UNITED STATES OPERATIONS MISSION TO VIETNAM SAIGON TO: All Division Chiefs and Technical Advisors January 28, 1958 FROM: Milton J. Esman, Chief, Program Office SUEJ: 1958 Project Agreements Introduction I. This memorandum and its attachments provide the principles underlying, and the format governing the 1958 Project Agreements. The following paragraphs state in general these principles which will be applicable to almost all projects. The attachments are three Sample Project Agreements illustrating the application of the principles stated herein. II. Purpose of the Project Agreement A) Basically the Project Agreement is a bilateral agreement between the USOM and the GVN setting forth the following: 1. Purpose of the Project. 2. Respective responsibilities of the agreeing parties. 3. Respective contributions (men, materials, and money) to be made by the agreeing parties. 4. Work plan for a stated fiscal period. 5. Dollar and LC budgets of estimated costs for implementation of the work plan. Special provision governing certain aspects of particular projects. 7. General provisions. B) Since the Project Agreement is essentially a contractual agreement between the agreeing parties, statements of the various provisions enumerated in (A) above should be concise and to the point. In other words, because of the nature of the Project Agreement, no justificationtype narrative language should be used anywhere in the document. III. Financing and Budgets A) The Project Agreements are intended to provide authority and financing; i.e., budgets and sources of LC funds for project activities for the calendar year 1958 which is also the FY of the GVN. Furthermore, for all projects the 1958 Project Agreements will be the sole authority to incur LC obligations for project activities.

- B) As in the past, approved 1958 Project Agreements constitute the obligating documents for US FY 1958 dollars for contract services, commodities, and other costs. Obligations for participants and U.S. technicians, however, are not a function of the Project Agreements.
- C) For local currency financing, the Project Agreement is the document which makes local currency in the Special Counterpart Fund available for project obli ations during the stated GTM fiscal year, i.e., the calendar year 1958. The Project Agreement should also state the amount of LC financing to be furnished from sources other than the Special Counterpart Fund, such as the GVN, UN, private sources, etc. (See Block 10 and item III B of Sample Project Agreement No. 1.) Of course the principal fund source outside of the Special Counterpart Fund is the regular GVN budget. In this connection Technica Advisors are requested to check carefully with their appropriate GVM Project Managers regarding arounts proposed to be shown on the Project Agreements as contributions to project activities from the 1958 GVN budget. In order to implement the principle stated in (III A), above, regarding the 1958 Project Agreements being the sole authority to incur LC obligations for all project activities during 1958, the following procedure will be used in preparing the 1958 Project Agreements and the accompanying final amendments to the appropriate prior year Project Agreements.
 - 1. The original 1958 Project Agreements will include, among other things, a work plan for all work approved for the calendar year 1958. The 1958 Project Agreement will authorize approved U.S. dollar funds, new or 1958 LC counterpart funds, and balances from prior year Project Agreements as of December 31, 1957. Thus, the combination of new funds and balances or balances only from the prior year or years will finance the 1958 work plan. (See items III B and IV of the Sample Project Agreement No.1.)
 - 2. Simultaneously with the issuance of the 1958 Project Agreements will be the issuance of final revisions to the appropriate prior year Project Agreements. These final project revisions will reduce the LC counterpart funds authorized therein to the amount of obligations incurred as of December 31, 1957, as shown by the records of the FAA, GVN (See sample Project Agreement No. 2.)
 - 3. In those few cases where 1958 Interim Project Agreements have been issued, Project Agreement Revisions which will serve to cancel interim actions in total must be prepared and approved before formal 1958 Project Agreements may be issued. (See Sample Project Agreement No. 3.)
- D) The budgets and their sources of financing will be handled in the 1958 Project Agreements in the following manner:
 - 1. It should be borne in mind that the budget of estimated obligations for the calendar year 1958 consists of anticipated commitments for implementing the Work Plan set forth in the Project Agreement. Furthermore, for most of the 1958 Project Agreements covering continuing projects, this Work Plan consists of two parts; viz., (a) work unperformed in the prior year or years and rescheduled for performance in 1958 and (b) new work for 1958. Technical Advisors should be aware that work of continuing projects proceeds in 1958, despite the absence of a 1958

Project Agreement, by the continued obligation of funds under the authority of and by means of funds provided by the 1957 Project Agreement. Therefore, that part of the 1958 budgets covering approved 1957 work rescheduled in 1958 will cover such obligations as are actually made under the 1957 Project Agreement after December 31, 1957.

