



Central African Regional Program for the Environment  
Central African Regional Program for the Environment

## **CARPE/CBFP SMALL GRANTS POLICY AND PROCEDURES MANUAL**

# **SGPPM**



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# **CARPE/CBFP SMALL GRANT POLICY AND PROCEDURES MANUAL (SGPPM)**

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## **ACRONYM**

ADS: Automated Directives System  
CAR: Central African Republic  
CARPE: Central African Regional Program for the Environment  
CBFP: Congo Basin Forest Partnership  
CBO: Community Based Organization  
CSRF: CARPE Strategic Result Framework  
DRC: Democratic Republic of Congo  
FP: Focal point  
GO: Governmental Organization  
GPPM: Grant Policy and Procedures Manual  
IR: Intermediate Results  
NGO: Non Governmental Organization  
RC: Regional coordinator  
SF 1034: Standard form 1034  
USAID: United States Agency for International Development

# CARPE/CBFP SMALL GRANT POLICY AND PROCEDURES MANUAL (SGPPM)

## FOREWORD

### 1- About CARPE

The USAID Central African Regional Program for the Environment (CARPE) is a 20-year regional initiative that began in 1995. Initial endeavors are to coordinate work on identifying and establishing the conditions and practices required to reduce deforestation and loss of biological diversity in Central Africa. CARPE is currently a nine-country, thirteen-partner project. Its U.S.-based partners work with African NGOs, research and education organizations, government agencies, and local specialists and communities. Through these partners, CARPE has engaged a variety of African stake holders in evaluating threats to forests in Central Africa and identifying opportunities for sustainable forest management.

CARPE' Strategic Objective is *to reduce the rate of forest degradation loss of biodiversity through increased local, national, and regional natural resource management capacity.*

After seven years of operation, CARPE is shifting its strategy moving from lessons learned to field implementation and, at the same time changing the location of its management functions. In its first phase, CARPE's partners focused on increasing our knowledge of Central African forests and biodiversity, and building institutional and human resources capacity. This work included:

- Studies conducted by respected institutions (Harvard, Oxford, Center for International Forestry Research, Yale School of Forestry and Environmental Studies, Tropenbos Foundation among other)
- Peer-reviewed articles in journals such as Conservation Biology and Biodiversity and Conservation; and hands on training and pilot demonstration projects conducted by African NGOs working with local communities to strengthen resources management skills and establish conservation priorities.
- Selected research and training documents from the first phase, published in French and English plus a set of 25 briefing papers summarizing the lessons learned are available at <http://carpe.umd.edu>

In the next eight years phase, CARPE partners aim to apply and implement sustainable natural resources management practices in the field, improve environmental governance in the region, and strengthen local NGOs natural resources monitoring capacity through targeted and competitive small grants program, with particular emphasis on the US contribution to the Congo Basin Forest Partnership. (This initiative, announced by the U.S. Secretary of State Colin Powell during the World Summit on Sustainable development in 2002 in Johannesburg, aims to mobilize new resources and strengthen international efforts to curb deforestation and biodiversity conservation in Central Africa.) CARPE will also work to improve Environmental governance in the region and to strengthen natural resources monitoring capacity.

The shift in the management of the program from Washington, D.C. to Kinshasa, effective January 2003, will ease regional travel; improve supervision of existing CARPE-funded African staff in Cameroon, Gabon and the Democratic Republic of Congo and, strengthen administration of CARPE small grants program in the region. It will also permit effective coordination and rapport with African Regional Initiatives such as COMIFAC, CEFDHAC, ECOFAC, FORAC, OSFAC, RAPAC etc...

## **2- Justification for small grant**

Since its inception, CARPE has sponsored a small grant component which has been managed by the CARPE field offices in Cameroon, Gabon and DRC to strengthening civil society for conservation support in a perspective of the CARPE approach and reinforce the growth of local civil society that are essential if CARPE is to reach its objectives. This program has been very effective in the following aspects:

- Filling gaps in CARPE's analytical framework
- Enabling Central Africans to participate in CARPE activities and leading to conservation buy-in
- Reinforcing capacities of local Civil Society, NGOs needed in the long run to sustain CARPE activities and objectives in the region
- As a cost-effective approach to undertake local research activities
- Yielding results that are more readily accessible to Central African audiences (as opposed to international researchers who often take their results with them)
- Small grants are effective integrating CARPE activities in the field and on the ground (as opposed to more highly specialized activities of individual CARPE members)
- And, raise local awareness of CARPE and therefore provides knowledge and support for the program objectives.

## CHAPTER I

### INTRODUCTION AND PURPOSE OF THE MANUAL

#### A- Overview

With CARPE moving from lessons learned to field implementation, and the shift of small grant management from WWF directly to USAID/CARPE Kinshasa, The **CARPE Small Grant Policy and Procedures Manual** (GPPM) reviews CARPE previous small grant guide and updates it from the point of view of the objectives of CARPE phase II, the direct management by USAID of the small grants and then incorporates the notion of landscape conservation approach and more importantly gender related issues as recommended by CARPE Evaluation team. It includes information on how to write a sound proposal plus detailed procedures for submission and review.

Please note that some CARPE partners have their own small grant program open to local NGO in the region (AWF, USFWS....) in such cases, the guidelines provided in that specific solicitation must be followed. Contact with CARPE personnel prior to proposal preparation is encouraged.

CARPE encourages proposals endorsed by international partners on behalf of individuals, NGO or community based organizations. Proposals should contribute to the accomplishment of the intermediate results in the CARPE strategic framework.

CARPE through its small grant will not normally support research activities out of its Results-Based Management Framework for Phase II

The CARPE Website (<http://CARPE.UMD.EDU>) provides the most comprehensive source of information on its program directorates (including contact information), programs and funding opportunities. Use of this website by potential applicants is strongly encouraged.

Research proposals to CARPE (not proposals for conferences or workshops) cannot be duplicates of proposals to any other CARPE partners for simultaneous consideration. The only exception to this is: When CARPE, its partner and the applicant have previously agreed to joint review and possible joint fund the proposal.

#### B- The proposal

##### - Pre-proposal: The Stakeholder Workshops

In CARPE first phase, the Stakeholder Workshop referred most commonly to a workshop held to launch the small grant program or to introduce different stakeholders to CARPE program. In the second phase of CARPE, stakeholders workshop may be held to present CARPE new vision as the program moves from lessons learned to field implementation and to highlight CARPE small grant new criteria to stakeholders (NGO community,



CBOs, private researchers and other interested parties are to be involved in stakeholder workshops).

Stakeholder Workshops should be organized by each country CARPE Focal Point (FP) and the country operating budget will be used to cover the expenses (in consultation with WWF administration).

### **- Proposal format**

All proposals must conform to the following format and can be submitted in English, French or Spanish.

1- Coversheet (1 page).

a- Title of the grant proposal (no more than 20 words):

b- Name, postal address, telephone and fax number, e-mail address and affiliation of the **person in charge** within the NGO <sup>2</sup>**principal investigator**.

c- Starting and ending date of the project or activity.

d- Duration in months

e- Estimated total project costs in local currency or/and US dollars:

- . Level of support requested from CARPE.
- . Level of matching fund from the applicant organization or any other funding source.
- . What other grants or funding have you applied for?
- . Description of the organization sending the application (See institutional questionnaire in annex)

f- List 3 references.

These references must be received at the CARPE office by the correct deadline. They are a vital part of your application (Please state the name, position and contact details of each of the three referees you have approached).

How you did first learn of CARPE?

2- Abstract/Executive summary (two pages maximum).

Summary should include the objective of the project, activities to be undertaken and specifically state how the project will contribute to the CARPE Results-Based Management Framework for CARPE II.

3- Background and rationale (1-2 pages).

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<sup>2</sup> The term "Principal Investigator" also includes the term "Project Director."

- Briefly describe the Location of the project or activity (please include a map if possible) including biological and socio-economic significance of the area.
- Describe how the project or activity contributes to sustainable forest management and biodiversity conservation in the Congo Basin.
- Describe previous activities in the area by applicants or other organization as well as past collaborative efforts.

#### 4- Objective (1 page).

- State the specific anticipated outcomes or results of the project or activity. Quantify these outcomes or results and make explicit link to one or more of CARPE IRs or sub IRs.

#### 5- Description and Methods (2-3 pages).

- For each objective, describe which activities will be conducted to reach the stated objectives.
- Describe the methodologies that will be used to implement these activities.
- Explain why these methodologies were chosen.

#### 6- Implementation and management Plan (1-2 pages).

- Describe how the project will be organized and managed
- Indicate who will be responsible for each activity (including their capacity to do activities).
- Indicate who will be responsible for the financial management of the project or activity (including their capacity to do activities).
- Indicate who will be responsible for measuring the progress made towards reaching project activities.
- Also, indicate who will be responsible for writing progress reports (both financial and technical).
- Describe the nature of proposed collaboration with other organizations.
- Provide a calendar of activities that indicates when activities will be undertaken and when objectives will be accomplished.

#### 7- Significance of your activities.

Explain who or what will benefit from your activities, how the results will be applied to national/regional identified priorities.

#### 8- Gender issues.

Explain how your work is going to consider gender issues and promote gender equity in forest conservation.

## 9- Budget (1-2 pages)

Provide an itemized budget estimate according to the following items:

- . Salaries and benefits,
- . Consultant/contract,
- . Travel (airfare)/travel (per diem),
- . Consultant/contract services,
- . Audit fees
- . Other direct costs (equipment and supplies, communications products preparation, publications and reports, audit, other expenses),
- . Indirect costs (overhead if applicable).

Include a budget notes that explains the various costs indicated in the budget.

Specify who will have the spending authority and how funds will be accounted for.

In case of co-funding, please specify in a column, level of contribution per item for other donors

## 10- Data management plan (1-2 pages).

- Describe which products will be generated by the project and detail how these products will be made available to CARPE partners.
- Describe how the products of this project will contribute to individual IRs and help CARPE partners attain the Strategic Objectives.
- Indicate how the monitoring and evaluation of the progress made towards reaching project objectives will be done and how the results will be reported.

## 11- Deadline for applications

Which deadline are you applying for? (Please note that proposals are solicited two times a year with deadlines at the end of January, and June).

## 12- Bibliography (if any).

Please note that proposals must be prepared with care and thoroughness of a paper submitted for publication. Sufficient information should be provided so that reviewers will be able to evaluate the proposal in accordance with the two merit review criteria established by CARPE (First screening by the National Steering committee and second review by regional steering committee) - See chapter III for additional information on the review process.

### **- Amount per grant**

The above all philosophy of the CARPE small grant program is to promote environmental NGO/CBO and to foster their endeavors sustaining the Congo basin forest

ecosystems and its biodiversity. Consequently the maximum amount per grant award will be **\$50,000**. However, under restricted conditions, CARPE may go beyond this figure.

**- Grant duration**

Activities under each grant have to last for **one year** maximum. Beyond this, an amendment has to be granted by a CARPE cognizant officer.

**- Environmental Risk Assessment**

USAID require that unintended negative environmental consequences be anticipated so that mitigating and environmental consequences be incorporated in the development process early in the proposal and activities planning stages. Therefore each proposal submitted to CARPE should include a matrix on Environmental Risk Assessment below.

<b>Environmental Risk Assessment Matrix</b>			
<b>Sector/Activity</b>	<b>Potential Negative Impacts</b>	<b>Causes</b>	<b>Mitigation Measures</b>

**C. Proprietary or privileged information**

Patentable ideas, privileged or confidential information that disclosure can lead to prosecution are to be included in the proposal only when such information is obligatory to convey an understanding of the proposed project. Such information must be clearly marked in the proposal and be appropriately labeled with a legend such as, "The following is (proprietary or confidential) information that (name of proposing organization) requests not be released to persons outside CARPE, except for purposes of review and evaluation."

**D. Who may submit proposals**

Local NGO, Community based organization (Non Profit organizations), Non Governmental Research Centers, Independent researchers, university students, Women and minor groups are especially welcomed.

**F. When to submit proposals**

CARPE program accepts proposals periodically following established deadlines<sup>3</sup> as per solicitations, to allow time for their consideration by review panels that meet periodically.

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<sup>3</sup> Deadlines are dates after which proposals will not be accepted for review by CARPE.

Proposals must be received by the specified date. If the deadline date falls on a weekend or on a holiday, it will be extended to the following Monday or the following business day.

Applicants should allow up to three months for programmatic review and processing. Only proposals that are time sensitive (Workshops, conference, travel) will be accepted for review in an ad hoc basis by the Regional coordinator and the CARPE Manager. Whether solicited or unsolicited, until an award is made, CARPE is not responsible for any costs incurred by the applicant.

## **F. How to submit proposals**

In countries where there is a CARPE FP (Cameroon, Gabon and DRC), full proposals must be submitted electronically to these offices, together with applicant's CV, personal references, exhibits and other supporting information/documents by the established deadlines.

Note that focal point offices in Cameroon, Gabon and DRC provide technical backstop to respectively Equatorial Guinea, Sao tome & Principes and Congo Brazzaville. Proposal from these countries can be submitted to these offices.

For countries where CARPE has neither physical presence nor backstopping countries (Burundi, CAR and Rwanda), proposals should be sent directly to headquarter in Kinshasa.

We endeavors applicants to submit electronic version and to the extent possible hard copies.

First screening (to make sure proposals meet the format) of proposal is done at the FP level by a steering committee composed of voluntary members from the NGO/CBO sector, after which all are sent at the headquarter for the second screening. Only proposals that meet the requirements are sent to members of the panel review solely by electronic means.

Proposals that contain high-resolution graphics or other graphics where exact color representations are required for proper interpretation by the reviewer, please submit four hard copies. This submission is in addition to, not in lieu of the electronic version.

Please note that a proposal needs to be submitted only once to CARPE even if the applicant envisions review by several CARPE partners.

Submission of duplicate or substantially similar proposals concurrently for review by CARPE or more than one CARPE partners prior to CARPE approval will result in the return of the redundant proposals. Once the proposal is submitted, CARPE will acknowledge receipt within five working days. If not, applicants should enquiry the status of their proposals. Communications about the proposal should be addressed to the cognizant CARPE Office where it was submitted.

