

PDFBPL-59

CONTRACT/AGREEMENT DATA SHEET	B 21119	1. M/SER/AAM/A/SUP Action Monitor DRV	2. Date PIO/T Received in M/SER/AAM/A/SUP 07 / 11 / 88
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COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

1. Contract/Agreement/Number RDC 94-01-00-6182-00 DDC-0209-G-SS-6182-00	
4. Contractor/Recipient Name Land O'Lakes, Inc	5. Contractor Acronym (LOL)
6. Project Title Cooperative to Cooperative Cost Sharing Grant	7. Project Number 938-0192
8. Project Officer's Name E. Bisek	9. Bureau or USAID Symbol FVA/PVC

10. PIO/T Number 8381325	21. Budget Plan Code EDNA-88-13810-KG11 APP. 72-1181021.3 ALL. 843-38-099-00-76-81
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11. TYPE OF ACTION A. New Acquisition/Assistance B. Amendment/Modification <input checked="" type="checkbox"/> B5 1. New/Revised Scope 2. Funded Extension 3. No Cost Extension 4. Transfer of action from AID/W to Mission/Mission to AID/W 5. Incremental Funding 6. Overhead Rate Adjustment 7. Contract Closeout 8. Other C.FPR or FAR HB13	22. Country or Region of Performance Worldwide 23. A. This Action Increases or Decreases TEC by \$ 150,000 B. Total Estimated Cost of Contractual Document \$ 600,000 24. Amount of Non-Federal Funds Pledged to the Project - 0 -
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12. Amount of this PIO/T Ob1. U.S. \$ 150,000	25. Effective Date of this Action 8,30,88
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13. Amount <input checked="" type="checkbox"/> Obligated <input type="checkbox"/> Subobligated <input type="checkbox"/> Deobligated by this Contract or Amendment U.S. \$ 150,000	26. Estimated Completion/Expiration Date 12,31,90
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14. Cumulative Obligation (Life of Contract) U.S. \$ 600,000	27. Contractor DUNS Number 06 625 3835
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15. This Action Funded Through 12,31,88	28. Consultant Type Award <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
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16. Date Contractual Documents Signed by AID Official 8,30,88	29. Number of Person Months (PASA/RSSA only) N/A
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17. Incrementally Funded Contracts <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	30. Number of Persons (PASA/RSSA only) N/A
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18. Host Country/Counterpart Institution (University Contracts) N/A	31. CONTRACT TYPE A. Fixed Price (specify: <input type="checkbox"/> FPRD <input type="checkbox"/> FPEPA <input type="checkbox"/> FPPA <input type="checkbox"/> FPPB) <input checked="" type="checkbox"/> D B. Cost Reimbursement (specify: <input type="checkbox"/> CR <input type="checkbox"/> CRCP <input type="checkbox"/> CS <input type="checkbox"/> CPAF <input type="checkbox"/> CPTF)
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19. Campus Coordinator (University Contracts) N/A	C. IQC and Requirements Contracts D. Grant/CA/PASA/RSSA E. Contracts with Individuals
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20. ADVANCE A. No Advance B. Advance Non-FRLC C. Advance FRLC <input checked="" type="checkbox"/> A	32. Negotiator's Typed Name C R Dudge
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35. Contract/Grant Officer's Organization Symbol W/MS	33. Negotiator's Signature [Signature]	34. Date Signed 8,30,88
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36. Contract/Grant Officer's Signature [Signature]	37. Date Signed 8,31,88
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ENTERED
 SEP 1 1988
 COORS Section

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

August 30, 1988

Mr. Douglas Petty
Land O'Lakes, Inc.
P.O. Box 116
Minneapolis, MN 55440

SUBJECT: Grant No. PDC-0209-G-SS-6182-00, Amendment NO. 2

Dear Mr. Petty:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the agency for International Development (hereinafter referred to as "A.I.D." or "Grantor" hereby amends the subject Grant as follows: (1) to extend the life of the project from December 31, 1988 to December 31, 1990, and (2) to provide the final increment of funding in the amount of \$150,000 for a total of \$600,000.