2. Pudgets will show two classifications of the stimated obligations or costs for project activities during the fiscal period, calendar year 1958. The first of these classifications will be a listing of estimated obligations by program activities. The second will be a combined object of expenditures and economic character classification (Item number V B of Sample Project Agreement No. 1). Reference is made to annex (b) of USOM Order 37-1 as revised, January 20, 1958, for assistance in the preparation of the Project Agreement budgets. The substance of annex (b) applies equally to the preparation of the Project Agreement budgets as well as to the quarterly budgets required in the Project Status Reports.

IV. LC Counterpart Obligation Control

 Minimum control of obligations incurred will be exercised in terms of an estimated total of such obligation by project by quarters. (See Item VIII B of Sample Project Agreement No. 1). Provision is made in item VIII A of Sample Project Agreement No. 1 for further obligational control, if desired.

V. Procedure

- 1. All 1958 Project Agreements, accompanying final prior year Project Agreement Revisions, and possibly Project Agreement Revisions cancelling interim 1958 action, will be prepared by the respective USOM Divisions in draft and forwarded to the appropriate USOM office for clearance as indicated on the attached Transmittal Slip. Preparation of these documents mist, of course, await ICA/W approval of the 1958 PPA if 1958 funds are involved.
- 2. After the draft Project Agreements have received required final clearance they will be returned to the appropriate Division for final typing on the Hecto forms, and for obtaining appropriate GVN rightaures.
- 3. The Hecto forms with final typing and GVM signatures thereon will be forwarded to the Program Office for completion and for securing signature of the Director.

(8.58)

PROJECT AGREEMENT

PRO AG

BETWEEN THE INTERNATIONAL COOPERATION ADMINISTRATION (ICA). AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND The Foreign Aid Administration

AN AGENCY OF THE GOVERNMENT OF Viet-Nam

	The above-named perlies hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions cannow and in any additional annexes attached hereto. This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented. General Agreement for technical cooperation DATE:		Seme title as on 1958 PPA) (Same title as on 1958 PPA) (Some description and explanation (See Amore A discret)		
	OTHER:		G. ICA APPROPRIATION	1	ALLOTMENT SYMBOL
	C. ICA DOLLAR FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DEGREASE (C)	TOTAL TO DATE (D)
	(a) Total		20,000		20,000
	(b) Contract Services	_	5,000		5,000
	(c) Commodifies		10,000	.,	10,000
	(d) Other Costs		5,000		5,000
eeh.Advisor	9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT 61.00 = VIP 35				
hief Div	(e) Total (Counterpart only)	yns us\$	10,000,000 285,714		VN\$ 10,000,000 US\$ 285,714
	(b) Technical and Other Services	VIIS USS	1,000,000 28,571		VN\$ 1,000,000 US\$ 28,571
controller's	(c) Commodities	VM\$ US\$	2,500,000 71,428		71,428
	(d) Other Costs	VNS US\$	185,715		VN\$ 6,500,000 VS\$ 185,715
rogram Offic	Pipancing from s (b) Technical a (c) Commedities (d) Other costs (e) Kind DATE OF ORIGINAL AGREEMENT	Total Grand Tota: DATE OF THIS RE	VN\$ 1,500 VM\$ 2,000 VN\$ 3,800 1 VN\$13,800	0,000 0,000 0,000 0,000 FINAL CONTRIBUTION	final typing

