

Visayas State College of Agriculture
Baybay, Leyte
Office of the President

July 1, 1996

Memorandum No. 86
Series of 1996

T O: All Income Generating Project Managers
(Non-RF and RF Agricultural Projects)

R E: Semi-Annual Planning Workshop for IGP Managers

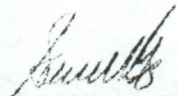
You are hereby informed that a two-day Semi-Annual Planning Workshop will be held on July 11-12, 1996 at ViSCA Pavilion. Please be guided that you are required to attend this workshop on official time to update your knowledge and management skills in running our college IGP.

A registration fee of P250.00 chargeable against your respective project will be collected thru fund transfer. This is to defray our cost of food and materials for the said workshop.

Please be reminded further that during the workshop you are required to bring the following information:

- i - Itemized production cost of your project incurred during the previous season.
- ii - Project plan of activities for the period July - December including budgetary estimates.

For your guidance and compliance.


SAMUEL S. GO
President

College President
cc: Vice Pres. for Administration
Vice Pres. for Academic Affairs
Accounting Division
COA
FMO

ODI
LUAPO
Records
File

Visayas State College of Agriculture
Baybay, Leyte
AGRIBUSINESS PROJECT UNIT

July 5, 1996


T O: All Project Managers
of College IGP's (RF and Non-RF Agricultural)

R E: Update for our Semi Annual Planning Workshop

Our Planning Workshop will finally be on July 11 and 12, 1996. There is really a strong necessity for all of us to attend this workshop because of some very important revisions/changes in our IGP Management and Operational Guidelines to be discussed. Attached herein is the proposed revision of our IGP Management Guidelines for our discussion and comments. Please be reminded of the important information that you need to bring during workshop as indicated in memorandum No. 86 of the President.

For your prompt attention.

Respectfully,


ANTONIO P. ABAMO
OIC, APU

**PROPOSED REVISION OF MANAGEMENT GUIDELINES FOR THE OPERATION
OF COLLEGE INCOME GENERATING PROJECTS**

I. Rationale:

There are three types of revenue generating projects operated by the college. These are ; Revolving Fund (RF) projects, Trust Fund (TF) projects and Special Fund (SF) projects. Guidelines on how these projects should be operated by the college are generally outlined under DBM circular No. 92-8 which took effect last November 18, 1992 and NBC No. 331, dated November 18, 1990. In order to contextualize the application of the said circulars, LUAPU has drafted some specific management guidelines for IGPs which was also adapted starting in 1994. From then on, the said guidelines provided a clearer direction in operationalizing the management of ViSCA's IGP in order to achieve its derived results.

While implementation of guidelines was observed religiously, there were inevitable management and organizational changes in ruling the IGPs that rendered the previous guidelines inadequate to effectively address an operational needs of the projects. Some of these changes were : (a) the need to have more transparent and responsible management operation of IG projects. Considering the operational nature and need of most projects, deepening bureaucracy has to be dealt in order to minimize "bottlenecks", (b) the establishment of an Agri-Business Commodity (ABC) market has provided an effective conduit in linking academic instruction with the entrepreneurial activities of the college. It also acted as a centralized distribution center of marketable products from all IGPs underscoring its importance to be part of the organizational set-up of college IGP, (c) other projects are expanding and shifting focus from one crop/livestock to another, not to mention changes of projects category (from TF to RF projects).

These and many other changes necessitated the revision of the 1994 guidelines in order to come up with relevant and effective management operation and practices. Hence, this proposal.

II. The College IGPs in Perspective :

For guidance purposes, it is imperative to have a clearer understanding of the nature, role/functions of these different college IGPs.

(1) Revolving Fund (RF) Projects :

Basing it from the NBC and DBM Circular No. 92-8 are the projects under the fund 161 and fund 163 account. These are classified as either RF-Agricultural and RF-Auxiliary. Income from RF projects may be used to improve school facilities, acquire equipment, augment maintenance and operating expenses, and other man-recurring expenses of the college; subject to existing accounting/auditing rules and regulation. Project under this type are;

a. RF Agricultural

- | | |
|------------------------------|------------------------|
| a.1 Piggery (A and B) | a.6 Dairy Project |
| a.2 Pineapple (A) | a.7 Sustained Yield |
| a.3 Poultry (A and B) | a.8 College Ornamental |
| a.4 Seedbank (A, B, C and D) | a.9 Horti Nursery |
| a.5 Rice Farm (A and B) | |

b. RF Auxiliary

- | | |
|--|------------------------------------|
| b.1 Pavillion | b.4 Hostel (Main campus, VCO, VMO) |
| b.2 Dormitories
(HS, College, Graduate) | b.5 Printing press |
| b.3 Farm shop services | b.6 Infirmary |

