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*THE SERVIR PROGRAM DEMAND:  
CULTIVATING USE OF BETTER INFORMATION ACTIVITY*

# GRANTS MANUAL

**NOVEMBER 2012**

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THE SERVIR PROGRAM DEMAND:  
CULTIVATING USE OF BETTER INFORMATION ACTIVITY

# Grants Manual

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| <b>Program Title:</b>           | <b>The SERVIR Program Demand: Cultivating Use of Better Information Activity</b> |
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## **DISCLAIMER**

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# SERVIR Demand Activity Grants Manual

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## List of Acronyms

|          |   |
|----------|---|
| ADS      | Automated Directive System, which is the official written guidance for USAID procedures.  |
| AOTR     | USAID Agreement Officer Technical Representative  |
| APS      | Annual Program Statement  |
| Closeout | The process of documenting the grant file to verify that all performance, reporting, and financial obligations of a grantee have been completed.  |
| CFR      | Code of Federal Regulations. The applicable CFR sections for this grant program are: 22 CFR Part 226.21 through 226.90 Administration of Assistance Awards to U.S. Non-Governmental Organizations, as applied and applicable to U.S. and non-U.S. recipients. |
| CO       | Contracting Officer   |
| COP      | Chief of Party  |
| COR      | USAID Contracting Officer Representative  |
| DAI      | Development Alternatives, Inc.  |
| FOG      | Fixed Obligation Grant  |
| LSGA     | Limited Scope Grant Agreement   |
| NGO      | Non-Governmental Organization   |
| USAID    | United States Agency for International Development  |

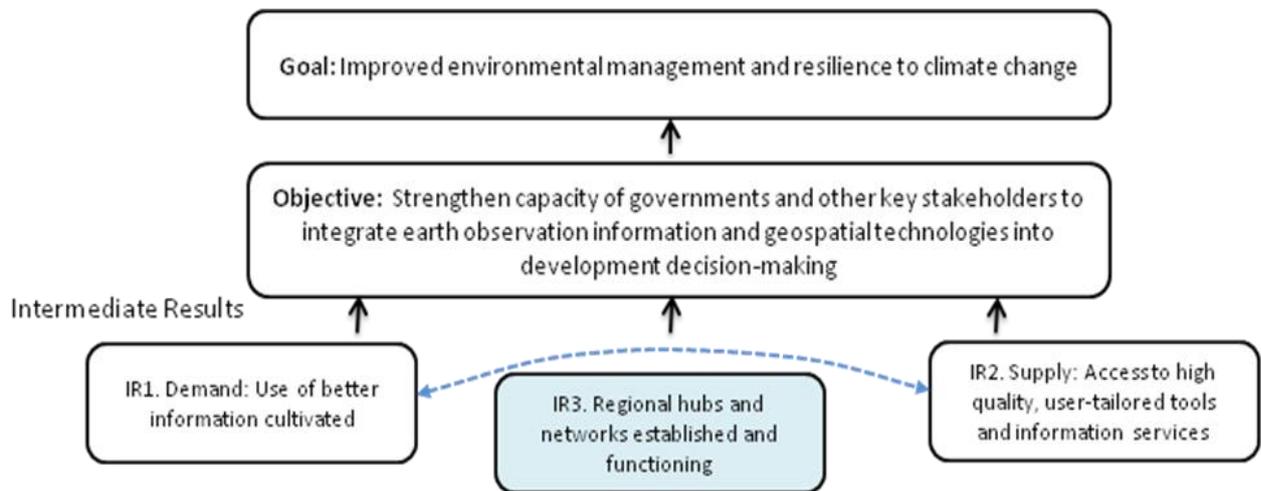
## 1. PROJECT BACKGROUND

Established in 2004 under a partnership between the United States Agency for International Development (USAID) and the National Aeronautics Space Administration (NASA), the overarching goal of the SERVIR Program is to improve environmental management and resilience to climate change on a global scale. With an eye toward this goal, the SERVIR Program works to build the capacity of governments and other key stakeholders to integrate Earth observation information and geospatial technologies into development decision-making. More specifically, the SERVIR Program, which is a Spanish acronym for "regional visualization and monitoring system," provides a web-based geospatial platform for sharing, integrating, and mapping different kinds of information from various different sources. The platform provides access, for example, to satellite imagery, geospatial data, and mapping applications related to flood forecasting, weather forecasting, fire forecasting, air quality monitoring, ocean chlorophyll monitoring, coral reef monitoring, snowmelt monitoring, fire monitoring, biodiversity assessments, land cover change, and post-disaster assessments.