PRO AG ANNEX	AN AGENCY OF THE GOVERNMENT OF		SEASON NO.				
70101121			ANNTX	1 OF 6			
	I. I	Description of Project					
		The purpose of this project 1	graph should state poses of the proje 5 of the 1958 PPA.	e as concisely as ect as stated somewhat. The tabular outline			
	II. Responsibilities						
		1. To furnish technical a Advisor(s), Consultant(s) appropriate technical serv of the Cooperating Country pertaining solely to this and implementation stages. 2. (If appropriate includ ICA not covered by paragra 3. (Insert only if partic To assist the Cooperat technicians for further tr plan study or inspection t	and/or Contractor(ices of the Depart in all technical project including e here any special ph 1, above.) ipant training pro ing Agency in the aining in the USA	s) to assist the ment of			
	E	are required. Of the Cooperating Agency: 1. The Secretary of State ative shall appoint a Proj specialist in this field he time duty shall be to dever In carrying out his duties US Technical Advisor(s). I lanager shall be made to Us has been signed.	of or his ect Nanager, who saving delegated au lop, supervise, an he will have the Notification of ap	hall be the technical thority and whose full-dimplement this project. assistance of pointment of the Project			
	PER THE C	ODSERVATING WOTHER	FOR THE DIRECTOR, ICA				

Project Agreement Chaple No. 1

30-10X-XXX

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PROJECT AGREEMENT BETWEEN ICA AND

(7-85)

AE-OI-AIT	Project Agreement : PROJECT AGREEMENT BETWEEN ICA AND	y i. Prosect No. 1	ج الله	e 5 of 7
(7-35)	PROJECT AGREEMENT BETWEEN ICA AND	30-XX-XXX		ORIGINAL IX
PRO AG		2. AGREEMENT NO.		REVISION NO.
ANNEX	AN AGENCY OF THE GOVERNMENT OF		SHEET	DNEST
		ANNEX	1 2 2 2 2 2 2	OF 6
	representative shall make time to time or as require istrative services as may on schedule. 3. The Secretary of State reports, at such time and the Cooperating Agency, for project implementation. 4. (Insert if a participal In accordance with the ICA participants it shall be to Agency to recommend technical training, and who are activatively accordance to the main selection of technician all participants selected receive training in this for	of sharp of	inancial lement to all rend greed by ving and ned in to select the Co y for pa s projec k and m ng Agence ed by IC	der to ICA sure the ICA and evaluating the PPA.) don of operating ricipant to the US utually assive agrees that A and GVN to

III. Contributions

A. Of ICA:

responsible position.

(a) Through this Project Agreement as follows:

Contract Services \$5,000
Commodities 10,000
Other Costs 5,000
Total \$20,000

(b) In addition to the above, ICA will make provisions to finance up to the following:

scheduled and shall receive an amount of their salaries as approved

by Presidential Arreté while away on training and shall be immediately re-employed upon their return in the same or a more

5 U.S. Technicians 30 man-months of participant training

FOR THE COOPERATING AGENCY

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(7-85)	PROJECT AGREEMENT BETWEEN ICA AND	1. endsect No.		epiditiAt [
PRO AG ANNEX AN AGENCY OF THE GOVERNMENT	AN AGENCY OF THE GOVERNMENT OF	2. ACCESMENT NO.		REVISION NO
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B. Of the Cooperating Agency :

	Counterpart	Other Financing
Technical and other services Commodities Other Costs (salaries, labor) Kind (land, buildings)	VN% 1,000,000 VN% 2,500,000 VN% 3,500,000	VN# 300,000 VN#1,500,000 VN#2,000,000
Total	VN\$10.000,000	VN\$3,800,000
Source of Counterpart Funds From funds previously allocated From 1958 funds allocated to th		VN\$1,500,000 VN\$8,500,000
Total 1958 Project Coun	terpart Funding	000,000,000 Ofenv

IV. Work Plan for CY 1958

(The following text is presented as assistance for preparation of Work Plans. The material in the Work Plan should be a logical presentation of three components; viz., (1) goals to be achieved, (2) ways of achieving these goals, and (3) timing. The exact manner of presentation of the work plan will vary with the nature of the project. Projects involving construction will necessarily require more details in the work plan than projects involving only technical assistance. It is suggested, therefore, that the work plan consist of setting forth the goals to be achieved at the end of each of the four quarters of the calendar year together with a detailed but concise exposition of the means to be utilized in achieving these quarterly goals. Finally, if no subprojects are planned, the work plan should contain all requisite detail. On the other hand, if subprojects are contemplated, the work plan in the Project Agreement may be couched in more general terms with detailed work plans appearing in the Sub-Project Agreements)

