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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
ROCAP

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REGIONAL OFFICE FOR CENTRAL AMERICAN PROGRAMS

June 14, 1990

Copy sent to ADO,
Cont. & PRM on
7/24/90
[Signature]

PAN AMERICAN SCHOOL OF AGRICULTURE
P.O. Box 93
Tegucigalpa, Honduras

SUBJECT: Grant No. 596-0150-G-00-0540-00

Gentlemen,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development, acting through the Regional Office for Central American Programs (hereinafter known as AID or ROCAP), hereby grants to the Pan American School of Agriculture (hereinafter known as Grantee or ZAMORANO) the sum of One Hundred and Eighty Thousand US dollars (\$180,000.00) to strengthen its effectiveness and long-term sustainability through the development of a managerial and financial system appropriate to its work in research, teaching and outreach, as more fully described in Attachment No. 1 entitled Schedule and Attachment No. 2 entitled Program Description.

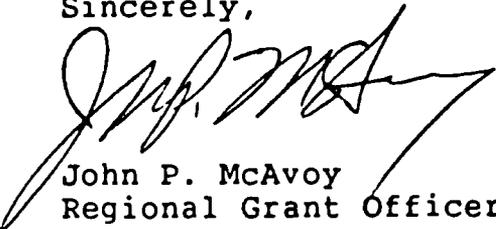
This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the grantee in furtherance of program objectives during the period beginning with the date of this letter and ending two years thereafter. This Grant is made to the Pan American School of Agriculture on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment No. 1 entitled the Schedule, Attachment No. 2 entitled Program Description and Attachment No. 3 entitled Standard Provisions for Non-US Nongovernmental Grantees which have been agreed to by your organization.

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Page 2
Pan American School of Agriculture
Grant No. 596-0150-G-00-0540-00

Please sign the original and five (5) copies of the letter to acknowledge your receipt of this Grant and return the original and four (4) copies to the ROCAP/Guatemala, Attention Regional Contracting Office.

Sincerely,



John P. McAvoy
Regional Grant Officer

ACKNOWLEDGED:

By: Arman E. Mena

Title: Director

Date: July 18, 1990.

ATTACHMENTS:

1. Schedule
2. Program Description
3. Standard Provisions, Non-US, Nongovernmental Grantees

FISCAL DATA

Appropriation No.:	72-1101021
Budget Plan Code:	LDNA-90-25596-KG13
PIO/T No.:	596-0150-3-00083
Total Estimated Amount:	\$180,000.00
Total Obligated Amount:	\$180,000.00

SCHEDULE

A. Purpose of the Grant

The purpose of this Grant is to strengthen the Pan American School of Agriculture's effectiveness and long-term sustainability through the development of a managerial and financial system appropriate to its work in research, teaching and outreach.

B. Period of the Grant

The effective date of this Grant is the date of the Grant cover letter. The expiration date is two years thereafter.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in paragraph B above is \$180,000.00.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Optional Standard Provision No. 1 entitled Payment - Periodic Advance.

D. Financial Plan

The Financial Plan for this Grant is shown as Exhibit A to Attachment No. 1. Revisions to the plan shall be made in accordance with Standard Provision of this Grant entitled Revision of Grant Budget. The Financial Plan is illustrative in nature and the grantee may adjust individual cost lines as necessary in order to perform the program described herein. However, the Grantee shall not exceed the total amount obligated.

E. Special Provisions

1. The Grant Officer's Technical Representative (GOTR) for the performance of this Grant is Mr. Ronald V. Curtis, Regional Agricultural Development Officer, ROCAP or his designee. The GOTR shall be named in writing and the Grantee will be notified in writing should the GOTR changed. The GOTR shall have the following duties:

- a. Certification of work performed on all vouchers submitted;
- b. Necessary clarifications of, or minor, non-cost-related technical submissions required under the Program Description;
- c. Approval of all reports, plans, timetables or other such technical submissions required under the Program Description;
- d. Approval of all short and long term personnel charged to this Grant provided that their salary does not exceed their current salary or the salary of an AID employee at the FS-1 grade, whichever, is less; and
- e. Approval of travel and procurement commodities.

2. Salaries or compensation of short and long-term Specialists require prior written approval by the Regional Grant Officer.

