

**RULES OF PROCEDURE OF THE
GENERAL DIRECTORATE**

CONTENTS

CHAPTER

I	The General Directorate.....	5
II	The Director General.....	6
III	Personnel.....	11
IV	Standards on the Program Budget.....	22
V	Financial Resources.....	27
VI	Accounting System and Financial Control.....	31
VII	Auditing.....	33
VIII	Amendment of the Rules of Procedure.....	37

CHAPTER I
THE GENERAL DIRECTORATE

Article 1. The General Directorate is the executive organ of the Inter-American Institute for Cooperation on Agriculture (hereinafter the Institute). It shall consist of the technical and administrative units through which the activities of the Institute are coordinated and carried out.

Article 2. The General Directorate shall perform the functions indicated in the Convention on the Institute and those assigned by the Inter-American Board of Agriculture (hereinafter the Board) and shall also carry out any tasks the Board or the Executive Committee (hereinafter the Committee) may entrust to it.¹

Article 3. The programs and activities that are adopted to meet the requirements and the priorities of the Member States shall be prepared and carried out by the General Directorate, in accordance with the general policies and decisions adopted by the Board, and taking into account the recommendations that have emanated from the General Assembly and the Councils of the Organization of American States.

Article 4. The Central Office of the General Directorate shall be located on its official site in San Jose, Costa Rica. The functions of technical cooperation shall be carried out through offices established in the Member States to serve one or more countries.²

(October 1983)

¹ Article 18, Convention

² Article 30, Convention

CHAPTER II**THE DIRECTOR GENERAL**

Article 5. The Director General, under the supervision of the Board, shall have the legal capacity to act in representation of the Institute, and the responsibility for leading and managing the General Directorate. He/she is the highest ranking officer of the Institute and is responsible for the full implementation of all resolutions and tasks entrusted by the Board or the Committee, as well as the effective operation of the General Directorate.³

Article 6. It is the responsibility of the Director General to carry out the following specific functions, which shall be performed in accordance with the Rules of Procedure and other regulations of the Institute and its organs, and the corresponding budgetary provisions approved by the Board:

(October 1999)

a. To administer the financial resources of the Institute, and when deemed necessary, and at least every four years, to obtain proposals from external auditing firms and present them to the Committee.

(October 1999)

b. To issue and enforce technical and administrative provisions to determine the number of staff members and regulate their powers, rights, and duties, to determine their remuneration in conformity with the system established for this purpose, and with the budget, both approved by the Board, and to appoint and remove them, pursuant to provisions of these Rules of Procedure and the Staff Rules;

c. To establish such offices of the General Directorate as may be necessary to accomplish the purposes of the Institute, and discontinue those that become unnecessary;

d. To redistribute the functions of the existing units, combining them or subdividing them whenever necessary to maximize the efficiency of the services and the performance of activities, provided no increase in budgetary expenditures is involved;

³

Article 19, Convention

- e. Whenever advisable, to contract the special or technical services of individuals or companies;⁴
- f. To prepare the proposed biennial program budget of the Institute and submit it to the Committee, adding any resulting observations and recommendations for submission to the Board;⁵
- g. To prepare an annual report on the activities and financial condition of the Institute, and submit it to the Board when it meets, or to the Committee in years the Board does not meet, and to the General Assembly of the Organization of American States;⁶
- h. To establish and maintain cooperative relations with national, inter-American or international organizations and programs, and with governmental or private entities that pursue objectives included in the purposes of the Institute;⁷
- i. To establish and maintain relations with the Organization of American States, in accordance with the terms of the agreements concluded with the General Secretariat;
- j. To conclude agreements on privileges and immunities with the Member States⁸, in accordance with guidelines, if any, established by the Committee.
(October 1999)
- k. To conclude agreements that determine the institutional relations that should exist between the Institute and national, inter-American or international organizations;
- l. To serve as the *ex-officio* Secretary of the Board and the Committee;

⁴ Article 29, Convention
⁵ Article 20, letter c., Convention
⁶ Article 20, letter d., Convention
⁷ Articles 20, letter e., and 4, letter c., Convention
⁸ Article 28, Convention

- m. To participate in the meetings of the Board and the Committee, without a right to vote; and
- n. To issue the letter of convocation to the regular and special meetings of the Board and the Committee.
- o. To maintain an inventory of the current resolutions of the Executive Committee and Board and to make annual recommendations to the Board through the Executive Committee regarding which resolutions should either be deleted from the inventory or codified within the Rules of Procedure or other published compilations of rules and regulations of the Institute's several organs.
(October 1989)

Article 7. The Director General may delegate functions and grant powers to other employees of the Institute when he/she deems this advisable, assuming full responsibility for such delegations.

Article 8. The Director General shall appoint a Deputy Director General and any necessary Assistant Deputy Directors General. The Deputy Director General shall perform the duties inherent to his/her office and act as the delegate of the Director General in all matters so entrusted. In case of temporary absence or disability of the Director General, the Deputy Director General shall perform the duties of the Director General. In the event that the office of the Director General becomes vacant, the Deputy Director General shall assume the duties of the office until the Board elects a new Director General and the person elected takes office, in accordance with Article 104 of the Rules of Procedure of the Inter-American Board of Agriculture.
(October 1983)

Article 9. In the performance of his/her duties, the Director General shall seek or receive no instructions from any government or from any authority outside the Institute, and shall refrain from any action incompatible with the position of an international officer responsible only to the Institute.