V. Dollar and LC Counterpart Budgets

A. ICA Dollar Budget: (Breakdown below three major segments is optional)

Contract Services	\$ 5,000
Survey Contract	2,500
Technical Contract	2,500
Commodities	\$10,000
Steel pipe	8,000
Electric pumps	2.000

FOR THE COOVERAVING AGENCY

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	Fro.lect Agre	ement Sample No. 1 P	a e 5 0 7
12A-10-5A (7-55)	PROJECT AGREEMENT BETWEEN ICA AN	D 1. ras, Let No.	OMENAL D
		E. AGPERMENT NO.	REVISION NO.
PRO AG ANNEX	AN AGENCY OF THE GOVERNMENT OF		
PERMITA	i in the second of the covernment of	SHCET	SHEET
		ANMEX 4	OF 6
	Other Costs	\$ 5,000 \$20,000	
	B. IC Counterpart Budget fo	r CY 1958	
		Estimated Obligations by Ob	
	Estimated Obligations by Activity	Expenditures and by Economic Classification	
	1. (activity) VN% 3,500,000	Wages and Salaries	
	2. (activity) VNN 2,500,000	Ol Personal Services	VNX 6,000,000
	3. (activity) VN\$ 3,000,000	01.2 Labor Costs	VNX 500,000
	4. Administration VN\$ 1,000,000		VN3 6,500,000
	Total Estimated	Section 1997	
	Obligations VN 210,000,000	Goods and Services 02 Travel	VIII 300,000
Ī		03 Transportation	Vilya Jour Good
	1	of things	VN\$ 200,000
	į.	04 Communication Services	
		06 Printing and Binding	VNX 450,000
	1	08 Supplies and Materials	ANA 1'000'000
		Investment Expenditures	
	1	09 Equipment	VN3 1,500,000
	1		-
	1	Loans (possible)	
		Grants (possible) Total Extimated Obligation	= VNS(10, 000, 000
	1	Total By pring sen and received	a vishtalado, and
	VI. Special Provisions Governing	Certain Aspects of Projects	
	A. (Include here any provisi for implementation of thi		Ject Apreements
	D. /To-2-2- base and acceptable	and the same and a same	
	designs for approval by U approval by the VN Projectommodities, (3) selection frequency of reports, whi	provisions that are needed to ject, such as: (1) submission of the starting construct to Manager and USTA on dollar on of sites, (4) types of report of should be of minimum length accomplishments are readily	n of building ions, (2) joint procurement of rts to be furnish h but objectively
	and related to quarterly (5) GVN decrees, etc.)	budgets in the Quarterly Proj	ect Status Report

PRO AG

PROJECT AGREEMENT BETWEEN ICA AND

AN AGENCY OF THE GOVERNMENT OF

PROJECT NO.		S. ORIGINAL [
2. AGREEMENT NO.		REVISION NO.
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C. Repayment of Fund (Insert only if there is to be a repayment of funds and state the amount of funds that the Cooperating Agency is expected to recover from the ultimate beneficiary including interest, if any, the proposed method by which the beneficiary will reimburse the cooperating agency, and the proposed final disposition of collected funds as to whether they are to be reprogrammed or deposited to the Special Account, or other.)

