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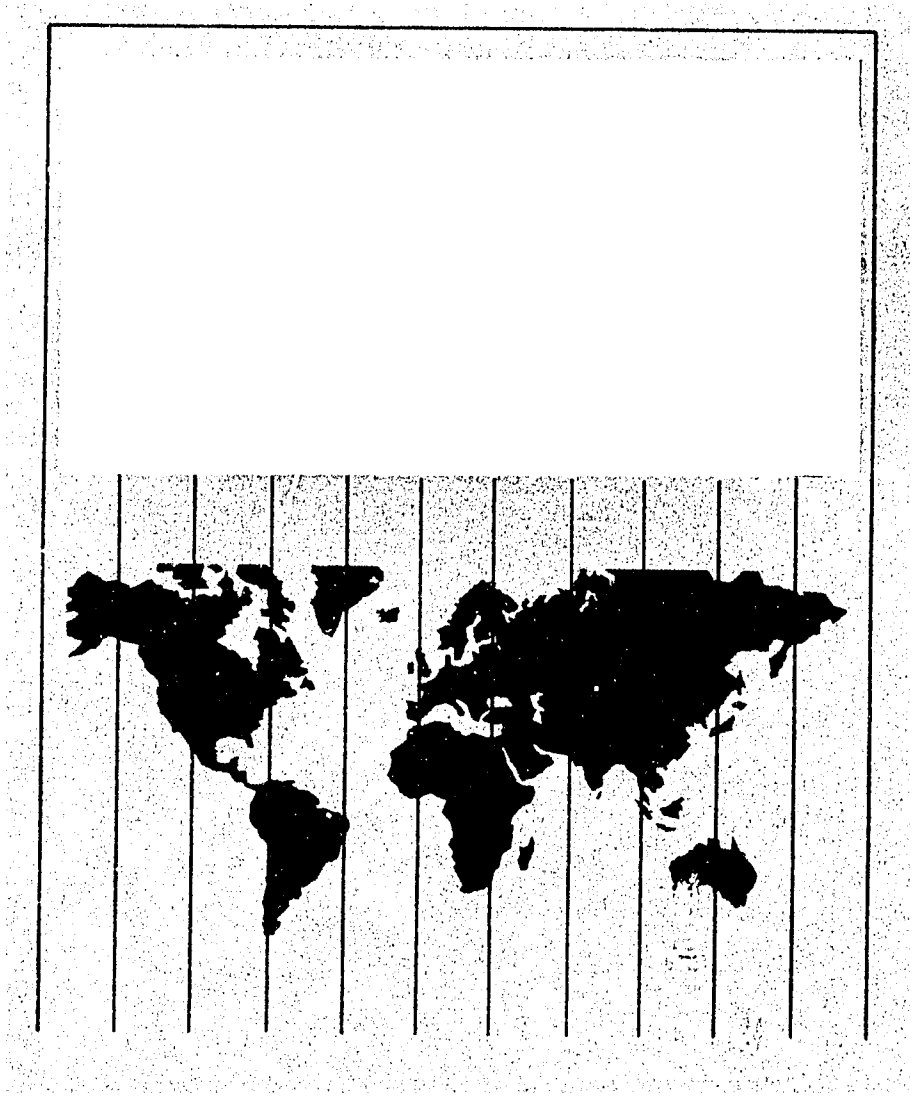
UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

THE INSPECTOR GENERAL



Regional Inspector General for Audit
MANILA

AUDIT OF THE DEVELOPMENT ASSISTANCE PROGRAM II PHILIPPINES

Audit Report No. 2-492-90-10-N
May 31, 1990

CONTRACTOR INFORMATION CONTAINED IN THIS REPORT MAY BE PRIVILEGED: THE RESTRICTIONS OF 18 USC 1905 SHOULD BE CONSIDERED BEFORE ANY INFORMATION IS RELEASED TO THE PUBLIC.