## CHAPTER II

### PROPOSAL PREPARATION INSTRUCTIONS

#### A. Special guidelines

Each proposing organization/applicant that has not previously received a CARPE grant must provide basic information on the organization. Information required is contained in appendix 1.

To facilitate proposal preparation we've prepared a *proposal writing tips for NGOs* included in appendix 2.

It is important that all proposals conform to the format provided in chapter I section B. CARPE will return proposals that are not consistent with these instructions without review.

#### B. Format of the proposal

Prior to submission, ensure that proposals comply with the guidelines established in chapter I section B and contain all segments included in the checklist (see appendix 3). This checklist is not intended to be an all-inclusive repetition of the required proposal contents and associated proposal preparation guidelines or format. It is intended to stress certain critical items not to be ignored when the proposal is prepared.

Proposals can be submitted in Microsoft word with the following specifications:

- Font style: regular
- Font: Times roman or courier or similar
- Font size: 12cpi
- Spacing: single space

These specifications establish the minimum type size requirements; applicants should understand that readability is of vital importance and should take priority in selection of an appropriate font for use in the proposal.

#### - Proposal content

In addition to the requirements, applicant may include a list of suggested reviewers. Suggested reviewers are people who the applicant believes are especially well qualified to review the proposal. Applicant may also designate persons they would prefer not review the proposal, in this case an explanatory paragraph is required. In any case, the decision whether or not to use the suggestions remains with CARPE.

#### - Sections of the proposal

All proposals must refer to Chapter I section B. However, an attempt to help develop the budget is included in the annex 4 (Budget Explanatory Notes)

### **C. Collaborative Proposals**

A collaborative proposal is one in which two or more organizations wish to collaborate on a unified activity. Collaborative proposals may be submitted to CARPE as a single proposal, in which a single award may be requested (with sub awards administered by the lead organization)

## CHAPTER III

### PROPOSAL PROCESSING AND REVIEW

#### A. Procedures

The evaluation or review process will be structured to facilitate identification of proposals that have the potential of making significant contributions. We anticipate that a broad spectrum of knowledge will be required to appraise the proposals that are submitted for consideration.

Proposals received in CARPE offices are first of all acknowledged no more than three weeks after submission, followed by the first screening at the FP level (national steering committee). This exercise is limited to proposals format and guidelines coupled to the relevance of the proposed activities to fostering conservation endeavors in the country. If they meet the requirements, they are now sent to CARPE headquarter together with NSC recommendations before end of February for first round and end July for second, for a second screening that include checking references, looking at the relevance of proposed products to advance regional conservation mandate. If indicated after screening, a panel review (regional steering committee) conducts a final review. This panel may includes representative from other donor agencies, local civil society, CARPE advisory board, US embassy in the region, distinguished field researcher, CARPE international partners, all FP, the regional coordinator and CARPE Director. CARPE may invite the applicant to suggest names of persons they believe are especially well qualified to review the proposal and/or persons they would prefer not review the proposal. These suggestions may serve as one source in the reviewer selection process. Recommendations from the panelist coupled with annotations from FP and Regional Coordinator are now pulled together by the Regional coordinator and CARPE director and, subject to funds availability; awards are made by the USAID/Kinshasa Mission Director. Notifications for final awards will be made public twice a year, End of March for first round and end of August for second round.

#### B. Panel review criteria

Review criteria to evaluate proposals shall include the technical merits, cost effectiveness and cost realism of the proposed activities, and to the extent possible, past performance of the soliciting NGO.

##### - What is the intellectual merit of the proposed activity?

- How important is the proposed activity to advancing knowledge and understanding within its own field or across different fields?
- How well qualified is the applicant (individual, NGO or CBO) to conduct the project? (If appropriate, the reviewer will comment on the quality of prior work.)
- To what extent does the proposed activity suggest and explore creative and original concepts?



- How well conceived and organized is the proposed activity? Is there sufficient access to resources?

**- What are the broader impacts of the proposed activity?**

- How well does the activity advance the understanding while promoting biodiversity conservation and ecosystems protection in Central Africa?
- How well does the proposed activity broaden the participation of underrepresented groups (gender, ethnicity, disability, geographic, etc.)?
- To what extent will it enhance conservation in a broader way?
- Does it foster partnerships?
- How will the results be disseminated?
- What may be the benefits of the proposed activity to society?

**C. Award criteria**

Priority for grant award will be given to activities that meet the following criteria:

1. Have an integrated approach to local society capacity building
2. Linked to forest management and biodiversity conservation
3. Have linkages with other initiatives in the region
4. Have explicit link to one or more CARPE IRs and sub IRs
5. Are focused in CARPE geographic area and landscapes
6. Are endorsed by CARPE international partners
7. Foster partnership among civil society and promote transparency
8. Promote gender equity in forest conservation.

**D. Administrative corrections to proposal**

CARPE recognizes that minor, non-content-related errors may occur in proposal development and that these errors may not be discovered until after the proposal submission. To enable applicant to correct such errors, CARPE provides a “grace period,” that begins immediately following proposal submission. Applicant should contact cognizant person within CARPE for corrections. This grace period does not extend the proposal deadline.

**E. Proposal file updates**

It is the responsibility of the applicant to thoroughly review proposal prior to submission. On occasion, however, a problem is identified with a portion of the proposal after the proposal has been electronically submitted to CARPE. In this case, please contact the cognizant person within CARPE and request for the replacement of files associated with a previously submitted proposal.

Update requests must contain a justification that addresses:

1. why the file replacements are being requested; and

2. any changes between the original and proposed replacement files.

In turn, a request for a proposal file update after an established target or deadline date can be done by a cognizant CARPE officer. Such request happens only in cases where a technical problem has been identified with the proposal (i.e., formatting or print problems). Changes to the content is not allowed

CARPE will consider only one proposal file update request per proposal at a time. It is anticipated that it will be a rare occurrence for more than one file update request to be submitted for a proposal.

#### **F. Revisions to proposals made during the review process**

In the event of a significant development (e.g., research findings, changed circumstances, unavailability of some support data, etc.) that might affect the outcome of the review, the regional Coordinator must, based on the panel recommendation, contact the applicant for additional information.

Before final decision is made, the Regional Coordinator (RC), if approved by the CARPE director may, subject to certain conditions, engage in discussions with the applicant. These conditions may include:

- Budgets discussions including a lower or higher amount of total support for the proposed project. CARPE may suggest reducing or eliminating costs for specific budget items that are clearly unnecessary or unreasonable for the activities to be undertaken, especially when the review process supports such changes. CARPE may also discuss with the applicant the “bottom line” award amount, i.e., the total CARPE funding that will be recommended for the project. However, cost sharing or other applicant’s / organizational commitments may not be renegotiated at this stage.

When such discussions result in a budget reduction of 10% or more from the amount originally proposed, a corresponding reduction should be made in the scope of the project. In this case the following information should be provided: The revised budget, and a Budget Impact Statement that describes the impact of the budget reduction on the scope of the project.

**Note:** Revised Proposal Budgets must be signed and both a fax and, electronic copy sent to CARPE cognizant officer.

#### **G. Award recommendation**

After scientific, technical and programmatic review and consideration of award factors, the final decision to awards a grant or decline a proposal is solely the responsibility of USAID/Kinshasa mission Director.

This review and consideration process may take up to three months. Large or particularly complex proposals may require additional review and processing time.

## **H. Decision period**

Decisions on the status of proposals will be announced within six weeks of the submission period deadline.

## **I. Copies of reviews**

When a decision has been made (whether an award or a declination), verbatim copies of reviews, excluding the names of the reviewers, and summaries of review panel deliberations, if any, are provided to the applicant. The applicant may also request and obtain any other releasable material in CARPE file on their proposal. Everything in the file except information that directly identifies either reviewers or other pending or declined proposals is releasable to the applicant.

## CHAPTER IV

### WITHDRAWALS, RETURNS AND DECLINATIONS

#### A. Withdrawals

A proposal may be withdrawn at any time before a funding recommendation is made by CARPE. In that case an official request should be addressed to CARPE cognizant officer.

In cases where CARPE has already made a funding decision, proposals will not be permitted to be withdrawn without clear justification and in that case, please contact cognizant CARPE officer for further assistance.

CARPE must be notified if any funding for the proposed project/activities is received from another source or sponsor. If it is brought to CARPE's attention that funding for the same proposal has been accepted from another sponsor, CARPE will automatically send a withdrawal confirmation to the applicant without waiting for the official withdrawal notification.

If a proposal withdrawal is submitted by the applicant for a proposal that is part of a collaborative effort, regardless of whether the organization is the lead or non-lead, the proposal will be withdrawn along with the other remaining proposals that are identified as part of the collaborative effort. If the remaining organizations in the collaborative program determine that the project can still proceed, a new collaborative proposal must be submitted.

#### B. Return without review

Proposals will not be considered by CARPE for the following reasons.

The proposal:

1. is inappropriate for funding by the Program;
2. is submitted with insufficient lead-time before the activity is scheduled to begin;
3. is a duplicate of, or substantially similar to, a proposal already under consideration by CARPE from the same submitter;
4. does not meet CARPE proposal preparation requirements, as specified in the Chapter I section b.
5. does not meet an announced proposal deadline date (and time, where specified);
6. was previously reviewed and declined and has not been substantially revised.

#### C. Declinations

An applicant whose proposal for CARPE support has been declined will receive written explanation of the reason(s) for declination (via paper or e-mail form) along with copies of the reviews considered in making the decision. If that explanation does not satisfy the applicant, he/she may request additional information from the cognizant CARPE person.

#### **D. Reconsideration**

If the explanation provided does not satisfy the applicant, he/she may request that CARPE RC reconsider the action to determine whether the proposal received a fair and reasonable review, both substantively and procedurally. An applicant whose proposal has not been accepted because it is inappropriate for consideration by CARPE also may request reconsideration of this determination. The request for reconsideration must be in writing and must be received within 90 days after the date of the declination letter or return. If the applicant is still not satisfied after reconsideration by the regional coordinator, he/she may, within 60 days after the determination, request further reconsideration by CARPE Director.

#### **E. Resubmission**

A declined proposal may be resubmitted, but only after it has undergone substantial revision. Resubmittals that have not clearly taken into account the major comments or concerns resulting from the prior CARPE review may be returned without review. CARPE will treat the revised proposal as a new proposal, subject to the standard review procedures.

## CHAPTER V

### AWARDS AND CONTINUED SUPPORT

CARPE grant consists of:

1. An award, which includes any special provisions applicable to the grant.
2. A budget that indicates the amounts, by categories of expense, on which CARPE has based its support.
3. The proposal referenced in the award
4. Applicable grant conditions (USAID Requirements) and;
5. Any CARPE issuance that may be incorporated by reference in the award.

In addition to e-mail and fax notification, grantees can inquiry for a mail copy

#### **A. Effective/Expiration Dates and Pre-award Costs**

The grant period begins on the effective date specified in the award or, in its absence, the date of the award, and runs until the expiration date indicated. Expenditures prior to effective date of the award are made at the grantee's risk. Expenditures after expiration date are subject to prior grant amendment by the CARPE grant officer (USAID/Kinshasa Mission Director)

#### **B. Additional support**

##### **- Renewal Proposals**

Renewal proposals are requested for additional funding for a support period subsequent to that provided by a previous grant. Renewal proposals compete with all other pending proposals and must be submitted at least six months before additional funding is required. In preparing a renewal proposal, applicant should assume that reviewers will not have access to previous proposals.

##### **- Supplemental Funding**

In unusual circumstances, small amounts of supplemental funding and up to six months of additional support may be requested to assure adequate completion of the original scope of work. The grantee must submit a request for supplemental funding at least two months before funds are needed. In this case, request must include a summary of the proposed work, a brief justification, and a budget for the requested funds.

CARPE USAID Director may make decisions regarding whether or not to recommend a small supplement without merit review of the supplemental request. Requests for larger supplements, or for more than six months, may require additional merit review. Supplemental funding requests will not be approved for such purposes as defraying costs associated with increases in salaries or additional indirect cost reimbursement. Grantees

should contact the cognizant CARPE officer prior to submitting a request for supplemental funding.

**- No-cost extensions**

CARPE may authorize a one-time extension of the expiration date of the grant of up to 6 months if additional time beyond the established expiration date is required to assure adequate completion of the original scope of work within the funds already made available. This one-time extension may not be exercised merely for the purpose of using the un-liquidated balances. In this case, the request should include supporting reasons for the extension and the revised expiration date, and should be submitted at least ten days prior to the expiration date specified in the grant award. If approved, it will be in the form of an amendment to the grant specifying a new expiration date. Grantees are cautioned not to make new commitments or incur new expenditures after the expiration date in anticipation of a no-cost extension.

If no funds remain on the project, a no-cost extension request for CARPE approval should not be submitted.

## CHAPTER VI

### GRANT ADMINISTRATION

The grantee organization has primary responsibility for general supervision of all grant activities and for notifying CARPE of significant problems relating to activities misconduct or administrative matters. The person in charge within the organization to supervise and conduct activities is also responsible for the publication of results and any other outcome.

#### **A. General requirements**

This section applies to USAID compliances such as copyright, cost sharing, use of US flag carriers for international travel, drug free workspace, purchase of equipments etc... (See appendix 5)

#### **B. Prior approval requirements**

During the performance of a project, it may be appropriate for funds to be reallocated to support advancement of certain activities. Grantee has broad discretion to re-budget within the cost and administrative principles. Unless otherwise stated in the grant or as noted below, the grantee is not authorized to transfer funds among various budget categories for allowable expenditures without prior CARPE approval. In such case prior written authorization from CARPE financial officer is required but not for the following:

1. transfer of the project fund to another activity;
2. change in objectives or scope of work

#### **C. Transfer of person in charge of the grant within an organization**

If the person in charge of the grant within the organization plans to leave during the course of a grant, the organization has the prerogative to nominate a replacement. However the organization must inform in writing cognizant CARPE officer.

#### **D. Equipment**

Equipment purchased by a non-profit organization with CARPE grant funds normally belong to grantee organization.