VIII. Ueneral Provisions

- A. USOM may require such arrangements as it deems appropriate in the circumstances to satisfy itself that obligations to be incurred by the Cooperating Agency and proposed to be paid from counterpart funds under this Project and/or Sub-Project Agreements are proper and required for the effective Implementation of the agreed project. Such arrangements may vary with attendant circumstances and may include such steps as requiring prior USOM approval of detailed periodic forecasts of estimated obligations or, where judged necessary, prior USOM approval of specific obligating transactions. If the USOM, pursuant to this general provision, proposes to pass on planned obligations, it will advise the Ministry concerned in writing of the manner and extent to which it intends to accomplish this. The USOM will furnish also a copy of such letter to the Director General, Foreign Aid Administration.
- B. Obligations incurred for any quarter of calendar year 1958 should not exceed the quarterly total of the estimated obligations mutually agreed to by appropriate Technical Advisor, USOM, and the appropriate Cooperating Agency Project Manager for this project as shown in Item No. 7 Anticipated Commitments of the USOM Quarterly Project Status Reports for the pertinent quarters. The authoritative record of obligations incurred will be the project accounts maintained by the Foreign Aid Administration of the GVN.

(Paragraph B, above, represents the minimum obligational control for all projects. If desired, additional obligational control provisions may be provided in manner outlined by Paragraph A, above.)

(1) Where TCA determines that counterpart funds released for purposes designated in this project agreement have been expended or used in a manner or for purposes not authorized by this agreement, the cooperating agency will redeposit promptly to the SPECIAL ACCOUNT upon demand made by ICA an amount equivalent to the counterpart funds released, or such lesser amount as ICA may demand.

(2) Demand for such deposits may be made during the term of this project and three years after the completion of this project.

		Project Agree	ment Sample No. 1		Page 7 of 7	
IGA-10-SA (7-55)	PROJECT AGREEMENT		i. Phoisor no.		S CRIGINAL []	
PRO AG ANNEX	AN AGENCY OF THE	GOVERNMENT OF	2. AGREZMENT NO.		REVISION NO.	
Patrician			ANNEX	5 SHEET	OF 6	
	parties, any prev	as evidenced by iously released b	roject, and final a the execution of th ut unobligated coun ject, shall revert	ie "Comp! iterpart	letion Report", funds remaining	
	without of capit	prior written app al equipment nor le supplies impor	zed by this Project roval by USOM, be a for materials nor l ted under the ICA f	sed for large qua	the purchase	
		rental payments	zed by this Project for or purchase of	W. C.		
G. Inland freight costs (within the borders of Viproper implementation of the activities of the payable from IC Counterpart Funds authorized to ment. An estimate of IC Counterpart Funds need purpose is included in the budget in Item V(B) Agreement.			this pro by this secessary	ject are proper! s Project Agree- n for this		
	this pro	ject agreement, f erties and contra	n N of the Standard unds provided from ct services procure ed to have been pro	the spec	cial account, th financing wit	
	(CONCURRED IN BY)					
	Secretary of State	of(hi	s name)		(date)	
	FOR THE COOPERATING AGENCY		FOR THE DIRECTOR, ICA			

1CA-10-5		DBA IFA	T ACDEERS			
PRO AG	PROJECT AGREEMENT BETWEEN THE INTERNATIONAL COOPERATION ADMINISTRATION (ICA). AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND The Foreign Aid Administration AN AGENCY OF THE GOVERNMENT OF Viction					
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	more discount to the contract of the contract		PATRICIA DE CONTRACTO DE CONTRACTOR DE CONTRACTO DE CONTR	De ser Mission de		NAME AND ADDRESS OF THE OWNER, WHEN THE OWNER,
			1. PROJECT NO.			S. ORIGINAL []
	The above-named parties here	by mutually agree to				DEVISION NO. 4
	carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions comes and in any additional annexes attached hereto.		2. AGREEMENT NO.			LEVIDICAL NO. T
This Project Agreement is further subject to the term of the following agreement between the two governments as modified and supplemented.		er subject to the terms the two governments,		r Proje or oth		ement Title) r year)
	GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE: ECONOMIC COOPERATION AGREEMENT DATE: Sopt. 7, 1951, as amended		5. PROJECT DESCRIPTION AND EXPLANATION (See Agree A criticaled)			
	OTHER:	y was tamperated	6. ICA APPROPRIATION SYMBOL 7, ICA ALLO		ALLOTHENT SYMBOL	
	B. ICA DOLLAR FINANCING	PREVIOUS TOTAL	INCREASE (G)	DEC	REASE (C)	TOTAL TO DATE
	(a) Total	20,000				20,000
	(b) Contract Services	10,000				10,000
Tech. Advisor	(c) Commodities	10,000				10,000
	(d) Other Costs					
le Div	FINANCING - DOLLAR EQUIVALENT SLOD = VR\$ 35					
ntroller's	· (a) Yolal (counterpart only)	VN\$10.000,000 US\$ 285.714	V.	71 71	000 426	VNS 7.500.000
Office	(b) Technical and Other Services					
	(c) Commodities					
ogram Off.	(d) Other Costs					
	This revision some winder this Project Agrander this Project Agrander the Amount of obligating Records of the Foreign VN\$1,500,000 is being reverts to "unprogramm Agreement (as revised-	reement (as reviens incurred on Aid Administration reprogrammed in med counterpart	rised-date or is of December ation, GWI. in the 1958 Pr ". All other	f last : r 31, 19 Of the roject f r provis	revision 157, as decrea assessen sions o	a) to VN\$7,500, shown by the se of VR\$2,500, at and WR\$1,000
	DATE OF ORIGINAL AGREEMENT	DATE OF THIS RE	EVISION	FINAL	CONTRICUT	ION DATE
	FOR THE COOPERATING AGENCY	1	POR THE DISECT	OR, ICA		

