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**Audit of  
Local Expenditures by  
Egyptian Fertility Care Society  
under USAID/Egypt's Population/Family  
Planning Project No. 263-0144**

**Audit Report 6-263-91-04-N  
January 24, 1991**

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

January 24, 1991

**MEMORANDUM FOR D/USAID/Egypt, Marshall D. Brown**

FROM : RIG/A/C, F. A. Kalhammer 

SUBJECT: Audit of Local Expenditures by Egyptian  
Fertility Care Society under USAID/Egypt's  
Population/Family Planning Project No. 263-0144

The attached report dated November 6, 1990 by Hazem Hassan & Co. presents the result of a financial audit of Egyptian Fertility Care Society's expenditures under USAID/Egypt's Population/Family Planning Project. Egyptian Fertility Care Society, in conjunction with National Population Council, carries out research directed at determining the acceptability, safety and effectiveness of a long acting contraceptive (Norplant) in Egypt.

We had Hazem Hassan & Co. make an audit of local expenditures totaling \$491,540 for the period April 1, 1987 to June 30, 1990 under USAID/Egypt's cooperative agreement No. 263-0144-A-00-7035-00. Hazem Hassan & Co. concluded that salary costs equivalent to \$63,530 were not supported by employee time sheets as required by OMB Circular A-122. Other costs were found to be allowable, allocable and reasonable in accordance with the terms of the agreement and other applicable regulations.

**Recommendation No. 1**

We recommend that the cognizant USAID/Egypt Contracting Officer resolve LE152,451 (\$63,530) in unsupported costs per the CPA's report.

**Recommendation No. 2**

We recommend that the cognizant USAID/Egypt Contracting Officer finalize the indirect cost rates for the period April 1, 1987 to September 30, 1990.

These recommendations will be included in the Inspector General's audit recommendation follow-up system. Until we are advised of the cognizant procurement official's determination regarding the unsupported labor charges, as well as his acceptance of the audited indirect cost rates, both recommendations are considered "unresolved." They can be resolved when we receive a copy of the Memorandum of Negotiation containing the cognizant procurement official's determinations in these matters. They can be closed when any amounts determined to be owed to A.I.D are paid by E.F.C.S.

Please advise this office within 30 days of any actions planned or taken to close the recommendations. We appreciate the courtesies extended to the staff of Hazem Hassan & Co. and our office.

FINANCIAL AND COMPLIANCE AUDIT  
OF LOCAL EXPENDITURES BY THE EGYPTIAN  
FERTILITY CARE SOCIETY UNDER USAID/EGYPT  
PROJECT No. 263-0144

*d*

**FINANCIAL AND COMPLIANCE AUDIT**  
**OF LOCAL EXPENDITURES BY THE EGYPTIAN**  
**FERTILITY CARE SOCIETY UNDER USAID/EGYPT**  
**PROJECT No. 263-0144**

**Table of Contents**

	<b><u>Page</u></b>
<b>INTRODUCTION</b>	
Background	1
Audit Objectives, Scope and Methodology	2
Results of Audit	4
<b>FUNDS ACCOUNTABILITY STATEMENT</b>	
Report of Independent Accountants	6
Funds Accountability Statement	8
Notes to Funds Accountability Statement	9
Findings	10
<b>INTERNAL ACCOUNTING CONTROLS</b>	
Report of Independent Accountants	13
Findings	16
<b>COMPLIANCE WITH AGREEMENT TERMS AND APPLICABLE LAWS AND REGULATIONS</b>	
Report of Independent Accountants	17
Findings	19
<b>APPENDIX I - OVERHEAD CALCULATION</b>	20

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Mr. Frederick A. Kalhammer  
Regional Inspector General  
United States Agency for  
International Development Mission to Egypt  
106 Kasr El Aini Street  
Garden City - Cairo.

November 6, 1990

Dear Mr. Kalhammer:

This report presents the results of our financial and compliance audit of local expenditures by the Egyptian Fertility Care Society (EFCS) which is financed by USAID/Egypt under the Population/Family Planning Project No. 263-0144. The total approved budget of cooperative agreement No. 263-0144-A-00-7035-00 is LE 1,938,013 and US\$ 14,543 for the period April 1, 1987 to September 30, 1990.