Article 10. The Director General shall observe the following standards on conflicts of interest, real or apparent:

- a. During his/her term of office, the Director General may not solicit or accept, directly or indirectly, any gift, gratuity, loan, favor, or any other thing or object of monetary value, from any person, association, corporation or business entity that has, or is seeking to obtain, a contractual or other business or financial relationship with the Institute.
- b. The Director General must refrain from using, or appearing to use, his/her office for the purpose of private gain for himself/herself or any other persons.
- c. The Director General may have no direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with the proper discharge of his/her duties in the interest of the Institute, or with the responsibilities prescribed by the Convention of the Institute and by these Rules of Procedure.
- d. The Director General shall avoid any action, whether or not specifically prohibited by these Rules of Procedure, which might result in, or create the appearance of:
 - i. Giving preferential treatment to any organization or person;
 - ii. Losing independence or impartiality of action;
 - iii. Making administrative decisions without observing established procedures;
 - iv. Adversely affecting the good name and integrity of the Institute.

If the Committee believes that any specific matter could give rise to a possible conflict of interest, the Director General shall: (1) disqualify himself/herself from involvement in any matter that is directly or indirectly related to the entity concerned; or (2) eliminate the conflict by divesting himself/herself of the interest, at his/her option.

- e. At the beginning of the term of office for which he/she was elected or reelected, the Director General shall submit to the Board a sworn statement containing the following information:

- i. A list of all business associations, enterprises, companies, and other entities with which he/she is connected, directly or indirectly, with an indication of the nature of any existing connection, together with a statement of the amount of his/her financial or business participation in these associations, enterprises or companies;
- ii. A list of creditors, other than those to whom he/she may be indebted by reason of a mortgage on property occupied as his/her private residence, or to whom he/she may be indebted for ordinary household and living expense, such as household furnishings, automobiles, education, vacation, and similar expenses; and
- iii. A statement of his/her net worth.
(October 1983)

Article 11. The Director General shall enjoy the privileges and immunities corresponding to his/her office that are necessary for the independent performance of his/her duties.

Article 12. The Director General, after informing the Board and the Committee, shall determine the classification, description and placement of positions in the hierarchical structure of the Institute, stipulating the job title, the objectives and functions of the position, the requirements for the job, and the salary range. The classifications of the positions shall be reviewed periodically, on the basis of the needs of the Institute.⁹
(October 1983)

Article 13. The Director General, when he/she deems necessary, may hire persons, internationally or locally, with high academic qualifications and broad professional experience, as consultants for brief periods of up to one year, to provide special or technical services. These persons shall not be considered Institute staff, and therefore their rights and obligations, as well as the terms of reference for the activities they are to perform, shall be as specified in the particular contract.
(October 1985)

⁹ Article 20.b., Convention; Article 6.c. and .d., Rules of Procedure of the General Directorate

CHAPTER III
PERSONNEL

Article 14. The personnel of the Institute shall be classified in the following categories:

- a. INTERNATIONAL PROFESSIONAL - made up of persons with high academic standing and broad professional experience, appointed or hired on contract as international staff to perform their duties in any of the Member States. It shall include:
 - i. REGULAR – Composed of staff members with appointments covering an indefinite period of time, subject to a satisfactory performance appraisal at least every two years and a valid Regular Appointment conferred under Article 17 of the Rules of Procedure of the General Directorate prior to October 31, 1997.

(October 1997)
 - ii. TEMPORARY - Appointed for fixed periods of up to two years. Fixed term contracts of temporary personnel may be renewed for additional periods of up to two years, depending on the performance of the official, the needs of the Institute and the availability of funds. This does not imply any automatic right to renewal. A contract that has not been renewed through a document duly authorized by the Director General and signed by the Director of Human Resources, shall expire automatically without previous notification or compensation on the date indicated in same.

(November 2000)
 - iii. TRUST - persons appointed and removed at the discretion of the Director General to hold the positions defined as positions of trust in Article 37 of these Rules. Such appointments shall not extend beyond the term of office of the Director General and are subject to immediate termination at any time, without right of indemnity.

(October 1986)
 - iv. ASSOCIATE - appointed to perform functions of a professional, technical or scientific nature, in accordance with agreements or contracts concluded with other institutions coparticipating in programs of common interest; or to provide services *ad honorem*, with authorization of the institution to which they belong.

- b. LOCAL PROFESSIONAL -are specialists hired locally not subject to lengthy transfers to or assignments at a duty station in a country other than the one in which they were hired. These staff members have professional degrees and are associated with the Institute by a work contract in accordance with labor laws and practices of the country in which they provide services. Their labor relations are also covered by all pertinent stipulations of the Institute's Rules of Procedure and regulations which do not contradict these local labor laws. These staff members need not be nationals of the country in which they work. However, they must have the appropriate documentation that allows them to legally work in the country.

(November 2000)

- c. GENERAL SERVICES -persons performing tasks for which specific technical training may or may not be necessary, but do not necessarily require a professional degree. They are hired locally to perform support functions or to provide auxiliary services, not subject to lengthy transfers to or assignments at a duty station other than the country in which they were hired. Their labor relations are also covered by all pertinent stipulations of the Institute's Rules of Procedure or regulations that do not contradict these local labor laws. These staff members need not be nationals of the country in which they work. However, they must have the appropriate documentation that allows them to legally work in the country.