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

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MANILA, PHILIPPINES

DATE: May 31, 1990

MEMORANDUM

TO: Mr. Malcolm Butler
Director, USAID/Philippines

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

SUBJECT: Audit of the Development Assistance Program II - Philippines
Audit Report No. 2-492-90-10-N

Carlos J. Valdes & Co., an affiliate of the international accounting firm Coopers & Lybrand, performed a financial audit of the Development Assistance Program II, funded under A.I.D. grant number 2-0419-G-SS-9056-00. Five copies of the audit report are enclosed for your action.

Pursuant to the Foreign Assistance Act of 1961, as amended, USAID/Philippines granted the sum of $400,000 to the Foundation for Educational Evolution and Development, Inc. (FEED) to implement Development Assistance Program II. The grant agreement covers the three-year period July 14, 1989, through July 13, 1992. FEED is a non-profit

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corporation which was established in September 1977. Its major goals are to enhance education and community development. In October 1982, FEED became a USAID-registered private voluntary organization.

The Development Assistance Program II (DAP II) is an extension of the Development Assistance Program for Non-Governmental Organizations which is scheduled to be completed on September 28, 1991. The purpose of DAP II is to improve the socio-economic status of the poor in Regions III, IV, and V by providing partial financial assistance to: (1) strengthen the institutional capacity of selected non-governmental organizations, (2) encourage grassroot organizations to join together to develop self-sustaining community development programs and federations; and (3) increase income through agricultural, food production, and small-scale industrial projects. DAP II services will be provided through four non-governmental organizations. The organizations will be responsible to FEED for implementing all aspects of their subprojects as specified in subgrant agreements, while FEED will be responsible for the overall management of the project.

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 $51,376 in expenditures for the period July 14, 1989 through February 28, 1990. The auditors reviewed pertinent financial records and reports submitted by FEED and the two current participating subgrantee organizations.

The auditors found that the expenditures made under the grant were generally allocable, allowable, and reasonable. However, the report questioned about $1,400 of the $51,376 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 regarding travel expenses. FEED should also require one subgrantee, the Agricultural Managers and Services Foundation, Inc., to improve subproject disbursement procedures. Finally, the auditors found that FEED and its

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subgrantees had complied with the grant agreement or with applicable laws and regulations, except in the areas of counterpart contributions and procurement.

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 in Appendix II of this report.

Recommendation No.1

We recommend that USAID/Philippines requires the Foundation for Educational Evolution and Development, Inc. and its subgrantees to establish procedures to properly compute and 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. and its subgrantees to establish adequate procedures related to employee travel and project disbursements. For 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. For project disbursements, the procedures should limit cash payments and encourage the use of non-cash payment instruments.

Recommendation No. 3

We recommend that USAID/Philippines take the necessary actions to resolve the $1,431 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 taken or planned to close these recommendations.

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May 31, 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 492-0419-G-SS-9056-00 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 II).

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

A. BACKGROUND

Under Grant No. AID 492-0419-G-SS-9056-00, the United States Agency for International Development (USAID) granted to FEED the sum of ₱8,400,000 (US$400,000) to provide financial support for the DAP II. FEED is a USAID-registered private voluntary organization (PVO) which has been receiving grants from the PVO Co-Financing Program.

DAP II is an extension of DAP I which is due to be completed on September 28, 1991. DAP II likewise aims to improve the socio-economic status of the poor in Regions III, IV and V by providing partial financial assistance for subprojects of local non-governmental organizations (NGOs). DAP II aims to 1) strengthen the institutional capacity of the selected NGOs to be assisted; 2) encourage grassroots organizations in joining together to develop self-sustaining community development programs and federations; and 3) increase income through agricultural and food production and small-scale industrial projects.

With DAP II, FEED will be working with four new NGOs. The NGOs will be responsible to FEED for implementing all aspects of their subprojects as specified in the subgrant agreements while 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 (3) years starting July 14, 1989 up to July 13, 1992. The Grant Agreement was amended on March 1, 1990 1) to broaden the project objectives and activities; 2) to expand the area coverage to include Regions I and II; and 3) to allocate ₱1,000,000 (US$47,619) from the subgrant funds for the "National Action Program and Institution Building for Sustainable Development" subproject, which will be administered by FEED in coordination with Green Forum Philippines.

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 July 14, 1989 to February 28, 1990 which amounted to ₱1,078,894 (US$51,376) as summarized in Exhibit I. This includes the disbursements of the first two (2) subgrantees selected to undertake DAP II. The subgrantees are listed in Exhibit III.