G. Authorized Geographic Code

The Authorized Geographic code for Procurement of Goods and Services shall be in accordance with Optional Standard Provision No. 6 of the Standard Provisions.

ESCUELA AGRICOLA PANAMERICANA/EL ZAMORANO
 PANAMERICAN AGRICULTURAL SCHOOL

THE IMPLEMENTATION PHASE OF THE PROJECT
 OF STRENGTHENING AND MODERNIZING OF THE ADMINISTRATIVE
 STRUCTURE OF THE SCHOOL

ILLUSTRATIVE BUDGET

EAP IMPLEMENTATION TEAM:

	<u>EAP</u>	<u>AID</u>	<u>TOTAL</u>
TEMPORARY CONSULTANTS:	140,000		320,000
Team Leader		40,000	
ADP Advisor		40,000	
Accounting Leader		26,000	
Programmers and Other		74,000	
 OTHER COSTS:			
Fees for External Advisor	25,000		
Vehicles	15,000		
Furniture and equipment	<u>20,000</u>		
TOTAL	200,000	160,000	380,000 =====

(4287a)

PROJECT DESCRIPTION

Management Assistance to Panamerican Agricultural School

A. BACKGROUND:

EAP has continued to operate with the same administrative and accounting system established by Dr. Wilson Popenoe fifty years ago. This basic bookkeeping system functions satisfactorily and has been adequate to the task of providing for financial stability and integrity. It is not, however, adequate to the task of dealing with the extraordinary growth the school has experienced. EAP has been growing at an accelerating rate over the last few years, and administrative and accounting practices have not kept pace.

The most effective way to begin to deal with this problem is to create an administrative system and controls that can cause funds to be applied correctly and efficiently under the guidance of a Board of Trustees and Management which will, at last, be provided with the required information to assist them in making right decisions.

The Board of Trustees agreed to proceed with the appropriate studies with the intent of implementing an effective system as soon as reasonably possible.

It was decided that this Board project should include:

I. Evaluation of the organization, administrative structure together with accounting and information systems.

II. Conceptual and functional design of:

1. The organization of the administrative part of the School.
2. Administrative procedures for all operational cycles of the school.
3. Accounting systems and information including financial accounting, cost system, and budgets.

III. Implementation of the above.

A private Consultant and Peat Marwick were retained to initiate this project. Phases I and II of the study have been completed and paid for by the School. They are now ready for Phase III, which is implementation of the new system.

It will take two years to complete this implementation process at an estimated cost of US\$380,000, not including travel, room and board of personnel and the cost of several personnel already members of the school's staff, who will work exclusively on this program. Reproduction of manuals, multiple forms and other material will also be required. The greater part of this implementation must be accomplished during the first year.

With assistance from AID for a portion of the costs of the program, the School will proceed with the balance of the undertaking with money acquired from other sources.

B. PROJECT PURPOSE:

The purpose of the technical cooperation effort is to strengthen EAP's effectiveness and long-term sustainability through the development of a managerial and financial system appropriate to its work in research, teaching and outreach.

ZAMORANO has initiated, and funded, the initial steps; ROCAP Assistance will partially fund the implementation plan.

C. SCOPE OF WORK:

Summary of Plan and Methodology for the Implementation Phase:

1. COMPUTATIONAL DESIGN AND DEVELOPMENT: The systems and procedures which have been developed and which include administrative procedures, accounting system, cost system, and budget and budgetary control are to be computerized. Therefore, the plan and methodology for the computational design and development can be summarized as follows:

- (i) COMPUTATION DESIGN: Conversion of conceptual and functional design which has been already developed, into detailed data processing systems specifications.
- (ii) COMPUTATIONAL DEVELOPMENT: Programming, Testing all levels, Documenting, Training in using computerized systems and procedures.

2. Extensive training in the working of the new administrative organization, and its systems and procedures.

3. Evaluation of the existing personnel, and the needs for the new personnel, within the new organizational structure.
4. Establishment of the new salary structure within EAP, including salary and all fringe benefits.
5. Implementation of the New Administrative Structure:
 - (i) Organization
 - (ii) Administrative procedures
 - (iii) Accounting systems and information
6. Post-Implementation reviews and results.

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