

**LETTER OF AGREEMENT BETWEEN:
AUSTRALIAN LUTHERAN WORLD SERVICE
AND
NOMMENSEN UNIVERSITY
AND
HURIA KRISTEN BATAK PROTESTAN (HKBP)**

All specific projects operate under The Lutheran Church of Australia (hereafter "LCA"/HKBP Program Cooperation Agreement 2007-2011. The Letter of Agreement forms part of the Cooperation Agreement and contains the detail of particular projects, including any special conditions. This Letter of Agreement then, is a signed letter from Australian Lutheran World Service (ALWS) offering HKBP and, under its auspices, Nommensen University a cash grant for the implementation of the Project as detailed below. By signing this Letter, accepts the offer for funding.

NAME OF IMPLEMENTING PARTNER

HKBP/Diakonia Department & Nommensen University (hereafter referred to as "HKBP/Nommensen University")

NAME OF PROJECT

Centre for Development Studies & Disaster Response Management at Nommensen University

SCOPE OF PROJECT ACTIVITIES

As contained in the Project Proposal Document January 2007

TERM OF AGREEMENT

1 March 2007 to 31 March 2008

FUNDING SOURCES

LLL and ALWS

PAYMENT PROVISION

Funds are remitted by telegraphic transfer on the basis of an agreed payment schedule to Nommensen University, and into a specific, nominated account.

ALWS CONTACT

Peter Schirmer or his delegate

PARTNER CONTACT

Dr Jongkers Tampubolon or his delegate

REPORTING

HKBP/Nommensen University will provide ALWS with an interim, half yearly narrative and financial monitoring report by 30 September 2007 and an Annual Report by 31 March 2008 for the period 1 March 2007 to 31 December 2007.

An audit report for the period 1 March 2007 to 31 December 2007 will be required by 31 March 2008.

PARTNERSHIP PROVISIONS

ALWS and HKBP/Nommensen University agree to work cooperatively, beyond a primarily financial relationship, in the implementation of the Centre for Development Studies & Disaster Response Management Project. Specifically both parties undertake to:

- Cooperate with the other LCA partners and, where possible, other LWF member church partners, to achieve the goal & objectives of the "Enhancing the Churches for Service in Indonesia through Partnership" Program
- Work together in the development of activities, which are consistent with the overall objectives of the Program. This will include at least one annual face to face meeting during 2007.
- Maintain regular communication by email during the implementation of the project to discuss progress, raise questions and clarify any issues.
- Share and discuss the findings of formal ALWS monitoring visits to the program that may assist in the implementation and direction of the program.
- Discuss, as necessary, the reports prepared by HKBP/Nommensen University (see under "Reporting" above) that may assist program implementation and improve the quality and effectiveness of the project work.
- ALWS undertakes to assist HKBP/Nommensen University identify, and if necessary develop, the capacity to meet the requirements of funding outlined in this agreement.

GENERAL TERMS AND CONDITIONS

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- HKBP/Nommensen University will provide all financial acquittal statements against the agreed budget for the project.
 - HKBP/Nommensen University will advise ALWS, as soon as practical, of any changes in the agreed budget.
 - HKBP/Nommensen University must use the funds, interest earned and any exchange rate gains for the sole purpose of the project. Any exchange rate losses will be met by HKBP/Nommensen University but can be included as a project expenditure.
 - Where major changes to the project are anticipated, HKBP/Nommensen University will consult with ALWS prior to changes being implemented.
 - HKBP/Nommensen University must maintain documentation that shows goods purchased are of satisfactory quality, were delivered in good order and condition, that the price paid was good value, there was to the extent practicable an open and effective purchasing process, and the purchasing process was conducted in a professional, ethical and fair manner.
 - HKBP/Nommensen University shall maintain an Assets Register for the Assets purchased of a value over AUD1,000 which includes date of receipt, the cost, the purchase/payment document date and reference number, a description and identification number, and the location of the asset.
 - Consistent with the development objectives outlined in the project proposal the HKBP/Nommensen University will not use any funding for evangelism (ie where the primary purpose of the activity is to convert people or build church structures for that end), welfare (broadly defined as activities that support individuals or institutions to maintain their current situation, with no linkage to development outcomes) or political (where the intent is to support or encourage support for a particular political persuasion or party) purposes. If there is any doubt HKBP/Nommensen University will liaise with ALWS prior to implementation of the activity.
 - HKBP/Nommensen University will ensure that it complies with relevant laws of Australia and Indonesia, especially in relation to the proscription against providing direct or indirect support or resources to organisations and individuals associated with terrorism; those in relation to corrupt practices, in particular the bribery of public and foreign officials; and those in relation to the Crimes (Child Sex Tourism) Amendment Act 1994.
 - ALWS cannot be liable for any expenditure in excess of funds paid to HKBP/Nommensen University

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- HKBP/Nommensen University must preserve project financial records for a period of six years.

To acknowledge HKBP/Nommensen University acceptance of the terms of this agreement, including the terms of the attachment, please sign both originals and return one to ALWS. Please keep the other original. All changes to this Agreement must be in writing and duly executed by all parties.

Authorised by:



Peter Schirmer
Australian Lutheran World Service

Date: 27/3/07



Dr Jongkers Tampubolon
Rector, Nommensen University

Date: 10/13/2007