#### **E. Release of grantee proposal information**

A proposal that results in a CARPE award will be available to the public on request, except for privileged information or material that is personal, proprietary or otherwise exempt from disclosure under law. Appropriate labeling in the proposal aids identification of what may be specifically exempt. Such information will be withheld from public disclosure to the extent permitted by law. Generally CARPE will seek to



limit disclosure of such information to its outside reviewers when necessary for merit review.

A proposal that does not result in a CARPE grant award will be retained by CARPE for a period of three years, but, will be released to the public only with the consent of the applicant.

## **F. Legal rights to intellectual property**

### **- Dissemination**

One of CARPE's main objectives is to see that results from activities it funds is disseminated widely in order to contribute most effectively to forest ecosystems and biodiversity conservation. In disseminating the results, all grantees should adhere to the following conditions:

a) Grant Recipients have the right to publish, in any form, the results of the Project, or any other information prepared or produced as a result of this grant, and, are not required to obtain the consent of CARPE to do so. Recipients will recognize the support of CARPE by including in all publications the following acknowledgement:

*This work was carried out with a grant award from the Central African Regional Program for the Environment (CARPE), A USAID initiative to mitigate tropical forest ecosystem and biodiversity destruction in Central Africa.*

In any collaborative effort, it is understood that both parties will get credit for any publication, unless all parties agree otherwise in writing.

b) If CARPE determines that the results of an endeavor or any other information prepared or produced as a result of CARPE grant would be of benefit to others, CARPE may publish and distribute, or authorize a third party to publish and distribute, the results or information, including but not limited to writings, films, and tapes.

c) If a Grant Recipient objects to the publication or distribution of the results or information referred to in b) above, CARPE shall consider the reasons given for the objection before making a final decision on the publication or distribution of the results or information, but all rights remain with CARPE.

d) The Grant Recipient shall provide CARPE and, if appropriate, other Collaborating Institution(s) with two copies of any publication it has made of the results or of any other information prepared or produced as a result of this grant, and two copies of any audio or visual material.

Generally, CARPE allows grantees to retain principal legal rights to intellectual property developed under its grants. This policy provides incentive for development and

dissemination of results / publications that can foster forest conservation and or bridge knowledge gaps

### **G. Audits**

The purpose of the audits in keeping with CARPE philosophy is not to uncover evidence of wrongdoing or incorrect procedures, but rather to highlight good financial and administrative practices and to organize targeted training sessions to help improve on areas where NGO financial and administrative management may be weak.

## SECTION II

### CHAPTER I

#### SMALL GRANT AND PROCEDURES FOR SELECTING GRANTEES

##### **I- Intent of the Small Grant Policy and Procedures**

With CARPE moving from “lessons learned” to field implementation, and the shift of small grant management from WWF directly to USAID/CARPE Kinshasa, The **CARPE Small Grant Policy and Procedures Manual (GPPM)** reviews CARPE previous small grant guide and updates it from the point of view of the objectives of CARPE phase II, the direct management by USAID of the small grants and then incorporates the notion of landscape conservation approach and more importantly gender related issues as recommended by CARPE Evaluation team. It includes information on how to write a sound proposal plus detailed procedures for submission and review, operational procedures for selecting grantees, grant award, mechanism to advance fund, liquidating advance and the role of various stake holders within CARPE.

##### **II-Operational Procedures for Selecting Grantees**

###### **a- Country level**

###### **- Countries with physical or backstopping presence**

First review and evaluation of all received proposals is done at the country FP level by a steering committee composed of voluntary members from the NGO/CBO sector, Representative from US Embassy, In-country landscapes leaders or its representative, representative from the Ministry of Environment and Forestry etc.. (5 to 10 people maximum on the board).

The review and evaluation panel shall prepare a written evaluation of each Application comparing it against the established criteria. Oral presentations are permissible, however, the evaluation must be in writing. The comparison may be entirely narrative. If it includes numerical ratings, at least a short narrative explanation shall be provided to explain strengths and weaknesses. The panel shall also discuss the review procedure

###### **- Countries with no physical or backstopping presence**

The CARPE Regional Coordinator has the responsibility after receiving proposals from these countries, to set up and run the National Steering Committee

###### **b- Regional Level**

After deliberations from the National Steering committee, selected proposals (3-5) are sent to the Regional Coordinator (headquarter) at USAID / CARPE Kinshasa, together with a synthesis report from the national steering committee, compiled by the FP.

Notification is drafted and signed by the FP to notify successful completion of pre-selection. At the same time, unsuccessful proposals are rejected; notification is drafted, signed by the FP and sent out to the cognizant NGO.

The RC after review of all proposals, shares these pre-selected proposals with board members of the regional steering committee two weeks before they meet for final award decisions.

## CHAPTER II

### FUNDS MANAGEMENT

#### I- Awards notification

Once the final grant awards decisions are made as a result of the Regional Steering Committee, and the grant agreement signed by the USAID grants Officer, the RC drafts the award notice, get it approved by the USAID/CARPE Manager and sent out to respective US Embassies in the region and the FP who will then in an official ceremony organized by the FP, announce the award to recipients. For countries with no US Embassy representation, this responsibility will fall under the RC jurisdiction.

#### II- Grant awards contracts:

Based on the template below, CARPE Grant and Finance officer drafts the grant award agreement, get it cleared out by the financial controller, reviewed by the CARPE Manager and signed by the Mission director.

##### - Grant award contract template

Mandatory Reference: 303

Supplementary Reference: N/A

File: 303515m

SIMPLIFIED GRANT FORMAT

Mr./Ms. \_\_\_\_\_

XYZ Organization \_\_\_\_\_

SUBJECT: Grant No. (use normal grant numbering)

Dear Mr/Ms. \_\_\_\_\_:

In response to your request for CARPE Grant dated \_\_\_\_\_ I am pleased to award to the XYZ Organization this grant in the amount not to exceed \_\_\_\_\_\$ as a contribution to your activities to \_\_\_\_\_ during the period \_\_\_\_\_ to \_\_\_\_\_. We understand that the XYZ Organization will contribute goods and services valued at approximately \$\_\_\_\_\_ to the program.

Funds provided will be transferred into grantees account

Controller, \_\_\_\_\_.

By accepting this grant the XYZ Organization agrees to:

1. Document that reasonable steps were taken to ensure that all purchases charged to the grant are at reasonable prices and from responsible sources;
2. Maintain complete records of all costs charged to the grant for a period of three years after the expiration of the grant and make such records available to USAID or its representatives for review at any time; and

3. At USAID request, refund to USAID any funds received from USAID that represent reimbursement for any costs determined by USAID not to meet the terms and conditions of this grant.

USAID does not assume liability for any third party claims for damages arising out of this grant.

USAID may terminate this grant upon 30 days written notice.

Please sign the original and each copy of this letter to acknowledge your receipt of this grant and return the original to the CARPE Grant Officer.

Sincerely yours,

\_\_\_\_\_  
Mission Director

ACKNOWLEDGED:

XYZ Organization

By: \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

Accounting Data:

MAARD No.

Appropriation No.

BPCC:

Obligation No.

DRCD11\adsfin\303515m

### **III- Steps in grant disbursement**

Upon receipt of a signed copy from the grantee, the grant administrator officer drafts the Modified Acquisition and Assistance Request Document (MAARD), get it approved by the CARPE manager, which then goes to the finance department for financial control and cash disbursement.

#### **A- Liquidating cash**

##### **- Cash disbursement**

This has to be done solely by bank transfer from CARPE – USAID Kinshasa into grantees account (please note that this is the NGO nominal account). Therefore it's a prerequisite before any grant is awarded to make sure grantee has a valid bank account together with proof of good financial management practices that include:

- Bank statement showing previous transactions
- Financial journal

- Records from previous grants (if possible)
- Etc..

Each Proposal is required to have payment provision incorporated in the grant award agreement and two options are open for this purpose (see ADS 303.5.3): Payment - Advance and Payment – Reimbursement.

### **1. Payment - Advance**

This provision is applicable when the grantee or recipient's accounting and financial management systems conform to the standards for funds control and accountability required under: the standard provision of this agreement entitled "Accounting, Audit, and Records", ADS Chapter 303.5.9 and 22 CFR 226.20 through 226.22.

(a) In accordance with the Standard Provision entitled "Payment Advances and Refund": USAID funds shall not be commingled with other recipient owned or controlled funds; the recipient shall deposit all USAID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

(b) Advances shall be limited to the minimum amounts needed to meet current disbursement needs (generally 30 days) and shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Advances made by the recipient to sub recipients or the recipient's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by USAID to the recipient.

Procedures

(c) After receipt of the initial advance, the recipient shall submit a request for advance for each upcoming month (30 day period). The recipient may submit a set of these forms on a quarterly basis (i.e. submission of three requests for advance, one for each month in the upcoming quarter). At the end of each quarter, the recipient shall submit a financial report together with a technical progress report to liquidate the advances of the previous quarter. The recipient may submit a new set of requests for advance once the financial and technical progress reports have been submitted. Each request for advance shall be identified by the appropriate award number.

### **2. Payment - Reimbursement**

This provision is applicable to awards where the recipient does not meet the conditions for periodic advance payment.

(a) The recipient shall submit to the CARPE Financial officer two copies of financial reports and technical progress report and two copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, on a monthly basis and in no event no later than on a quarterly basis. Each voucher shall be identified by the award number and shall state the total costs for which reimbursement is being requested. See form SF 1034 attached.

## **B- Accounting**

### **- Grantees**

USAID-CARPE does not have a standard template for financial accounting however a sample template is attached below for your consideration.

Please note that photocopies of each receipt should be attached to the template but originals kept into grantees records for any cross checking and audit by a cognizant USAID or CARPE officer.

### **- Sample template**

<b>Voucher No</b>	<b>Budget line</b>	<b>Activity description</b>	<b>Amount</b>	<b>Total advanced</b>	<b>Total approved</b>	<b>Balance due</b>
-----------------------	--------------------	---------------------------------	---------------	---------------------------	---------------------------	------------------------

**Total**

### **- USAID-CARPE.**

It's important to provide technical backstopping to local NGO preparing and submitting reasonable financial reports. Therefore, USAID-CARPE financial officer will have primary responsibility to monitor and evaluate local NGO financial and managerial capacities to ensure proper accounting. In some cases training will be required to enhance local NGO financial and managerial capacities. In such case USAID-CARPE financial officer has to develop terms of reference.

## **C- Accountability**

Payment reimbursement is a normal procedure within USAID, however in some cases; recipients (NGOs) may demonstrate lack of financial capacity to pre-fund activities. In such case, minimum conditions are required to be accountable and eligible to advance with replenishment system:

- Separate bank account for USAID operations
- Meet minimum requirement included in Pre-award survey/checklist (see appendix 9)
- Provide Bank statement for all related transactions
- And Bank reconciliation at each submission of financial reports



## CHAPTER III

### PROCEDURES FOR FP AND CARPE MANAGEMENT IN EXECUTING OVERSIGHT OF THE GRANT

#### **I- Administrative role and responsibilities for the national/regional steering committee include:**

- Help establishing mechanisms for country Focal Point/headquarter sustainability.
- Provide thorough insight for selecting and approving in-country proposals at the national level; and at the regional level contribute to final awards decisions (in accordance with CARPE / CBFP small grant criteria)
- Help disseminate information on CARPE small grant through their own networks and in general enhance visibility of CARPE in the region.

Please note that neither the National/Regional Steering committee as a body, nor its individual members, holds any legal or fiduciary responsibility for the Small grant or its activities. More over, participation in the National/Regional steering committee is without compensation. Travel expenses for sites visits or to meetings can be covered by the Focal Point budget at the national level and by CARPE headquarter budget for the Regional Steering committee.

The FP and the RC serves *ex officio* on the National/Regional steering committee participating in deliberations, but not voting in the proposal selection process (see conflict of interest). The FP/ the RC convene the National/Regional Steering Committee and functions as its secretariat, including preparing minutes of meetings and maintaining a record. While a copy of National steering committee minutes, signed by all members are sent to the headquarter (RC) together with selected proposals, copy of the regional steering committee minutes, signed by all members are sent to the CARPE director with a copy to the RC.

Detailed administrative roles and responsibilities for the FP and the RC are as follows for Small Grant program.

#### **II- Administrative roles and responsibilities for the regional coordinator**

He/she is responsible for overall management of the Small Grant component and coordination and support of the country Focal Points, specifically:

- Develop policy and procedures manual for small grants
- Develop pamphlets to solicit proposals
- Ensure that pamphlets and the policy manual are widely disseminated in all CARPE countries and to all stake holders (see stake holder workshop)
- Serve as headquarter secretariat for all proposals (solicited and unsolicited) coming from CARPE Countries

- Pre-screening project proposals to ensure compliance with the format as stated in the GPPM.
- Organize and supervise the regional steering committee for proposals final review and grant awards.
- Develop and apply criteria and indicators for local NGO performance as a tool to monitor progress towards meeting CARPE Strategic Results Framework (CSRF)
- Responds to country-level inquiries and requests for assistance; and provides direct field technical assistance and/or facilitates access to technical resources.
- Visits focal points for supervisory, advisory, evaluatory, troubleshooting, and problem resolution purposes.
- Monitors implementation of Focal points small grant projects portfolios for technical content and to identify significant lessons-learned through review of periodic monitoring and evaluation reports and country visits.
- Builds functional links with other donors in the region for potential matching funds.
- Prepares synthesized monthly reports for CARPE manager or his deputy on the level of implementation of small grant portfolio in the region.
- Liaises with CARPE Manager or his deputy on small grants administration issues, including financial monitoring, grants contracts, and trouble shooting.
- Provide backstopping and day-to-day guidance to FP.
- Reviews and comments on all small grant technical reports
- Ensures that approved technical reports are posted on the Website as well as grants tracking log.