(2) Trust Fund (TF) Projects :

These are projects/activities of the college, whose income are fiduciary in nature and intended for specific purpose (per DBM circular No. 304-A) such as research, instruction, support services etc. Operation of which are monitored under the fund 163 account. These projects are the following;

1. Insurance (Insular, Phil-Am, GSIS etc.)
2. Association money (PPSTA, Coop, VPA, etc)
3. 1 % refund of tuition fee
4. PCARRD Administrative Cost (direct releases from PCARRD)

5. Publication Fees (Tiller, Amaranth, ATR, etc.)
6. Diploma Fee
7. Athletic Fee
8. Charity Fee
9. Science Club Fee
10. Cultural Fee
11. Identification card
12. Miscellaneous Fees
13. Donations (for Power House, etc.)
14. Refund for Staff Development
15. Fees for review, examination, graduation and requested subjects, training fee
16. Scholarship/Training funds from donors
17. ViSCA Supply Deposit
18. Performance Fund
19. Study Now Pay Later
20. Research Trust, e.g.
 - a. PARRS 250-8-80-00-004
 - b. DASVM Research
 - c. PRCRTC Schedule 1
 - d. PRCRTC Schedule 2
 - e. ViSCA Funded Schedule
 - f. Funded by other Agencies Schedule 4
21. Recreation Center (billiard, bowling, beta, etc.)
22. Soil Analysis (DASS and other department)
23. Research Products and By-products of various units from department, centers, etc.
24. Xerox and/or Mimeo services
 - a. PRCRTC
 - b. Central Administration
 - c. Registrar
 - d. Library
 - e. Other Units

25. Honoraria (Administrative services, speakers, consultants, etc.)
26. Retention for GSIS, BIR, etc.
27. Handouts, syllabi, and other teaching materials in various departments, units, centers

(3) Special Fund (SF) projects :

Those projects that are not covered under NBC circular 331 and 304-A shall be classified as SF projects.

These are;

1. Dairy (Goat, Sheep)
2. Vegetable, Floriculture
3. Banana
4. Pomology
5. Rabbit
6. Duckery
7. Beef/carabeef
8. Abaca
9. Bindery
10. Summer Fees
11. Fines and Penalties
12. Other non-RF, non-TF projects or activities of departments/centers/units

III. Highlights of the Proposed Revision

The important features of the revision are the following:

A. Compressing the major line of communication/decision within the organizational structure. The office/function of the BOM Chairman is merge with the LUAPU Director. This means that the LUAPU Director automatically also becomes the BOM chairman. The members of the BOM shall include representatives from crop and animal science, auxiliary services and the chief accountant. The administrative officer of the college shall be the Executive Secretary of the Board. To further streamline the bureaucracy, the BOM now becomes directly accountable to the college President.

Another important revision in the set up is the addition of the project analyst and ABC market component. The ABC market does not only act as the marketing arm of produce from all projects, but also serves as a workable linkage between academic instruction and the entrepreneurial activities of the college. The project analyst on the other hand, provides a very important feedback unit of BOM for the efficient evaluation/assessment of performance of the different IGPs.

B. A more expanded and specific version of the functions of the BOM Chairman/LUAPU Director, APU Head, Project Managers, facilitative committee, etc. is outline in this paper. Aside from the chief accountant who now becomes a member of the BOM, the composition of the facilitative committee would still be the same.

C. Other relevant operational guidelines are also outlined. These pertain to : (i) Appointment and Tenure of Project Managers (ii) New Monitoring and Evaluation Schemes for All Projects and (iii) Marketing and Pricing.

