--------|----------|--------|----------------|--------|--|-------|--|---------|---------------------|---------|--|-------|--|--------|--|-------|
|  |                | FOR REFUND TO USAID | FOR RESOLUTION BY USAID | FOR ADDITIONAL DOCUMENTATION |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| <b>FOUNDATION FOR REGIONAL DEVELOPMENT, INC</b>                |                |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| PERSONNEL  | 10,940         | 10,940              | -                       | -                            | This represents amount reimbursed in excess of actual expenditure.  |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| ADMINISTRATION   | 540            | 540                 | -                       | -                            | This represents amount reimbursed in excess of actual expenditure.  |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| LOAN FUND  | 335,250        | 15,073              | 320,177                 | -                            | The amount to be refunded represents loan fund not given to beneficiaries which is computed as follows:<br><br><table border="0" style="margin-left: 40px;"> <tr><td>Batch I</td><td>66.750</td></tr> <tr><td>Batch II</td><td>66.750</td></tr> <tr><td>Batch III</td><td>66.750</td></tr> <tr><td>Batch IV</td><td>88.075</td></tr> <tr><td>Emergency loan</td><td>31.852</td></tr> <tr><td></td><td>-----</td></tr> <tr><td></td><td>320.177</td></tr> <tr><td>Amount of Loan Fund</td><td>335.250</td></tr> <tr><td></td><td>-----</td></tr> <tr><td></td><td>15.073</td></tr> <tr><td></td><td>-----</td></tr> </table> | Batch I  | 66.750 | Batch II                             | 66.750 | Batch III | 66.750 | Batch IV | 88.075 | Emergency loan | 31.852 |  | ----- |  | 320.177 | Amount of Loan Fund | 335.250 |  | ----- |  | 15.073 |  | ----- |
| Batch I  | 66.750         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| Batch II   | 66.750         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| Batch III  | 66.750         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| Batch IV   | 88.075         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| Emergency loan   | 31.852         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | -----          |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | 320.177        |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| Amount of Loan Fund  | 335.250        |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | -----          |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | 15.073         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | -----          |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| OTHERS   | 91,813         | 54,160              | 37,653                  | -                            | The amount to be refunded represents the following:<br><br><table border="0" style="margin-left: 40px;"> <tr><td>Advances by subgrantee from grant funds which was not expended</td><td>52,920</td></tr> <tr><td>Interest income from savings deposit</td><td>1,240</td></tr> <tr><td></td><td>-----</td></tr> <tr><td></td><td>54,160</td></tr> <tr><td></td><td>-----</td></tr> </table>  | Advances by subgrantee from grant funds which was not expended | 52,920 | Interest income from savings deposit | 1,240  |           | -----  |          | 54,160 |                | -----  |  |       |  |         |                     |         |  |       |  |        |  |       |
| Advances by subgrantee from grant funds which was not expended | 52,920         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| Interest income from savings deposit                           | 1,240          |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | -----          |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | 54,160         |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
|  | -----          |                     |                         |                              |   |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |
| <b>TOTAL</b>   | <b>438,543</b> | <b>80,713</b>       | <b>357,830</b>          | <b>-</b>                     | The amount to be resolved by USAID represents collection from loans granted to beneficiaries. Since the project was pre-terminated USAID has to decide on what to do with these reflows.  |  |        |                                      |        |           |        |          |        |                |        |  |       |  |         |                     |         |  |       |  |        |  |       |