(November 2000)

Article 15. The Board may confer appointment and title of Director Emeritus to a person who has served as Director General of the Institute, showing superior technical ability and an outstanding spirit of service.

Article 16. The Executive Committee may confer appointment and title of Emeritus at its own initiative or by proposal of the Director General, to staff members with high professional personnel classification, who have made outstanding contributions, have completed thirty years of professional practice, have been linked to the activities of the Institute for the past fifteen years, and have completed ten years at its direct service.

(September 1993)

Article 17. The regular international professional personnel shall be governed, as a minimum, by the following principles:

- a. Appointment, hiring, and promotion on the basis of background, competition and evaluation;

- b. Preferential treatment for filling higher-level openings, other conditions being equal. For this, training, experience and capabilities demonstrated in the past performance of duties shall be taken into account;
- c. Encouragement and support to improve training; and
- d. Participation in the Retirement and Pension Plan of the Organization of American States.

Article 18. Persons holding temporary or trust appointments are entitled to participate in the Retirement and Pension Plan of the Organization of American States. At their option, however, they may elect instead to participate in the Provident Plan of the Organization of American States.

(October 1986)

Article 19. Staff members, in the discharge of their duties, are responsible only to the Institute. In accepting an appointment or a contract they shall undertake to perform their duties and to regulate their conduct in accordance with the character, purposes, and interests of the Institute.

Article 20. Upon receiving an appointment or contract, each staff member shall be given a document signed by the Director General, or by an officer acting in his/her behalf, stating the nature and conditions of the appointment or contract.

Article 21. In the performance of their duties, staff members shall neither seek nor receive instructions from any government or any authority outside the Institute.

Article 22. Staff members shall refrain from any action that may be incompatible with their position as employees of an international organization. In this regard, they may conduct no activity that the Director General considers undesirable, from the standpoint of the effective performance of their duties or of the good name of the Institute.

Article 23. Staff members shall not act or express themselves publicly in any way that might be detrimental to the Member States or to the Institute.

Article 24. Staff members shall exercise the utmost discretion with respect to all matters of official business. They shall communicate no restricted information to anyone, except in the course of their duties and in accordance with the procedure for so doing established by the Director General. Nor shall they at any time use such information to private advantage. These obligations do not cease upon separation from service.

Article 25. No staff member shall render services to any government or agency under conditions other than those specially approved by the Director General.

(October 1983)

Article 26. No staff member may accept a decoration, honors, awards, remuneration, favor, or gift from any government or institution, when the Director General considers that this is incompatible with his/her status as an officer of an international organization or with the interests of the Institute.

(October 1983)

Article 27. The acceptance by a staff member of nomination to elective public office of a political nature shall imply resignation from the Institute.

(October 1983)

Article 28. The acceptance by a staff member of appointment to a government post shall imply resignation from the Institute.

(October 1983)

Article 29. A staff member may accept no other employment or occupation that the Director General considers incompatible with the proper performance of his/her duties to the Institute.

Article 30. No Director General seeking re-election, nor any employee of the Institute that may have been nominated to the position of Director General, may make direct or indirect use of their positions to further their candidacies.

Article 31. Before beginning work, every staff member shall sign a declaration, identical for all categories, committing himself/herself to perform all duties loyally, discreetly, and conscientiously, and in accordance with the provisions of the Convention, these Rules of Procedure, and other pertinent provisions.

(October 1983)

Article 32. No staff member may seek the influence or support of a representative on any organ of the Institute, or of any government, in matters affecting administration or discipline in the Institute. All questions regarding these matters shall be settled in accordance with the pertinent regulations in force.

Article 33. The privileges and immunities granted to the staff members of the Institute, necessary for the performance of their duties, shall be determined in accordance with a multilateral agreement to be concluded among the Member States of the Organization of American States or, when deemed necessary, in bilateral agreements concluded by the Institute with its Member States.¹⁰

Article 34. The Director General, in accordance with the standards approved by the Board or the Committee, shall issue administrative provisions for the classification of personnel in the Professional and General Services categories, in accordance with criteria based on the person's *curriculum vitae*, and the type and quality of services rendered to the Institute. Personnel classifications shall be reviewed at least every two years.

(October 1985)

Article 35. The Director General shall appoint staff members to occupy positions in the Institute's organizational structure, and shall assign duties, responsibilities and remuneration for each case. He/she may also transfer them to other positions, in accordance with service needs and the Staff Rules.

(October 1983)

Article 36. The level of remuneration for Institute personnel shall be determined on the basis of:

- a. The classification of the position;
- b. The personal classification; and
- c. A temporary variable premium to occupy administrative positions classified higher than his/her current present classification, as stipulated in the Staff Rules and the Remuneration System.

(October 1985)

¹⁰

Article 28, Convention

Article 37. The following positions are positions of trust under the Director General: Deputy Director General, Assistant Deputy Directors General, Advisors to the Director General, the IICA representative in the country of which the Director General is a citizen, and all "D" level positions. All persons occupying these positions shall have trust appointments as described in Article 14 of these Rules.

