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**UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT**

**THE
INSPECTOR
GENERAL**



**Regional Inspector General for Audit
MANILA**

PD-77X-442
UN-66722

AUDIT OF
RESEARCH GRANT FOR
ASIAN INSTITUTE OF TECHNOLOGY
PROJECT NO. 398-0249

AUDIT REPORT NO. 2-493-88-10-N
JANUARY 29, 1988

UNITED STATES GOVERNMENT

Memorandum

TO: Dr. John R. Eriksson
Director, USAID/Thailand

DATE: January 29, 1988
RIG/EA-88-105

FROM: Leo L. *Leo L. Mötte*
Regional Inspector General for Audit

SUBJECT: Audit Report No. 2-493-88-10-N
Audit of the Research Grants for Asian Institute of
Technology, Project No. 398-0249

Attached is a copy of the final report on the subject audit. The certified public accounting firm of Ernst & Whinney (Bangkok) prepared the report dated August 26, 1987. The purpose of the review was to determine whether project funds were being properly accounted for in compliance with the terms of the grant and other applicable A.I.D. policies and procedures and to identify and evaluate the accounting systems and internal controls of the funds.

Asian Institute of Technology was the recipient of A.I.D. grant amounting to \$150,000 under the Program Development and Support Project No. 398-0249 which was to enhance science and technology development in Thailand. The grant was for the period May 10, 1984 to December 31, 1987 and it provided for research on "Heat Sterilization and Accelerated Drying of High Moisture Rice for Safe Storage."

The auditors performed substantive and compliance tests on transactions totaling \$47,903 or 96% of actual expenditures. Of this amount, \$23,602 in costs were questioned. The grantee was found to have complied with all other material terms and conditions of the grant agreement examined.

This report recommends that USAID/Thailand resolve with Asian Institute of Technology questioned costs in the amount of \$23,602, and that USAID/Thailand assist the University to resolve internal control problems identified in this report. These recommendations however will not be separately included in the Inspector General's audit recommendation follow-up system by mutual agreement of USAID/Thailand and RIG/A/Manila. Instead, these recommendations are consolidated into Audit Report No. 2-493-88-04-N entitled "Audit of Science and Technology Research Grants, Project No. 398-0249."

Ernst & Whinney

RESEARCH GRANT

ASIAN INSTITUTE OF TECHNOLOGY

PREPARED FOR : REGIONAL INSPECTOR GENERAL/AUDIT/MANILA

PREPARED BY : ERNST & WHINNEY (BANGKOK)

Ernst & Whinney

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(formerly Turquand Youngs & Co.)

26th August, 1987

Mr. Leo L. La Motte,
Regional Inspector General/Audit,
Agency for International Development,
Ramon Magsaysay Center,
1680 Roxas Blvd., Manila 2801,
PHILIPPINES.

Dear Sir,

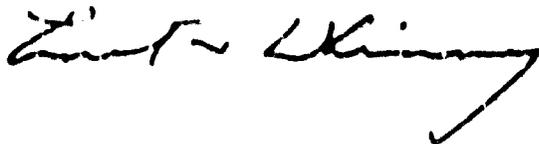
ASIAN INSTITUTE OF TECHNOLOGY
Grant No. 936-5542

We have completed our examination of the systems and controls with respect to the above captioned in accordance with the contract no. 398-0249-C-00-6048-00 dated 19th June, 1986 as per amendment no. 1 and 2 and present herewith our findings and recommendations.

The matters dealt with in this report are based on the information and documents provided to us and therefore our comments cannot be expected to be exhaustive and to include all possible weaknesses on the systems of accounting and internal control.

Should you require clarification on the report or additional information to be added to, please feel free to contact us.

Yours faithfully,



Encl.
RT:jk

**RESEARCH GRANT
ASIAN INSTITUTE OF TECHNOLOGY**

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1. INTRODUCTION

This report provides the results of our review of accounting system and internal control under the contract of which the contents are summarised as follow :-

GRANTEE : The Asian Institute of Technology

GRANT : The grant included in the exercise is summarised as follow :

Grant No. : 936-5542

Project Outline : Heat Sterilization and Accelerated Drying of High Moisture Rice for Safe Storage

Project Period : 10th May, 1984 to 31st December, 1987

Budgeted Amount : US\$ 150,000

RESULT OF AUDIT :

<u>Grant No.</u>	<u>Date of Report</u>	Fund	Actual	Questioned		
		Received	Spending	Costs		
		<u>to date</u>	<u>Reported</u>	<u>Amount Verified</u>		
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>%</u>	<u>US\$</u>
936-5542	30/9/86	30,261	50,102	47,903	96	23,602
		*****	*****	*****	****	*****

(REMARK : The above tabulation is based on the exchange rate of US\$ 1 = Baht 26 which had been adopted in translating Baht figures to U.S. dollars).