The specific changes are as follows:

A. Cover Page

1. Paragraph 2: Delete the date "December 31, 1988" and "substitute "December 31, 1990" in lieu thereof:
2. Under Paragraph 3 make the following changes:
 - a. Delete the first and second sentences in their entirety and substitute the following in lieu thereof:

"The total amount of the Grant is \$947,850, representing AID/W contribution of \$600,000 and AID Mission contribution of \$347,850. \$600,000 of this total estimated amount is hereby obligated."
 - b. In the last sentence delete "March 31, 1988" and substitute "December 31, 1990" in lieu thereof.

Schedule

1. Section B. Period of Grant

Delete paragraph B.1 in its entirety and substitute the following in lieu thereof:

"Funds obligated hereunder are available for program expenditures for the estimated period January 1, 1986 to December 31, 1990, as shown in the budget below."

2. Section C. Amount of Grant and Payment

a. Delete paragraph C.2 in its entirety and substitute the following in lieu thereof:

"A.I.D. hereby obligates the amount of \$600,000 for program expenditures during the period set forth in B.2. above and as shown in the Budget below."

b. In paragraph C.3., delete "\$510,000" and substitute "\$347,850" in lieu thereof.

Section D. Budget

Delete the existing budget table in its entirety and substitute the following:

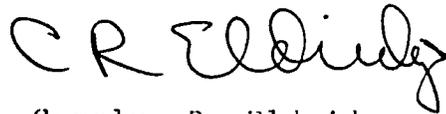
"Budget
1/1/86 - 12/31/90

<u>Cost Elements</u>	<u>Core Funds</u>		<u>Mission Funds</u>		<u>Total</u>
	<u>AID/W Share</u>	<u>LOL Share</u>	<u>AID Share</u>	<u>LOL Share</u>	
LOL Program	\$ -	\$205,000	\$ 78,962	\$ 23,188	\$ 307,150
IDU Program	223,262	155,739	166,427	48,873	594,301
IDU Training	175,000	-	12,832	3,768	191,600
Indirect Costs	<u>201,738</u>	<u>239,261</u>	<u>89,629</u>	<u>26,321</u>	<u>556,950</u>
TOTALS	\$600,000	\$600,000	\$347,850	\$102,150	\$1,650,000
<u>AID GRANT</u>	\$947,850				
<u>LOL SHARE</u>	\$702,150"				

Except as expressly amended herein, all other terms and conditions remain unchanged.

Please acknowledge your receipt of this amendment by having an authorized official sign all copies of this amendment, keep one copy, and return the original and the remaining copies to this office.

Sincerely,



Carolyn R. Eldridge
Grant Officer
Management Services Branch
Office of Procurement

ACCEPTD BY:

Land O'Lakes, Inc.



Signature

H. Lee Schatz
Typed Name
Director, International
Development Operations
Title

September 19, 1988
Date

FUNDS AVAILABLE
Gloria Craig
AUG 31 1988
o/c 4190
Program Acctg. Div. Division
Office of Financial Management

FISCAL DATA:

PIO/T No.:	8381325
Appropriation No.:	72-1181021.3
Allotment No.:	843-38-099-00-76-81
Budget Plan Code:	EDNA88 13810 KG11
This Obligation:	\$150,000
Total Obligation:	\$600,000
Technical Office:	FVA/PVC
DUNS No.:	006253835
DOC. NO.	6214

AID 1350-1 (10..9)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country Centrally Funded	Page 1 of 1 Pages
		2. PIO/T No. 8381325	3. <input type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No and Title 938-0192 (formerly 940-0209) Land O'Lakes (LOL) Cooperative-to-Cooperative Cost Sharing Grant	

DISTRIBUTION	5. Appropriation Symbol 72-1181021.3	6. Allotment Symbol and Charge EDNA88 13810 KG-11 843-38-099-00-76-8
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) 12/31/88
	9. Authorized Agent SER/OP/W/MS	10. This PIO/T is in full conformance with PRO/AG Date _____

11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other	11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment) PDC-3400-A-00-6182-00
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12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)

Maximum AID Financing	A Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					150,000
	B. U.S. Owned Local Currency				

13. Mission References

14a. Instructions to Authorized Agent
SER/OP/W/MS is requested to amend Grant No. PDC-3400-A-00-6182-00 with LOL to increase funding by \$150,000 and extend the period of the grant by two years, to December 31, 1990. This additional funding represents the final increment of central funding for this grant, bringing the life-of-project total to \$600,000. The Grantee's request for the extension and funding is attached and includes: a pipeline analysis; proposed revision of the budget for Mission funding to reflect LOL's offer to match Mission funds at 1:3 rather than 1:4 as provided in the Grant; and LOL's indirect cost update. Also attached is a copy of the Action Memorandum authorizing the extension.