(October 1986)

Article 38. The following provisions shall govern appointments to positions of trust:

(October 1986)

- a. The Director General may appoint to a position of trust any staff member or anyone from outside the General Directorate provided that person satisfies the standards of high academic standing and broad professional experience stipulated in Article 14 (a) of these Rules.
- b. Any regular international professional staff member who is appointed to a position of trust, upon leaving the position of trust, shall have the right to return to a position where he will be accorded the classification he had in his previous non-trust assignment, with the added steps for merit that he has earned.
- c. Any temporary international staff member appointed to a position of trust shall have the right, upon leaving that position, to complete the term of the temporary contract he held prior to appointment to the position of trust, provided that the term has not expired prior to his leaving the position of trust. For purposes of this rule, the term of the staff member's temporary contract shall be deemed to have expired on the termination date stated in the contract.
- d. A staff member removed from a position of trust has no right whatsoever to indemnity in relation to said removal.
- e. Subject to the notice provisions set out in Article 59 of these Rules, a person appointed from outside the Institute to a position of trust shall cease to be an Institute employee immediately upon his removal from the position of trust.
- f. Appointments to positions of trust are made at the discretion of the Director General.

Article 39. Periodically, at least every two years, a review and evaluation of the work performed by staff members shall be made, and the results of this evaluation shall be conveyed to them promptly and fully in due form.

(October 1985)

Article 40. The salary of the Director General shall be set by the Board or by the Executive Committee, *ad referendum* the Board. The Director General's pension upon leaving office shall be based upon the formula specified in the System for the Determination of Remuneration for IICA Personnel, as approved by the Board, or by the Executive Committee, *ad referendum* the Board.

(October 1999)

Article 41. The salaries, allowances, and other benefits of the staff members in the International Professional category shall be set by the Director General in accordance with these Rules of Procedure, the System for the Determination of Remuneration for IICA Personnel, and the Staff Rules, taking into consideration the budgetary provisions approved by the Board.

(October 1999)

Article 42. Staff members shall be appointed or promoted fairly, with no discrimination whatsoever as to race, creed or sex. Only competence, experience, efficiency and integrity shall be taken into account together with the need for staff members to be selected with a view to as broad a geographical representation as possible among nationals of the Member States, except in special cases where the needs of the service require that nationals of other States be appointed.

(October 1985)

Article 43. In the performance of their duties, International Professional Personnel, subject to the terms of Article 14 (a) of those Rules, shall normally remain no less than three years or more than eight years in the same country, except for technical or administrative positions inherent in the operations of Headquarters.

(September 1993)

Article 44. When it becomes necessary to transfer members of the Regular International Professional Personnel to their own countries, the Director General shall take into consideration only technical and professional criteria.

(October 1983)

Article 45. When openings are to be filled, first preference shall be given, if other conditions are equal, to personnel in the same category; second preference shall be given to other staff members. The Director General shall determine whether applicants meet the qualifications required for the position. For these purposes, he/she shall make certain that all staff members have an equal opportunity to apply for openings that occur.

(October 1983)

Article 46. To be appointed to a position or employed on contract, an applicant must first undergo a medical examination to demonstrate that he/she meets the physical and health requirements for the duties.

Article 47. Members of the international professional staff shall accrue annual leave at the rate of twenty-six working days per year and may accumulate unused annual leave up to a maximum of fifty-two working days.

Article 48. Local professional and general services staff members shall accrue annual leaves in accordance with the labor laws and practices of the countries in which they are working.

Article 49. The Director General may authorize special leave in exceptional cases, in keeping with pertinent Staff Rules.

(October 1983)

Article 50. The Staff Rules of the Institute shall establish a system of social security for staff members hired in accordance with Article 14, paragraph a., to include provisions for health protection, sick leave and maternity leave, and compensation in the event of illness, accident, or death resulting from the performance of official duties in the service of the Institute.

(October 1983)

Article 51. Staff members appointed or hired on contract in accordance with Article 14.b. and c. shall participate in the social security and insurance system of the countries in which they serve. If a particular Member State has no social security and insurance system, or the system does not include benefits that the Institute considers should be enjoyed by all its staff members, the Institute shall then provide full or supplementary coverage.

(October 1985)

Article 52. The Institute shall pay travel, installation, and repatriation expenses for international staff members and their dependents, in accordance with the pertinent Staff Rules.

Article 53. Staff members shall enjoy other services and benefits to which they are entitled under the provisions or rules issued by the competent organs of the Institute.

Article 54. In order to maintain continuing contact between the staff and the Director General, a Staff Association shall be set up of the staff members of the Institute. Its officers may make proposals and discuss them with the Director General or with the representative he/she designates, concerning all matters that are of common interest to the staff members or that affect their general well-being, including working conditions.

(October 1983)

Article 55. In accordance with pertinent regulatory provisions, the Director General may adopt disciplinary measures for unsatisfactory performance of work or for conduct not in conformance with these Rules of Procedure.

(October 1983)

Article 56. Disciplinary measures shall include oral or written admonitions, written censure, suspension or dismissal.

Article 57. The Director General shall establish an advisory group of members designated by him/her and by the Staff Association to advise him/her on disciplinary measures and the enforcement thereof.