The "SERVIR Program Demand: Cultivating Use of Better Information" Activity (hereafter referred to as "SERVIR Demand " or the "Activity") is a two year project with a one year Option Period (if exercised), and is funded by the United States Agency for International Development (USAID) and implemented by Development Alternatives, Inc. (DAI). The objective of SERVIR Demand is to help USAID cultivate the use of better information for development decision-making by strengthening capacity to use, and demand for, the supply of geospatial tools and decision support applications offered by the SERVIR Program. Within the results framework of the global program in Figure 1 below, SERVIR Demand will focus upon the following Intermediate Results.

- IR 1: Cultivating demand for SERVIR program products and services
- IR.3: Ensuring that SERVIR program hubs (existing and new) in each region are functioning successfully

Figure 1: SERVIR Results Framework



In the span of two years, the SERVIR Demand Activity will work to cultivate demand for SERVIR Program products and services by building awareness among decision-makers in targeted regions. Working in partnership with SERVIR Program hubs, NASA and USAID, the Demand Activity will strengthen hub capacity to engage current and potential users of SERVIR’s Earth observation products, with relevance across a range of societal benefit areas, from health and water resources management to biodiversity and agriculture. The SERVIR Demand team will proactively engage users to define their needs; help SERVIR Program hubs build national and regional capacity to use SERVIR Program products, tools, and services; assess the programs impacts in addressing climate change; and conduct outreach and communications efforts to enhance regional and global awareness of the value of SERVIR’s information, especially for policy decision-making.

The overall intent of the Activity is to lay the groundwork for the SERVIR Program’s sustainability, taking steps to build the long-term capacity of the SERVIR hub institutions to provide useful, relevant, and actionable science products to a diverse array of decision-makers in targeted regions. Overall, SERVIR Demand will focus on building the capacity of the SERVIR network to provide demand-driven Earth observation products and services to a broad array of users, with a particular focus on government decision-makers. A guiding document for the SERVIR Program is the USAID Climate Change and Development Strategy for 2012-2016, which will help to frame the Demand Activity’s understanding of climate change through the lens of sustainable landscapes and adaptation.

## 2. GRANT PROGRAM

### 2.1 General

Under the USAID SERVIR Demand Grant program authorized in section F.7 of the prime contract, DAI will provide funding to local, U.S. Non-Governmental Organization, and International NGOs, civil society organization, small and medium

enterprises, community-based organizations, faith-based organizations, universities, local government entities in target countries (via limited scope grant agreement mechanisms), and other indigenous organizations as authorized in geographic code 937. The program will be administered in accordance with the conditions established in ADS 302.3.4.8. Grants will be awarded when appropriate in combination with technical assistance, training, and other activities in response to specific objectives as detailed in the program's results framework.

In accordance with Section F.7, *Grants under Contract*, of the SERVIR Demand Task Order, the total value of an individual grant to a U.S. organization will not be exceeded. This limitation does not apply to grant awards to non-U.S. organizations. All grants must have a period of performance within the SERVIR Demand contract period of 10 July 2012 through 9 July 2014 (base period) and/or 10 July 2014 through 9 July 2015 (option period – if exercised), subject to USAID funding. Grants should be programmed to be completed at least three months prior to the SERVIR Demand contract completion date. DAI will administer the grant program in accordance with the requirements of ADS 303, 22CFR 226, the provision of the SERVIR Demand Contract and applicable Federal law.

## **2.2 Key Objectives of Grant program**

DAI will award and administer a grants fund that will be used strategically across the SERVIR results framework to:

- Build capacity of local organizations,
- Raise awareness among stakeholders, and
- Facilitate opportunistic partnerships.

SERVIR Demand grants are intended to be complementary to the other grant programs managed within the SERVIR program and among SERVIR program stakeholders – particularly the Applied Science Team grants funded by the NASA Research Opportunities in Space and Earth Sciences (ROSES).

## **2.3 Illustrative Grant Activities**

The following are examples of activities that may be supported by grant funds. These categories and activities are illustrative only; variations are likely to emerge in actual practice, in keeping with the needs and opportunities that are likely to arise during SERVIR Demand implementation.