#### BACKGROUND

A program of research entitled "Long-Acting Contraceptives in Egypt" has been agreed upon between USAID/Egypt and the National Population Council (NPC) of Egypt. NPC and USAID/Egypt implemented a segment of the program involving "NORPLANT" implants through a cooperative agreement with the Egyptian Fertility Care Society (EFCS). Norplant implants are a new approach to contraception. Norplant is the first product of its kind to be field tested on a substantial scale. The capsules are implanted under the skin and can be removed at any time the woman desires. The effective lifetime of the NORPLANT system has been determined to be up to five years.



The general objectives of the program are:

- A. to determine the effectiveness, safety, and acceptability of NORPLANT implants in Egypt;
- B. to provide scientifically based advice to the Government of Egypt regarding regulatory approval and, if appropriate, guidelines for general use; and
- C. to strengthen the capabilities of EFCS as a responsible family planning research organization in Egypt.

It is anticipated that research under this project will be used to assist the Government of Egypt in making decisions regarding appropriate regulations for the use of Norplant implants, and to enhance the opportunities for operational and public research through the existence of a substantial body of programmatic users.

AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

We performed a financial and compliance audit of Egyptian Fertility Care Society (EFCS) to report on the allowability of costs-incurred, adequacy of internal control and compliance with agreement terms, regulations, and applicable laws. Accordingly, the audit included an examination, on a test basis, of the grant revenues and expenses, compliance with grant terms, regulations and review of the internal control system for the period April 1, 1987 to August 31, 1990 (date of examination). The objectives of this audit are to determine whether:

- The costs reported as incurred under the grant are in fact allowable, allocable, and reasonable in accordance with the terms of the grant and AID Handbook 13, and OBM Circular A-110 and A-122;

- The internal control, accounting and management practices of EFCS are adequate for USAID/Egypt grants; and
- EFCS was in compliance with the grant terms, applicable laws, and regulations.

This audit was conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" (1988 Revision). The audit included selective examination and testing of supporting documentation for costs charged to the grant. The audit was alert to situations or transactions that could be indicative of fraud, abuse, and/or illegal expenditures and acts.

Preliminary planning and review procedures were performed during August 1990 and consisted of discussions with RIG/A/C personnel and EFCS officials. We reviewed the cooperative agreement No 263-0144-A-00-7035-00 between USAID/Egypt and Egyptian Fertility Care Society and amendments thereto, and performed a review of the accounting system utilized during the period under examination. Audit work commenced in August 1990 at EFCS's office in Cairo and was completed in September 1990.

Our testing of the grant receipts and disbursements included, but were not limited to, the following:

1. Our selection of direct cost disbursements tested was made on a judgmental basis and was structured to test a majority of the disbursements. Locally incurred costs in Egypt were audited and tested. We tested disbursements totalling LE 544,877 out of LE 993,509 which was charged to the grant account up to August 31, 1990. Tests of disbursements were made to determine whether costs incurred were allowable, allocable, reasonable, and appropriately supported by documentation and approvals.

2. Indirect cost charges in the amount of LE 215,000 were tested to determine if the distribution base of indirect costs was proper, and if indirect costs were allowable, allocable and reasonable. Accordingly, actual overhead rates for the period April 1, 1987 to August 31, 1990 were calculated and included as Appendix I to this report. These calculations are presented as a guide for indirect cost rate negotiations.
3. Rent, insurance, consultants, subcontracts and field work contracts were reviewed in addition to relevant contracts for purchasing computers or other fixed assets.
4. Quarterly financial reports submitted to USAID/Egypt were compared to EFCS's accounting records.
5. All of USAID's advance payment cheques were traced to bank accounts.

Our audit procedures as they related to internal accounting control consisted primarily of discussions with client personnel, reviews of control procedures, and testing items through EFCS's systems.

#### RESULTS OF AUDIT

##### Funds Accountability Statement

The grant was charged with LE 152,471 of employees' salaries and benefits. We questioned this cost because EFCS did not use the required employee time-sheets for distributing payroll costs, as required by OMB Circular A-122. EFCS did not withhold any income tax from employees' salaries from its inception until August 31, 1990. No reserve has been established to fund this contingent liability.

Internal Control Structure

We made a study of those internal accounting control and administrative control procedures of EFCS that we considered relevant. Our findings noted no preparation of consolidated receipts and disbursements by EFCS and no preparation of time and effort sheets which are required to serve as a basis for charging employees' shared time.