IV. Comparative Breakdown of Some Important Features Between the Current and Proposed Management Guidelines of IGP

4.1 Management and Organizational set-up

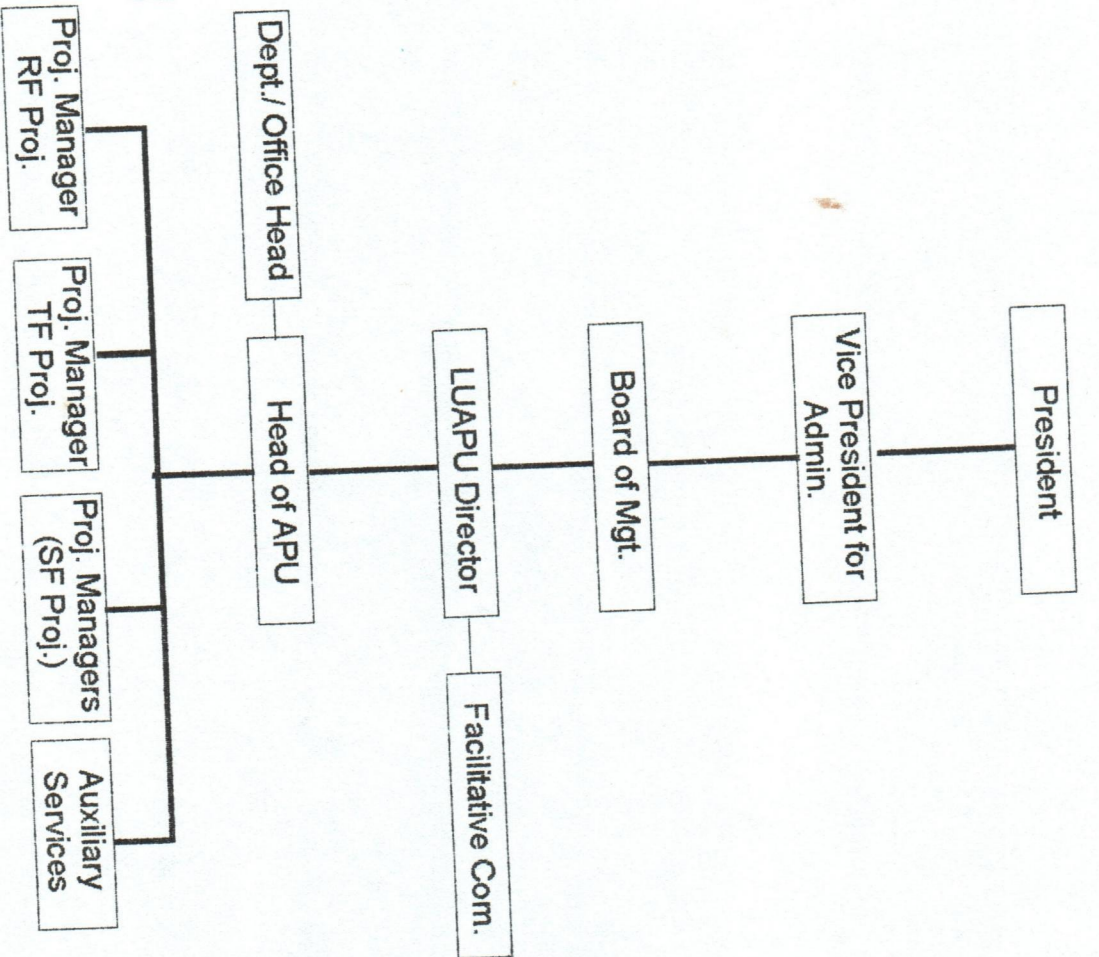
In order to have a unified understanding of the general management operation of IGPs, one common organizational set up for all types of projects is being drafted. The revised one features a more responsive and flexible type of set up with its shortening of the direct line of command responsibility (from the President to the project managers). (Please see attachment).

4.2 General Management Functions/Responsibilities

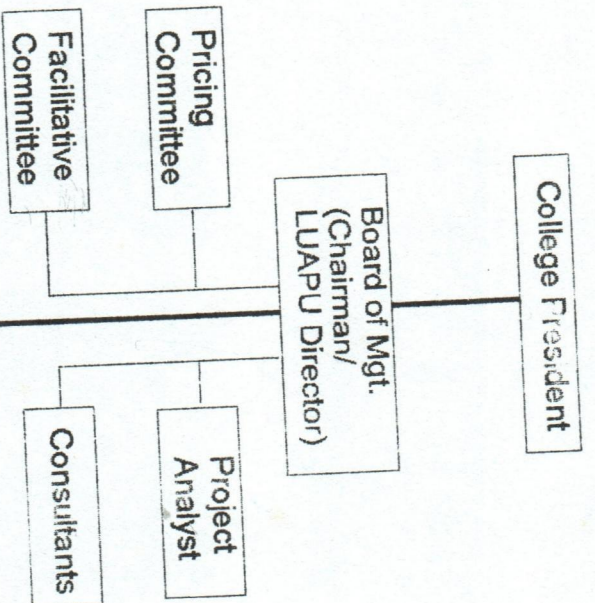
While the college President takes the overall control of the operation of IGPs, planning, execution and monitoring of day to day activities rest upon the flow of responsibilities from the BOM down to the project managers. The BOM is the policy making body of the management set-up.