### **III- Administrative roles and responsibilities for the FP**

Has lead responsibility for managing local implementation of CARPE small Grant portfolio, major functions include:

- Serves as first source for information about CARPE and its grant component to proponents
- Organize and run in country stakeholder workshop to disseminate as widely as possible Small Grant Pamphlets to solicit local proposals
- Promote small grant program's objectives, procedures, and achievements among non-governmental organizations (NGOs), community-based organizations (CBOs), and other key stakeholders;
- Builds NGOs and CBOs capacity in the formulation of project proposals, and ensures their technical and substantive quality
- Serves as in-country CARPE secretariat, pre-screening project proposals through organizing and supporting the National Steering Committee
- Facilitates NGO and CBO access to technical support services;
- Implements and ensures that Small Grant activities and projects meet the criteria of CARPE as described in the Grant Policy and Procedure Manual (GPPM),
- Develops and implements communications and information dissemination strategies which will reach a wide range of target audiences to share small grant results and outreach.

- Develops sound monitoring and evaluation plan for small grant activities, including periodic project site visits;
- Reports to the Regional Coordinator as required

**IV- Role of US Embassies in the countries:**

For a sustainable promotion of CARPE activities in the region and more importantly, to highlight US effort enhancing local NGO capacities to conserve Congo Basin forest ecosystem and biodiversity in the region, it's important to implicate US Embassies from the region in the small grant process. The US Embassy role will be limited to the following activities:

- a- Nominate a US Embassy representative on the national steering committee board for in country first screening of proposals
- b- US Embassy representative will chair the official disclose of in-country awards (media should be invited to publicize the event)

**V- Role of other partners such as international NGOs:**

- Endorse Local NGO work plan when operating in landscapes
- Provide technical backstopping to the extent possible
- Seat in national steering committee.
- Leverage additional funds to support NGO operating in their respective landscape
- To the extent possible, provide Local NGO in landscapes with accommodation and facilities to ease their work.

**VI - Role of USAID – CARPE**

**- CARPE Director or designate:**

- Approve all grants awards
- Seat in the regional Steering committee
- Approve all cash transactions
- Approved all technical and financial reports from grantees before final disclosure of last installment
- Supervise the RC and the CARPE financial officer

**- CARPE financial officer**

It's important to provide technical backstopping to local NGO preparing and submitting reasonable financial reports. Therefore, USAID-CARPE financial officer will have primary responsibility to monitor and evaluate local NGO financial and managerial capacities to ensure proper accounting. In some cases training will be required to enhance local NGO financial and managerial capacities. In such case USAID-CARPE financial officer has to develop terms of reference. Responsibilities will include:

- Follows up all transactions related to small grant
- Keeps record of all small grants in the region (Grant log)
- Pre – approves all incoming financial reports before sending to CARPE Manager
- Train NGO as needed to enhance their financial and managerial capacity.

## **IX- Role of USAID – Kinshasa**

### **Mission director:**

- Grant officer for all grant awards
- Adequate representative to the regional steering committee
- Chairs or designate grant awards official ceremony in DRC
- Provides support and lobby for small grant sustainability as a mean to enhance civil society capacity and good governance in forest conservation in Central Africa.

### **Financial controller:**

- Pre approved total amount of awards for financial availability
- Set up a liability account to monitor small grant
- Give instructions for bank transfers.
- Help log in the computer software financial report as CARPE receives them

### **Executive officer:**

- Review all files and pre-approved or approved before any action is taken being financial report or bank transfer instructions.
- Provide all necessary support for the smooth running of CARPE Small grants.

## APPENDIX

### 1- Organizational questionnaire

- 1) Name and contact address including PO Box and E-mail of the soliciting NGO, CBO etc..
- 2) What is the status of your organization (NGO, CBO, Consultant group etc.. ?)
- 3) Name and contact address of the cognizant officer responsible for the project/activities within your organization.
- 4) What is the best way to contact both the cognizant officer and your organization?
- 5) Since when your organization is in business?
- 6) Is your organization registered officially? If yes, since when?
- 7) How many people are regularly affiliated to your organization?
- 8) What is the foundation of your organization? Political, Ethnical or Religious?
- 9) What are the main goals of your organization?
- 10) Please list some past activities carried out, level of funding and duration
- 11) Qualification and experience of cognizant officers responsible to undertake the project / activities. Please include their CV.

### 2- Proposal writing tips for NGOs

NGO should:

- G- Involve the participation of maximum numbers of members in project /activities design and implementation. (Donor should be aware of the vitality of the NGO)
- H- NGO should make donor aware of any previous activities. If there are none, highlight member qualifications and commitments.
- I- Include the involvement of women
- J- Try to be self reliant
- K- Be responsive to donors (answer messages promptly)
- L- Keep donors informed of progress (whether in proposal preparation, grant implementation, etc...)
- M- Collaborate with Government to the extent possible
- N- Take many pictures of activities (especially slides)
- O- Plan to do “restitution” in a main city. If activity conducted in secondary city, restitution should also be given there

#### Activity selection:

For first activities with new donors, it's best to select an activity that is:

- Is innovative (not the same thing that's been done before)
- Not too expensive (minimum of equipment in budget. Rent instead of buying for initial grant. When donor has confidence, they will readily agree to buy equipment)

- Includes a contribution by implementing NGO (time, facilities, etc.)
- leverages other funds or in-kind support
- relatively short-term, yield results within 6 to 12 months
- Involves a wide range of actors (other NGO's, GO's, etc.)
- Pilot activities or studies can be good
- High profile (good participatory rural appraisal) can satisfy donor need for results in short term

Project proposal:

Make sure your proposal includes:

- Extensive background
- Problem definition
- Clear quantifiable/measurable objectives
- Avoid too many objectives, keep it simple
- Realistic calendar of activities (allow 1 month for funds to arrive)
- Identify who's to do what
- Use electronic version

Suggested budget categories:

**Labor**

- Full time
- Part time
- Consultants

**Travel**

- Airfare
- Surface

**Perdiem**

- International
- Local

**Other direct costs**

- Rent/utilities (% thereof)
- Transportation/Fuel/taxis
- Communications
- Bank charges
- Workshops
- Equipment – rental/purchase
- Office supplies

**Stay away from:**

- Cocktails

- Too much equipment
- Too high salaries/daily wages/per diems etc.. (use norm)
- Endeavor to stay away from miscellaneous

Budget should be in two parts. First part should be detailed and show all the calculations. Second part should be a budget summary.

Activities should be conducted within the traditional means of NGO/CBO. It is not appropriate for a small NGO with little means to propose a lavish workshop in an Intercontinental Hotel.

Payment provision need to be included see ADS 303.5.3

## **Project implementation**

### **Communication**

- Stick to reporting schedule
- Communicate any problems in project implementation promptly
- Communicate any problems with budget promptly
- Problems arise – early communication with good justification will generally lead to a favorable donor response
- Reports should be submitted on time and include all aspects of activity, progress as well as problems

## **3- Proposal checklist**

### **Proposal**

- Institutional Questionnaire
- Grantee name (Organization)
- Grantee address, phone, fax, e-mail
- Name of person authorized to sign the grant agreement
- Title of person authorized to sign the grant agreement
- Name and title of contact person for grant agreement (if different from person signing)
- Title of project
- Start up and closing dates
- Amount of Grant
- Specify nature of payment; in this case it will only be Bank transfer
- Bank name
- Bank address
- Bank account name
- Bank account number
- Swift code

## **Budget**

- Budget attached in dollar and local currency
- Budget calculations included
- Calendar of activities attached
- Payment provision

### **4- Budget explanatory notes**

Explanatory notes to clarify the provisions of CARPE – USAID Grant Agreement

It is recommended that the technical and financial reports be e-mail to CARPE – USAID office in order to expedite approval of the subsequent disbursement. Hard copies of the reports, including copies of all receipts, should be sent by regular mail.

In no case should the original receipts be sent by mail. They should be kept in a secure place by the grantee.

### **Eligible expenses**

All activities and expenses must occur during the term of grant or they will be disallowed.

### **Receipts**

Original receipts are required for all expenses over \$10

For lesser amounts, the grantee should write and sign their own receipts indicating the nature of the expense, date, payee, etc....

### **Ineligible expenses**

Applicants should be familiar with the complete list of unallowable costs that is contained in USAID Requirements. Because of their sensitivity, the following categories of unallowable costs are highlighted:

#### **(a) Entertainment**

Costs of entertainment, amusement, diversion and social activities and any costs directly associated with such activities (such as tickets to shows or sporting events, meals, lodging, rentals, transportation and gratuities) are unallowable to grantees that are not on travel.

#### **(b) Alcoholic beverage**

No CARPE funds may be spent on alcoholic beverages.



### **(c) Meals and coffee breaks**

No CARPE funds may be spent on meals or coffee break for intramural meetings.

### **Financial reports**

Financial Reports are a tool by which the grantee and CARPE can monitor the progress of the activity.

### **Budget**

#### **Budget categories**

Budget categories should reflect the main types of expenses foreseen in the implementation of the grant activity. Suggested categories include: Salaries, travel expenses (Domestic and foreign), food and lodging expenses (Perdiems), communication, publications, bank charges, office expenses, equipment (Property that has an acquisition cost of \$5000 or more)

#### **Additional points to think about**

- 1) Complete list of actual expenses (no “forfaitaires”)
- 2) Receipts whenever possible, required for expenses over \$10
- 3) Time sheets required (or some other type of mechanism) to substantiate charges for salaries, honoraria, etc....
- 4) Trip reports (or some other type of mechanism) to substantiate charges for per diem.
- 5) Logs (or some other type of mechanism) required to substantiate expenses for phone, internet or other shared costs.

**5- USAID mandatory standard provisions For Non-U.S. nongovernmental recipients**

**1. ALLOWABLE COSTS**

(a) The recipient shall be reimbursed for costs incurred in carrying out the purposes of this award which are determined by the Agreement Officer to be reasonable, allocable, and allowable in accordance with the terms of this award and the applicable\* cost principles in effect on the date of this award. The recipient may obtain a copy from the Agreement Officer. Brief definitions of what may be considered as reasonable, allocable, and allowable costs are provided below, however, it is the recipient's responsibility to ensure that costs incurred are in accordance with the applicable set of Cost Principles.

(1) Reasonable. Shall mean those costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are incurred specifically for the award.

(3) Allowable Costs. Shall mean those costs which conform to any limitations in the award.

(b) Prior to incurring a questionable or unique cost, the recipient shall obtain the Agreement Officer's written determination on whether the cost will be allowable.

(c) It is USAID policy that no funds shall be paid as profit or fee to a recipient under this agreement or any subrecipient. This restriction does not apply to contractual relationships under this agreement.

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\*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2 and USAID Acquisition Regulation 731.2.

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**2. ACCOUNTING, AUDIT, AND RECORDS**

(a) The recipient shall maintain financial records, supporting documents, statistical records and all other records pertinent to the award in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to this award. Accounting records that are supported by documentation will as a minimum be adequate to show all costs incurred under the award, receipt, and use of goods and services acquired under the award, the costs of the program supplied from other sources, and the overall progress of the program. Unless otherwise notified, the recipient records and subrecipient records which pertain to this award shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by USAID and/or its representatives.

(b) Foreign for-profit and non-profit organizations that expend \$300,000 or more per their fiscal year in "USAID awards", i.e. as recipients or subrecipients of USAID grants or cooperative agreements, or as cost reimbursable subcontractors of USAID grants or

cooperative agreements, shall have an annual audit conducted in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the USAID Inspector General.

(c) Foreign for-profit and non-profit organizations expending less than \$300,000 per their fiscal year under USAID cost-reimbursable contracts, grants, cooperative agreements, or agreements with host governments shall be exempt from the above financial audit requirements, but are subject to the requirement to make records available upon request for review by USAID officials or their designees.

(d) USAID shall retain the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds regardless of the audit requirement.

(e) Foreign organizations that provide USAID resources to other organizations to carry out the USAID program and activities shall be responsible for monitoring their subcontractors or subgrantees. Allowable costs for limited scope subrecipient audits charged to USAID funds shall be limited to one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; matching, level of effort; earmarking; and reporting.

(f) The audit report shall be submitted to USAID within 30 days after completion of the audit; the audit shall be completed, and the report submitted, not later than 9 months after the close of the recipient's fiscal year. The USAID Inspector General will review this report to determine whether it complies with the audit requirements of this award. No audit costs may be charged to this award if audits have not been made in accordance with the terms of this provision. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include suspension of all or a percentage of disbursements until the audit is satisfactorily completed.

(g) This provision in its entirety shall be incorporated into all subawards with non-U.S. organizations which meet the \$300,000 threshold as described at paragraph (b) of this Provision. Subawards to non-U.S. organizations which are for more than \$10,000 but do not meet the \$300,000 threshold shall at a minimum incorporate paragraph (d) of this Provision. Subawards of grants and cooperative agreements made to U.S. organizations shall state that the U.S. organization is subject to the audit requirements contained in OMB Circular A-133.

### **3. PAYMENT ADVANCES AND REFUNDS**

(a) Recipients shall maintain advances of USAID funds in interest bearing accounts, unless:

- (1) the recipient receives less than \$120,000 in U.S. Government awards per year;
- (2) the best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on U.S. Government cash balances; or
- (3) the depository would require an average or minimum balance so high that it would not be practical to maintain the advance in an interest bearing account.

(b) Interest earned on advances will be remitted to USAID. However, the recipient may retain up to \$250 of interest earnings per account per year, for administrative expenses.

(c) At the time the award expires or is terminated, the following types of funds shall immediately revert to USAID:

(1) USAID has obligated funds to the award, but has not disbursed them to the recipient;  
or

(2) USAID has advanced funds to the recipient, but the recipient has not expended them. Notwithstanding (c) (1) and (2) above, funds which the recipient has obligated in legally binding transactions applicable to this award will not revert to USAID.

(d) USAID reserves the right to require refund by the recipient of any amount which the recipient did not spend in accordance with the terms and conditions of this award. In the event that a final audit has not been performed prior to the closeout of this award, USAID retains the right to a refund until all claims which may result from the final audit have been resolved between USAID and the recipient.

#### **4. REVISION OF AWARD BUDGET**

(a) The approved award budget is the financial expression of the recipient's program as approved during the award process.

(b) The recipient is required to report deviations from budget and program plans, and request prior approvals from the Agreement Officer for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) To change a key person where specified in the award, or allow a 25% reduction in time devoted to the project.

(3) Additional funding is needed.

(4) Where indirect costs have been authorized, the recipient plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The inclusion of costs that require prior approval in accordance with the applicable set of Cost Principles.