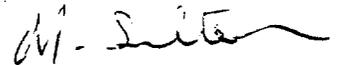
Compliance with grant terms

We found EFCS in all material respects complied with agreement terms and applicable laws and regulations.

Questioned and Unsupported Costs

The unsupported costs of LE 152,471 (1) represent employees' salaries and benefits for the period April 1, 1987 to August 31, 1990. These costs are not supported by employee time-sheets, as required by OMB Circular A-122.

Hazem Hassan & Co.



Cairo, Egypt

September 17, 1990

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(1) Equivalent to \$ 63,530 at an average exchange rate of LE 2.40/\$ 1.



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FUNDS ACCOUNTABILITY STATEMENT  
REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the funds accountability statement of Egyptian Fertility Care Society (EFCS) for the period April 1, 1987 through June 30, 1990. This statement is the responsibility of EFCS's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and Government Auditing Standards (1988 Revision), issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



As described in Note (1) to the funds accountability statement, this statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

As disclosed in the findings section, employees' salaries and benefits of LE 152,471 are questioned as being unsupported by the required employee time-sheets, as required by OMB Circular A-122.

In our opinion, except for the effects of the questioned costs as discussed in the preceding paragraph, if any, the financial statement referred to above presents fairly, in all material respects, costs-incurred and grant advances received by EFCS for the periods ended September 30, 1987, 1988, 1989 and August 31, 1990 on the basis of accounting described in Note 1.

This report is intended solely for use by the United States Agency for International Development. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Hazem Hassan & Co.



Cairo, Egypt  
September 17, 1990

**EGYPTIAN FERTILITY CARE SOCIETY, NORPLANT PROJECT**  
**USAID GRANT NO. 263-0144-A-00-7035-00**  
**FUNDS ACCOUNTABILITY STATEMENT (NOTE 1)**  
**FOR PERIODS ENDED SEPTEMBER 30, 1987, 1988, 1989**  
**AND JUNE 30, 1990**

All figures are in Egyptian Pounds

Description	Financial Periods				Total
	<u>4/1/87</u>	<u>10/1/87</u>	<u>10/1/88</u>	<u>10/1/89</u>	
	To	To	To	To	
	<u>9/30/87</u>	<u>9/30/88</u>	<u>9/30/89</u>	<u>6/30/90</u>	
<b><u>Cash Receipts</u></b>					
Advances received	191,319	422,674	376,836	313,780	1,304,609
Advance still on hand					<u>(124,915)</u>
Net cash disbursed					1,179,694
=====					
<b><u>Cash Disbursements</u></b>					
Salaries and benefits	14,251	44,274	52,390	41,556	152,471
Consultants	3,300	16,835	19,080	10,580	49,795
Other direct costs	91,054	211,467	155,180	154,443	612,144
Subcontracts	<u>-</u>	<u>30,018</u>	<u>93,756</u>	<u>55,328</u>	<u>179,102</u>
Total direct costs	108,605	302,594	320,406	261,907	993,512
Indirect Costs	<u>13,555</u>	<u>87,773</u>	<u>57,249</u>	<u>27,605</u>	<u>186,182</u>
Total Cash Disbursements	122,160	390,367	377,655	289,512	1,179,694
	=====	=====	=====	=====	=====

See accompanying notes to the funds accountability statement.

**EGYPTIAN FERTILITY CARE SOCIETY, NORPLANT PROJECT**

**USAID GRANT NO. 263-0144-A-00-7035-00**

**NOTES TO FUNDS ACCOUNTABILITY STATEMENT**

**Note 1 - Accounting Basis**

We prepared the accompanying funds accountability statement which is a compilation of quarterly certified fiscal reports (prepared by EFCS) submitted to USAID/Egypt for obtaining cash advances for the period April 1, 1987 through June 30, 1990. Those reports included the Federal Cash Advance Status Report and Public Voucher (Form No. 1034). Those reports, taken as a whole, form the basis for preparation of the funds accountability statement. This statement has been prepared on the basis of cash receipts and disbursements, consequently, costs are recognized when paid rather than when the liability is incurred and revenues are recognized when received rather than when the receivable is established. The accounting basis of cash receipts and disbursements is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting is permitted by USAID Handbook 13.