Article 58. The Director General may terminate the appointment of a staff member:

- a. In case of prolonged illness, in accordance with the pertinent Staff Rules;
- b. When it becomes necessary to eliminate a post, as a result of a reduction in staff or the reorganization of a unit of the Institute, taking into account the provisions of Articles 17(b) and 45 of these Rules of Procedure;
- c. For repeatedly unsatisfactory work;
- d. When he/she fails to fulfill the requirements of service contained in these Rules of Procedure; and
- e. When he/she reaches the age of 65.

Article 59. In any case governed by Article 58, the staff member affected shall be given at least sixty days written notice.
(October 1983)

Article 60. The Director General may summarily dismiss any staff member for serious misconduct, in accordance with the pertinent rules and regulations.
(October 1983)

Article 61. A staff member may resign from the Institute personnel by tendering a written resignation to the Director General, giving the notice stipulated in the appointment.
(October 1983)

Article 62. Regardless of the reason for separation from service, the provisions for retirement and pension adopted by the Board shall apply to international staff. For members of the local professional and general services staff, the labor or social security laws of the country in which they serve shall be applied.

Article 63. The Institute shall give recognition of services to every staff member whose services are terminated after completing a period of employment of at least two years. This recognition shall consist of a note of appreciation and a bonus, to be paid in accordance with the pertinent rules.
(October 1985)

Article 64. Recognition of services shall not apply to a staff member when:

- a. Services are terminated during the first period of employment;
- b. He/she abandons the post;
- c. He/she is dismissed for serious misconduct;
- d. He/she has deliberately falsified information with a view to gaining employment in the Institute, or has made false statements that could affect the Institute.

(October 1986)

Article 65. Every staff member shall be entitled to a hearing with respect to disciplinary measures taken or other matters of an administrative nature that may affect his/her interest.

Article 66. Every staff member shall be entitled to request the Director General to reconsider any disciplinary measure affecting him/her, or any administrative measure for which he/she alleges noncompliance with the conditions set forth in his/her appointment or with any pertinent provision of these Rules of Procedure or of the Staff Rules.

(October 1983)

Article 67. The Director General shall establish an advisory group, composed of members designated by the Director General and by the Staff Association, to advise him/her on cases of reconsideration referred to in the above article.

Article 68. When the procedures set forth in these Rules of Procedure and in other provisions in force in the Institute have been exhausted, an International Professional Staff Member or a former International Professional Staff Member who considers himself/herself injured, shall have the right of last resort to the Administrative Tribunal of the Organization of American States, in accordance with the Statutes of that Tribunal.

(September 1993)

Article 69. For the purposes of this chapter, the term "staff members" shall be understood to include the Director General, in any matters that may be applicable to him/her.

CHAPTER IV
STANDARDS ON THE PROGRAM BUDGET

Article 70. The program budget of the Institute is biennial, but the fiscal year shall cover one calendar year from January 1 through December 31 of the same year. Quotas for the Regular Fund shall be annual and shall be paid each year.

(October 1983)

The accounts shall be closed at the end of each fiscal year and shall be audited by external auditors.

Article 71. The Director General shall prepare the proposed program budget of the Institute for each biennium and submit it first to the Executive Committee and then to the Board, with the observations and recommendations of the former, 45 days before the date set for the next meeting of the Board.

Article 72. The proposed program budget shall include all allocations necessary for carrying out the programs approved by the Board and the mandates and resolutions in force. The requirements and priorities indicated when the programs were adopted shall be observed. The proposed program budget shall be divided into chapters and sections and shall be presented by categories of activity, classified by object of expenditure, in such a manner as to:

(October 1999)

- a. Allow for effective control over budgetary implementation, in accordance with the decisions of the Board and the Committee;
 (October 1999)
- b. Facilitate the review and follow-up of programs and projects included and the identification of their specific sources of financing, including special voluntary contributions from the countries;
- c. Provide and explain the analytical and comparative data on each program and center, which clearly indicate the projects planned, objectives, staff, working methods to be used, cooperating institutions, if any, and resources required;
 (October 1983)

- d. Indicate the comparative relationship between the cost of the programs and centers approved for the previous fiscal year, and the cost of those proposed for the new one, and indicate tentative allocations by programs and centers projected for the succeeding fiscal year; and
(October 1983)
- e. Clearly establish the operational unit responsible for carrying out each project.
(October 1983)

Article 73. The proposed program budget shall be based on the following categories of activities:

- a. Direct Services of Technical Cooperation (programs and others);
(October 1983)
- b. Management Costs; and
- c. General costs and provisions.
- d. Renewal of Infrastructure and Equipment.
(September 2005)

Article 74. The Proposed Program Budget, as submitted, shall be broken down into the following objects of expenditure: international professional personnel, local professional personnel, and general services personnel; scholarships; official IICA staff member travel; documents and supplies; plant, equipment and furniture; general services; performance contracts; and other costs.
(October 1985)

Article 75. For each program, the proposed program budget shall include:

- a. A summarized description of the objectives, strategy, significant changes included and other basic elements of the program budget;
- b. A list of the projects included in each program, indicating the possible allocation of operating costs for each one;
- c. A comparative summary of the allocations, classified by object of expenditure and source of financing; and

- d. A note about the background and the mandate through which the programs came about.