(6) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

(7) The recipient intends to contract or subaward any of the work under this award, and such contracts or subawards were not included in the approved award budget.

(c) If specified in the Schedule of the award, the recipient may be further restricted from transferring funds among cost categories. Such a restriction would require the recipient to get the prior approval of the Agreement Officer before making budget shifts which expect to exceed 10% of the total budget.

(d) USAID is under no obligation to reimburse the recipient for costs incurred in excess of the total amount obligated under the award. If the total obligated amount under the award has been increased, the Agreement Officer will notify the recipient in writing of the increase and specify the new total obligated award amount.

#### **5. TERMINATION AND SUSPENSION**

(a) The Agreement Officer may terminate this award at any time, in whole or in part, upon written notice to the recipient, whenever it is determined that the recipient has materially failed to comply with the terms and conditions of the award.

(b) This award may be terminated at any time, in whole or in part, by the Agreement Officer with the consent of the recipient. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion of the award to be terminated. The agreement to terminate shall be set forth in a letter from the Agreement Officer to the recipient.

(c) This award may be terminated at any time in whole or in part by the recipient upon sending written notification to the Agreement Officer with the following information: the reasons for the termination, the effective date, and, in the case of a partial termination, the portion to be terminated. However, if USAID determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, USAID may terminate the award in its entirety in accordance with paragraphs (a) or (b) above.

(d) If at any time USAID determines that continuation of all or part of the funding for a program should be suspended or terminated because such assistance would not be in the national interest of the United States or would be in violation of an applicable law, then USAID may, following notice to the recipient, suspend or terminate this award in whole or part and prohibit the recipient from incurring additional obligations chargeable to this award other than those costs specified in the notice of suspension during the period of suspension. If the situation causing the suspension continues for 60 days or more, then USAID may terminate this award on written notice to the recipient and cancel that portion of this award which has not been disbursed or irrevocably committed to third parties.

(e) Termination and Suspension Procedures. Upon receipt of and in accordance with a termination notice as specified above, the recipient shall take immediate action to minimize all expenditures and obligations financed by this award and shall cancel such unliquidated obligations whenever possible. Except as provided below, the recipient shall not incur costs after the effective date of termination.

The recipient shall within 30 calendar days after the effective date of such termination repay to the U.S. Government all unexpended USAID funds which are not otherwise obligated by a legally binding transaction applicable to this award. Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover the recipient's obligations in the legally binding transaction, the recipient may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The Agreement Officer shall determine the amount(s) to be paid by USAID to the recipient under such claim in accordance with the applicable Cost Principles.

This provision must be included in all subagreements.

## **6. DISPUTES**

(a) Any dispute under this award shall be decided by the USAID Agreement Officer. The Agreement Officer shall furnish the recipient a written copy of the decision.

(b) Decisions of the USAID Agreement Officer shall be final unless, within 30 days of receipt of the decision of the Agreement Officer, the recipient appeals the decision to USAID's Assistance Executive. Any appeal made under this provision shall be in writing and addressed to the Assistance Executive, U.S. Agency for International Development,

Office of Procurement, 1300 Pennsylvania Ave, N.W., Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the Agreement Officer.

(c) In order to facilitate review on the record by the Assistance Executive, the recipient shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Assistance Executive shall be final.

## **7. INELIGIBLE COUNTRIES**

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

## **8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

(1) The recipient certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs". The recipient further agrees to include the following provision in any subagreements or contracts entered into under this award:

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION (MARCH 1989)

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR Part 208.

## **9. INVESTMENT PROMOTION**

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

This provision must be included in all subagreements.

## **10. NONLIABILITY**

USAID does not assume liability for any third party claims for damages arising out of this award.

## **11. AMENDMENT**

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters or forms between the Agreement Officer and an appropriate official of the recipient.

## **12. NOTICES**

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person or mailed as follows:

To the USAID Agreement Officer and Cognizant Technical Officer, at the addresses specified in the award. To recipient, at recipient's address shown in the award or to such other address designated within the award.

Notices shall be effective when delivered in accordance with this provision, or on effective date of the notice, whichever is later.

## **13. METRIC SYSTEM OF MEASUREMENT**

Wherever measurements are required or authorized, they shall be made, computed, and recorded in metric system units of measurement, unless otherwise authorized by the Agreement Officer in writing when it has found that such usage is impractical or is likely to cause U.S. firms to experience significant inefficiencies or the loss of markets. Where the metric system is not the predominant standard for a particular application, measurements may be expressed in both the metric and the traditional equivalent units, provided the metric units are listed first.

**Required As Applicable Standard Provisions For Non-U.S., Nongovernmental Recipients**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with ADS Chapter 303.5.3. **EACH AWARD IS REQUIRED TO HAVE A PAYMENT PROVISION.** Check off the provisions which are to be included in the award. Only those standard provisions which have been checked off are incorporated within the award.

- 1. Payment - Advance \_\_\_\_\_
  - 2. Payment - Reimbursement \_\_\_\_\_
  - 3. International Air Travel and Transportation \_\_\_\_\_
  - 4. Ocean Shipment of Goods \_\_\_\_\_
  - 5. Procurement of Goods and Services \_\_\_\_\_
  - 6. USAID Eligibility Rules for Goods and Services \_\_\_\_\_
  - 7. Subagreements \_\_\_\_\_
  - 8. Local Procurement \_\_\_\_\_
  - 9. Patent Rights \_\_\_\_\_
  - 10. Publications and Media Releases \_\_\_\_\_
  - 11. Nondiscrimination in Federally Assisted Programs \_\_\_\_\_
  - 12. Regulations Governing Employees \_\_\_\_\_
  - 13. Participant Training \_\_\_\_\_
  - 14. Voluntary Population Planning \_\_\_\_\_
  - 15. Protection of the Individual as a Research Subject \_\_\_\_\_
  - 16. Negotiated Overhead Rates - Provisional \_\_\_\_\_
  - 17. Title To and Use of Property (Recipient Title) \_\_\_\_\_
  - 18. Title To and Care of Property (U.S. Government Title) \_\_\_\_\_
  - 19. Title To and Care of Property (Cooperating Country Title) \_\_\_\_\_
  - 20. Cost Sharing (Matching) \_\_\_\_\_
  - 21. Public Notices \_\_\_\_\_
  - 22. Program Income \_\_\_\_\_
  - 23. Communication Products \_\_\_\_\_
  - 24. Prohibition of Assistance to Drug Traffickers \_\_\_\_\_
- (INCLUDE THIS PAGE IN THE AWARD)

**1. PAYMENT - ADVANCE**

(This provision is applicable when the recipient's accounting and financial management systems conform to the standards for funds control and accountability required under: the standard provision of this agreement entitled "Accounting, Audit, and Records", ADS Chapter 303.5.9 and 22 CFR 226.20 through 226.22.)

(a) In accordance with the Standard Provision entitled "Payment Advances and Refund": USAID funds shall not be commingled with other recipient owned or controlled funds;



the recipient shall deposit all USAID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

(b) Advances shall be limited to the minimum amounts needed to meet current disbursement needs (generally 30 days) and shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Advances made by the recipient to subrecipients or the recipient's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by USAID to the recipient.

Procedures

(c) After receipt of the initial advance, the recipient shall submit a Standard Form 1034 for each upcoming month (30 day period), with the statement "Request for Advance" printed at the top of the form. The recipient may submit a set of these forms on a quarterly basis (i.e. submission of three SF 1034s one for each month in the upcoming quarter). At the end of each quarter the recipient shall submit a SF 1034 (marked "Liquidation of Advances") to liquidate the advances of the previous quarter. The recipient may submit a new set of SF 1034s ("Request for Advance") once the "Liquidation of Advances" has been submitted. Each SF 1034 shall be identified by the appropriate award number.

## **2. PAYMENT - REIMBURSEMENT**

(This provision is applicable to grants for construction or to awards where the recipient does not meet the conditions for periodic advance payment.)

(a) The recipient shall submit to the USAID Controller noted in the Schedule of the award an original and 2 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, on a monthly basis and in no event no later than on a quarterly basis. Each voucher shall be identified by the award number and shall state the total costs for which reimbursement is being requested.

(b) Copies of SF 1034 and 1034A may be obtained from the Controller.

## **3. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION**

(This provision is applicable when costs for international travel or transportation will be funded by USAID. This provision is not applicable if the recipient is providing for travel with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

(a) **PRIOR BUDGET APPROVAL**

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the annual implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award. The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

(b) NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

- (i) the primary purpose of the trip is to work with USAID Mission personnel, or
- (ii) the recipient expects significant administrative or substantive programmatic support from the Mission.

Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii)

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above, the recipient will observe the following standards:

(i) Send a written notice to the USAID Cognizant Technical Officer in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Cognizant Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Cognizant Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Cognizant Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

(c) SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before traveling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet.

Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

(d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(e) THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

(f) COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials, and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the recipient.

If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

(g) SUBAWARDS

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

#### **4. OCEAN SHIPMENT OF GOODS**

(This provision is applicable for awards and subawards for \$100,000 or more and when goods purchased with funds provided under this award are transported to cooperating countries on ocean vessels whether or not award funds are used for the transportation.)

(a) At least 50% of the gross tonnage of all goods purchased under this award and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates.

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this award and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the recipient may request a determination of non-availability from the USAID, Transportation and Commodities Division, Office of Procurement, 1300 Pennsylvania Avenue, N.W., Washington, D.C. 20523, giving the basis for the request which will relieve the recipient of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this award.

(d) The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation,

Maritime Administration, Division of National Cargo,  
400 7th Street, S.W.,  
Washington DC 20590,

And;

U.S. Agency for International Development,  
Office of Procurement, Transportation Division  
1300 Pennsylvania Avenue, N.W.  
Washington, DC 20523-7900

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR 202).

(f) Shipments financed under this award must meet applicable eligibility requirements set out in 22 CFR 228.21.

(g) This provision will be included in all subagreements which will finance goods to be shipped on ocean vessels.

## **5. PROCUREMENT OF GOODS AND SERVICES**

(This provision is applicable when the procurement element of an award is over \$10,000.) The recipient may use its own procurement policies and practices for the procurement of goods and services under this award, provided they conform to all of USAID's requirements listed below and the standard provision entitled "USAID Eligibility Rules For Goods and Services".

(a) General Requirements:

(1) The recipient shall maintain a written code or standards of conduct that shall govern the performance of its employees engaged in the awarding and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such conflict would arise when the employee, officer or agent, or any member of the employee's immediate family, the employee's partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contracts shall be made to the offeror whose offer is responsive to the

solicitation and is most advantageous to the recipient, price, quality, and other factors considered. Solicitations shall clearly establish all requirements that the bidder or offeror shall fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All recipients shall establish written procurement procedures. These procedures shall provide, at a minimum, that:

- (i) Recipients avoid purchasing unnecessary items,
- (ii) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement, and
- (iii) Solicitations for goods and services provide for all of the following:
  - (A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
  - (B) Requirements which the bidder/offeror must fulfill and all other

Factors to be used in evaluating bids or proposals.

- (C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- (D) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
- (E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
- (F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- (iv) Positive efforts shall be made by the recipients to utilize U.S. small business, minority owned firms, and women's business enterprises, whenever possible. Recipients of USAID awards shall take all of the following steps to further this goal:
  - (A) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises. To permit USAID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under the award, the recipient shall to the maximum extent possible provide the following information to the Office of Small and Disadvantaged Business Utilization (OSDBU/MRC), USAID, Washington, D.C. 20523, at least 45 days prior to placing any order or contract in excess of \$100,000:
    - (a) Brief general description and quantity of goods or services;
    - (b) Closing date for receiving quotations, proposals, or bids; and
    - (c) Address where solicitations or specifications can be obtained.

(B) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(C) Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.

(D) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

(v) The type of procurement instruments used, (e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts), shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(vi) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources, or accessibility to other necessary resources. Contracts shall not be made with firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the grantee with copy of this list upon request.

(vii) Recipients shall, on request, make available for USAID, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

(A) A recipient's procurement procedures or operation fails to comply with the procurement standards in this part, and

(B) The procurement is expected to exceed \$10,000.

(viii) The recipient shall document some form of price or cost analysis in its procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

(ix) Procurement records and files for purchases in excess of the recipient's own small purchase threshold shall include the following at a minimum:

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(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive bids or offers are not obtained, and;

(C) Basis for award cost or price.

- (x) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions, and specifications of the contract.
- (b) The recipient shall include, in addition to provisions to define a sound and complete contract, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.
- (1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
- (2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient, including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- (3) All negotiated contracts (except those for less than the recipient's small purchase threshold) awarded by the recipient shall include a provision to the effect that the recipient, USAID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.
- (4) In all contracts for construction or facility improvement awarded for more than \$100,000, the recipient shall observe generally accepted bonding requirements.
- (5) Contracts, the principal purpose of which is to create, develop, or improve products, processes, or methods; or for exploration into fields that directly concern public health, safety, or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by the U.S. Government, shall contain a notice to the effect that matters regarding rights to inventions, intellectual property, and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

## **6. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES**

(This provision is applicable when the costs for goods or services will be paid for with USAID funds. This provision is not applicable if the recipient is providing for the goods or services with private funds as part of a cost-sharing requirement, or with Program Income generated under the award)

(a) Ineligible and Restricted Goods and Services: USAID's policies on ineligible and restricted goods and services are contained in ADS Chapter 312. (See ADS 312)

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

- (i) Military equipment,
- (ii) Surveillance equipment,

- (iii) Commodities and services for support of police or other law enforcement activities,
  - (iv) Abortion equipment and services,
  - (v) Luxury goods and gambling equipment, or
  - (vi) Weather modification equipment.
- (2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firm or individual whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the recipient with this list upon request.
- (3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Agreement Officer:
- (i) Agricultural commodities,
  - (ii) Motor vehicles,
  - (iii) Pharmaceuticals,
  - (iv) Pesticides,
  - (v) Used equipment,
  - (vi) U.S. Government-owned excess property, or
  - (vii) Fertilizer.

Prior approval will be deemed to have been met when:

- (i) The item is of U.S. source/origin;
- (ii) The item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and
- (iii) The costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services based on source, origin, and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000 and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety. A copy will be provided upon request.