14b. Address of Voucher Paying Office

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate FVA/PVC, Paul Bisek <i>Paul Bisek</i>	Phone No. 5-4713 Date 6/14/88	B. The statement of work lies within the purview of the initiating and approved agency programs FVA/PVC, Karen Poe <i>K. Poe</i>	Date 6/14/88
C. FVA/PVC, Leora Watlington <i>LW</i>	Date 6/14/88	D. Funds for the services requested are available	
E. FVA/PPM, Kathy Kosar <i>KK</i>	Date 6/17/88		

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature _____ Date _____	Signature <i>Barry Riley</i> Date <i>6/20/88</i>
Title _____	Title Director, FVA/PPM

FUNDS RESERVED BY
Leora Watlington
 POSTED 6/22/88
 M. FVA/PPM

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AID 1350-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Centrally Funded	Page 1 of 1 Pages
		2. PIO/T No. 8381325	3. <input type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No. and Title 938-0192 (formerly 940-0209) Land O'Lakes (LOL) Cooperative-to-Cooperative Cost Sharing Grant	

DISTRIBUTION	5. Appropriation Symbol 72-1181021.3	6. Allotment Symbol and Charge EDNA88 13810 KG-1 843-38-099-00-76-
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7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) 12/31/88
---	---

9. Authorized Agent SER/OP/W/MS	10. This PIO/T is in full conformance with PRO/AG Date _____
---	---

11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other	11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment) PDC-3400-A-00-6182-00
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12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					150,000
	B. U.S. Owned Local Currency				

13. Mission References

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A. The project officer certifies that the specifications in the statement of work are technically accurate FVA/PVC, Paul Bisek <i>Paul Bisek</i>	Phone No. 5-4713 Date 6/14/88	B. The statement of work lies within the purview of the initiating and approved agency programs FVA/PVC, Karen Poe <i>K. Poe</i>	Date 6/14/88
C. FVA/PVC, Lenora Watlington <i>L. Watlington</i>	Date 6/14/88	D. Funds for the services requested are available	
E. FVA/PPM, Kathy Kosar <i>K. Kosar</i>	Date 6/17/88		

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature _____ Date _____	Signature <i>Barry Riley</i> Date <i>6/20/88</i>
Title _____	Title Director, FVA/PPM

FUNDS RESERVED BY
Paul Bisek
 POSTED 6/20/88
 M/EM/FAFD

b

Land O'Lakes, Inc.

4001 LEXINGTON AVE. N., ARDEN HILLS, MINNESOTA

Mailing address P.O. Box 116, Minneapolis, MN 55440
Telephone: (612) 481-2222

May 19, 1988

Mr. Paul Bisek
Chief of Cooperative Division
Agency for International Development
1400 Wilson Boulevard, Room 310
Rosslyn, VA 22209

Dear Mr. Bisek:

Land O'Lakes hereby requests its third period of funding under Agreement No. PDC-0209-G-SS-6182-00 to carry out our program to strengthen the capability of developing country agribusinesses to expand and improve upon the services they provide in the farm-to-food system.

The information below summarizes our pipeline analysis, the proposed budget, our 1988 indirect-cost rate proposal and cost-share status, and identifies and addresses the changes proposed in the budget line items during the proposed extended obligation period. Detailed back-up information is attached to this letter as indicated below:

1. Pipeline Analysis of AID/Washington funds - As of March 31, 1988, Land O'Lakes has expended \$248,409 out of the \$450,000 obligated as of July 23, 1987, by AID/FVA. Initial projections were to expend all AID/Washington obligated funds by April 1, 1988, and an additional \$150,000 of authorized AID/Washington funding by the end of the grant period, December 31, 1988. However, a variety of unforeseeable circumstances, fully detailed in the 1987 Status Report, have led to lower-than-anticipated expenditures even while maintaining a significant level of quality programming. To ensure effective programming and project implementation of the remaining \$201,591 of AID/Washington obligated funds and continuation of this unique and successful program, we now request:
 - A two-year extension of the funding period (to December 31, 1990), and
 - Obligation of the final \$150,000 authorized.