A. Functions of the BOM

Current	Proposed
a.1 Approves project plans and budget	a.1 Approves project plans and budget
a.2 Formulates specific management policies and guidelines for the different projects	a.2 Formulates specific management policies and guidelines for the different projects
a.3 Review proposals of new projects and recommends to the Vice President for Administration for endorsement to the President.	a.3 The BOM through the Chairman/LUAPO Director, reviews proposal and recommend it to the President.
a.4 Conduct periodic visitation (at least once a month) and evaluation study of the records, activities and programs of various projects.	a.4 Conduct periodic visitation (at least once a month) and evaluation study of the records, activities and programs of various projects.
a.5 Coordinates with Agribusiness Project Office Head in the preparation of quarterly and yearly project reports.	a.5 Coordinates with Agribusiness Project Office Head in the preparation of quarterly and yearly project reports.
a.6 Recommends the suspension/termination of the operation of non-viable projects.	a.6 Recommends the suspension/termination of the operation of non-viable projects.



Present Organizational set-up of College IGPs



Proposed Organizational set-up of College IGPs

staff function

direct line function

B. Functions of the LUAPU Director

Current

- B.1 Review and recommends budget proposal of the project manager for approval of the BOM.
- B.2 Review and recommends approval of monthly reports of the projects.
- B.3 Recommends for approval appointment of project manager.
- B.4 Provides supervision over the operation of the Agribusiness Project Office.
- B.5 Serve as member of the BOM of all income generating project activities of the college whether operated as RF or non-RF.
- B.6 Recommends revision of project report forms.

Proposed

- B.1 Presides over all Board of Management meetings.
- B.2 Review and recommend to the Board for approval all budget proposal of the projects.
- B.3 Represents the Board of Management in any undertaking called for where the operation and management of the IGPs is concern.
- B.4 Consolidate and submit periodic reports to the college President regarding the operation and management of all IGPs.
- B.5 Initiate/coordinate farm planning, organizes manpower, resource and activities of all IGPs for efficiency in production.
- B.6 Conduct meetings with IGP personnel on operations, programs or in any subject relevant to the IGPs, and
- B.7 Perform other duties delegated by the college President.

C. Function of the APU Head

Current

- C.1 Implements the policies/guidelines approved by the Board of Management.
- C.2 Coordinates with the dept./center/unit/office heads in the operation and management of the project.

Proposed

- C.1 Implements the policies/guidelines approved by the Board of Management.
- C.2 Coordinates with the dept./center/unit/office heads in the operation and management of the project.

C.3 Keeps important business records of the projects such as financial, monthly project reports and analyses.

C.4 Prepares appointment of the project managers in coordination/consultation with the dept./center/unit/office heads where the project belongs.

C.5 Assist the accounting division in preparing the financial report.

C.6 Reviews monthly project reports and analyzes the financial status of the project.

C.7 Prepares quarterly and yearly reports.

C.3 Keeps important business records of the projects such as financial, monthly project reports and analyses.

C.4 Prepares appointment of the project managers in coordination/consultation with the dept./center/unit/office heads where the project belongs.

C.5 Assist the accounting division in preparing the financial report.

C.6 Reviews monthly project reports and analyzes the financial status of the project.

C.7 Prepares and submit quarterly and yearly reports to the BOM Chairman/LUAPU Director

C.8 Attend Board of Management meetings as may be required

C.9 Recommend termination/dismissal of service project personnel after consultation and investigation of any case.

D. Functions of Project Managers

Current

D.1 Prepares project plan and budget for approval by BOM.

D.2 Oversees the day to day project activities.

D.3 Prepares monthly and annual project reports in consonance with existing memoranda, administrative orders, circulars.

Proposed

D.1 Assume direct responsibility, liability, and accountability of project operations and management

D.2 Plan, organize, direct, control, motivate, train and effectively communicate with project personnel.

D.3 Implement, approve organizational plans directives and other instructions of the APU head or Board of Management.

D.4 Signs for all projects properties.

D.5 Submits other reports as maybe required by the BOM or Head, APU.

D.4 Prepare the necessary farm plan and budget including specific studies, improvement and or expansion.

D.5 Continuously develop ways and means in carrying out task more efficiently and effectively.

D.6 Maintain discipline of project personnel.

D.7 Maintain accurate farm records and submit regular reports to APU head.

D.8 Perform other functions as may be required by the upper management.