(1) For DFA funded awards or when the total procurement element during the life of the award is valued at \$250,000 or less, the following rules apply:

- (i) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR 228 in accordance with the following order of preference:
  - (A) The United States (USAID Geographic Code 000),
  - (B) The Cooperating Country,
  - (C) USAID Geographic Code 941, and



(D) USAID Geographic Code 935.

(ii) Application of Order of Preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the recipient's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Compelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000, (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, (including origin) and nationality requirements set forth in 22 CFR 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

(c) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

(1) The United States (USAID Geographic Code 000),

(2) The Cooperating Country,

(3) "Selected Free World" countries (USAID Geographic Code 941),

(4) "Special Free World" countries (USAID Geographic Code 899).

(d) If USAID determines that the recipient has procured any of these specific restricted goods under this award without the prior written authorization of the Agreement Officer, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

(e) This provision will be included in all subagreements which include procurement of goods or services which total over \$5,000.

## **7. SUBAGREEMENTS**

(This provision is applicable when subgrants or cooperative agreements are financed under the award.)

(a) Subawards shall be made only with responsible recipients who possess the potential ability to perform successfully under the terms and conditions of a proposed agreement. Consideration shall be given to such matters as integrity, record of past performance,

financial and technical resources, or accessibility to other necessary resources. Awards shall not be made to firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the grantee with a copy of this list upon request.

(b) All subagreements shall at a minimum contain provisions to define a sound and complete agreement in addition to those that are specifically required by any other provisions in this award. Whenever a provision within this award is required to be inserted in a subagreement, the recipient shall insert a statement in the subagreement that in all instances where USAID is mentioned, the recipient's name will be substituted. If subagreements are being made to U.S. organizations, a suggested subaward format incorporating 22 CFR 226 and Standard Provisions will be provided.

## **8. LOCAL PROCUREMENT**

(This provision is applicable when goods or services are procured under the award.)

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers, or producers, with payment normally being in the currency of the cooperating country. Regardless of which source, origin, and nationality rules in paragraph (b) of the Provision entitled "USAID Eligibility Rules for Goods and Services" apply, these rules may be followed for local procurement. Rules on Ineligible and Restricted goods continue to apply.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in the Standard Provision "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional services contracts estimated not to exceed \$250,000.

(4) Construction services contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(c) The coverage on ineligible and restricted goods and services in the standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.

(d) This provision will be included in all subagreements where local procurement of goods or services will be financed with USAID funds.

## **9. PATENT RIGHTS**

(This provision is applicable whenever patentable processes or practices are financed by the award.)

(a) Definitions:

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

(2) Subject invention means any invention of the recipient conceived or first actually reduced to practice in the performance of work under this agreement.

(3) Practical application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small business firm means a small business concern which meets the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively.

(6) Nonprofit organization means a university or other institution of higher education or an organization which is not organized for profit as described in the laws of the country in which it was organized.

(b) Allocation of Principal Rights: The recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the recipient retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the U.S. the subject invention throughout the world.

(c) Invention Disclosure, Election of Title, and Filing of Patent Applications by Recipient:

(1) The recipient shall disclose each subject invention to USAID within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to USAID shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to USAID the recipient shall promptly notify USAID of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the recipient.

(2) The recipient shall elect in writing whether or not to retain title to any such invention by notifying USAID within two years of disclosure to USAID. However, in any case where publication, on sale, or public use has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period of election of title may be shortened by USAID to a date that is no more than 60 days prior to the end of the statutory period.

(3) The recipient shall file its initial patent application on a subject invention to which it elects to retain title within one year after election of title or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The recipient shall file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to USAID, election, and filing may, at the discretion of USAID, be granted.

(d) Conditions When the Government May Obtain Title: The recipient shall convey to USAID, upon written request, title to any subject invention:

(1) If the recipient fails to disclose or elect the subject invention within the times specified in (c) above, or elects not to retain title, USAID may only request title within sixty days after learning of the recipient's failure to report or elect within the specified times.

(2) In those countries in which the recipient fails to file patent applications within the times specified in (c) above; provided, however, that if the recipient has filed a patent application in a country after the times specified in (c) above, but prior to its receipt of the written request of USAID the recipient shall continue to retain title in that country.

(3) In any country in which the recipient decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on a patent on a subject invention.

(e) Minimum Rights to Recipient:

(1) The recipient shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the recipient fails to disclose the subject invention within the times specified in (c) above. The recipient's license extends to its subsidiaries and affiliates, if any, within the corporate structure of which the recipient is a party and includes the right to grant sublicenses of the same scope to the extent the recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of USAID except when transferred to the successor of that party of the recipient's business to which the invention pertains.

(2) The recipient's license may be revoked or modified by USAID to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the 37 CFR Part 4 and agency licensing regulations (if any). This license shall not be revoked in that field of use or the geographical areas in which the recipient has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified

at the discretion of USAID to the extent the recipient, its licensees, or its subsidiaries or affiliates have failed to achieve practical application.

(3) Before revocation or modification of the license, USAID will furnish the recipient written notice of its intention to revoke or modify the license, and the recipient shall be allowed thirty days (or such other time as may be authorized by USAID for good cause shown by the recipient) after the notice to show cause why the license should not be revoked or modified. The recipient has the right to appeal, in accordance with applicable regulations in 37 CFR Part 404 and Agency regulations, if any, concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

(f) Recipient Action to Protect the Government's Interest:

(1) The recipient agrees to execute or to have executed and promptly deliver to USAID all instruments necessary to (i) establish or conform the rights the Government has throughout the world in those subject inventions to which the recipient elects to retain title, and (ii) convey title to USAID when requested under paragraph (d) above, and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The recipient agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the grantee each subject invention made under agreement in order that the recipient can comply with the disclosure provisions of paragraph (c) above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by (c)(1) above. The recipient shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The recipient shall notify USAID of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office.

(4) The recipient agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the agreement awarded by USAID). The Government has certain rights in this invention."

(g) Subagreements and Contracts: The recipient shall include this standard provision suitably modified to identify the parties, in all subagreements and contracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or nonprofit organization. The subrecipient or contractor shall retain all rights provided for the recipient in this standard provision, and the recipient shall not, as part of the consideration for awarding the contract or subagreement, obtain rights in the contractor's or subrecipient's subject inventions.

(h) Reporting Utilization of Subject Inventions: The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the grantee or its

licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the grantee, and such other data and information as USAID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by USAID in connection with any march-in proceedings undertaken by USAID in accordance with paragraph (j) of this provision. As required by 35 USC 202(c)(5), USAID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.

(i) Preference for United States Industry: Notwithstanding any other provision of this clause, the recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by USAID upon a showing by the recipient or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances manufacture in the United States is not commercially feasible.

(j) March-in Rights: The recipient agrees that with respect to any subject invention in which it has acquired title, USAID has the right, in accordance with the procedures in 37 CFR 401.6 and any supplemental Agency regulations, to require the recipient, an assignee, or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request, USAID has the right to grant such a license itself if USAID determines that:

(1) Such action is necessary because the recipient or assignee has not taken or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the recipient, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the recipient, assignee, or licensees; or

(4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a license of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Awards with Nonprofit Organizations: If the recipient is a nonprofit organization, it agrees that:

(1) Rights to a subject invention may not be assigned without the approval of USAID, except where such assignment is made to an organization which has as one of its primary functions the management of inventions; provided that such assignee shall be subject to the same provisions as the recipient.

(2) The recipient shall share royalties collected on a subject invention with the inventor, including Federal Employee coinventors, when USAID deems it appropriate when the subject invention is assigned in accordance with 35 USC 202(e) and 37 CFR 401.10;

(3) The balance of any royalties or income earned by the recipient with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, shall be utilized for the support of scientific research or education.

(4) It will make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business firms, and it will give preference to a small business firm when licensing a subject invention if the recipient determines that the small business firm has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business firms; provided, that the recipient is also satisfied that the small business firm has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the grantee. However, the recipient agrees that the Secretary of Commerce may review the recipient's licensing program and decisions regarding small business applicants, and the recipient shall negotiate changes to its licensing policies, procedures, or practices with the Secretary of Commerce when the Secretary's review discloses that the recipient could take reasonable steps to more effectively implement the requirements of this subparagraph (k)(4).

(l) Communications: Communications concerning this provision shall be addressed to the Agreement Officer at the address shown in this agreement.

## **10. PUBLICATIONS AND MEDIA RELEASES**

(This provision is applicable when publications are financed under the award.)

(a) USAID shall be prominently acknowledged in all publications, videos, or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgments should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_, Bureau for \_\_\_\_\_, U.S. Agency for International Development, under the terms of Award No. \_\_\_\_\_. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

(b) Unless the recipient is instructed otherwise by the Cognizant Technical Office, publications, videos, or other information/media products funded under this award and intended for general readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

(c) The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced

under the award. In addition, the recipient shall submit one electronic or one hard copy of final documents (electronic copies are preferred) to PPC/CDIE/DIO at the following address:

USAID Development Experience Clearinghouse (DEC)

ATTN: Document Acquisitions

1611 Kent Street, Suite 200

Arlington, VA 22209-2111

Internet e-mail address: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org)

Homepage: <http://www.dec.org>

Electronic documents may be submitted on 3.5" diskettes or as e-mail attachments, and should consist of only one electronic file that comprises the complete and final equivalent of the paper copy; otherwise, a hard copy should be sent. Acceptable software formats for electronic documents include Microsoft Word, WordPerfect, Microsoft Excel and Portable Document Format (PDF).

Each document submitted to PPC/CDIE/DIO should include the following information: 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) date of publication; 6) software name and version (if electronic document is sent).

(d) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(e) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

## **11. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS**

(This provision is applicable when work under the award is performed in the United States or when employees are recruited in the United States.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

## **12. REGULATIONS GOVERNING EMPLOYEES**

(The following applies to the recipient's employees who are not citizens of the cooperating country.)

(a) The recipient's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this recipient.

(b) The sale of personal property or automobiles by recipient employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission including the rules contained in 22 CFR Part 136, except as this may conflict with host government regulations.



- (c) Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession, or occupation in the foreign countries to which the individual is assigned.
- (d) The recipient's employees, while in a foreign country, are expected to show respect for its convention, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- (e) In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved, and shall recommend to the recipient a course of action with regard to such employee.
- (f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

### **13. PARTICIPANT TRAINING**

(This provision is applicable when any participant training is financed under the award).

- (a) Definitions: A participant is any non-U.S. individual being trained under this award outside of that individual's home country.
- (b) Application of ADS Chapter 253: Participant training under this award shall comply with the policies established in ADS Chapter 253, Participant Training (including TrainNet requirements), except to the extent that specific exceptions to ADS 253 have been provided in this award with the concurrence of the Global Bureau's Center for Human Capacity Development. (See ADS 253) (ADS 253 may be obtained by submitting a request to the Agreement Officer.)
- (c) Orientation: In addition to the mandatory requirements in ADS 253, recipients are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation and orientation in Washington at the Washington International Center. The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the U.S. through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the Agreement Officer, who will transmit the request to NCIV through R&O/IT.

### **\*14. VOLUNTARY POPULATION PLANNING**

(This provision is applicable to all awards involving any aspect of voluntary population planning activities.)

- (a) Voluntary Participation and Family Planning Methods:

- (1) The recipient agrees to take any steps necessary to ensure that funds made available under this award will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the recipient agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.
- (2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Requirements for Voluntary Family Planning Projects

A Family planning project must comply with the requirements of this paragraph.

- (1) A project is a discrete activity through which a governmental or nongovernmental organization provides family planning services to people and for which Development Assistance funds, or goods or services financed with such funds, are provided under this award, except funds solely for the participation of personnel in short-term, widely attended training conferences or programs.
- (2) Service providers and referral agents in the project shall not implement or be subject to quotas or other numerical targets of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning. Quantitative estimates or indicators of the number of births, acceptors, and acceptors of a particular method that are used for the purpose of budgeting, planning, or reporting with respect to the project are not quotas or targets under this paragraph, unless service providers or referral agents in the project are required to achieve the estimates or indicators.
- (3) The project shall not include the payment of incentives, bribes, gratuities or financial rewards to (I) any individual in exchange for becoming a family planning acceptor or (ii) any personnel performing functions under the project for achieving a numerical quota or target of total number of births, number of family planning acceptors, or acceptors of a particular method of contraception. This restriction applies to salaries or payments paid or made to personnel performing functions under the project if the amount of the salary or payment increases or decreases based on a predetermined number of births, number of family planning acceptors, or number of acceptors of a particular method of contraception that the personnel affect or achieve.
- (4) No person shall be denied any right or benefit, including the right of access to participate in any program of general welfare or health care, based on the person's decision not to accept family planning services offered by the project.
- (5) The project shall provide family planning acceptors comprehensible information about the health benefits and risks of the methods chosen, including those conditions that might render the use of the

method inadvisable and those adverse side effects known to be consequent to the use of the method. This requirement may be satisfied by providing information in accordance with the medical practices and standards and health conditions in the country where the project is conducted through counseling, brochures, posters, or package inserts.

- (6) The project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits.
- (7) With respect to projects for which USAID provides, or finances the contribution of, contraceptive commodities or technical services and for which there is no subaward or contract under paragraph (e) of this clause, the organization implementing a project for which such assistance is provided shall agree that the project will comply with the requirements of this paragraph while using such commodities or receiving such services.
  - i) The recipient shall notify USAID when it learns about an alleged violation in a project of the requirements of subparagraphs (3), (4), (5) or (7) of this paragraph;
  - ii) the recipient shall investigate and take appropriate corrective action, if necessary, when it learns about an alleged violation in a project of subparagraph (6) of this paragraph and shall notify USAID about violations in a project affecting a number of people over a period of time that indicate there is a systemic problem in the project.
  - iii) The recipient shall provide USAID such additional information about violations as USAID may request.