The pipeline analysis is included in Attachment 1, columns 1-3. It shows the actual expenditures of AID/FVA/PVC obligated funds to date as of March 31, 1988; the projected expenditures against remaining obligated funds as of June 30, 1989; and the total of these two (column 3). Attachment 2 is the March copy of our monthly Financial Status Report to A.I.D., Form 270, covering the period March 1, 1988, to March 31, 1988.

Circumstances causing the expenditure delay include:

- A 30% reduction in applied overhead,
- Grant period began January 1986, but authorization for activity and funding obligation was not received until November 1986,
- Suspension of the International Farmer Program in 1987 due to funding delays,
- Diversion of grant management resources to an activity in Ecuador funded under the AID/FFP-Land O'Lakes cooperative agreement to maintain continuity in project personnel, and
- The willingness of LDC agribusinesses to make significant contributions toward the total cost of the program's technical services.

Despite the delay in expending the remaining obligated AID/Washington funds until June 1989, obligation of the remaining \$150,000 authorized by AID/FVA/PVC is needed now. Without an assured budget, interruptions in planning and programming activities, with the attendant disruptions in long-term working relationships, would occur; repeating the 1986 program experience. Land O'Lakes cannot plan activities requiring significant resource outlays without an assured budget beyond June 1989. Follow-up to the technical and management recommendations made to developing country agribusinesses will be hampered without guaranteed extended funding.

The program rationale is to foster long-term international business relationships, established on a mutual understanding of economic development as a good business investment. We continue to believe that such relationships, established to provide essential technology for agribusiness development, will lead, long term, to international trade in technical services and products for Land O'Lakes and other U.S. agribusinesses.

Success of this unique private sector initiative requires a long-term commitment to the consistent and reliable delivery of quality services to emerging agribusinesses in developing countries. The understanding, trust, and confidence established through technical assistance activities can be severely damaged by the inability to program services which respond to the long-term objectives of counterparts or appear to ignore the operating constraints preventing near-term action.

Although assistance requests can be for short-term trouble-shooting technical help, most negotiated agreements for technical help program assistance into the future to ensure availability of adequate resources and adequate response to counterpart needs. An assured budget gives Land O'Lakes the necessary capability and flexibility to effectively build the relationship and respond to the longer-term needs for technical assistance. The currently obligated funds make impossible the undertaking of any activity extending beyond June 1989. Several constraints are placed upon activities requiring significant resources prior to June 1989.

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For example, Land O'Lakes and counterpart agribusinesses must soon begin recruiting candidates for the 1989 International Farmer Program, a six-month training experience for young dairy farmers. Early recruitment is essential to ensure sufficient time for language training and appropriate host farm selection and orientation. Long-term commitments need to be made now, but the remaining obligated funding is insufficient for the entire 1989 program. Obligation now of the final \$150,000 authorized is essential for effective programming of this training experience for 1989 and 1990 candidates. Without funding now, Land O'Lakes will be unable to implement this training program, for 1989 or 1990.

2. Proposed Budget - The estimated budget for the new program period through 1990 being requested by this letter and for the remaining life of the Agreement is included in Attachment 1, columns 4 and 5, and Attachment 3, "Mission Program Proposed Budget." Land O'Lakes requests a revision of the grant budget due to:

- Plans to transfer funds saved by lower than budgeted indirect costs to direct cost categories,
- The need to extend the current grant period through 1990 (a two-year extension) to ensure completion of planned activities, maximize the effectiveness and long-term nature of the relationships which result from grant activities, and allow missions to become familiar with "buy-in" procedures,
- Plans to increase funds allotted for training through the transfer of funds from other line items.

The IDU Training line item is increased to \$175,000. This increase is needed to finance two additional years of the International Farmer Program and respond to the requests of agribusinesses to send participants to Land O'Lakes international training programs. Monies for increased training comes from a reduction in the IDU Program line item, reflecting a reduced level of anticipated technical assistance.

The "Mission Program" budget, shown in Attachment 3, is revised to reflect a decline in budgeted indirect costs. Monies from this line item are reallocated to direct costs. Further, the cost share ratio has been revised from 4:1 to approximately 3:1 to make grant buy-ins more attractive to missions. However, our experience has been that the missions wish to bring Land O'Lakes' expertise and commitment to bear on problems of agribusiness development, but that discretionary funds for a grant buy-in simply are not available in a tightening budget environment.