EGYPTIAN FERTILITY CARE SOCIETY

NORPLANT PROJECT

FINDINGS

1. EFCS's Accounting Procedures Manual requires that employees prepare time reports in order to record project and non-project time charges by each employee. This report is to be used to document the amount of time (direct labour costs) charged to each project.

In practice, EFCS's employees prepare time reports; however, the reports are used for administrative management purposes only. Payroll costs (salaries and benefits) are distributed to projects based on availability of project budget funds or on personal judgment, rather than on actual project utilization per the time reports. We questioned the total salaries and benefits of LE 152,471(2) because amounts charged to the grant are not supported by the required employee time-sheets as required by OMB Circular A-122.

We tested EFCS' hiring process and payroll/personnel records and find them to be in accordance with USAID regulations.

Recommendation

We recommend using the time reporting system to charge each project with correct and fair labour costs, in accordance with OMB Circular A-122, Attachment B, Section 6. We also recommend USAID/Egypt resolve unsupported costs of LE 152,471.

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(2) Equivalent to \$ 63,530 at an average exchange rate of LE 2.40/\$ 1.

2. EFCS has not deducted any income tax from employees' salaries from its inception until August 31, 1990 on the premise that those salaries are exempt from income tax because they are sourced from USAID's grant. EFCS's management is evaluating this income tax issue but no decision has been made concerning the deductions of current or previous periods. No reserve has been established to fund this contingent liability.

Recommendation

We recommend EFCS research and comply with the provisions of the Egyptian tax laws and provide a monetary reserve to pay such taxes if required to do so.

3. Overhead Rates

In accordance with the Grant Agreement, Item H, provisional payment for allowable indirect costs is made on the basis of negotiated provisional rates applied on a total direct cost base, exclusive of capital expenditures and rent paid by USAID. Those negotiated provisional rates as of April 1987 were:

<u>Rate %</u>	<u>Period</u>
34.5	04/1/87 to 9/30/87
39.7	10/1/87 to 9/30/88
29.6	10/1/88 to 9/30/89
23.3	10/1/89 to 8/31/90

In June 1988, those rates were modified to 76%, 22.5%, 23.5% and 15%, respectively, for the same periods. Consequently, USAID and EFCS agreed to charge the grant overhead expense with an additional LE 16,305. No further adjustments have been made between provisional and actual overhead rates.

Overhead rate schedules in Appendix I reflect our calculation of overhead rates for the period April 1, 1987 to August 31, 1990 based on our audit. Those schedules are submitted to USAID for negotiation purposes.

Recommendation

We recommend USAID finalize EFCS indirect cost rates for the years ended September 30, 1987 to September 30, 1990.

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November 6, 1990

REPORT ON INTERNAL CONTROL STRUCTURE  
REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the funds accountability statement of Egyptian Fertility Care Society (EFCS) for the period April 1, 1987 through June 30, 1990. We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

In planning and performing our audit of EFCS we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure.

The management of EFCS is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the internal control structure policies and procedures. The objectives of an internal control structure 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 management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- cash receipts,
- cash disbursements including overheads,
- fixed asset items,
- procurement of goods and services,
- personnel costs,
- management reporting, and
- reporting to USAID.

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statement being audited may occur and not be

detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

In our opinion, the system of internal control of EFCS in effect for the period from April 1, 1987 through August 31, 1990, taken as a whole, was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors or irregularities in amounts that would be material in relation to the financial statements.

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Hazem Hassan & Co.



Cairo, Egypt  
September 17, 1990

EGYPTIAN FERTILITY CARE SOCIETY  
NORPLANT PROJECT

FINDINGS

1. Receipts and disbursements statements

EFCS's Accounting Procedures Manual calls for preparation of project consolidated receipts and disbursements statements in order to monitor financial results of each project and of EFCS. This procedure has not been implemented as EFCS's management elected to satisfy its needs by merely preparing USAID's required forms and reports for each project which reflect cash disbursements.

In addition, the present computer accounting software is unable to produce historical expenses for any project from its inception to the current period. The accounting system produces historical data for a maximum of one year due to a lack of appropriate computer software.

Recommendation

We recommend EFCS prepare funds accountability statements for each project and for EFCS as a whole.