- Create user-tailored mapping, decision-support tools, or other services that support climate change adaptation or strengthen the information base for carbon sequestration using geospatial information

- Increase the effectiveness of regional hubs to reach and engage with users
- Build capacity of users to access geospatial information and science applications
- Provide incentives for innovation in the use of space data in climate change decision-making
- Serve as a catalyst for the SERVIR program to develop partnerships with a broader range of institutions
- Strengthen the capacity of the SERVIR hub network
- Raise awareness of government officials, the media, and the public in developing countries about the value of Earth observation and spatial information

## **2.4 Grant Terms**

To the maximum extent possible, grants will be designed to contribute to achieving overall SERVIR Demand results by building capacity of local organizations, raising awareness among stakeholders, and facilitating opportunistic partnerships. In this way, grants contribute financially to promote and facilitate achievement of expected project results, and do so in a manner complementary to other, non-financial SERVIR Demand contributions (i.e. in-kind grants). The grant program is designed to provide this financial support while leveraging local resources and other project activities.

All data layers, decision-support products, mapping tools, and other products and services developed through the grant program will be submitted to the NASA Coordination Office for integration into the SERVIR program's web-based geospatial platform.

USAID will retain within the contract the ability to terminate the grant activities unilaterally in extraordinary circumstances.

All interest and other refunds by award recipients hereunder will be made to a special, non-commingled, interest-bearing account established by DAI (the "Separate Account"). DAI has no beneficial interest in any funds in the Separate Account. Funds in the Separate Account shall be paid annually to USAID, as directed by the COR. At the conclusion of the Contract, any funds remaining in the Separate Account shall be returned to USAID and any interest shall be refunded to the U.S. Government.

Grants will be structured, timely, quantified, and, whenever possible, used in combination with and in order to leverage other financial resources. Additionally, grants:

- May be awarded for variable amounts and for variable periods;
- May come under one or multiple categories of grant assistance;

- May cover all or only a portion of specific activities or costs; and
- May be used to cover operational or administrative costs of an organization (such as salaries, honoraria, consulting fees, stipends, travel and per diem, data collection, analysis, communication and document preparation, workshops, conference participation, equipment, and other costs as may be approved).

## 2.5 Standards of Conduct

SERVIR Demand, its employee and partners shall maintain high standard of ethical conduct in any implementation process, in the selection award, implementation, and oversight of SERVIR Demand activities. Each SERVIR Demand employee involved in the grants award process will sign a "Conflict of Interest" Certification and must adhere to U.S. federal law and regulations, USAID rules and regulations, and DAI corporate policies and procedures. If any SERVIR Demand employee or partner becomes aware of any allegations of unethical or prohibited acts stated below, the individual is obligated to immediately inform, verbally or in writing the COP of such alleged conduct. Investigation may be done and appropriate actions will be taken to remedy, correct, mitigate, or otherwise resolve the unethical conduct or prohibited acts.

The following are actions or allegations of unethical conduct or prohibited acts that cannot be done by any employee or partner of SERVIR Demand.

**Bribery and Kickbacks** : An employee soliciting for money, favors, or anything of value by or on behalf of a prospective partner to influence or reward an official decision ; or an employee or partner of SERVIR Demand partner that is providing or offering any money, fee, commission, credit, gift of any value, object of value to obtain favorable treatment.

**Solicitation of Favors**: SERVIR Demand employee may not solicit gifts, meals, entertainment, personal discount, travel and transportation, lodging, goods, cash or other favors from partners, suppliers, grantees, vendors or other business acquaintances.

**Conflict of Interest** : A conflict of interest is any interest, financial or otherwise, direct or indirect; participation in any business, transaction or professional activity; or incurring of any obligation of any nature, which is or appears to be in substantial conflict with the proper discharge of duties in relation to a DAI-funded project. Conflict of interest includes, but is not limited to:

1. An occasion when an individual's private interest differs from his or her professional obligations
2. A situation in which professional actions or decisions occur that an independent observer might reasonably question

3. Nepotism, i.e., favoritism shown to a relative on the basis of an immediate family relationship (Note: immediate family can be defined as parents, children, siblings, grandparents, same categories of in-laws, foster and step children, and anyone living in the same household as a family)

In the review and implementation of grants, DAI reserves the right to investigate an application or a grant due to any real or perceived conflict of interest. In the event that DAI determines that conflict of interest exists, DAI may disqualify an application or terminate a grant.

In performing its duties, DAI shall scrupulously avoid any conflicts of interest. Should any conflict of interest arise, DAI shall immediately notify the Contracting Officer about the conflict and DAI's proposed solution for avoiding the conflict, and DAI shall follow the instructions of the Contracting Officer.