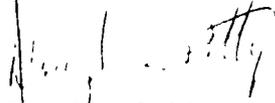
3. Indirect Cost Rate - The 1987 provisional indirect cost rate we are presently using is 48% of a direct cost base of \$872,250. The proposed final indirect cost rate for 1987 is 48.6%. The proposed 1988 provisional indirect cost rate is 45%. Attachment 4 includes supporting cost data for the 1987 provisional rate, the 1987 proposed final rate, and the proposed 1988 provisional rate.

Paul Bisek
May 19, 1988
Page 4

4. Cost-Sharing/Matching - As of March 31, 1988, Land O'Lakes has expended \$320,747 of the \$600,000 agreed to as Land O'Lakes cost-sharing/matching portion of this Agreement. We anticipate the remainder to be expended as follows: \$450,000 by June 30, 1989, the projected date by which current A.I.D. obligated funds will be expended; the entire remainder of \$279,253 by December 31, 1990, the proposed final date of this Agreement. Since current Land O'Lakes contributions to the grant program exceed the matching requirement, they may exceed the 50/50 requirement at the end of the extended funding period.

Any questions on the above should be directed to Douglas Petty, Manager, International Program Development, at Land O'Lakes (612) 481-2508.

Sincerely,



Douglas Petty
Manager, International Program Development

enclosure
crg/1489

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ATTACHMENT I

LAND O' LAKES BUDGET FOR INCREMENTAL FUNDING REQUEST: AID/W PROGRAM

(rounded to nearest dollar)

Functional Budget Line Items	PIPELINE ANALYSIS									PROPOSED BUDGET						TOTAL		
	1 Actual Expenditures to Date 1/1/86 to 3/31/88 A to B			2 Projected Expenditures Against Remaining Obligated Funds 3/31/88 to 6/30/89 B to C			3 Total Expenditures of Obligated Funds (Col 1 + Col 2) 1/1/86 to 6/30/89 A to C			4 Next Year's Funding Estimate			5 Remaining Years Funding Estimate to 12/31/90			6 Total Agreement Budget (Col 3+4+5)		
	AID	LOL	Total	AID	LOL	Total	AID	LOL	Total	AID	LOL	Total	AID	LOL	Total	AID	LOL	Total
	LOL Program	--	101,712	101,712	--	103,288	103,288	--	205,000	205,000								
IDU Program	129,742	51,327	181,068	64,028	17,908	81,936	193,770	69,235	263,004				20,999	94,997	115,996	223,262	155,739	379,000
IDU Training	26,044	--	26,044	75,000	--	75,000	101,044	--	101,044				73,956	--	73,956	175,000	--	175,000
Indirect Costs	92,623	167,703	260,331	62,563	8,058	68,538	155,186	175,766	330,952				55,045	55,003	110,048	201,738	239,262	441,000
TOTAL	248,409	320,747	569,155	201,591	129,254	330,845	450,000	450,000	900,000				150,000	150,000	300,000	600,000	600,000	1,200,000

Key:

A - Agreement start date - January 1, 1986; however agreement signing and funding obligation did not occur until November 1986.

B - Date of latest verifiable expenditures - March 31, 1988

C - Date of respondent's planned final expenditure of obligated funds - June 30, 1989

LOL - Land O' Lakes, Inc.

IDU - International Development Department

ATTACHMENT 2

STANDARD FORM 270, LAND O'LAKES REQUEST FOR REIMBURSEMENT
FOR PERIOD TO MARCH 31, 1988

Note: The March SF-270 does not agree with the Attachment No. 1, Pipeline Analysis. The discrepancy is due to an error of reporting \$69,428.77 incorrectly as IDU Training on the SF-20. This amount shows up on line item f (non-federal share) and will be correctly reported as LOL Program on the April SF-270.

Although this error affects program totals, only Land O'Lakes cost-share line items are affected. The error does not affect AID reimbursements or line items.