: For questioned costs, details are set out in individual grant report in Baht value per Appendix I of this report.

2. INITIAL DISCUSSION

Initial discussion with the Principal Investigator, the field work in respect of evaluating, testing the systems of internal control, reported expenditure and compliance thereto with terms of grant agreement and final discussion on findings with the Principal Investigator were conducted during 12th May, 1987 to 15th May, 1987.

6. FINANCIAL STATEMENTS

We have examined the Status Of Funds/And Request For Funds of Asian Institute of Technology for the grant and the period as set out in section 1 of this report.

Our examination was made in accordance with generally accepted auditing standards and the financial and compliance elements of the Standards for Auditing of Governmental Organisations, Program, Activities and Functions, issued by the U.S. Comptroller General in 1981, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Status Of Funds/And Request For Funds includes costs in the amount of US dollars 23,602 as set out in section 1 of this report which we have questioned for the adequacy of supporting documentation and for disallowance under the terms of grant agreements.

In our opinion, subject to the effects of such adjustments, if any, as might have been required had the ultimate resolution of the allowability of the questioned costs contained in the Status Of Funds/And Request For Funds been known, the Status Of Funds/And Request For Funds of Asian Institute of Technology for the grant and the period as set out in section 1 presents fairly the expenditures, in conformity with generally accepted accounting principles.

This report is intended solely for the use of the Agency for International Development and should not be used for any other purposes.

7. COMPLIANCE MATTERS

We have examined the Status Of Funds/And Request For Funds of Asian Institute of Technology for the grant and the period as set out in section 1 of this report.

Our examination was made in accordance with generally accepted auditing standards; the provisions of Standards for Audit of Governmental Organisations, Programs, Activities and Functions, promulgated by the U.S. Comptroller General, as they pertain to financial and compliance audits; the Guidelines for Financial and Compliance Audits of AID Financed Agreements and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, we found that for the grant items tested, Asian Institute of Technology complied with the material terms and conditions of the terms of grant agreement, except as stated in the individual grant report as per Appendix 1 of this report.

As for the transactions not tested, based on our examination and the procedures referred to above, nothing came to our attention to indicate that Asian Institute of Technology had not complied with the material terms and conditions of the terms of grant agreement.

8. STUDY AND EVALUATION OF INTERNAL ACCOUNTING CONTROL.

The management of the research grantee institution is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by the research grantee institution are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with the research grantee institution's authorization and recorded properly to permit the preparation of the Status Of Funds/And Request For Funds in accordance with the accounting practices prescribed by OMB Circular A-122, Cost Principles for Nonprofit Institutions and the terms and conditions of the grant agreement. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected.

Our study and evaluation revealed weaknesses in the systems of internal control to which the weaknesses and recommendations are addressed in this section. The matters so addressed came to our notice during the conduct of financial and compliance audit which are designed primarily with a view to the expression of opinion on the accounts and compliance with the terms and conditions of the grant agreements and our comments cannot be expected to include all possible weaknesses in the systems of accounting and internal control. Accordingly, we do not express an opinion on the system of internal accounting control of Asian Institute of Technology and principal investigators taken as a whole. However our study and evaluation disclosed no condition that we believe to be a material weakness.

Findings and recommendations resulting from study and evaluation of internal accounting control are as follow :

8.1 ADMINISTRATION OF GRANT FUNDS

Finding

Administration of grant funds are by the Principal Investigator except for the areas as set out in section J.

Recommendation 8.1

In order to promote the efficiency and effectiveness of research undertaken by the Principal Investigator (i.e. to allow greater time to be devoted to research work), administration could be performed by Asian Institute of Technology. Similarly, the Institute may be in a better position to administer due to its administrative staff complement who are technically competent to administration.

8.2 SEPARATION OF USAID FUND

Finding

Funds from USAID transferred to the project are deposited in the bank current account of Asian Institute of Technology and mixed with other fund.