E. Functions of Facilitative Committee

Current

E.1 To facilitate the determination of beginning/ending and the mid-year project inventory;

E.2 To facilitate and to take the responsibility/accountability of the records and other documents related to the projects.

Proposed

E.1 Facilitate in the preparation of project inventory (semi annually)

E.2 Keeps the official record of the project for reference

E.3 Assist the project analyst in making the economic/financial analysis of all projects

F. Functions of Project Analyst

Current

In the present set up there is no project analyst.

Proposed

F.1 Assist the Project Managers in the preparation of farm plan and budget

F.2 Assist in the preparation, evaluation and analysis of feasibility studies and/or prospective investment

F.3 Evaluate the financial statements of projects and conduct business profitability/viability

V. Other Operational Guidelines

5.1 Appointment and Tenure of Project Managers

Except in the case of the project managers (PM), all appointments are directly issued by the College President with concurrence of the BOM chairman. The appointment of PMs for all IGP of the college is different. Before it gets the approval of the President, it needs the endorsement of the APU Head upon the recommendations of the department/center head where such a project belongs. It shall be acted by the president only after the endorsement of the BOM is made. The term of each appointment is one year.

5.2 Qualifications and Incentives

The objective of giving financial and other incentives is to maximize the return to investment of the College in each project and to encourage efficient performance of project managers and laborers. Hence, only qualified staff/personnel are posted in each unit/project in order to realize the abovementioned intention.

The management core of the College IGP are all full time staff of the college. Hence, the BOM Members, LUAPU Director, APU Head, Facilitative Committee except the project managers (PMs) are given only an honorarium sourced from the income of all revolving fund project. The RF project managers, will receive an incentive equivalent to 15% of his project net income but not to exceed an aggregate amount of P20,000.00/annum. This amount of incentive shall be received by the RF project managers for as long as the project earns an ROI of at least 10 % /season. The incentives of Auxiliary Services and the Non-RF Project managers on the otherhand, is given as a fixed honorarium set by the College President or his authorized representative. Lastly, the project analyst will each receive P4,000.00 per annum.

The project managers and analyst are chosen by the BOM through the APU base on specific qualifications. These include :

- i. Preferably faculty or non-academic staff of the college with regular appointment.
- ii. Sufficient experience in managing a project in line with specialization

The project analyst should preferably be a regular faculty of the Department of Ag. Economics and Agribusiness with recommendation from the Department Chairman.

5.2 Revised Monitoring and Evaluation Schemes (M/E)

Most of the monitoring work for all IGPs by LUAPU thru the APU, while management and financial evaluation of all project operation shall be done by the Project analyst. Periodic reports from different IGPs to LUAPU will be consolidated and analyzed.

For purposes of effective monitoring and evaluation of project performance, monthly reports are required for all RF and non-RF agricultural projects. This is due to the nature of their project transaction which regularly affect change in the revenue and inventory account of the project. Reports for RF-auxiliary on the other hand can be classified into two : **first** are those services with more predictable patterns of the flow of revenue and expense transaction e.g. High School Dorm, undergrad and graduate dorms. **Second** are those with a less predictable revenue and expense pattern e.g. Pavillion, Hostel, VMO, ViSCA Cebu office and others. The first classification will report only twice a semester (beginning and ending) while in the case of the second one, reporting should be done every month.

Management and financial evaluation will be done for all IGPs every year. This will be the basis for the renewal of the appointment of all project managers. The managers of auxiliary services and Non-RF Agricultural projects, are evaluated solely on the basis of their annual work/output targets. The RF- Agricultural Project Managers on the otherhand, are evaluated more on how they can generate a sustained 10 % ROI from their projects. This rate of return should be maintained for at least 2 production cycles. Those that cannot meet this said target are given a grace period of one cropping season to recover, afterwhich, the appointment as project manager shall be declared terminated.

5.3 Marketing and Pricing

In consonance with the existing memorandum of the college president, establishing more systematic and centralized network of distribution of products from the college, all marketable produce are to be channeled to the ABC market. The ABC market through its linkage with other academic departments/centers e.g. DAEA, will actively pursue market study/survey for the efficient disposal of available products. A more workable marketing arrangement between the projects managers and the ABC market manager for a more coordinated programming of production and marketing activities.

Without jeopardy to existing guidelines and upon consultation of the College Pricing Committee, all IGP products will be sold to ViSCA personnel at a socialized pricing. The mechanism of which will be designed by the pricing committee. Product purchase by non-ViSCA personnel will be priced at the going market price.