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REPORT ON COMPLIANCE WITH AGREEMENT TERMS  
AND APPLICABLE LAWS AND REGULATIONS  
REPORT OF INDEPENDENT ACCOUNTANTS

We have audited the funds accountability statement of Egyptian Fertility Care Society (EFCS) for the period April 1, 1987 through June 30, 1990 and have issued our report thereon dated September 17, 1990. We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with agreement terms and applicable laws and regulations is the responsibility of EFCS's management. As part of our audit, we performed tests of EFCS's compliance with certain agreement terms and provision of applicable laws and regulations. Our responsibility is to express an opinion on compliance with those agreement terms and applicable laws and regulations based on our audit.



An audit includes examining, on a test basis, evidence about EFCS's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our tests indicate that with respect to the items tested, EFCS complied, in all material respects, with the provisions of the cooperative agreement referred to above for the period April 1, 1987 through August 31, 1990. With respect to items not tested, nothing came to our attention that caused us to believe that EFCS had not complied, in all material respects, with those provisions.

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Hazem Hassan & Co.



Cairo, Egypt

September 17, 1990

EGYPTIAN FERTILITY CARE SOCIETY  
NORPLANT PROJECT

FINDINGS

1. Pre-award Survey

The pre-award audit survey of the cooperative agreement recommended that EFCS should have a full time executive director, an accountant with knowledge of the English language, adequate lists of job descriptions, a manual for general policies and procedures, sufficient funds on hand, segregation of duties between cash handling and accounting functions, and a new base for indirect costs allocation. All recommendations have been implemented except for the appointment of a full-time executive director. This was due to EFCS's relatively small size.

APPENDIX IEFCS, NORPLANT PROJECTDIRECT AND INDIRECT COSTS AND OVERHEAD CALCULATION FOR THE PERIODAPRIL 1, 1987 TO SEPTEMBER 30, 1987

	<u>LE</u>	<u>LE</u>
<u>NON USAID PROJECTS</u>		
Project FHI 1 direct costs *		8,861
Project FHI 2 direct costs **		<u>34,121</u>
Total non USAID projects		42,982
 <u>USAID PROJECTS</u>		
Project Norplant total costs	124,776	
Less: Overhead ***	(13,555)	
Amount billed in dollars	<u>(2,616)</u>	
Project Norplant direct costs	108,605 (1)	
Add: Direct costs billed in dollars	2,616	
Deduct: Equipment/furniture purchased	<u>(71,928)</u>	<u>39,293</u>
Project Norplant direct costs		82,275
Bank charges on cheques collection		<u>24</u>
Total direct costs for all projects		82,299
		=====
Total indirect costs for all projects		63,556
		=====
Actual overhead rate = $\frac{63,556}{82,299} \times 100 = 77.2\%$		

Project's overhead = LE 39,293 x 77.2% = LE 30,304.

\* Family Health International Project # 1

\*\* Family Health International Project # 2

\*\*\* Overhead was deducted only in 1987. In June 1988 the rates were adjusted and overhead was excluded (see finding 3 to funds accountability statement)

1. Norplant direct costs include US\$ 1,189 (LE 2,616) which was an allowable expense, and was billed to USAID in dollars.

(APPENDIX I CONTINUED)

EFCS NORPLANT PROJECT

DIRECT AND INDIRECT COSTS AND OVERHEAD CALCULATION FOR THE PERIOD

OCTOBER 1, 1987 TO SEPTEMBER 30, 1988

	<u>LE</u>	<u>LE</u>
<u>NON USAID PROJECTS</u>		
Project FHI 1 (IUD Study) direct costs*		11,098
Project FHI 2 direct costs**		91,364
Project 13, (Safe Motherhood) direct costs***		<u>45,991</u>
Total non USAID Projects		148,453
 <u>USAID PROJECT</u>		
Project Norplant total direct costs (1)	302,881	
Less: Bank charges	<u>(287)</u>	
Project Norplant direct costs	302,594	
Add: Bank charges	287	
Deduct: Capital equipment and furniture	(12,932)	
Rent paid	<u>(101,538)</u>	<u>188,411</u>
Total direct costs for all projects		336,864
		=====
Total indirect cost for all projects		85,268
		=====
Actual overhead rate <u>85,268</u> x 100 = 25.30%		
336,864		

Project EFCS's overhead = LE 188,411 x 25.30% = LE 47,668.