### **3. TYPES OF GRANTS**

DAI will consider five different grant mechanisms during the implementation of SERVIR Demand grant program, including Standard Grants, Simplified Grants, Fixed Obligation Grants, In-Kind Grants, and Limited Scope Grant Agreement (LSGA). The solicitation (i.e., RFA/APS) will specify the type of grant mechanism to use.

#### **3.1 Standard Grants**

##### *3.1.1 Overview*

The Standard Grant Format may be used for any grantee provided that they have the financial and management capacity to receive grant funding. The standard grant format allows for advances and requires detailed monitoring of actual costs incurred. As part of financial reporting, all receipts and invoices must be submitted to DAI to reconcile advances. Under these procedures, successful organizations must demonstrate sufficient financial and management responsibility before DAI can award the grant (more detail on how this responsibility is determined is included in Section 6.4 of this manual).

##### *3.1.2 Award Format*

The standard grant award format is as follows:

- a. Award Letter
- b. Description of Award
- c. Program Description
- d. Program Budget
- e. Reporting Requirement
- f. Method of Payment

- g. Branding Strategy and Marking Plan
- h. Mandatory Standard Provisions for Non-U.S. Non-Governmental Grantees or Mandatory Standard Provisions for U.S. Non-Governmental Grantees
- i. Required as Applicable Standard Provisions for Non-U.S. Non-Governmental Grantees or Required as Applicable Standard Provisions for U.S. Non-Governmental Grantees
- j. Sample Grants Payment Application Form
- k. Reporting on Payment of Foreign Taxes
- l. Sample Cash Advance Form (if applicable)

### 3.1.3 *Disbursement*

Cost reimbursement payment method is preferred. However, with standard format grants, DAI may advance grant funds to cover the first two months of project costs. In order to minimize risk, the disbursement of advances under Standard Grants will be on an incremental basis as opposed to a lump sum payment up front. In order to request an advance, grantees will submit financial reports based upon upcoming deliverables for approval by DAI.

Additionally, ten percent of the total grant amount will always be withheld until all aspects of the scope of work have been completed to the satisfaction of DAI. The schedule of disbursements will be subject to negotiation with the grantee and will be related to the requirements of the grant activities and the type of grant in question.

## 3.2 **Simplified Grants**

### 3.2.1 *Overview*

The Simplified Grant mechanism is advantageous in that it offers a more streamlined approach to the issuance of small grants under USAID contracts. The Simplified Grant can be used for both U.S. and non-U.S. organizations and must meet all the conditions established in ADS 303.3.24. For simplified grants, all disbursements are made on a reimbursement basis, so grantees must possess adequate capital up front to begin incurring expenses without a cash transfer from DAI.

The simplified format is used only when the grant meets the following conditions (per ADS 303.3.24):

1. All goods to be purchased by grantee are in the grant text, meet the rules governing local cost financing and geographic code, do not include ineligible or restricted goods, do not include international airfare or indirect costs, and have no single item costing more than a given threshold or more with a useful life of over one year;
2. The grantee will receive payments on a reimbursement basis (i.e. no advances are allowed);

3. The grant includes language requiring the grantee to allow DAI access to its records for up to three years, and that the grantee will refund DAI any funds it received for any costs that did not meet the terms and conditions of the grant;
4. Sub-agreements, if any, must meet the same conditions listed here for simplified grant formats.
5. The grantee is required to sign the applicable certifications listed in ADS 303.3.8; and
6. The grantee must demonstrate adequate financial management capacity (as detailed in Section 6.4) to be able to separately track all costs associated with the grant since the grant is cost reimbursable upon presentation of receipts.

### 3.2.2 *Award Format*

The simplified grant award format is as follows:

1. Award Letter
2. Program Description
3. Program Budget
4. Reporting Requirements
5. Method of Payment
6. Branding Strategy and Marking Plan
7. Sample Grant Payment Application Form
8. Reporting on Payment of Foreign Taxes
9. A provision that requires the grantee to allow DAI/USAID access to its records for up to three years after the end of the grant, and the grantee will refund the DAI/USAID for any fund it receive for costs that did not meet terms and conditions of the grant.

### 3.2.3 *Disbursements*

All disbursements under Simplified Grants will be made on a cost reimbursement basis (i.e., actual incurred expenses). The grantee will submit a listing of costs incurred (in the form of an invoice) and DAI will review the costs for allowability and transfer an amount of money equal to the expenses that it finds reasonable and allowable. Only expenses already identified in the grant itself will be considered allowable. The frequency of billing will be based upon the terms set forth in the grant.