Project Agreement Sample No. 3 (for cancelling 1958 Interim Proj. Agreeme					
PROJECT AGREEMENT BETWEEN THE INTERNATIONAL COOPERATION ADMINISTRATION (ICA). AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND					
				ICA, AND	
AN AGENCY OF T		Administration or VictNam			
MIN HOLIVOI OI 1	III. SOVETHINGIAL	Wi management and a second	*****************************	****************	
A THE PARTY OF THE PROPERTY OF THE PROPERTY OF THE PARTY	MINING A STATE OF THE STATE OF	1. PROJECT NO.	a. Nation 1 Indian - Service and State Association (Association)	S. ORIGINAL []	
The above-named parties here	30-20-000				
carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions amex and in any additional annexes attached hereto.		2. AGREEMENT NO.		REVISION NO. 1	
This Project Agreement is further	or subject to the teams	4. PROJECT TITLE			
the following agreement between modified and supplemented.	the two governments,	(Same title	as on 1958 Int Agreement)	erim Project	
GENERAL AGREEMENT FOR TEC	HNICAL COOPERATION	S. PROJECT DESCRIPTION AND EXPLANATION			
ECONOMIC COOPERATION AGREEMENT DATE: Sept. 7, 1951		(See Annex A altached)			
DATE:			(Same as before)		
ICA DOLLAR FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (c)	TOTAL TO DATE	
Total					
Contract Services					
Commodities					
Olher Costs					
COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT	The second secon				
0 = VIR 35	and the direction of the control of				
Total (counterpart only)	VNS 3,500,000 US\$ 100,000		VNS 3,500,000 US\$ 100,000	= 0 =	
Technical and Other Services					
Commodities					
Other Costs					
10. SPECIAL PROVISIONS					
This revision issued (date).	n serves to ear	icel the 1958	Tuterim Project	: Agreement	

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THE COUPERATORS ASSIST		FOR THE IMPEC	ion, ten		
Si Si	Other Costs Schis revisions This revision Sauced (date)	Other Costs Edia: Provisions Ehis revision serves to car ssued (date)	Other Costs Constant Provisions Chis revision serves to cancel the 1958 served (date).	Other Costs Scient Provisions This revision serves to cancel the 1958 Tuterim Project served (date)	

UNITED STATES OPERATIONS MISSION TO VIETNAM

SAIGON

PROJECT AGREEMENT

Transmittal Slip

	Herewith is attached the	e draft form of Project Agreement for 1958
No.	Titles:	
for	concurrence. (date:	
		Date in: Date out:
1.	Program Office	
2.	Controller's Office	######################################
3.	Program Office	NGAROTTO STREET
4.	Return to Chief of	Division for final typing on HECTO.