REQUEST FOR ADVANCE OR REIMBURSEMENT

Approved by Office of Management and Budget, No. 80-RO183 PAGE 1 OF 2 PAGES

1. TYPE OF PAYMENT REQUESTED

a. ADVANCE REIMBURSEMENT

b. FINAL PARTIAL ACCRUAL

2. BASIS OF REQUEST

CASH ACCRUAL

(See instructions on back)

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED M/FII/PAFD
Agency for International Development

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY
PDC-0209-G-SS-6182-00

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST

6. EMPLOYER IDENTIFICATION NUMBER
41-365145

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER
12M

8. PERIOD COVERED BY THIS REQUEST

FROM (month, day, year) 3/1/88 TO (month, day, year) 3/31/88

9. RECIPIENT ORGANIZATION

Name: LAND O'LAKES, INC.
Attn: Tim Schwanke
Number and Street: 4001 Lexington Ave., N.
City, State and ZIP Code: Arden Hills, MN 55126

10. PAYEE (If name should be the same as donor from above #)

Name: LAND O'LAKES, INC.
Number and Street: NW-1607
City, State and ZIP Code: Minneapolis, MN 55485

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES	(a)	(b)	(c)	
	LOL Program	IDU Program	IDU Training	
a. Total program outlays to date (As of date 3/31/86)	\$ 32,282.74	\$ 181,068.39	\$ 95,472.65	\$
b. Less: Cumulative program income				
Net program outlays (Less a minus line b)	32,282.74	181,068.39	95,472.65	
c. Estimated net cash outlays for advance period				
e. Total (Sum of lines a & d)	32,282.74	181,068.39	95,472.65	
f. Non-Federal share of amount on line e	32,282.74	51,326.85	69,428.77	
g. Federal share of amount on line e		129,741.54	26,043.88	
h. Federal payments previously requested		123,207.46	21,865.62	
i. Federal share now requested (Less g minus line h)		\$ 6,534.08	4,178.26	
j. Advances required by month, when requested by Federal grantor agency for use in making pre-scheduled advances	1st month			
	2nd month			
	3rd month			

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance \$

b. Less: Estimated balance of Federal cash on hand as of beginning of advance period

Amount requested (Less a minus line b) \$

13. CERTIFICATION

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL: *Tim W Schwanke*

DATE REQUEST SUBMITTED: 4/26/88

TYPED OR PRINTED NAME AND TITLE: Tim Schwanke, Senior Project Accountant

TELEPHONE (AREA CODE, NUMBER, EXTENSION): (612) 481-2394

I certify that to the best of my knowledge and belief the data above are correct; and that all outlays were made in accordance with the grant conditions or other agreement and that payment has and has not been previously requested.

This space for agency use

13

REQUEST FOR ADVANCE OR REIMBURSEMENT

Approved by Office of Management and Budget, No. 80-RO183 PAGE 2 OF 2 PAGES

1. TYPE OF PAYMENT REQUESTED
 ADVANCE REIMBURSEMENT
 CASH

2. BASIS OF REQUEST
 CASH
 ACCRUAL

(See instructions on back)

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED: M/FM/PAFD
 Agency for International Development

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY: PDC-0209-G-55-6182-00

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST

6. EMPLOYER IDENTIFICATION NUMBER: 41-365145

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER: 12H

8. PERIOD COVERED BY THIS REQUEST
 FROM (month, day, year): 3/1/88 TO (month, day, year): 3/31/88

9. RECIPIENT ORGANIZATION
 Name: LAND O'LAKES, INC.
 Attn: Tim Schwanke
 Number and Street: 4001 Lexington Ave., N.
 City, State and ZIP Code: Arden Hills, MN 55126

10. PAYEE (Where check is to be sent or different from item 9)
 Name: LAND O'LAKES, INC.
 Number and Street: , NW-1607
 City, State and ZIP Code: Minneapolis, MN 55485

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Indirect Costs	(b)	(c)	TOTAL
a. Total program outlays to date (As of date: 3/31/88)	\$260,330.83	\$	\$	\$569,154.61
b. Less - Cumulative program income				
c. Net program outlays (Less a minus line b)	260,330.83			569,154.61
d. Estimated net cash outlays for advance period				
e. Total (Sum of lines c & d)	260,330.83			569,154.61
f. Non-Federal share of amount on line e	167,707.58			320,745.94
g. Federal share of amount on line e	92,623.25			248,408.67
h. Federal payments previously requested	87,431.33			232,554.41
i. Federal share now requested (Less g minus line h)	5,141.92			15,854.26
j. Advances required by month, when requested by Federal grantor agency for use in making pre-scheduled advances				
	1st month			
	2nd month			
	3rd month			