Grantees may not receive more than 90 percent of the total budget amount prior to submission of the final program report, final financial report, and any required certifications. Upon submission of these documents, DAI will issue the final payment. DAI will then invoice USAID only after costs are approved and the respective disbursement to the grantee has occurred.

### **3.3 Fixed Obligation Grants**

#### *3.3.1 Overview*

The Fixed Obligation Grant (FOG) allows for the award of a grant for very specific program elements without the requirement of DAI to monitor actual costs subsequently incurred, as all costs are covered on a benchmarked reimbursement basis. ADS 303.3.25 states that a FOG is appropriate when supporting a specific project and when DAI is confident that a reasonable estimate of the actual cost of the effort can be established and clear milestones can be defined. Also, per ADS 303.3.25, FOGs must not exceed 3 years.

Furthermore, DAI will ensure that all FOG's awarded will comply with the FOG Entity Eligibility requirements per ADS 303.3.25 a (2). DAI will also ensure that sufficient cost information is provided as to allow for negotiation of a reasonable estimate of the actual cost of the overall effort, so that DAI does not pay more than the reasonable value for the completion of the grant.

Partial payments may be made upon demonstration of achieved results, and payment amounts should reflect the relative value of the benchmarks achieved. Payment is always made based on milestones or deliverables (no advances are permitted).

DAI must ensure the appropriateness of issuing a fixed obligation grant based on the following factors:

1. DAI has complied with the requirements of the FOG Entity Eligibility Checklist (Annex E), including ensuring that the recipient has signed pre-award certifications, as specified in Section 6 of the checklist
2. Programmatic accomplishments or results are easily identified and quantified, and are established in grant milestones
3. There is very limited risk that the project will undergo significant changes
4. There is adequate cost information (historical or unit pricing) available to determine and negotiate the fixed price of the grant and payment structure. The fixed price may include an amount to accommodate the grantee's demonstrated indirect costs and cost incurred in application preparation
5. DAI must document the rationale for selecting the FOG mechanism
6. The grant includes language requiring the grantee to allow Contractor access to its records for up to three years after the end date of the grant, and that the grantee will refund to DAI any funds it received for any costs that did not meet the terms and conditions of the grant; Grantees will be informed, through a clause in the grant format, of the right of DAI to terminate the grant in whole or in part, or suspend payments, should the grantee become insolvent during performance of the award, the grantee has materially failed

to comply with the terms and conditions of the grant, or continuation of the grant would not be in the national interest of the United States

7. At the end of the grant, grantees must certify in writing to DAI that the activity was completed. If the grantee cannot certify completion, or if DAI determines that the activity was not completed, the grantee is expected to make appropriate refunds
8. While the grant is fixed price, the grantee must demonstrate adequate financial management capacity to be able to separately track all costs associated with the grant since the grant becomes directly reimbursable, if at any point the milestones are not fully completed.

### 3.3.2 *Required Provision for a Fixed Obligation Grant*

1. DAI has the right to terminate the grant in whole or in part or suspend payments should the grantee become insolvent during performance of the award, the grantee has materially failed to comply with the terms and conditions of the grant, or continuation of the grant would not be in the national interest of the United States ;
2. The grantee agrees to maintain records of transactions related to the FOG agreement for at least three years. After the end of the agreement, DAI retains the right, at its discretion, to examine all or a sample of the grantee's records or transactions related to a FOG where concerns of implementation irregularities arise ; and
3. On submission of the voucher for payment for the final milestone, the grantee must certify that the grant is completed and the grantee will make no further claim against the grant.

### 3.3.3 *Award Format*

The Fixed Obligation award format is as follows:

- a. Award Letter
- b. Program Description
- c. Programmatic accomplishment, benchmark, and cost
- d. Reporting Requirements
- e. Method of Payment
- f. Branding Strategy and Marking Plan
- g. Required Provision for FOG ADS 303.3.25.b
- h. Sample Grant Payment Application Form

### 3.3.4 *Disposition of Equipment or Property*

Grantees must not procure real property under a FOG. Real property means land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment. If, in order to accomplish any of the milestones

under a FOG, the grantee must procure equipment or property other than real property, then the following applies:

- (1) The milestone must incorporate or describe the equipment or property,
- (2) The grant must state that title to the equipment or property is with the recipient, and
- (3) The grant must include disposition instructions for the equipment or property. For additional guidance, see "Awarding Fixed Obligation Grants to Non-Governmental Organizations <http://www.usaid.gov/policy/ads/300/303saj.pdf>.

