

WEST AFRICAN FARMING SYSTEMS RESEARCH NETWORK

IDRC GRANT 3-P-86-0272

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FINANCIAL REPORT FOR THE FIRST YEAR PERIOD  
ENDED 31st OCTOBER 1988

A. FINANCIAL REPORT

The report does not correspond to the date described in the Memorandum of Grant Conditions. It corresponds with the date on which the Coordinator assumed duty, i.e. November 1987. This date has been accepted by IDRC to be the commencement date of the project.

The financial report uses the same budget heads as in the Memorandum of Grant Agreement.

All expenses which had accrued at 31 October but had not been paid have been provided for in the report.

The financial report is made in US dollars to correspond with the OAU reporting currency. IDRC grants are received in Ouagadougou in Francs CFA, the local currency in which also all disbursements are made. The monthly expenditures are converted into US Dollars at rates of exchange obtained from the Ouagadougou office of the United States Agency for International Development (USAID). This conversion exercise usually results in gains or losses in exchange which is posted to a Gain/Loss in Exchange Account.

Sales of Products / Interests

There were no proceeds from sales of products or interests during the period.

B. VARIANCE ANALYSIS

There were favorable and unfavorable variances under almost all the budget items of the IDRC Grant during the period. The variances are explained as follows:

1. Salaries and allowances (\$ 19,705)

The favorable variance of almost \$ 20,000 was due to the non-payment of tickets for the dependants of the Coordinator. There is also no provision for home leave expenses for the Coordinator during the first year of the project. This is in accordance with SAFGRAD staff regulations.

2. Micro-processor.

Due to difficulties in the recruitment of a Documentalist the appropriate computer has still not been procured. The sum of \$ 3,570 was however spent on a stabilizer for the SAFGRAD computer which has been loaned to the WAFSRN.

3. Stationery and Office Supplies (\$ 699,40).

The budget of \$ 3,000 for stationery and office supplies for the two years was underestimated. Prices of duplicating paper and other office supplies are quite high in Ouagadougou. A more adequate supplementary budget will have to be provided for stationery in the second year (eg. \$ 3,000).

4. Telephone & Telex (\$ 1,586.97).

The budget of \$ 1,000 for communication expenses in the two years of the project is woefully inadequate. Telex, telephone and postage rates are very high in Ouagadougou. A more adequate supplementary budget (eg. \$ 4,000) should be provided in the second year.

5. Local travel (\$ 3,605.12).

The high favorable variance is not realistic due to the fact that the costs of the SAFGRAD driver often assigned to the Coordinator is charged to SAFGRAD support.

6. International Travel.

The favorable variance realised under the Coordinator's travel budget was due to his absence in the USA on course for three months. The unfavorable variance of \$ 4,784.17 under the Steering Committee was due to the inadequate budget of \$ 7,000 for two meetings during the period. An additional budget of \$ 7,000 is proposed for the second year.

7. Vehicle for the Coordinator (\$ 6,189.98).

The budget of \$ 15,000 could not buy the Peugeot 505 estate car considered suitable for the official duties of the Coordinator. He travels officially to neighbouring countries and also extensively in Burkina Faso. The cost of the car was adversely affected by the sharp drop in the value of the US dollar in March 1988 when the car was bought in Lomé, Togo.

8. SAFGRAD Support

The 10% service allowance fixed for SAFGRAD support needs to be raised in order to strengthen and sustain the financial management and administrative services rendered by SAFGRAD to the WAFSRN.

### C. SUMMARY OF PAYMENTS

The report includes the total grant of CAN \$ 221,800.00 (Two hundred and twenty one thousand eight hundred Canadian Dollars) which was received in two instalments during the period.

### D. PLANNING OF FUTURE EXPENDITURE

The budget in this report for the second year of the project is in strict conformity with the Memorandum of Grant Conditions. On the basis of the budget performance in the first year, however, indications of supplementary budget have been given under the following heads:

Stationery & Office Supplies	\$ 3,000
Communications	\$ 4,000
Steering Committee	\$ 7,000
SAFGRAD support	?

### E. LIST OF EQUIPMENT

A list of furniture and equipment purchased for the project during the first year is attached to the financial report.

### G. CASH FLOW ANALYSIS

The Receipts and Payments situation of the project may be summarized as follows :

Grants received	US \$ 164,591.84
<u>Deduct</u>	
Budgetary expenditures	US \$ 138,340.38
Balance of cash at bank and in hand	US \$ 26,251.46
NET GRANTS RECEIVED	US \$ 164,591.84

### SIGNATURES

The Financial Report has been discussed with the Project Leader but has not yet been signed by him owing his absence on mission to Cameroon and Addis-Ababa. Signed copies of the Financial Report will be forwarded soon after the Coordinator's return to Ouagadougou.

1988-10

# WAFSRN FINANCIAL REPORT FOR THE FIRST YEAR PERIOD ENDED 31st OCTOBER 1988

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