Recommendation 8.2

In order to comply with the Standard Provision of grant agreement, USAID fund should be deposited in a separate bank account and be in the Project's name. Disbursements for goods and services are also made from this account.

8.3 PAYMENT - SUPPORTING DOCUMENTS

Finding

In certain cases there are insufficient documentary evidence as to the receipt of payment by supplier.

Recommendation 8.3

In order to substantiate payments the followings are recommended :

- (I) Third party evidence (i.e. official receipt) containing details of name or trade-name and location of the entity issuing the receipt, date, amount, kind, description, quantity and price of goods be obtained.
- (II) Should this not be feasible (e.g. payment to individual), photocopy of identification card including signatory of recipient be obtained.

8.4 PAYMENT - RECIPIENT SIGNATURES

Finding

Payments of salary for the period as from August 1984 to September 1986 are not supported by recipient signatures so as to ascertain the receipt of payments.

Recommendation 8.4

In order to substantiate payment of salary, it is recommended that recipient signatures be obtained.

RESEARCH GRANT
ASIAN INSTITUTE OF TECHNOLOGY
GRANT NO. 936-5542
HEAT STERILIZATION AND ACCELERATED DRYING OF
HIGH MOISTURE RICE FOR SAFE STORAGE

PREPARED FOR : REGIONAL INSPECTOR GENERAL/AUDIT/MANILA

PREPARED BY : ERNST & WHINNEY (BANGKOK)

ASIAN INSTITUTE OF TECHNOLOGY
HEAT STERILIZATION AND ACCELERATED DRYING OF
HIGH MOISTURE RICE FOR SAFE STORAGE

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* These pages are not included, refer to summary report.

6. RESULT OF VERIFICATION OF DISBURSEMENTS

<u>Description</u>	<u>Total Budgeted</u>		<u>Fund Received</u>	<u>Actual</u>	<u>Verification</u>	
	<u>US\$</u>	<u>Baht</u>	<u>to date</u>	<u>Spending</u>	<u>Baht</u>	<u>%</u>
			<u>Baht</u>	<u>Baht</u>		
SALARY	49,500	1,138,500	92,500	471,395	471,395	100
EQUIPMENT/ MATERIAL	33,500	770,500	400,000	437,070	400,518	92
LOCAL TRANS- PORTATION	2,500	57,500	6,900	2,894	-	-
INTERNATIONAL TRAVEL IN SOUTHEAST ASIA	2,500	57,500	23,000	-	-	-
INTERNATIONAL TRAVEL TO U.S.	8,000	184,000	-	116,416	116,416	100
MISCELLANEOUS (COMPUTER TIME/ REPORTING)	4,000	92,000	-	14,783	-	-
OVERHEAD	50,000	1,150,000	264,399	260,106	257,161	99
	<u>150,000</u>	<u>3,450,000</u>	<u>786,799</u>	<u>1,302,664</u>	<u>1,245,490</u>	<u>96</u>
	*****	*****	*****	*****	*****	***

**Questioned
Cost
(Baht)**

6.1 In certain cases there are insufficient documentary evidence as to the receipt of payment by supplier as detailed by the following :

<u>Description</u>	<u>Voucher No.</u>	<u>Date</u>	<u>Amount</u> (Baht)
Chemical supplies	409593	17/12/84	2,454
Chemical supplies	409684	18/1/85	2,685
Purchase yang wood	409807	22/2/85	3,045
Correagated GI. sheet, GI. roofing nail	409870	19/3/85	30,773
Portland cement, sand	409903	25/3/85	7,376
Ball bearing, bright steel rod	409983	24/4/85	6,422
Variable speed electronic motor	410346	9/8/85	17,100
Ball bearing, steel rod	4110757	26/11/85	4,485
Temperature controller, fiber glass wire	4110882	20/12/85	6,113

<u>Description</u>	<u>Voucher No.</u>	<u>Date</u>	<u>Amount</u> (Baht)	<u>Questioned</u> <u>Cost</u> <u>(Baht)</u>
1 unit of food freezer	4110962	20/1/86	26,000	
2 sets of GA Thermo couple	4110979	24/1/86	1,170	
Chemical supplies	0000218	18/2/86	4,420	
4 EA Type Heater	0000663	17/3/86	1,860	
Perforated sheet, electronic motor	0000326	26/3/86	36,620	
Chemical supplies	0000827	26/3/86	5,225	
Magnetic contact starter, electric wire	0000900	26/3/86	2,702	
SANCO Turbo centrifuge	0001211	17/4/86	51,960	
2 EA digital stopwatch	0002434	27/6/86	<u>2,775</u>	<u>213,185</u>

6.2 1 set of "SATAKE" Rice Thresher Machine of Baht 71,505 which have not been received at the time of this exercise. The transaction is supported by letter of credit from bank and proforma invoice from supplier.