C. RESULTS OF EXAMINATION

The following are the results of our examination:

1. Financial Review

Grant disbursements aggregating to ₱30,060 (US$1,431) from July 14, 1989 to February 28, 1990 are being questioned by the auditors because they did not meet the requirements of the Grant/Subgrant Agreements, and applicable laws and regulations for reimbursible costs. (See Exhibit II).

2. Compliance Review

Certain 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 we used the exchange rate as indicated in the Grant Agreement of ₱21.00 to US$1.00.

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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

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SECTION I - AUDITOR'S OPINION

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

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FINANCIAL REPORT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE DEVELOPMENT ASSISTANCE PROGRAM FOR
NON-GOVERNMENTAL ORGANIZATIONS (DAP II)

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 II) for the period July 14, 1989 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.

In our opinion, 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 II) for the period July 14, 1989 to February 28, 1990.

Carlos J. Valdes & Co.

Metro-Manila, Philippines
May 31, 1990

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COMPLIANCE WITH GRANT/SUBGRANT AGREEMENTS, APPLICABLE LAWS AND REGULATIONS

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE DEVELOPMENT ASSISTANCE PROGRAM FOR
NON-GOVERNMENTAL ORGANIZATIONS (DAP II)

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 II) for the period July 14, 1989 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 did not comply with some of the provisions of the Grant/Subgrant Agreements, applicable laws and regulations as summarized in Appendix I.

In our opinion, except as stated in the preceding paragraph, the FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC. and the SUBGRANTEES for the Development Assistance Program for Non-Governmental Organizations (DAP II), have complied with the provisions of the Grant/Subgrant Agreements, applicable laws and regulations. With respect to items not tested, nothing came to our attention that cause us to believe that untested items were not in compliance with Grant/Subgrant Agreements, applicable laws and regulations.

Carlos J. Valdes & Co

Metro-Manila, Philippines
May 31, 1990

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INTERNAL CONTROL SYSTEM

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE DEVELOPMENT ASSISTANCE PROGRAM FOR
NON-GOVERNMENTAL ORGANIZATIONS (DAP II)

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 II) for the period July 14, 1989 to February 28, 1990 and have issued our report thereon dated May 31, 1990. As part of our examination, we made a study and evaluation of the main grantee and 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 II under the United States Agency for International Development Grant No. AID 492-0419-G-SS-9056-00. 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 & Co.

Metro-Manila, Philippines
May 31, 1990

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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, Recommendations and Auditee's Comments

USAID GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM FOR
NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY THE
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 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 books, records and documents, we have determined that disbursements aggregating to ₱30,060 (US$1,431) did not meet the criteria for reimbursible costs. (See Exhibit II)

2. 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.

   As of February 28, 1990, FEED reported as part of its counterpart contribution the market value of a copying machine which is ₱90,000 (US$4,286). The copying machine was purchased for ₱66,000 (US$3,143). If this is depreciated for three years the counterpart contribution for eight months would be ₱14,667 (US$698). Thus counterpart contribution is overstated by ₱75,333(US$3,587).

3. 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.

   Purchases made by one of the subgrantees were not supported by documents which indicates that solicitation of price quotations were obtained from suppliers. These purchases were as follows:

Date	Commodities Purchased	Philippine Peso	U.S. Dollar
1-26-90	Head Tractor 4 units with basic attachements	128,000	6,095
1-24-90	Fertilizers	65,861	3,136
1-17-90	Seeds	48,490	2,309
1-25-90	Fertilizers	17,439	831
3-14-90	Lumber	9,702	462
3-15-90	Gravel and sand	7,250	345
1-22-90	Lumber	6,800	324
3-12-90	Construction materials	6,600	314
3-09-90	Gravel and sand	5,250	250
3-15-90	Gravel and sand	5,000	238
		300,392	14,304

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY THE
FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC.