- 
- \* Family Health International Project # 1
  - \*\* Family Health International Project # 2
  - \*\*\* Safe Motherhood Conference

1. Norplant direct costs include LE 287 bank charges and commissions. This amount was not included in quarterly certified financial reports or fund accountability statement.

(APPENDIX I CONTINUED)EFCS NORPLANT PROJECTDIRECT AND INDIRECT COSTS AND OVERHEAD CALCULATION FOR THE PERIOD  
OCTOBER 1, 1988 TO SEPTEMBER 30, 1989

	<u>LE</u>	<u>LE</u>
<u>NON USAID PROJECTS</u>		
Project FHI 1 (IUD Study) direct costs*		13,332
Project FHI 2 direct costs**		86,515
Project 13 (Motherhood) direct costs***		<u>19,312</u>
Total non USAID Projects		119,159
 <u>USAID PROJECTS</u>		
Project Norplant total direct costs (1)	333,918	
Less: Office supplies expenses	(13,062)	
Bank charges	<u>(450)</u>	
Project Norplant direct costs	320,406	
Add: Office supplies expenses and bank charges	13,512	
Deduct: Capital equipment and furniture	(5,200)	
Rent paid	<u>(68,976)</u>	<u>259,742</u>
Total direct costs for all projects		378,901
Total indirect costs for all projects		105,108
Actual overhead rate	$\frac{105,108}{378,901} \times 100 = 27.7\%$	

Project EFCS's overhead = LE 259,642 x 27.7% = LE 71,921.

- 
- \* Family Health International Project # 1  
 \*\* Family Health International Project # 2  
 \*\*\* Safe Motherhood Conference

1. Norplant direct costs include LE 13,062 office supplies expenses and LE 450 bank charges, both expenses were recorded in accounting books but not in quarterly reports and accordingly not in fund accountability statement.

EFCS NORPLANT PROJECT

DIRECT AND INDIRECT COSTS AND OVERHEAD CALCULATION FOR THE PERIOD

OCTOBER 1, 1989 TO AUGUST 31, 1990

	<u>LE</u>	<u>LE</u>
<u>NON USAID PROJECTS</u>		
Project FH11 (IUD Study) direct costs*		5,656
Project FHI 2 direct costs**		89,085
W.H.O. direct costs***		<u>70,795</u>
Total non USAID Projects		165,536
 <u>USAID PROJECTS</u>		
Project Norplant total direct costs (1)	289,122	
Less: July and August direct costs	<u>(27,215)</u>	
Project Norplant direct costs	261,907	
Add: July and August direct costs	27,215	
Deduct: Capital equipment and furniture	(5,872)	
Rent paid	<u>(72,000)</u>	<u>211,250</u>
Total direct costs for all projects		376,786
		=====
Total indirect costs for all projects		87,586
		=====
Actual overhead rate = $\frac{87,586}{376,786} \times 100 = 23.25\%$		

Project Norplant's overhead = LE 211,250 x 23.25% = LE 49,116.

- 
- \* Family Health International Project # 1
  - \*\* Family Health International Project # 2
  - \*\*\* World Health Organization

1. Norplant direct costs include LE 27,215 representing direct costs for July and August, 1990 which were not included in quarterly certified fiscal reports (as of June, 1990) and, accordingly, they are not included in the fund accountability statement.

**APPENDIX I**

**Report Distribution**

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Assistant Administrator, Bureau for Europe and Near East (ENE)	2
Office of Egypt (ENE/MENA/E)	2
Audit Liaison Office (ENE/DP)	1
Office of Financial Management (PFM/FM/FP)	2
Bureau for Management Services Office of Procurement (MS/OP/OS)	1
Assistant to the Administrator for Management Services (AA/MS)	2
Office of the General Counsel (GC)	1
Bureau for Food For Peace and Voluntary Assistance Office of Program, Policy and Management (FVA/PPM)	2
Assistant Administrator, Bureau for External Affairs (AA/XA)	2
Office of Legislative Affairs (LEG)	1
Assistant to the Administrator for Personnel and Financial Management (AA/PFM)	1
Financial Policy and Systems Division (PFM/FM/FPS)	2

Office of Press Relations (XA/PR)	1
Center for Development Information and Evaluation (PPC/CDIE)	3
Assistant Administrator Bureau for Science & Technology (S&T/POP)	1
Office of Donor Coordination (PPC/DC)	1

25