ACTIONS TO BE TAKEN

| GRANTEE/SUBGRANTEE                                    | TOTAL AMOUNT   | ACTIONS TO BE TAKEN |                         |                              | REMARKS   |
|---|----------------|---------------------|-------------------------|------------------------------|---|
|   |                | FOR REFUND TO USAID | FOR RESOLUTION BY USAID | FOR ADDITIONAL DOCUMENTATION |   |
| <b>KALIPUNAN NG MGA SARAHAN NG MAMAMAYAN (KASAMA)</b> |                |                     |                         |                              |   |
| ADMINISTRATION  | 2,774          | -                   | -                       | 2,774                        | Except for the check voucher, these expenditures were not supported by receipts or invoices.            |
| MONITORING AND EVALUATION                             | 13,081         | -                   | -                       | 13,081                       |   |
| TRAINING  | 26,451         | -                   | -                       | 26,451                       |   |
| <b>TOTAL</b>  | <b>42,306</b>  | <b>-</b>            | <b>-</b>                | <b>42,306</b>                |   |
| <b>MUNTINLUPA DEVELOPMENT FOUNDATION, INC.</b>        |                |                     |                         |                              |   |
| PERSONNEL   | 254,985        | -                   | 254,985                 | -                            | These expenditures has to be resolved by USAID because they do not qualify as to geographical location. |
| EQUIPMENT AND COMMODITIES                             | 69,524         | -                   | 69,524                  | -                            |   |
| MONITORING AND EVALUATION                             | 8,846          | -                   | 8,846                   | -                            |   |
| ADMINISTRATION  | 96,986         | -                   | 96,986                  | -                            |   |
| TRAINING  | 149,427        | -                   | 149,427                 | -                            |   |
| LOAN FUND   | 315,000        | -                   | 315,000                 | -                            |   |
| <b>TOTAL</b>  | <b>894,768</b> | <b>-</b>            | <b>894,768</b>          | <b>-</b>                     |   |

| GRANTER/SUBGRANTEE                          | TOTAL AMOUNT     | ACTIONS TO BE TAKEN |                         |                              | REMARKS  |
|---|------------------|---------------------|-------------------------|------------------------------|--|
|   |                  | FOR REFUND TO USAID | FOR RESOLUTION BY USAID | FOR ADDITIONAL DOCUMENTATION |  |
| <b>VALDEKRAMA MEMORIAL FOUNDATION, INC.</b> |                  |                     |                         |                              |  |
| PERSONNEL                                   | 164,680          | 13,852              | 150,828                 | -                            | Amount to be refunded to USAID represents employees benefits which are not reimbursible under the Grant/Subgrant Agreements.   |
| EQUIPMENT AND COMMODITIES                   | 49,000           | 7,226               | 41,774                  | -                            | Amount to be refunded to USAID represents cost of IBM computer supplies. The subgrantee does not have any computer to be utilized as evidenced in the budget attached to the Subgrant Agreement.   |
| MONITORING AND EVALUATION                   | 19,000           | 12,342              | 6,658                   | -                            | Amount to be refunded to USAID represents snacks and meals during evaluation amounting to P3,379 which should be counterpart contribution and refund made to FEED not remitted to VNFII amounting to P1,110 and transportation expense in going to the training center in Antipolo of P7,853. Monitoring should be done in project site which is Snokey Mountain and not Antipolo. |
| ADMINISTRATION                              | 28,172           | 5,279               | 22,893                  | -                            | Amount to be refunded to USAID represents office rental over allocated to the grant of P4,825 and light and water of Assumption Training Center in Antipolo of P454.   |
| TRAINING                                    | 638,780          | 305,600             | 333,180                 | -                            | Amount to be refunded to USAID represents professional fees of FEED at P4,000 per training participant. This billing statement presented by FEED to VNFII has no basis. VNFII has already claimed expenses related to this training amounting to P313,500.   |
| LOAN FUND                                   | 150,368          | -                   | 150,368                 | -                            |  |
| <b>SUBTOTAL</b>                             | <b>1,050,000</b> | <b>344,299</b>      | <b>705,701</b>          | <b>-</b>                     | <b>These expenditures has to be resolved by USAID because the subgrantee did not qualify as to geographical location.</b>  |
| <b>TOTAL</b>                                | <b>3,264,983</b> | <b>500,123</b>      | <b>2,717,903</b>        | <b>46,957</b>                |  |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00  
FOR THE  
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