(c) Additional Requirements for Voluntary Sterilization Programs

- (1) None of the funds made available under this award shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.
- (2) The recipient shall ensure that any surgical sterilization procedures supported in whole or in part by funds from this award are performed only after the individual has voluntarily appeared at the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.
- (3) Further, the recipient shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out

- above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of this oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall speak the same language as the patient.
- (4) The recipient must retain copies of informed consent forms and certification documents for each voluntary sterilization procedure must be retained by the recipient for a period of three years after performance of the sterilization procedure.
- (d) Prohibition on Abortion-Related Activities:
- (1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to women to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for abortion.
- (2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.
- (e) Requirement for Subawards
- The recipient shall insert this provision in all subsequent subawards and contracts involving family planning or population activities which will be supported in whole or part from funds under this award.

## **15. PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT**

(This provision is applicable when human subjects are involved in research financed by the award.)

(a) Safeguarding the rights and welfare of human subjects involved in research supported by USAID is the responsibility of the organization to which support is awarded. USAID has adopted the Common Federal Policy for the Protection of Human Subjects, Part 225 of Title 22 of the Code of Federal Regulations (the "Policy"). Additional interpretation, procedures, and implementation guidance of the Policy are found in USAID General Notice entitled "Procedures for the Protection of Human Subjects in Research Supported by USAID", issued April 19, 1995, as from time to time amended. USAID's Cognizant

Human Subjects Officer (CHSO) in USAID/W has oversight, guidance, and interpretation responsibility for the Policy.

(b) Recipient organizations must comply with USAID policy when humans are the subject of research, as defined in 22 CFR 225.102(d), funded by the grant and recipients MUST provide "assurance", as required by 22 CFR 225.103, that they follow and abide by the procedures in the Policy. See also Section 5 of the April 19, 1995, USAID General Notice which sets forth activities to which the Policy is applicable. The existence of a BONA FIDE, applicable assurance approved by the Department of Health and Human Services (HHS) such as the "multiple project assurance" (MPA) will satisfy this requirement. Alternatively, organizations can provide an acceptable written assurance to USAID as described in 22 CFR 225.103. SUCH ASSURANCES MUST BE DETERMINED BY THE CHSO TO BE ACCEPTABLE PRIOR TO ANY APPLICABLE RESEARCH BEING INITIATED OR CONDUCTED UNDER THE AWARD. In some limited instances outside the U.S., alternative systems for the protection of human subjects may be used provided they are deemed "at least equivalent" to those outlined in Part 225 (See 22 CFR 225.101[h]). Criteria and procedures for making this determination are described in the General Notice cited in the preceding paragraph.

(c) Since the welfare of the research subject is a matter of concern to USAID as well as to the organization, USAID staff consultants and advisory groups may independently review and inspect research and research processes and procedures involving human subjects, and based on such findings, the CHSO may prohibit research which presents unacceptable hazards or otherwise fails to comply with USAID procedures. Informed consent documents must include the stipulation that the subject's records may be subject to such review.

## **16. INDIRECT COST RATES - PROVISIONAL (Nonprofit)**

(This provision is applicable to all recipients whose indirect cost rates under this award are on a provisional basis.)

(a) Provisional indirect cost rates shall be established for the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the Schedule of this award.

(b) The recipient, not later than nine months after the close of each of its accounting periods during the term of this award, shall submit to the Agreement Officer proposed final indirect cost rates with supporting cost data. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply and (4) the items treated as direct costs. The

agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of final indirect cost rates for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.

(f) Any failure by the parties to agree on any final rate(s) under this provision shall be considered a dispute within the meaning of the standard provision of the grant, entitled "Disputes".

## **17. TITLE TO AND USE OF PROPERTY (RECIPIENT TITLE; OVER \$50,000)**

{This provision is applicable only when title to property is vested in the recipient and over \$50,000 in equipment is expected to be procured with USAID funds. Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.)

(a) Title to all property financed under this award shall vest in the recipient.

(b) The recipient agrees to use and maintain the property for the purpose of the award in accordance with the following procedures:

1) The recipient shall not use equipment acquired with U.S. Government funds to provide services to non-U.S. Government outside organizations for a fee that is less than private companies charge for equivalent services.

2) The recipient shall use the equipment in the program for which it was acquired as long as needed, whether or not the program continues to be supported by U.S. Government funds and shall not encumber the property without approval of USAID. When no longer needed for the original program, the recipient shall use the equipment in connection with its other Federally-sponsored activities, in the following order of priority:

i) Activities sponsored by USAID, then

ii) Activities sponsored by other U.S. Government agencies.

3) During the time that equipment is used on the program for which it was acquired, the recipient shall make it available for use on other programs if such other use will not interfere with the work on the program for which the equipment was originally acquired. User charges shall be treated as program income.

4) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Agreement Officer.

5) The recipient's property management standards for equipment acquired with U.S. Government funds and federally-owned equipment shall include all of the following:

i) Equipment records shall be maintained accurately and shall include the following information:

A) A description of the equipment,

B) Manufacturer's serial number, model number, U.S. Government stock number, national stock number, or other identification number;

C) Source of the equipment, including the award number;

- D) Whether title vests in the recipient, the U.S. Government or other specified entity;
- E) Acquisition date (or date received, if the equipment was furnished by the U.S. Government) and cost;
- F) Information from which one can calculate the percentage of U.S. Government participation in the cost of the equipment (not applicable to equipment furnished by the U.S. Government);
- G) Location and condition of the equipment and the date the information was reported;
- H) Unit acquisition cost;
  - I) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensated USAID for its share.
  - ii) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
  - iii) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft shall be investigated and fully documented and the recipient shall promptly notify the Agreement Officer.
  - iv) Adequate maintenance procedures shall be implemented to keep the equipment in good condition;
  - v) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.
- 6) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards:
  - i) For equipment with a current per unit fair market value of \$5,000 or more, the recipient may retain the equipment for other uses provided that compensation is made to USAID for its share.
  - ii) If the recipient has no need for USAID-financed equipment, the recipient shall request disposition instructions from the Agreement Officer.
- A) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse USAID its share. The recipient shall be permitted to deduct and retain from the USAID share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.
- B) If the recipient is instructed to ship or otherwise dispose of the equipment, the recipient will be reimbursed by USAID for reasonable expenses incurred in disposition.
- (c) USAID reserves the right to transfer the title to USAID or a third party. The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing by the Agreement Officer. When USAID exercises its right to take title, the equipment shall be subject to the Standard Provision entitled "Title to and Care of Property" (U.S. Government Title).

(d) Within 90 calendar days after the date of completion of the award the recipient shall submit an inventory of all property with the final performance report. The final inventory shall list all equipment acquired with award funds or received from USAID.

(e) Title to supplies and other expendable equipment shall vest in the recipient upon acquisition. If there is a residual inventory of new/unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other U.S. Government-sponsored project or program, the recipient may retain the supplies but must compensate USAID for its share. The recipient shall not use supplies acquired with USAID funds to provide services to outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by U.S. Government statute as long as the U.S. Government retains an interest in the supplies.

(f) Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient.

(g) If the purchase of real property (meaning land, land improvements, structures, and appurtenances thereto) is supported under the award, separate instructions will be provided to the recipient by the Agreement Officer.

#### **17. TITLE TO AND USE OF PROPERTY (RECIPIENT TITLE; \$50,000 and Under)**

{This provision is applicable only when title to property is vested in the recipient and under \$50,000 in equipment is expected to be procured with USAID funds. Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.)

(a) Title to all property financed under this award shall vest in the recipient.

(b) The recipient agrees to use and maintain the property for the purpose of the award and in accordance with the procedures established in this Provision.

(c) With respect to property having an acquired value of \$5,000 or more, the recipient agrees to report such items to the Agreement Officer as they are acquired and to maintain a control system which will permit their ready identification and location.

(d) Within ninety calendar days after the end of the award, the recipient will provide a list to the Agreement Officer and the Cognizant Technical Officer of each item that has current fair market value of \$5,000 or more with a detailed proposal of what the recipient intends to do with that property. If the Agreement Officer does not respond within 120 calendar days, the recipient may proceed with the disposition of the property. However, if the recipient uses the property for purposes other than those of the award or sells or leases the property, USAID shall be reimbursed of its share of the property unless the Agreement Officer authorizes USAID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of USAID's contribution to the recipient's program. If USAID paid 100% of the recipient's costs, then USAID would receive 100% of the selling cost less a nominal selling fee of \$500 or 10%, whichever is less.



## **18. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE)**

(This provision is applicable when title to property is vested in the U.S. Government.)

(a) Property, title to which vests in the Government under this award, whether furnished by the Government or acquired by the recipient, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personal property by reason of affixation to any real property.

(b) Use of Government Property: Government property shall, unless otherwise provided herein or approved by the Agreement Officer, be used only for the performance of this award.

(c) Control, Maintenance and Repair of Government Property:

(1) The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this award. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement Officer may prescribe as reasonably necessary for the protection of the Government property.

(2) The recipient shall submit, for review by the Agreement Officer, a records system for property control and a program for orderly maintenance of Government property; however, if the property control and maintenance system has been reviewed by another U.S. Government department or agency pursuant to Section \_\_.30 through \_\_.36 of OMB Circular A-110, the recipient shall furnish the Agreement Officer proof of such review in lieu of another submission.

(3) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of Government property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."

(ii) The price of each item of property acquired or furnished under this award.

(iii) The location of each item of property acquired or furnished under this award.

(iv) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the award.

(vi) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.

(4) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:

(i) Disclosure of need for and the performance of preventive maintenance,

(ii) Disclosure and reporting of need for capital type rehabilitation, and

(iii) Recording of work accomplished under the program.

(A) Preventative maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of Government property shall be submitted annually with the annual report.

(d) Risk of Loss:

(1) The recipient shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;

(ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) To maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above, or

(B) To take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (c) above;

(iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;

(iv) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater;

(v) Which results from a risk which is in fact covered by insurance or for which the recipient is otherwise reimbursed, but only to the extent of such insurance or reimbursement; or

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

(2) The recipient shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the recipient to carry such insurance under any other provision of this award.

(3) Upon the happening of loss or destruction of or damage to the Government property, the recipient shall notify the Agreement Officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and

undamaged Government property, put all the Government property in the best possible order, and furnish to the Agreement Officer a statement of:

- (i) The lost, destroyed, or damaged Government property;
  - (ii) The time and origin of the loss, destruction, or damage;
  - (iii) All known interests in commingled property of which the Government property is a part; and
  - (iv) The insurance, if any, covering any part of or interest in such commingled property.
- (4) The recipient shall make repairs and renovations of the damaged Government property or take such other action as the Agreement Officer directs.
- (5) In the event the recipient is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate, or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the award, or shall otherwise reimburse the Government, as directed by the Agreement Officer. The recipient shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Agreement Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.
- (e) Access: The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.
- (f) Final Accounting and Disposition of Government Property: Upon completion of this award, or at such earlier dates as may be fixed by the Agreement Officer, the recipient shall submit, in a form acceptable to the Agreement Officer, inventory schedules covering all items of Government property not consumed in the performance of this award or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposition of the Government property as may be directed or authorized by the Agreement Officer.
- (g) Communications: All communications issued pursuant to this provision shall be in writing.

## **19. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)**

(This provision is applicable when an award is funded under an agreement between USAID and the Host Country, or when the award provides for property titled in the name of the Host Country or such public or private agency as the Host Country Government may designate to be furnished to or acquired by the recipient.)

- (a) Except as modified by the Schedule of this award, title to all equipment, materials, and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating Government may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the Schedule of this award, but all such property shall be under the custody and control

of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The recipient shall prepare and establish a program, for the receipt, use, maintenance, protection, custody, and care of equipment, materials, and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the requirements of 22 CFR Part 226.30 through 226.36.

(c) Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient shall submit an inventory schedule covering all items of equipment, materials, and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient shall also indicate what disposition has been made of such property.

## **20. COST SHARING (MATCHING)**

(This provision is applicable when the recipient is required to provide a matching share or to cost share.)

(a) During the period of this award, the recipient agrees to spend funds from non-U.S. Government sources in an amount at least equal to the amount or percentage of the total expenditures under this award specified in the schedule of the award. The schedule of this award may also contain restrictions on the application of cost sharing (matching) funds. The schedule of the award takes precedence over the terms of this provision.

(b) Eligibility of non-U.S. Government funds applied to satisfy cost sharing (matching) requirements under this award are set forth below:

(1) Charges incurred by the recipient as project costs. Not all charges require cash outlays by the recipient during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the recipient by other non-U.S. Government organizations (may include public international organizations or foreign governments and institutions, private organizations, or individuals), and

(3) Project costs represented by services and real and personal property, or use thereof, donated by other non-U.S. Government agencies and institutions, and private organizations and individuals.

(c) All contributions, both cash and in-kind, shall be accepted as part of the recipient's cost sharing (matching) when such contributions meet all of the following criteria:

(1) Are verifiable from the recipient's records;

(2) Are not included as contributions for any other U.S. Government-assisted program;

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;

(4) Are types of charges that would be allowable under the applicable Federal cost principles;

(5) Are not paid by the U.S. Government under another grant or agreement (unless the grant or agreement is authorized by U.S. Government law to be used for cost sharing or matching);

(6) Are provided for in the approved budget when required by USAID; and

(7) Conform to other provisions of this paragraph.

The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

(d) Values for recipient in-kind contributions will be established in accordance with the applicable Federal cost principles.

(e) Specific procedures for the recipient in establishing the value of in-kind contributions from non-U.S. Government third parties are set forth below:

(1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program.

(i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient's organization, rates should be consistent with those paid for similar work in the labor market in which the recipient competes of the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(ii) Volunteers furnished by other organizations: When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs) provided these services are of the same skill for which the employee is normally paid.

(2) Valuation of donated supplies: Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost (matching) share shall be reasonable and shall not exceed the market value of the property at the time of the donation.

(3) Valuation of donated equipment, buildings, and land or use thereof:

(i) The method used for charging cost sharing or matching for donated equipment, buildings, and land for which title passes to the recipient may differ according to the purpose of the award as follows:

(A) If the purpose of the award is to assist the recipient in the acquisition of equipment, buildings, or land, the total value of the donated property may be claimed as cost sharing or matching.

(B) If the purpose of the award is to support activities that require the use of equipment, buildings, or land; normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed provided that the USAID Agreement Officer has approved the charges.