Article 76. The Director General shall submit the proposed program budget, together with the following:

- a. A statement indicating the general orientation of the program budget;
- b. A list of the quotas assigned to the Member States;
- c. A list of any other resources from public or private funds that have been offered to finance programs or projects of the Institute;
- d. An estimate of non-cash contributions;
- e. A financial report covering the following points:
 - i. The status of the quota payments and of voluntary contributions by the Member States and other projected income;
 - ii. A report on the status of the Working Subfund of the Regular Fund and of the approved revolving funds;
(October 1985)
 - iii. Status of implementation of the previous budget and of the progress made in implementing the first year of the current budget;
- f. A summarized report on activity evaluations and the resulting changes; and
- g. Any other information that the Board may request.

The statement and other points mentioned in this article shall be brought up to date by the Director General, if any changes are necessary, for presentation to the meeting of the Board or the Committee.

Article 77. An affirmative vote of two thirds of the Member States shall be required for approval of the budget by the Board.
(October 1983)

Article 78. Once the program budget is approved by the Board, the Director General shall be authorized to contract obligations and make expenditures in accordance with the appropriations authorized. The Director General shall take any measures necessary to see that the expenditures do not exceed the income from quotas and contributions paid by the Member States.

(October 1983)

Article 79. During the course of a fiscal year, the Director General may, in exceptional cases, request from the Board such special appropriations as he/she deems necessary, and shall propose their sources of financing. Nonetheless, the Director General may direct the request to the Executive Committee for final disposition if the request seeks the reappropriation of lapsed appropriations from the prior year's Program Budget which were not obligated during that year due to the unavailability of cash at that time, and provided the Director General identifies for the Executive Committee the resources necessary to fund those lapsed appropriations.

(October 1997)

Article 80. Appropriations shall be available to meet the payment of all obligations incurred during the fiscal year for which they were approved.

In the case where obligations charged to the regular fund are contracted before the closing of the fiscal year, such resources shall remain available during the following year. Allocations and the corresponding obligations not executed by the end of that period shall become null and void.

(November 2000)

For the purposes of this article, obligations shall be understood as those emanating from any agreement, contract, purchase order, or other document that has entered into force prior to the close of the fiscal year and by which the Institute commits itself to make the corresponding expenditures.

Article 81. The Director General may transfer funds between chapters, in accordance with any resolution the Board may have approved on the program budget.

Article 82. Appropriations shall be financed with the quotas and voluntary contributions of the Member States and income from other sources. The Board shall set the annual quotas, pursuant to the scales indicated in Article 23 of the Convention, and as further set out in the Financial Rules of IICA, as approved by the Board.

(October 1989)

Article 83 Pending receipt of expected income, expenditures shall be met with resources from the Working Subfund.

Article 84 Income from quotas and voluntary contributions shall be credited against the balance receivable pending from the earliest year for which money is owed to the corresponding fund; in the case of voluntary contributions, and as an exception, the Member States may specify that the payment should be applied to another year.

Article 85. The Director General must have the authorization of the Board to negotiate and contract loans.

Article 86. Within thirty days following approval of the program budget, the Director General shall transmit the corresponding resolution to the governments of the Member States, with a list of the annual quotas attached, and request that these quotas be paid on schedule. The annual quotas shall be assigned and paid in United States dollars. They shall fall due as of the first day of the corresponding fiscal year.

Article 87. The General Directorate shall receive all resources for the Institute and must take all necessary steps to receive such contributions on schedule. Voluntary contributions for special funds may be made partially in the local currency of the respective Member State as agreed upon between the Institute and the donor, bearing in mind the needs of the programs.

(October 1985)

CHAPTER V
FINANCIAL RESOURCES

Article 88. The following funds are administered by the Institute, classified according to their source and purpose:

- a. **REGULAR FUND** -Consisting of the quotas of the Member States and miscellaneous income, including funds received for unspecified purposes. The purpose of this fund is to finance the regular operations of the Institute, including administration and management;
(October 1997)
- b. **SPECIAL FUNDS** – Made up of voluntary contributions by the Member States or received from other sources to finance special programs or projects approved by the Committee.
(October 1999)
- c. **TRUST FUNDS** – Made up of voluntary contributions or bequests for specific purposes, and maintained in trust in accordance with the pertinent provisions and acts. The Director General may establish these funds, in accordance with the specific purposes set forth in each agreement and with resolutions approved by the Committee, and maintain them in separate accounts.
(October 1999)
- d. **REVOLVING FUNDS** – Established with the approval of the Committee as "reimbursable funds" for accounting purposes connected with specific internal operations. With the prior authorization of the Committee, the Director General may establish these funds. Each will have its own account, in accordance with the specific standards approved by the Committee in each case.
(October 1999)

- e. **FIXED ASSET FUND** – Consisting of the cash value of the fixed assets and personal property (furniture, equipment, vehicles, buildings, building improvements, real estate, and any other kind of property) owned by the Institute. Separate records must be kept, entitled "Fixed Asset Investments", within the Regular Fund, the Fund of resources generated by the Institutional Net Rate (INR) Fund, the Special Funds, the Trust Funds, and the Revolving Fund, for the purchase of assets within these funds. All inheritances and donations of fixed assets shall be considered as investments in the regular Fund, unless otherwise indicated.

(October 1997)

- f. **INSTITUTIONAL NET RATE (INR) FUND** – Consisting of reimbursements from the administration of contracts with other institutions. The purpose of this fund is to finance the additional costs incurred by the Institute in the execution of these contracts and to contribute to institutional preinvestment activities.