**Questioned
Cost
(Baht)**

6.3 Payment of salary of Baht 400,466 for the period as from August 1984 to September 1986, are not supported by recipient signatures so as to ascertain the receipt of payment. 400,466

7. COMPLIANCE - TERMS OF GRANT AGREEMENT

Based on the samples selected there has been compliance with the terms of grant agreement. The exceptions are as follow :

7.1 No separate bank account is maintained for the project fund whereby funds from USAID are transferred to the project and are deposited in the bank current account of the Asian Institute of Technology and mixed with other fund.

7.2 No timesheets were prepared to document the time actually devoted to the project by the Principal Investigator. We are therefore unable to state whether such person devoted the time at percentage as set out in the budget or not. However, no salary was charged to the project by the Principal Investigator.

**Questioned
Cost
(Baht)**

7.3 Payments for miscellaneous items of Baht 31,076 included as "Equipment/Material" could be questioned as to whether it should be classified to "Overhead" instead in order to form a proper basis for the computation of 15 percent allowable variance. Details are as follow :

<u>Payment Voucher No/Date</u>	<u>Description</u>	<u>Amount (Baht)</u>	
409832 /28/2/85	Internal charges for service tender	7,490	
409925 /29/3/85	- do -	10,374	
4110111/31/5/85	- do -	3,108	
4110181/21/5/85	- do -	3,965	
4110182/21/6/85	- do -	3,360	
4110859/20/12/85	- do -	1,456	
4111031/31/1/86	- do -	<u>1,323</u>	
		31,076	-
		*****	-----
	Total questioned cost		613,651

* The amount of Baht 613,651 is equal to US dollars 23,602 at the exchange rate of 1US\$ = Baht 26.

8. STUDY AND EVALUATION OF INTERNAL CONTROL

Findings and recommendations resulting from study and evaluation of internal control are categorised into two types as follows:

(i) Shortcomings or lack of internal control which are fundamental:

- in protecting an entity's resources against waste, fraud and inefficiency
- in ensuring the accuracy and reliability of the entity's accounting/operating data
- in securing compliance with the terms of grant agreement.

(ii) Improvements in order to supplement the existing system of internal control

8.1 SHORTCOMINGS OR LACK OF INTERNAL CONTROL.

8.1.1 Administration of Grant Funds

Administration of grant funds are by the Principal Investigator except for the areas as set out in section J.

In order to promote the efficiency and effectiveness of research undertaken by the Principal Investigator (i.e. to allow greater time to be devoted to research work), administration could be performed by Asian Institute of Technology. Similarly, the Institute may be in a better position to administer due to its administrative staff complement who are technically competent to administration.

8.1.2 Separation of USAID Fund

Funds from USAID transferred to the project are deposited in the bank current account of Asian Institute of Technology and mixed with other fund.

In order to comply with the Standard Provision of grant agreement, USAID fund should be deposited in a separate bank account and be in the Project's name. Disbursements for goods and services are also made from this account.

8.1.3 Payment - Supporting Documents

With reference to 6.1 in order to substantiate payments the followings are recommended :

(1) Third party evidence (i.e. official receipt) containing details of name or trade-name and location of the entity issuing the receipt, date, amount, kind, description, quantity and price of goods be obtained.

(11) should it is not be feasible (e.g. payment to individual), photocopy of identification card including signatory of recipient be obtained.

8.1.4 Payment - Recipient Signatures

With reference to 4.1 to substantiate payment of salary, it is recommended that recipient signatures be obtained.

8.2 IMPROVEMENTS

8.2.1 Payments - Cancellation

Authorized payment vouchers and related supporting documents are not stamped "PAID" or otherwise being cancelled upon payments.

Cancellation should be made immediately on authorized payment vouchers and related supporting documents after payments had been made in order to prevent resubmission.

8.2.2 Insurance Cover

There is no insurance cover for assets purchased by USAID's fund.

Because value of fixed assets is significant we recommend that insurance policy be made to cover valuable assets.