### 3.3.5 Disbursements

All disbursements under Fixed Obligation Grants will be made upon the submission of evidence that a benchmark has been achieved. Such evidence may come in many forms, including a work-plan, a technical report, a financial report, meeting notes, the arrangement of specified logistics, the finalization of a list of training participants, the completion of a phase of an infrastructure project, etc.

The following is an example of how a disbursement schedule might be structured under a Fixed Obligation Grant:

Example : Community Awareness Campaign  
 Activity Goal : Creating community awareness of proper ways to dispose solid waste

| Benchmark | Description  | Disbursement |
|-----------|--|--------------|
| 1         | Work-plan drafted and approved   |              |
| 2         | Packet of solid-waste awareness materials created for distribution to each household |              |
| 3         | Information packets printed and distributed  |              |
| 4         | Community Round-tables held to discuss information and answer questions (four)       |              |
|           | <b>Total</b>   |              |

Because payments under FOGs are based on the achievement of milestones, the structure of the payments is very important. SERVIR Demand Activity pays the grantee a set amount when it accomplished a milestone.

## 3.4 In-Kind Grants

### 3.4.1 Overview

Under the In-Kind grant format, goods and services are procured directly by DAI in close correspondence with the grantee. Once purchased, goods and services are delivered immediately to the grantee or to the grant activity. All procurement undertaken on the grantees' behalf by DAI will be done in compliance with USAID's procurement regulations according to the Federal Acquisition Regulations (FAR) and USAID Acquisition Regulations (AIDAR).

An important aspect of implementing In-Kind Grants is ensuring that all program property is included in the DAI inventory and transfer of property to the grantee is based on the title and property requirements of the prime instrument (listed in our IQC). Any property transferred to the grantee requires signed documentation by both DAI and the grantee, with full descriptions and serial numbers of the property transferred. The Grantee will provide DAI with a complete list of all non-expendable property, its location and condition included in the final project report prior to grants project close-out.

#### *3.4.2 Award Format*

The In-Kind Grant award format is as follows:

- a. Award letter
- b. Program Description
- c. Program Budget
- d. Reporting Requirements
- e. Method of Payment
- f. Branding and Marking Plan
- g. Standard Mandatory Provisions and Applicable Provisions on Title to and Use of Property

#### *3.4.3 Disbursements*

No disbursements are made directly to the grantee under an In-Kind Grant. Rather, DAI procures all necessary commodities and services on behalf of the grantee. This does not mean, however, that the grantee is not an active partner in deciding how the funds are to be utilized. While DAI will ensure the integrity of any procurement and make the final payment itself, the grantee can provide input as to what is needed and gather quotes from possible service-providers or vendors.

### **3.5 Limited Scope Grant Agreement**

#### *3.5.1 Overview*

On rare occasions, and **only with the prior authorization of the USAID Contracts Officer**, grants may be awarded to local government units. Such grants may be for infrastructure improvements, training or provision of equipment, and whenever

possible the grant would be structured as an in-kind or direct implementation project.

The implementation of these grants will follow the same procedure as program grants to the other types of grantees described above. However, according to the ADS 350.3.2, the grant will be in the format of a Limited Scope Grant Agreement (LSGA). LSGAs are used to fund specific activities of limited scope, duration or funding. The LSGA must include a title page in LSGA format (see 350.3.2, <http://www.usaid.gov/policy/ads/300/350mab.pdf>, for model) Annex 1, Standard Provisions (see 350.3.2, <http://transition.usaid.gov/policy/ads/300/350.pdf>) and an optional Annex 2, Activity Description.

### 3.5.2 LSGA Title Page and Optional Annex 2 - Activity Description

Except as provided below or unless there is an exception, the Title Page or Activity Description Annex must contain or substantively address the following:

- a. Activity Title and DAI Activity Number.
- b. Description of the Results or Activity.
- c. Purpose. A statement to the effect that DAI and the grantee agree to carry out the Activity described in the Agreement in accordance with (a) the terms of the Agreement and (b) either any general agreement between the two governments regarding economic or technical cooperation or the title of the specific general agreement.
- d. DAI Contribution.
  - (1) A statement as to the authority for the grant and the amount being granted, for example, "DAI, as authorized by the Foreign Assistance Act of 1961, as amended, hereby grants to the grantee U.S.\$\_\_\_\_\_ (the "Grant") to be expended as described in this Agreement."
  - (2) Incremental Funding. If the LSGA is to be incrementally funded, before proceeding, future funding increments by DAI must be made subject to (1) the availability of funds by USAID for that purpose and (2) the mutual agreement of the Parties at the time of each subsequent increment.
- e. Grantee Contribution: The grantee's total estimated contribution must be stated. See Internal Mandatory Reference **USAID Exchange Rate Policy Guidance** for exchange rate guidance. However, section 2.41 of the Exchange Range Rate Policy Guidance does not apply and the cooperating country contribution can be stated in local currency units. The exchange rate(s) used must be stated in the agreement. See **ADS 350.3.5** for the requirements on the host government minimum 25 percent contribution. There must be a provision for the grantee to report on its contribution at least annually in a format to be agreed upon with USAID.
- f. Completion Date.