(October 1997)

- g. **PATRIMONIAL FUND** – Consisting of donations and other voluntary contributions of governments, institutions or other persons, in cash or in kind, including real estate and other personal property.

The purpose of this fund is to create an endowment to provide economic strength and security to the Institute.

(October 1997)

- h. **THE MISCELLANEOUS INCOME FUND** – Consisting of miscellaneous income, as defined in the Financial Rules, derived from the outstanding balance of miscellaneous income deposited in the General Subfund of the Regular Fund each fiscal year and which is not obligated under the Program Budget by the end of the fiscal year in which it was received. The Director General is authorized to program and use this fund to address the immediate financial needs of the Institute, and the Director General shall report to the Executive Committee on its use at its annual regular meeting.

(November 2003)

Each of these funds shall be maintained in a separate account and shall comply with specific standards approved for each one, and with these Rules of Procedure.

Funds received for unspecified purposes shall be credited to the Regular Fund as miscellaneous income.

Article 89. The Regular Fund includes the following subfunds:

- a. GENERAL SUBFUND – The following shall be credited to this subfund: quotas paid by the Member States; miscellaneous income, unless the Board or the Executive Committee has approved it for specific purposes; and funds advanced by the Working Subfund; and
(November 2003)
- b. WORKING SUBFUND – The purpose of this fund is to ensure normal financial operation of the Institute. Its amount shall not exceed 15 percent of the total amount of quotas approved for the corresponding fiscal year, unless the Board or Executive Committee specifically provides otherwise. Its income shall derive from the balance of uncommitted appropriations financed by quotas outstanding at the end of each fiscal year and with additional funds specifically allotted to it by the Board or the Executive Committee.
(November 2003)

Article 90. The Working Subfund may be used only on a temporary basis to meet:

- a. Budgeted expenditures financed by the Regular Fund pending full receipt of anticipated income, and
- b. Special expenditures authorized by the Committee and not provided for in the program budget.
(October 1999)

The amounts used for the purposes set forth in this article shall be restored to the Working Subfund as follows: in cases covered by subparagraph (a) above, as soon as the pending income permits; and in those covered by subparagraph (b), by means of equivalent appropriations in the program budget for the next fiscal year, in such manner as may be determined by the Committee when it provides for use of the funds.

(October 1999)

Article 91. The Special Funds include two sub- funds:

- a. OPERATING SUBFUND – to meet expenses authorized by the Board in the corresponding program budget. It is made up of voluntary contributions of the Member States and other miscellaneous income, and in accordance with the standards approved by the Board for the operation of such funds; and
- b. SPECIAL WORKING SUBFUND – primarily to finance the expenses approved in the program budget, pending receipt of the corresponding contributions.

The overall total budgeted for special subfunds shall not exceed 20 percent of the regular quota budget.

Article 92. The Director General, with prior approval of the Executive Committee, may accept special contributions, inheritances, gifts, or bequests on behalf of the Institute, provided they conform to the nature, purposes, and standards of the Institute and are suited to its interest.

Article 93. The Director General shall designate the banking institutions in which the funds of the Institute shall be deposited.

Article 94. The Director General may make short-term investments of funds not essential to meet immediate needs, and also short or long-term investments of resources from other funds or subfunds. The interest received on these deposits shall be regarded as miscellaneous income of the General Subfund, unless:

- a. In the case of the Regular Fund, the Executive Committee stipulates otherwise;
- b. In the case of special and trust funds received from donors, the donor agreement or fund statute provides otherwise; and
- c. In the case of a Patrimonial Fund or other fund created by the IABA or Executive Committee, the applicable fund statute otherwise provides.

(November 2003)

CHAPTER VI**ACCOUNTING SYSTEM AND FINANCIAL CONTROL**

Article 95. The accounts of the Institute and its financial reports shall be kept and presented in United States dollars. Nevertheless, in order to facilitate local operations in the Member States, the Director General may authorize accounts in the currency of the individual countries, with the corresponding conversions.

(October 1983)

Article 96. The Director General shall establish suitable provisions and procedures, in accordance with these Rules of Procedure, to ensure efficient and economical financial management, and shall inform the Committee thereof. These procedures shall include an accounting system, based on generally accepted principles, to ensure precise and timely information on the financial status of the Institute.

(October 1999)

Article 97. The General Directorate shall keep such accounting records as are necessary, and its financial reports shall show the following:

- a. The income and expenditures of all funds;
- b. The status of the appropriations, in a format that facilitates comparison with the approved program budget, by fiscal year, programs, and other headings, and by object of expenditure. It shall also show the following:
 - i. Original budget appropriation;
 - ii. Appropriations that have been changed by transfers of any kind;
 - iii. Credits, if any, other than the appropriations authorized by the Board; and
 - iv. The amounts charged, allocated, committed, or spent against these appropriations or other credits;

(October 1983)

- c. The assets and liabilities of the Institute.

The Director General shall provide whatever other information may be necessary to indicate the financial status of the Institute.