(ii) The value of donated property will be determined in accordance with the usual accounting policies of the recipient with the following qualifications:

(A) Land and buildings: The value of donated land and buildings shall not exceed its fair market value, at the time of donation to the recipient as established by an independent appraiser (e.g. certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.

(B) Equipment: The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.

(C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

(D) Loaned equipment: The value of loaned equipment shall not exceed its fair rental value.

(f) The following requirements pertain to the recipient's supporting records for in kind contributions from third parties. With the authorization of the Agreement Officer, the recipient may attribute cost share contributions from subrecipients to the prime award.

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings, and land shall be documented.

(g) Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed upon amount or percentage set forth in the schedule of the award.

(h) If at the end of any or funding period hereunder, the recipient has expended an amount of non-U.S. Government funds less than the agreed upon amount or percentage of total expenditures, the Agreement Officer may apply the difference to reduce the amount of USAID funding for the following funding period, or, if this award has expired or been terminated, may require that the recipient refund the difference to USAID.

(i) If the recipient fails to act in good faith to meet the cost sharing (matching) requirements set forth in paragraph (a) above, the Agreement Officer may consider it sufficient reason to terminate this award for cause in accordance with the Standard Provision of this award entitled "Termination and Suspension".

(j) The restrictions on the use of USAID funds set forth in the standard provisions of this award are applicable to expenditures incurred with USAID funds provided under this award. Except for the requirements of this standard provision, the restrictions set forth in the standard provisions of this grant are not applicable to costs incurred by the recipient from non-U.S. Government funds. The recipient will account for the USAID funds in accordance with the standard provision of this award entitled "Accounting, Audit, and Records"; however, in the event of disallowances of expenditures from USAID award funds, the recipient may substitute expenditures made with funds provided from non-U.S. Government sources, provided they are eligible in accordance with all the standard provisions of this award.

(k) Notwithstanding paragraph (b) of the standard provision of this award entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from USAID award funds provided hereunder, the recipient may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision.

## **21. PUBLIC NOTICES**

(This provision is applicable when the cognizant Technical Officer or SO Team determines that the award is of public interest and requests that the provision be included in the award.)

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 80 countries worldwide."

The recipient may call on USAID's Office of External Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the cognizant technical officer and to USAID's Office of Legislative and Public Affairs as far in advance of release as possible.

## **22. PROGRAM INCOME**

(This provision shall be applicable when Program Income is earned under the award)

(a) The Recipient shall apply the standards set forth in this Provision to account for program income earned under the award.

(b) Program Income earned during the project period shall be retained by the recipient and, in accordance with USAID regulations, other implementing guidance, or the terms and conditions of the award, shall be used in one or more of the following ways:

1) Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives.

2) Used to finance the non-U.S. Government share of the project or program.

3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the U.S. Government share of costs is based.

(c) When the agreement authorizes the disposition of program income as described in paragraph (b)(1) or (b)(2) of this section, program income in excess of any limits stipulated shall be used in accordance with paragraph (b)(3) of this section.

(d) If the terms and conditions of the award do not specify how program income is to be used, paragraph (b)(2) of this section shall apply automatically; program income in excess of the cost share amount may be applied in accordance with paragraph (b)(1). Recipients which are commercial organizations may not apply paragraph (b)(1) of this section.

(e) Unless the terms and conditions of the award provide otherwise, recipients shall have no obligation to the U.S. Government regarding program income earned after the end of the project period.

(f) Costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award and they comply with the applicable Cost Principles.

(g) Unless the terms and conditions of the award provide otherwise, recipients shall have no obligation to the U.S. Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C. 18) apply to inventions made under an experimental, developmental, or research awards.

### **23. COMMUNICATIONS PRODUCTS**

This provision shall be included in every award over \$25,000.

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the Agreement Officer.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the Agreement Officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout, and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to PPC/CDIE and other USAID/W offices for internal use).

### **24. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS**

(This provision is applicable where performance of the award will take place in "Covered" Countries, as described in ADS 206 (see 206.5.3))

a) USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

b) (1) For any loan over \$1000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(2) Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.



c) (1) The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that: (i) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Subrecipient has been approved. Designation means that the subrecipient has been unilaterally selected by USAID as the subrecipient. USAID approval of a subrecipient, selected by another party, or joint selection by USAID and another party is not designation.

2) The recipient shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:

“The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Subrecipient] or a key individual of the [Subrecipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.”

## **6- CARPE II results framework**

## **7- Priority landscapes for CARPE II**

**8- SF 1034 A**

**9- USAID INDIGENOUS NGO PRE-AWARD SURVEY / CHECKLIST**

**OBJECTIVES**

**To determine the adequacy of the organizations internal control systems in order to minimize the potential risk of misuse of USG funds.**

**To determine the effectiveness of the organizations monitoring and contracting capabilities.**

**ORGANIZATION :**

**DATE \_\_\_\_\_ :**

**INTERVIEWEES :**

**NAME                      TITLE**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **1. PRE-INTERVIEW INVESTIGATION :**

- 1.1 Has the organization submitted the required documentation necessary to operate as an NGO in the Country?  
Y N
- 1.2 Does the documentation provide a clear summary of:
- a) The program objectives?  
Y N
- b) The resources and steps required to meeting the objectives?  
Y N
- c) The period of time expected for each step in implementation?  
Y N
- d) A realistic financial forecast?  
Y N
- e) Bench marks for progress measurement?  
Y N
- 1.3 Do the application documents include:
- a) Basic rationale for the program activities?  
Y N
- b) Important assumptions?  
Y N
- c) A description of groups and individuals to be involved?  
Y N
- 1.4 Does the application documents include a system which enables the organization to assess:
- a) A means by which it pursues established objectives?  
Y N
- b) The relevance of those means to the achievement of the objectives?  
Y N
- c) The adequacy of material and resource inputs for the achievement of objectives?  
Y N
- 1.5 Has the organization submitted a list of all previous grants or cooperative agreements involving similar or related programs over the past three years?  
Y N

## **2. LEGAL STATUS :**

- 2.1 Is the Organization a legal entity organized under the laws of the Country?  
Y N
- 2.2 Can a copy of the articles of incorporation be provided?  
Y N
- 2.3 Is the organization authorized to raise funds in the Country?  
Y N
- 2.4 Has the organization any statal or para-statal connection?  
Y N
- 2.5 Is the organization both voluntary and non-profit?  
Y N
- 2.6 Has the organization tax-exempt status in the Country ?  
Y N
- 2.7 Do any members of the Board receive a salary from the Institution?  
Y N

## **3. INDEPENDENCE :**

- 3.1 Does the department/section controlling the performance of the Grant, interact with any other governmental departments?  
Y N  
Details:
- 3.2 Is the agency independent to initiate action on its own?  
Y N
- 3.3 Is decision making restricted to senior management?  
Y N

## **4. ENVIRONMENT :**

- 4.1 Are the physical premises neat and tidy, and are they conducive to efficient work?  
Y N

- 4.2 Is there appropriate equipment available for the execution of the grant?  
Y N
- 4.3 Is the physical condition of the equipment adequate to ensure that the grant is carried out?  
Y N
- 4.4 Is there generally a favorable attitude towards financial and administrative controls?  
Y N
- 4.5 Are all policies and procedures clearly documented with all tasks clearly defined?  
Y N

## **5. PERSONNEL AND STAFFING :**

- 5.1 Is there an organizational chart available showing the institutions staffing structure? Y N
- 5.2 Are the areas of responsibility and authority clearly defined?  
Y N
- 5.3 Does each employee have a comprehensive job description?  
Y N
- 5.4 Is there segregation of duty?  
Y N
- 5.5 Are personnel policies:
- a) In writing?  
Y N
  - b) Applicable to all the organizations employees?  
Y N
- 5.6 How many staff will be involved in the execution of the grant?
- a) Professional staff
  - b) Technical staff
  - c) Other staff



- 5.7 Do the staff allocated to performing grant functions; have any additional functions which they are expected to carry out?  
Y N  
 Details:
- 5.8 Are regular in-house training courses conducted?  
Y N
- 5.9 When was the most recent course held?
- 5.10 Is there an official payroll system?  
Y N
- 5.11 Are all salaries subject to the taxation regulations of the Country?  
Y N
- 5.12 Is the person processing the payroll different from the person authorizing?  
Y N
- 5.13 What provision is made for health and accident insurance for: 1) expatriate staff; and 2) national staff?
- 5.14 Has the organization budgeted for severance pay? Is the organization familiar with in Country law in this regard? How will severance pay be made (upon termination of the grant or carried over and paid from non-USAID funds)?

## **6. FINANCIAL STATUS :**

### **6.1 BUDGET :**

- 6.1.1 Do the application documents include a project budget?  
Y N
- 6.1.2 How often are the budgets adjusted? NEVER  
MONTHLY QUARTERLY HALF YEARLY ANNUALLY
- 6.1.3 Does the organization have the authority to commit their funds irrespective of the source of funding?  
Y N

6.1.4 Does the organization have the authority to disburse funds without obtaining approval from other agencies?  
Y N

6.2 CASH AND BANKING :

6.2.1 Does the organization have a separate bank account for the grant funds?  
Y N

6.2.2 Are there more than one signatory to the bank account?  
Y N

6.2.3 Are separate bank accounts maintained for different fund sources?  
Y N

6.2.4 Are deposits made routinely to avoid the security risk of having large quantities of cash on hand?  
Y N

6.2.5 Is the person receipting deposits different to the person billing?  
Y N

6.2.6 Is there an official cashier's position?  
Y N

6.2.7 Are cash payments made for expenses more often than cheque payments?  
Y N

6.2.8 Is the petty cash maintained on an imprest system?  
Y N

6.2.9 Is the petty cash box accessible by more than one person at any one time?  
Y N

6.2.10 Are unannounced cashier verification conducted on a regular basis?  
Y N

6.2.11 Are bank reconciliations carried out on a regular basis?  
Y N

6.2.12 when was the last reconciliation performed?

6.2.13 Is the reconciliation performed by a different person than the cheque signatory?

Y N

6.2.14 Is there an acceptable system used by the organization to initiate a cheque or cash payment?

Y N

6.2.15 Do the authorization signatories differ from cheque signatories?

Y N

6.2.16 Are cheque sequence checks carried out?

Y N

6.2.17 Are bank reconciliations verified? By Whom?

Y N

### 6.3 ACCOUNTING SYSTEMS :

6.3.1 Does the organization have a documented accounting manual?

Y N

6.3.2 Does the organization employ a bookkeeper / accountant to control all financial matters? Interview the employee and make comments on his/her capabilities/knowledge.

Y N

6.3.3 Are the accounts computerized?

Y N

6.3.4 Is the processing of accounting information up to date?

Y N

6.3.5 What is the general state of the accounting records?

BAD FAIR GOOD

6.3.6 Are all journal vouchers authorized by a senior person?

Y N

6.3.7 What is the date of the last financial statements produced? Can we have a copy of these financial statements as well as the cash flow statement?

6.3.8 Does the organization account on a cash or accrual basis?

CASH      ACCRUAL

6.3.9 What percentage of the total budgeted expenditure is allocated for fund raising?

6.3.10 Are expenditures controlled against authorized commitments?

Y      N

6.3.11 Are commitments controlled against an approved budget?

Y      N

6.4 AUDIT:

6.4.1 Are audits performed on a regular basis?

Y      N

6.4.2 When was the last audit carried out, and can we have a copy of this audit report?

6.4.3 What period did the last audit cover?

6.4.4 Does the organization have an internal audit department?

Y      N      \_\_\_\_\_

**7. PROCUREMENT :**

7.1 Are the functions of ordering, purchasing, receiving, authorization and payment performed by different people?

Y      N

Details:

7.2 Are pre-numbered purchase orders used?

Y      N

7.3 Are the purchase orders approved by a senior person?

Y      N

7.4 Are quotes requested from three vendors for each purchase?

Y      N

- 7.5 When items are received, are they itemized and signed for by a responsible employee? Y N
- 7.6 Is any provision made in procurement contracts for legal measures which may be taken for non-performance/non-delivery/untimely delivery?  
Y N

**8. ASSETS :**

- 8.1 Are all assets logged into a register?  
Y N
- 8.2 Is there adequate control over the personal use of the organizations assets?  
Y N
- 8.3 Is usage of assets controlled (i.e. with a vehicle log book, or usage register)?  
Y N
- 8.4 Are telephone bills checked regularly?  
Y N
- 8.5 Are personal calls billed to staff members?  
Y N
- 8.6 Are all assets clearly marked with an identification number?  
Y N
- 8.7 Is a regular physical inventory taken of the assets and reconciled back to the asset register?  
Y N
- 8.8 Are assets covered by comprehensive insurance? What provision will be made for covering assets procured under the terms of this grant?  
Y N

**9. INVENTORY:**

- 9.1 Does the Grant Agreement discuss the control of and use of inventory? Y N
- 9.2 Does the organization have perishable or health related inventories? Y N
- 9.3 What is the life of the inventories referred in 9.2?
- 9.4 Is a regular inventory count done and reconciled back to theoretical inventory records? Y N
- 9.5 Is a perpetual inventory system maintained? Y N
- 9.6 Are inventories with expired usage life properly destroyed to ensure that they are never used? Y N
- 9.7 Is the destruction of expired inventories properly documented? Y N
- 9.8 Are inventory losses quantified and reported? Y N
- 9.9 Are adjustments made for any inventory under/over? Y N
- 9.10 Are inventory adjustments properly supported and authorized in writing by a senior person? Y N
- 9.11 Is the general attitude of access to the inventory very strict? Y N

**10. TRAVEL :**

- 10.1 Is travel authorization requested and obtained from senior management before the travel begins? Y N

10.2 Are travel expenses (lodging, meals and incidentals) estimated and authorized before travel begins?

Y    N

10.3 Are travelers required to report on travel expenses after the travel has been completed? Are these reports prepared promptly?

Y    N

10.4 Are all travel policies:

a) In writing?

Y    N

b) Applied uniformly to both federally financed and other activities of the organization ?

Y    N

c) Do they result in costs which are reasonable and allowable in accordance with the applicable cost principles?

Y    N