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance \$

b. Less - Estimated balance of Federal cash on hand as of beginning of advance period

c. Amount requested (Less a minus line b) \$

13. CERTIFICATION

I certify that to the best of my knowledge and belief the data above are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL: *Tim W. Schwanke*

DATE REQUEST SUBMITTED: 4/26/88

TYPED OR PRINTED NAME AND TITLE: Tim Schwanke, Senior Project Accountant

TELEPHONE (AREA CODE, NUMBER, EXTENSION): (612) 481-2394

This space for agency use

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ATTACHMENT 3

LAND O'LAKES PROPOSED REVISION OF "MISSION PROGRAM" BUDGET

<u>Cost Element</u>	<u>Amendment No. 1 (7/23/87) Budget</u>	<u>Proposed Budget to 12/31/90</u>	<u>Percent Change</u>
1. LOL Program	\$ 92,250	\$102,150	+ 10%
2. IDU Program	195,300	215,300	+ 10%
3. IDU Training	12,600	16,600	+ 32%
4. Indirect Costs	<u>149,850</u>	<u>115,950</u>	- 23%
TOTALS	\$450,000	\$450,000	
AID Grant	<u>\$360,000</u>	<u>\$347,850</u>	
LOL Share	\$ 90,000	\$102,150	

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ATTACHMENT 4

PROPOSED FINAL 1987 INDIRECT COST RATE

AND

PROPOSED 1988 PROVISIONAL INDIRECT COST RATE

Land O'Lakes, Inc.

4001 LEXINGTON AVE. N., ARDEN HILLS, MINNESOTA

Mailing address: P.O. Box 116, Minneapolis, MN 55440
Telephone: (612) 481-2222

April 5, 1988

Mr. James Deery
Overhead and Special Costs
Closeout Branch
Acquisition and Assistance Management
Washington, D.C. 20523

Re: Overhead Rate for Matching Grant PDC-0209-G-SS-6182-00
and Cooperative Agreement PDC-3400-A-00-6203-00

Dear Mr. Deery:

Enclosed for review is the final Land O'Lakes overhead rate calculations for 1987. Additionally, the support for the 1988 provisional overhead rate is enclosed.

The enclosed information format has been changed slightly from the format submitted on July 22, 1987. We submitted exactly the same information, the only difference is that G&A has been identified as a separate category. This G&A applies to subcontracts over \$25,000 for our Cooperative Agreement No. PDC-3400-A-00-6203-00 only.

The 1987 actual overhead rate was 48.6%, which exceeded the provisional rate by .6%. This slight difference between actual and provisional rate amounts to \$2,679.14. I would like to make arrangements for payment of this amount at your earliest convenience.

The increase of G&A over 1987 can be explained by the director of this unit spending more time in 1988 on administration duties. As Land O'Lakes development unit grows, the director will spend more time on administration and less on projects.

During the first two months of calendar year 1988, Land O'Lakes has applied the 48% provisional rate from 1987. Pending your approval of the methodology used to determine our proposed 1988 overhead rate of 45%, we plan to begin using the rate with our March invoicing, since this is within the ceiling established for our Agreement.

Mr. James Deery
April 1, 1988
Page Two

If you have any questions regarding the preparation of our overhead rate,
please feel free to contact:

Tim Schwanke
Senior Project Accountant
International Development
Land O'Lakes, Inc.
(612) 481-2394

Sincerely,



H. Lee Schatz
Director, International Development Operations

me

cc: AID Inspector General
Washington, D. C. 20523

Enclosures:

1. Overhead Rate calculation, 1987 Actual
2. Overhead Rate calculation, 1988 Budget
3. Direct Costs, 1987 Actual
4. Direct Costs, 1988 Budget

Land O' Lakes
International Development
Overhead Rate Calculation, 1987 Actual
Single Rate System