LIST OF OBSERVATIONS, RECOMMENDATIONS AND AUDITEE'S COMMENTS
For the Period May 29, 1987 to February 25, 1990

OBSERVATIONS

1. In one of the subgrantees, Agricultural Managers and Services Foundation, Inc. (AMSFI), the Executive Director Rodrigo Custodio advanced ₱400,000 (US$19,048) on January 15, 1990. This amount which was used as a revolving fund to pay project expenditures for three months was liquidated as follows:

	Jan.	Feb.	Mar.	Total Phil. Pesos	Total U.S. Dollar
Personnel	12,170	12,170	12,170	36,510	1,739
Monitoring	300	200	350	850	41
Office Supplies	1,037	-	-	1,037	49
Sand Tractor	128,000	-	-	128,000	6,095
Construction of Warehouse Dryer Complex	6,800	3,894	41,233	51,927	2,473
Farm Inputs	146,640	3,770	-	150,410	7,162
Total	294,947	20,034	53,753	368,734	17,559

The balance amounting to ₱31,266 (US$1,489) is still outstanding as of audit date.

We found this practice to be very weak because it is susceptible to theft and malversation. The money is under safe custody when it is deposited in the bank, rather than with a person.

RECOMMENDATIONS

For an adequate control in handling subgrant funds, AMSFI should adopt the following disbursement procedures:

1) Only cash advances for travel should be allowed. Cash advances for procurement and payroll purposes should be discouraged.

2) An established limit for cash advances say ₱2,000 should be set subject to liquidation within three days from the date of arrival.

3) Disbursements in excess of a certain amount say ₱2,000 should be made in check.

4) An imprest petty cash of say ₱1,000 should be established to cover petty disbursements. Petty cash expenses should be documented by a duly approved petty cash voucher.

AUDITEE'S COMMENTS

We agree with the Auditors' opinion on their findings about AMSF's financial controls. In fact, FEED has gone to the extent of officially warning AMSF that until they straighten out their controls we will withhold any further disbursements. In addition, we have scheduled extra days of monitoring AMSF (without prior notice) to ensure their compliance of our and now the auditors' recommendations.

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OBSERVATIONS	RECOMMENDATIONS	AUDITEE'S COMMENTS
2 Disbursements amounting to ₱30,060 (US$1,431) did not qualify with the criteria set forth for reimbursible costs.	We recommend that USAID should deduct these expenditures from subsequent cash advances because they do not comply with the requirements for reimbursible cost. In the future, we recommend that FEED should adopt a policy on allocation of common/shared expenditure (i.e. rental). The amount to be allocated should be based on actual expenses rather than the budgeted amount.	<u>Foundation for Educational Evolution and Development, Inc.</u> PERSONNEL - ₱7,995 - we agree - this will and has already been taken into account as to be adjusted in subsequent months' payroll. ADMINISTRATIVE - ₱15,100 - we disagree with the opinion of the auditors. We are charging the rental as per budget. TECHNICAL ASSISTANCE - ₱1,500 - We have the proper original receipts in the corporate accounts. These could have been checked for cross reference. <u>Rizal Livelihood Foundation, Inc. (RLFI)</u> ADMINISTRATIVE - we shall ask them to state purposes of gasoline expenses, but we have required them to support all expenses with ORs not invoices.
3. Solicitation of price quotations from suppliers were not obtained for purchases amounting to ₱300,392 (US$14,304) by Agricultural Managers and Services Foundation, Inc. (AMSFI) for acquisition of farm equipments and inputs and construction materials.	We recommend that AMSFI should utilize competition to the maximum extent by obtaining the lowest available price and documenting such procurements.	See auditee's comments in Observation No. 1
4. The following were observed during the examination of disbursements vouchers related to travel expenses: a) Advances for travel made by officers and employees are in most instances not supported by travel orders.	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 [illegible] responsible officer. The preparation of a travel [illegible] travel expenses are valid and are properly authorized.	We will further streamline our policies and forms to satisfy the auditors' wishes. However, it would be more helpful if we can have forms from USAID or RIG office.
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.	We recommend that guidelines should be created by the grantee and subgrantees with regards to travel allowances for in-town and out-of-two travels. These guidelines should be strictly enforced to all officers and employees.	