g. Contents. A statement as to what constitutes the LSGA, for example, "This Agreement consists of (a) this Title Page, (b) Annex 1, Standard Provisions Annex, and (c) Annex 2, Activity Description."

h. Addresses (optional).

i. Signatures and Dates. The LSGA must be signed by the parties and dated.

### 3.5.3 LSGA Annex 1 - Standard Provisions

The standard provisions must be included as part of any LSGA and can be found in ADS 350.3.2, <http://transition.usaid.gov/policy/ads/300/350.pdf>.

## 4. GRANT ELIGIBILITY REQUIREMENTS

### 4.1 Minimum Eligibility Criteria

Grants may be awarded on both a solicited and unsolicited basis. The minimum eligibility criteria for grant applications are as follows:

- Meet at least one of the principles noted in section 2.2 above;
- Contain expected outcomes and results consistent with and linked to the SERVIR results framework;
- Be submitted by the types of organizations within the authorized geographic code of 937 listed in section 2.1 above. Proposals from individual citizens will not be reviewed; and
- Meet categorical requirements for budget, eligible institutions, grant team, deadlines, subject matter, and activities.

SERVIR Demand staff will screen all concept papers and applications to ensure compliance with all eligibility requirements prior to forwarding the materials as necessary.

### 4.2 Ineligible Activities and Unallowable Costs

ADS 312.3.3 states that grant funds cannot be utilized for the following:

- Private ceremonies, parties, celebrations, or "representation" expenses.
- Purchases of restricted goods, such as agricultural commodities, motor vehicles, pharmaceuticals, pesticides, timber extraction or processing equipment, used equipment, and fertilizers. If procurement of these restricted goods is necessary, DAI will request approval from the Contracting Officer and will procure items directly and donate in kind to the grantee.
- Prohibited goods under USAID regulation ADS 312.3.4, including but not limited to: police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods, and gambling equipment.

- Purchases of goods or services restricted or prohibited under the prevailing USAID source / nationality and other regulations found under ADS 310.3.1; or from countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended, or ineligible subcontractors at <http://www.epls.gov/>.
- Any purchases or activities deemed unnecessary to accomplish grant purposes as determined by DAI, including any grantee headquarters expenses that are not directly linked to the implementation of the proposed project.
- Previous obligations and/or bad debts.
- Fines and/or penalties.
- Creation of endowments.
- Other costs unallowable under USAID and/or federal regulations, such as alcoholic beverages. Refer to OMB 122 "Cost principles of for Non-profit organizations" and FAR 31.2 "Cost principles for Commercial Organizations"

### **4.3 Required Certifications**

The grant recipient, prior to receiving the grant award must sign, the following certifications:

1. A signed copy of Certifications and Assurances, which includes:
  - a. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs (This assurance applies to Non-U.S. organizations, if any part of the program will be undertaken in the U.S.);
  - b. Restrictions on Lobbying (22 CFR 227);
  - c. Prohibition on Assistance to Drug Traffickers (ADS 206); and
  - d. Certification Regarding Terrorist Funding (AAPD 04-14).
2. Other certifications and statements found in Certifications, Assurances, and Other Statements of the Recipient:
  1. The Survey on Ensuring Equal Opportunity for Applicants;
  2. A Data Universal Numbering System (DUNS) number (See Use of a Universal Identifier by Grant Applicants for background information.);
  3. A signed copy of Key Individual Certification Narcotics Offenses and Drug Trafficking, (ADS 206.3.10) when applicable;
  4. A signed copy of Participant Certification Narcotics Offenses and Drug Trafficking (ADS 206.3.10) when applicable.

When awarding a Fixed Obligation Grant (FOG) the following are to be used instead of those specified in this section:

1. The procedures in 303.3.25
2. The additional help document, Awarding Fixed Obligation Grants to Non-Governmental Organizations, and
3. Fixed Obligation Grant (FOG) Entity Eligibility Checklist.