Erust & Whinney

9. PRINCIPAL INVESTIGATOR'S RESPONSE TO THE REPORT

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Ernst & Whinney

20th July, 1987

Dr. V.K. Jindal,
Principal Investigator,
Division of Agriculture and
Food Engineering,
Asian Institute of Technology,
BANGKOK.

G.P.O. Box 1047
Sinhun Building, 9th Floor,
132 Wireless Road, Bangkok 10500, Thailand.

Telephone: 25002337
Cable: ERNSTAUDIT BANGKOK
Telex: 87661 ERNST TH
FAX: (66) 2 2501470

(formerly Turquand Youngs & Co.)

Dear Sir,

ASIAN INSTITUTE OF TECHNOLOGY
GR/NT NO. 936-5542
HEAT STERILIZATION AND ACCELERATED DRYING
OF HIGH MOISTURE RICE FOR SAFE STORAGE

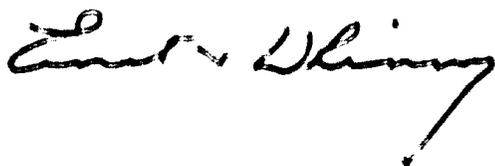
Enclosed for your consideration please find a copy of our report (draft) in conjunction with the review of financial and internal control systems of the referenced subject.

Should you concur with the accuracy of the report kindly acknowledge in writing within two weeks from the date of this letter in order that the final report can be issued to USAID. Please feel free if you wish to provide us with any additional information/documents so as to ensure the accuracy and completeness of the report.

In addition to the foregoing please advise in writing whether the equipment as set out in section 6.2 of this report had been received.

We would like to take this opportunity to express our appreciation to all members of the staff who have assisted us in carrying out our work.

Yours faithfully,



GA/kte

21



Asian Institute of Technology

ERNST & WHINNEY RECEIVED 30 OCT 1987 ANSWERED _____ INITIAL _____

Box 2754 • Bangkok 10501 • Thailand • Telephone: 5290100-13, 5290041-43, 5290091-93 • Cable AIT-BANGKOK • Telex: 84276 TH

28th October 1987

Mr. Taweechai
c/o Ernst & Whinney
G.P.O. Box 1047
Sinthon Building, 9th Floor
132 Wireless Road
Bangkok 10500

Dear Mr. Taweechai,

This is to follow up our conversation on telephone last week. My comments concerning the verification of disbursement as mentioned in Section 6 of your report are as follows:

- Section 6.1: We followed the AIT procedures with regard to the purchase and receipt of payment by the supplier.
- Section 6.2: It appears that there was some misunderstanding while searching through the purchasing records. I am enclosing the copies of purchase order, proforma invoice, letter of credit from the bank and the receiving report.

This machine is also called Whiteness meter model C-300 and is available for inspection in our laboratory.

- Section 6.3: In this instance also, we followed the existing AIT procedures. Salaries are deposited in bank accounts and therefore, no receipt of payment is needed.

I trust that you would find this explanation satisfactory. If there are further questions, please let me know.

Thank you.

Sincerely yours,

V.K. Jindal
Principal Investigator
Division of Agricultural & Food Engineering

VKJ/as
Encl.

22

DATE: May 15, 1986. CREDIT NUMBER: 10/1433/86

REF: INTERNATIONAL BANKING DEPARTMENT

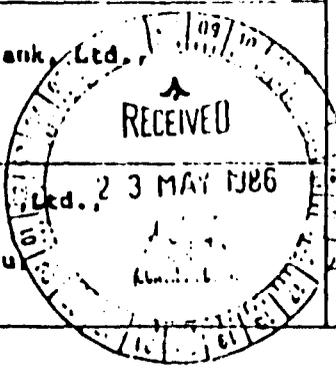
ADVISING BANK: The Dai-Ichi Kangyo Bank, Ltd., Tokyo, Japan.

APPLICANT: Asian Institute of Technology, P.O.Box 2754, Bangkok, Thailand.

BENEFICIARY: Uetaku Engineering Co., Ltd., Ueno Hirokoji Bldg., Ueno 1-19-10, Teito-Ku Tokyo, Japan.

AMOUNT: ¥450,000.00 (Yen Four hundred and fifty thousand only)

EXPIRY DATE IN THE BENEFICIARY'S COUNTRY FOR NEGOTIATION: July 7, 1986.