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OBSERVATIONS	RECOMMENDATIONS	AUDITEE'S COMMENTS
c) Liquidation of most travel advances do not have adequate documentation like, liquidation reports, travel authorization, tickets, receipts, etc.	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	
5. Counterpart contributions were not properly accounted for. To date counterpart contributions at a minimum of 25% should have been ₱359,631 (US$17,135). Counterpart contribution is short by ₱261,742 (US$12,483) inclusive of excess amount claimed for copying machine of ₱75,337 (US$3,557).	We recommend that the grantee/subgrantee should properly account their counterpart contribution as indicated in Section II of the Grant Agreement.	We agree that our counterpart contribution have not yet reached the 25%. This is because our subgrantees only started this January because our operations were "frozen" from September to December of 1989. Most of our contributions are incurred while monitoring and evaluation of subgrant projects. On the computation of the counterpart value of copying machine, we believe ₱90,000 should be the basis of computation and not ₱66,000 because the actual cost is ₱90,000. We traded in an old machine for ₱10,000, we were given another "discount" of ₱10,000 (but was actually part of the value of the old machine) plus a cash discount of ₱10,000, thus only ₱60,000 was cash out for us. However, we will take note of the computation on depreciation if you agree that this is the way to compute counterpart.

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SECTION III - EXHIBITS

Exhibit No.		Title
I		Expenditure/Liquidation Report - Grantee
	A.	Schedule of Subgrant Funds
	B.	Expenditure/Liquidation Report - Agricultural Manager and Services Foundation, Inc.
	C.	Expenditure /Liquidation Report - Bicol Livelihood Foundation, Inc.
II		Schedule of Expenditures Questioned by the Auditors
III		List of Non-Governmental Organizations Selected to Undertake DAP II

Exhibit I

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - GRANTEE
For the Period July 14, 1989 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 Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar
Personnel	997,117	47,482	212,713	10,129	784,404	37,353	173,554	8,264	37,079	1,766	404,541	19,264	58,844	2,802	345,697	16,462
Equipment and commodities	-	-	-	-	-	-	-	-	-	-	152,000	8,667	90,000	4,256	92,000	4,331
Monitoring and evaluation	182,050	8,669	37,078	1,766	144,972	6,903	967	46	36,111	1,720	316,027	15,049	-	-	316,027	15,049
Administration	215,200	10,295	52,492	2,500	163,708	7,795	34,554	1,660	17,628	839	117,000	5,571	24,378	1,161	92,622	4,410
Subgrants	5,000,000	238,095	1,675,833	89,373	3,123,167	148,722	833,332	39,852	1,039,941	49,521	1,676,670	79,841	-	-	1,676,670	79,841
Technical assistance fund	1,960,941	93,378	642,254	30,583	1,318,687	62,795	30,537	1,454	611,717	29,129	2,553,762	121,608	-	-	2,553,762	121,608
Other direct costs	43,692	2,081	-	-	43,692	2,081	-	-	-	-	-	-	-	-	-	-
Total	8,400,000	400,000	2,621,370	134,351	5,578,630	265,649	1,078,554	51,376	1,742,476	82,975	5,250,000	250,000	173,222	8,249	5,076,778	241,751

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Exhibit I-A

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

SCHEDULE OF SUBGRANT FUNDS
For the Period July 14, 1989 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 Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar
AGRICULTURAL MANAGERS AND SERVICES FOUNDATION, INC.	1,500,000	71,429	438,892	20,804	1,063,108	50,624	314,991	14,999	121,311	5,805	502,080	23,909	-	-	502,080	23,909
BICOL LIVELIHOOD FOUNDATION, INC.	1,500,000	71,429	400,000	19,048	1,100,000	52,381	350,035	16,668	49,965	2,380	547,400	26,067	-	-	547,400	26,067
FUNDS NOT CONTRACTED TO SUBGRANTEES	2,000,000	95,237	-	-	2,000,000	95,238	-	-	-	-	627,190	29,865	-	-	627,190	29,865
Total	5,000,000	238,095	838,892	39,852	4,163,108	198,243	665,016	31,667	171,676	8,185	1,676,670	79,841	-	-	1,676,670	79,841