SCHEDULE OF COUNTERPART CONTRIBUTIONS QUESTIONED BY THE AUDITORS  
For the Period May 29, 1987 to February 28, 1990

|  | Philippine Peso                          |                |  |   |  | U. S.<br>Dollar |
|--|--|----------------|--|---|--|-----------------|
|  | Reported<br>Counterpart<br>Contributions | Adjustment     | Adjusted<br>Counterpart<br>Contributions | Minimum<br>Counterpart<br>Contributions | Counterpart<br>Contributions<br>Still Required |                 |
| I. FOUNDATION FOR EDUCATIONAL<br>EVOLUTION AND DEVELOPMENT, INC. | 415,461                                  | 203,135        | 212,326                                  | 395,956                                 | 183,630  | 8,611           |
| II. VALDERRAMA MEMORIAL FOUNDATION,<br>INC.                      | 404,016                                  | 294,466        | 109,550                                  | 326,331                                 | 216,781  | 10,166          |
|  | 819,477                                  | 497,601        | 321,876                                  | 722,287                                 | 400,411  | 18,777          |
| III. HINDORO KABUHAYAN FOUNDATION,<br>INC.                       | 347,391                                  | 266,931        | 80,460                                   | 303,294                                 | 222,834  | 10,449          |
| IV. FEDERATION OF LAND REFORM<br>FARMERS                         | 204,500                                  | 68,000         | 136,500                                  | 213,858                                 | 77,358   | 3,628           |
|  | 551,891                                  | 334,931        | 216,960                                  | 517,152                                 | 300,192  | 14,077          |
| <b>TOTAL</b>   | <b>1,371,368</b>                         | <b>832,532</b> | <b>538,836</b>                           | <b>1,239,439</b>                        | <b>700,603</b>                                 | <b>32,854</b>   |

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
GRANT NO. AID 492-0367-G-SS-7032-00

FOR THE

DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP I)  
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC.

LIST OF NON-GOVERNMENT ORGANIZATIONS (NGOs)  
SELECTED TO UNDERTAKE DAP I

| SubGrantee   | Title<br>of Subproject                                       | Amount of Grant    |             | Period Covered                |
|--|--|--------------------|-------------|-------------------------------|
|  |  | Philippine<br>Peso | U.S. Dollar |                               |
| 1. Church of the Holy Trinity<br>Community Clinic, Inc.<br>Malibay, Makati<br>Metro-Manila | Primary Health<br>Care Project                               | 630,000            | 29,542      | March 6, 1989 - May 29, 1990  |
| 2. Federation of Land Reform<br>Farmers<br>Boso-Boso, Antipolo                             | Peanut Pilot<br>Project                                      | 738,450            | 34,628      | Nov. 29, 1988 - May 29, 1990  |
| 3. Foundation for Regional<br>Development, Inc.<br>Quezon City                             | Los Banos<br>Communities<br>Duck Raising<br>Project          | 500,000            | 23,447      | Apr. 29, 1988 - Apr. 29, 1990 |
| 4. Kalipunan ng mga Samahan<br>ng Mamamayan<br>Sta. Cruz, Laguna                           | Landless Rural<br>Workers<br>Development<br>Program          | 500,000            | 23,447      | Apr. 29, 1988 - Apr. 29, 1990 |
| 5. Lusok Projects, Inc.<br>Bongabong, Nueva Ecija  | Lusok Agri-<br>cultural Credit<br>Development<br>Program     | 1,200,000          | 56,272      | Aug. 29, 1987 - June 29, 1990 |
| 6. Mindoro Kabuhayan<br>Foundation, Inc.<br>Calapan, Oriental<br>Mindoro                   | Agricultural<br>Development<br>and Producti-<br>vity Program | 1,002,800          | 47,025      | Apr. 7, 1988 - Apr. 7, 1990   |

|  |   |                             |                           |                               |
|--|---|-----------------------------|---------------------------|-------------------------------|
| 7. Muntinlupa Development<br>Foundation, Inc.<br>Alabang, Metro-Manila | Community<br>Organization<br>and Livelihood<br>Project        | 960,000                     | 45,017                    | Aug. 29, 1987 - Feb. 28, 1990 |
| 8. Valderrama Memorial<br>Foundation, Inc.<br>Tondo, Manila            | Smokey Mountain<br>Residents Self-<br>Realization<br>Projects | 1,050,000                   | 49,238                    | May 16, 1988 - Aug. 15, 1990  |
|  |   | -----<br>6,581,250<br>----- | -----<br>308,616<br>----- |                               |

APPENDIX 1

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