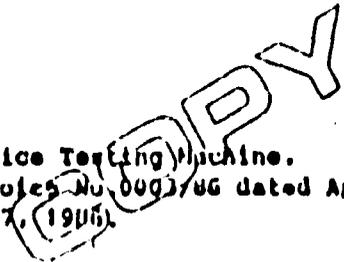
Dear Sir (s): We hereby issue our Letter of Credit in your favour which is available by Negotiation of your draft (s) at sight on applicant/

for full Invoice value accompanied by the following documents: Signed Commercial Invoice in 0 copies. Price CIF Bangkok, showing FOB value, freight charges and insurance premium separately.

Freight Consignment Note marked "Freight on Board Prepaid", No. 0003/86 to the order of THAI FARMERS BANK Bangkok marked "Freight on Board Prepaid", No. 0003/86 for account of Asian Institute of Technology P.O.Box 2754, Bangkok, Thailand.

Insurance policy/certificate, for 110% of Invoice value, stating claims payable in Thailand for currency of the draft (s), covering Institute Cargo Clauses (A) War & Strike Clauses, Theft, Pilferage and non-delivery Clauses, in duplicate.

Evidencing shipment of: 1 set of "SATAGO" Rice Testing Machine. As per Proforma Invoice No. 0003/86 dated April 24, 1986, and P.O. No. 02338 dated May 7, 1986.



SHIPMENT FROM Japan TO Bangkok, Thailand.	LATEST SHIPMENT DATE: June 20, 1986.	PARTIAL SHIPMENTS: NOT ALLOWED	TRANSHIPMENT: NOT ALLOWED
---	--------------------------------------	--------------------------------	---------------------------

SPECIAL CONDITIONS: ALL BANKING CHARGES OUTSIDE Thailand ARE FOR ACCOUNT OF Beneficiaries.

This is a confirmation of our SWIFT of today's date advised through the above mentioned bank.

(Orig.)

Negotiation under this credit is restricted to The Dai-Ichi Kangyo Bank, Ltd., Japan, on presentation.

Beneficiary must indicate the number, date of issue and name of issuing bank of this credit. The amount of each drawing must be endorsed on the reverse of this credit by the negotiating bank. We hereby engage with the drawee, presenter and bank that holders of drafts drawn under and in compliance with the terms of this credit that such drafts will be duly honored upon presentation to the drawee.

THAI FARMERS BANK
NON-NEGOTIABLE COPY
Authorized Signature: [Signature]

Except as far as otherwise expressly stated this credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision) the International Chamber of Commerce (Publication No. 500) 1983.

TOKYO April 24, 1986

PROFORMA INVOICE

NO. 0003/86

SOLD TO ASIAN INSTITUTE OF TECHNOLOGY

YOUR REFERENCE NO.

Total Price: TOTAL C.I.F. BANGKOK YEN450,000.-
 Destination: Thailand
 Time of Delivery: Within 1 month after receipt of your L/C
 Terms of Payment: By an irrevocable L/C at sight
 Place of Delivery: Bangkok Thailand
 Packing: In standard export packing/s
 Insurance: Be covered by seller
 Inspection: Manufacture's inspection shall be final
 Validity: Good until 15th May, 1986

Item	Description	Quantity	Unit Price	Price	Meas't
	<u>"SATAKE" RICE TESTING MACHINE</u>			<u>C.I.F. BANGKOK YEN</u>	
1	Whiteness Meter Model: C-300 Power source 220V, 40W, single phase w/ accessories	1 set	¥450,000.-	¥450,000.-	

TOTAL C.I.F. BANGKOK YEN 450,000.-

Guarantee:

1. We guarantee the performance of the plant with regard to the input capacity under following conditions
 - a) Fair average quality rice, as specified by us, is used.
 - b) The plant is operated strictly in accordance with our instruction.
 - c) The plant is installed strictly in accordance with the construction drawing supplied by us.
2. We guarantee that all machines and equipment supplied by us, shall be of very good quality, and free from any manufacturing defect or fault and suitable for the specific uses intended. If any failure(s) in conforming to the foregoing guarantee are found within six(6) months from the date of the first test operation or a period of nine(9) months from the date of shipment from Bangkok, whichever is earlier, except natural wear and tear and trouble caused by mishandling or improper use, the buyer should promptly notify to us about such condition and we shall investigate and study the case, and if necessary, we will send the replacements of defective parts free of charge.


 SATAKE ENGINEERING CO., LTD.

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Office of the General Counsel (GC)	1
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IIC/II	1

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