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Exhibit I-3

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - AGRICULTURAL MANAGERS AND SERVICES FOUNDATION, INC.
For the Period July 14, 1989 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 Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar
Personnel	424,000	20,191	24,340	1,159	399,660	19,031	24,340	1,159	-	-	-	-	-	-	-	-
Materials and equipment	-	-	-	-	-	-	-	-	-	-	384,000	18,286	-	-	384,000	18,286
Monitoring and evaluation	96,750	4,607	1,077	51	95,673	4,556	500	24	577	27	-	-	-	-	-	-
Administration	90,300	4,300	798	38	89,502	4,262	1,037	49	(239)	(11)	118,080	5,623	-	-	118,080	5,623
Loan fund	888,950	42,331	410,677	19,556	478,273	22,775	289,104	13,767	121,573	5,789	-	-	-	-	-	-
Total	1,500,000	71,429	436,892	20,804	1,063,108	50,624	314,981	14,999	121,911	5,805	502,080	23,909	-	-	502,080	23,909

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Exhibit I-C

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

EXPENDITURE/LIQUIDATION REPORT - BICOL LIVELIHOOD FOUNDATION, INC.
For the Period July 14, 1989 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 Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso	U. S. Dollar
Personnel	395,525	18,835	36,510	1,739	359,015	17,096	22,755	1,084	13,755	655	142,400	6,781	-	-	142,400	6,781
Materials and equipment	-	-	-	-	-	-	-	-	-	-	245,000	11,667	-	-	245,000	11,667
Monitoring and evaluation	20,125	958	10,500	500	9,625	458	5,250	250	5,250	250	25,000	1,190	-	-	25,000	1,190
Administration	14,250	663	10,500	500	3,850	183	30	1	10,470	499	135,000	6,429	-	-	135,000	6,429
Loan fund	1,070,000	50,953	342,490	16,309	727,510	34,644	322,000	15,333	20,490	976	-	-	-	-	-	-
Total	1,500,000	71,429	400,000	19,048	1,100,000	52,381	350,035	16,668	49,965	2,380	547,400	26,067	-	-	547,400	26,067

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Exhibit II

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID GRANT NO. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSIATNCE PROGRAM FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)
ADMINISTERED BY: FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INCORPORATED

SCHEDULE OF EXPENDITURES QUESTIONED BY THE AUDITORS
For the Period July 14, 1989 to February 28, 1990

	Philippine Peso	U.S. Dollar	EXPLANATIONS
FOUNDATION FOR EDUCATIONAL EVOLUTION AND DEVELOPMENT, INC.			
PERSONNEL	7,995	381	Excess of actual monthly salary rates over the budgeted monthly salary rates of the Secretary/Administrative Assistant and Messenger.
ADMINISTRATIVE	16,100	767	Over allocation of office rental.
TECHNICAL ASSISTANCE	1,500	71	Unsupported and/or supported by photocopied receipts only.
SUB-TOTAL	25,595	1,219	
BICOL LIVELIHOOD FOUNDATION, INC.			
ADMINISTRATIVE	4,465	212	Office supplies purchased and water bill incurred prior to grant signing; gasoline expenses supported by invoices but purpose of expenditure cannot be determined.
TOTAL	30,060	1,431	

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Exhibit III

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
GRANT No. AID 492-0419-G-SS-9056-00
FOR THE
DEVELOPMENT ASSISTANCE PROGRAM
FOR NON-GOVERNMENTAL ORGANIZATIONS (DAP II)

LIST OF NON-GOVERNMENTAL ORGANIZATIONS
SELECTED TO UNDERTAKE DAP II

SubGrantee	Title of Subproject	Amount of Grant: Philippine Peso	Amount of Grant: U.S. Dollar	Period Covered
1. Agricultural Managers and Services Foundation, Inc. General Luna, Llanera Nueva Ecija	Barangay Cluster Rice Production Enterprise Project	1,500,000	71,429	Jan. 2, 1990 - July 2, 1992
2. Bicol Livelihood Foundation, Inc. Naga City, Camarines Sur	Tarabangan (Helping One Another) Project	1,500,000	71,429	Jan. 2, 1990 - Jan. 2, 1992
		3,000,000	142,858	

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APPENDIX 1

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