	<u>1987 BUDGET</u>	<u>1987 ACTUAL</u>
DIRECT COSTS		
1 IDU Personnel (Salary & Fringe)	198,817	184,991
2 Inside Staff (Salary & Fringe)	93,220	17,858
3 Travel	153,165	73,507
4 Consultants	436,176	395,820
5 Other Category	94,500	28,837
	<hr/>	<hr/>
Subtotal: Direct Costs	975,878	701,013
Less: Sub contract work (Included in Consultants)	(103,628)	(119,193)
	<hr/>	<hr/>
TOTAL DIRECT COSTS	<u>872,250</u>	<u>581,820</u>
INDIRECT COSTS		
<u>New Business Development</u>		
6 IDU Personnel (Salary & Fringe)	22,810	18,079
7 Travel	7,800	3,995
8 Other	3,000	284
	<hr/>	<hr/>
Subtotal: New Business Development	33,610	22,358
<u>Overhead</u>		
9 Corporate Staff	74,891	44,665
10 Overhead	255,782	166,610
	<hr/>	<hr/>
Subtotal: Overhead	330,673	211,275
<u>G & A</u>		
11 Administration	61,469	58,989
	<hr/>	<hr/>
Subtotal: G & A	61,469	58,989
	<hr/>	<hr/>
SUBTOTAL: INDIRECT COSTS	425,752	292,622
Less: Alloc. to sub contract work	(8,466)	(9,738)
	<hr/>	<hr/>
TOTAL INDIRECT COSTS	<u>417,286</u>	<u>282,884</u>
Total Indirect Costs		
<hr/>		
Total Direct Costs	48.0%	48.6%

Note: G & A shown seperately on this report, 1987 proposal had it shown as overhead.

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Land O' Lakes
International Development
Overhead Rate Calculation, 1988 Proposal
Single Rate System

	<u>1987</u> <u>ACTUAL</u>	<u>1988</u> <u>BUDGET</u>
DIRECT COSTS		
1 IDU Personnel (Salary & Fringe)	184,991	195,062
2 Inside Staff (Salary & Fringe)	17,858	44,387
3 Travel	73,507	91,885
4 Consultants	395,820	531,438
5 Other Category	28,837	20,930
	701,013	883,702
Subtotal: Direct Costs		
Less: Sub contract work (Included in Consultants)	(119,193)	(177,514)
	581,820	706,188
TOTAL DIRECT COSTS	581,820	706,188
INDIRECT COSTS		
<u>New Business Development</u>		
6 IDU Personnel (Salary & Fringe)	18,079	29,542
7 Travel	3,995	15,850
8 Other	284	4,500
	22,358	49,892
<u>Overhead</u>		
9 Corporate Staff	44,665	25,000
10 Overhead	166,610	171,157
	211,275	196,157
<u>G & A</u>		
11 Administration	58,989	87,307
	58,989	87,307
Subtotal: G & A		
SUBTOTAL: INDIRECT COSTS	292,622	333,396
Less: Alloc. to sub contract work	(9,738)	(15,905)
	282,884	317,491
TOTAL INDIRECT COSTS	282,884	317,491
<u>Total Indirect Costs</u>		
Total Direct Costs	48.6%	45.0%

Note: G & A shown seperately on this report, 1987 proposal had it shown as overhead.

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Enclosure #3

DIRECT COSTS
1987 ACTUALS

	<u>Co-op Agreement</u>	<u>AID Matching Grant</u>	<u>Training</u>	<u>Belize Project</u>	<u>Berger Sub-Contract</u>	<u>Farmer-to-Farmer</u>
IDU Personnel	117,669	48,332	9,686	744	1,870	2,893
Inside Staff	8,799	—	3,559	4,060	—	—
Employee Travel	51,639	8,649	2,463	1,434	586	2,433
Consultants	343,930	2,640	9,550	5,897	20,305	1,228
Other	<u>531</u>	<u>7,197</u>	<u>7,054</u>	<u>13,969</u>	<u>5</u>	<u>81</u>
TOTAL	<u>522,568</u>	<u>66,818</u>	<u>32,312</u>	<u>26,104</u>	<u>22,766</u>	<u>6,635</u>

	<u>Biden-Pell</u>	<u>Guatemala Project</u>	<u>Indonesia Joint Venture</u>	<u>CARE/Mexico</u>	<u>TOTAL</u>
IDU Personnel	2,896	112	524	265	184,991
Inside Staff	—	—	—	1,440	17,858
Employee Travel	364	2,175	3,025	739	73,507
Consultants	—	12,270	—	—	395,820
Other	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>28,837</u>
TOTAL	<u>3,260</u>	<u>14,557</u>	<u>3,549</u>	<u>2,444</u>	<u>701,013</u>