Article 98. The purchase of equipment, office furniture and materials, general supplies, and service jobs shall be conducted by competitive methods.
(October 1997)

The Director General may authorize exceptions for purchases of materials valued at less than US\$30,000 when he/she considers that the bidding method does not serve the interest of the Institute.
(October 1997)

When the value of the purchases is US\$30,000 or more, the Director General may make exceptions to the use of the bidding method only under the following circumstances:

- a. Emergencies, such as disaster aid, repairs, and other actions that are urgently needed to protect lives or property; or
(October 1997)
- b. Purchase of technical and scientific material to be used for projects approved by the Board and that are to be carried out in the Member States. In these cases, and according to the wishes of the Member States or the institutions, the purchases may be made by the General Directorate or, if the purchase will not be more expensive, by the national institution participating in the project.
(October 1997)

The Director General shall inform the Committee of all purchases totaling US\$30,000 or more, for which the bidding method has not been used.
(October 1997)

All purchases shall later be checked by the Office of Internal Auditing.
(October 1997)

CHAPTER VII**AUDITING**

Article 99 The Director General shall establish suitable internal auditing procedures to check for compliance with the standards and regulations in force, especially through systematic and selective examination of official transactions and operational procedures affecting the resources managed by the Institute.

Article 100. The accounts of the General Directorate shall be examined through external auditing. External auditors shall be designated by the Executive Committee to perform the tasks described in detail in the following articles of this Chapter and to submit their observations.¹¹ There shall also be an Audit Review Committee ("ARC"), appointed by the Executive Committee in accordance with the ARC's Statute, for the purpose of coordinating the examination of the accounts of the General Directorate by the Member States.

(October 1999)

Article 101. The Director General shall grant any requests by the auditors and the Audit Review Committee for access to the financial records, and will cooperate with them as needed, so that they may perform their work expeditiously.

(September 1993)

Article 102. The Director General shall present to the Audit Review Committee, the Executive Committee, and the Board any observations and comments he deems appropriate in connection with the report of the external auditors.

(September 1993)

Article 103. The external auditors shall examine the accounts and certify to the following:

¹¹ Article 6, letter a. Rules of Procedure of the General Directorate.

- a. That the annual accounts presented by the Director General agree with the books, records, documents, and vouchers of the General Directorate;
- b. That the transactions reflected in the financial statements are in accord with the general standards, the financial regulations, and other applicable provisions, and
- c. That the securities and cash on deposit have been checked by means of certifications from the depositories of the General Directorate, and the cash on hand has been verified.
(October 1983)

Article 104. The external auditors may check the effectiveness of the internal accounting and shall submit to the Board any reports they consider pertinent.

Article 105 The Audit Review Committee and the external auditors shall have access at all times to any books, records, documents and vouchers that they feel are necessary for the performance of their functions.
(September 1993)

Article 106. The external auditors, after satisfying themselves that the officials of the General Directorate have examined the books, records, documents, and vouchers and have certified them as correct, may, at their discretion and bearing in mind the nature of the examination, accept such certifications in whole or in part.

Article 107 The external auditors shall not be empowered to alter the accounts, but they shall report to the Committee any transaction about whose legality or correctness they are in doubt.
(October 1999)

Article 108. In addition to certifying the financial statements, the external auditors may make any observations they believe necessary as to the internal fiscal regulations, the accounting system, the efficiency of the internal auditing, control procedures, and the financial consequences of the General Directorate's administration.

Article 109. The auditors shall call attention in their report to any irregularity or deficiency they have noted during the course of their work, and they shall immediately inform the Director General, to give him/her an opportunity to explain and correct it.

(October 1985)

Article 110. In their report, the external auditors shall state the extent and nature of their examination of the certified financial statements and the accuracy and correctness thereof and they shall also note any other matters that should be brought to the attention of the Executive Committee, especially the following:

(October 1999)

- a. Misuse of funds, notwithstanding the correctness of the bookkeeping;
- b. Cases of fraud or presumed fraud;
- c. Expenditures likely to lead to extensive further outlays;
- d.. Expenditures that do not comply with the provisions authorizing them, or excessive expenditures;
- e. Expenditures that exceed the amount appropriated, taking into account changes resulting from transfers duly authorized by resolution of the Board in its approval of the program budget; and
- f. Any shortcoming in the general system governing the management of income and expenditures or supplies and equipment, or in the corresponding administrative services.

(October 1999)

Article 111. The external auditors shall submit copies of the annual audit report directly to the Audit Review Committee and the Executive Committee no later than June 30 of the year following the fiscal year audited, or at least sixty days prior to the next Executive Committee regular meeting, whichever is first. Copies of the report shall be provided at the same time to the Director General. The Committee shall review the report and take the appropriate action.

(October 1999)

Article 112. The Audit Review Committee, in accordance with its Statute, shall review the work of the external auditors and all other aspects of the Institute's external auditing system and shall call to the attention of the Executive Committee anything that, in its judgment, may constitute a violation of the rules and procedures governing the operations of the General Directorate. The Statute of the Audit Review Committee shall be part of the Financial Rules of the Institute.

(October 1999)

CHAPTER VIII

AMENDMENT OF THE RULES OF PROCEDURE

Article 113. These Rules of Procedure may be amended by a majority vote of the members of the Board, either on its own initiative, on the initiative of the Committee in a proposal approved by a majority of the Member States on the Committee, or on the initiative of the General Directorate, except for those items for which the Convention requires a vote of two thirds of the Member States.

(October 1999)

Amendments to these Rules proposed by the Executive Committee, upon a two-thirds vote of its Members, shall provisionally enter into force immediately, *ad referendum* the Board.

(October 1999)