## 5. GRANT AWARD PROCESS

It is DAI policy to require all grants to be awarded competitively unless an exception is authorized. The competition requirement is met when an announcement has been published according to the procedures outlined in this Manual. Direct solicitation of potential grantees will be permitted (explained in more detail in Section 5.3). Recommendations for awards are made following an impartial review and evaluation of all applications in accordance with the evaluation criteria prescribed in the Request for Application (RFA) or Annual Program Statement (APS).

It is DAI policy to ensure maximum competition by seeking applications from all eligible and qualified entities. Establishing a two or more tiered level of competition (i.e., prequalification round) is in keeping with this policy, as long as applications are reviewed in a fair manner at each level. Competition may also be limited to local or regional organizations for appropriate projects.

### 5.1 Exceptions to Competition

Competition is not required for the following categories of assistance awards (under ADS 303.3.6.):

- **Amendments and follow-ons.** Amendments to existing awards or follow-on awards, either for the same activity or to further develop an existing assistance relationship, for amounts equal to or less than the original grant.
- **Unsolicited applications.** The application must be submitted solely on the applicant's initiative without any prior formal or informal solicitation. Awards may be made where the application clearly demonstrates a unique, innovative, or proprietary capability: represents appropriate use of project funds to support or stimulate a public purpose: and fits within an existing SERVIR strategic objective as determined by the Grants Manager along with the COP. The burden of proof that the application is indeed "unsolicited" (i.e., is submitted without prior formal or informal solicitation) rests with DAI and must be documented.
- **Exclusive or Predominant Capability.** Assistance awards for which one recipient is considered to have exclusive or predominant capability based on proprietary capability, specialized facilities, or technical expertise, or based on an existing unique relationship with the cooperating country or beneficiaries.
- **Small Awards.** Awards with an estimated total amount of \$100,000 or less and with a term of no more than one year. The award cannot be amended to add funds in excess of \$100,000 or extended beyond one year. The grant file must justify how the award meets the exception.
- **Critical Objectives of the Program.** When circumstances are determined to be critical to the objectives of SERVIR Demand, or when the non-provision of a

specific grant would impede the achievement of SERVIR Demand's results and/or the fulfillment of U.S. foreign assistance objectives, USAID may formally waive competition requirements.

- **Local Competition.** Competition may be limited to local or regional (indigenous) organizations. If a competition is limited to local or regional organizations U.S. organizations may not compete for award unless the program is re-advertised to provide all U.S. organizations with a fair opportunity to compete for award.

In accordance with ADS 303.3.6.5, noncompetitive awards must be justified in writing, to the satisfaction of the USAID Contracting Officer.

## 5.2 Overview of the Award Process

DAI shall strongly encourage competition in the award of grants in order to identify and support the best possible activities to achieve program objectives. Competition will be solicited through Requests for Application (RFAs) and Annual Program Statements (APSs). RFAs will support a specific type of activity and must be published at least 20 working days before the applications are due. APSs will be used to ensure a steady stream of innovative activities based on rolling assessments of priority interventions. SERVIR Demand will generally have a minimum of one APS with broad parameters on one or more topic area(s) that furthers the goals of the SERVIR program.

The Grants Manager will work in close collaboration with technical staff to determine the most appropriate way to solicit applications and the chosen process will be documented in the Negotiation Memorandum (please see Section 6.6 for more information on this memo). The factors involved with selecting the solicitation process will depend on the following factors: nature and overall objective of the activity; required turnaround time; and whether or not it is reasonable to expect several applications.

After the type and methodology for solicitation have been established, the relevant Senior Lead or his/her designee and the Grants Manager will draft the RFA or APS, based on an established template. The Grants Manager will lead the process. The Grants Manager will also work closely with the technical staff during the solicitation, review, approval, and execution of approved grants.

## 5.3 Types of Applications

Applications for grants will fall into one of three categories:

- *Applications solicited through public notification.* DAI anticipates conducting **full and open competition** for awards that are more general in scope and larger in magnitude. In order to solicit applications through this type of

method, either Request for Applications (RFA) or an Annual Program Statement (APS) can be used.

- *Applications **solicited directly** from a pre-selected NGO or group of NGOs or group of SERVIR partners.* DAI anticipates utilizing sole-source and limited competition for activities with specific scopes of work within a defined geographic area. In the event limited competition is exercised, DAI will document the basis for soliciting directly to the selected organizations and explain why full and open competition is not the most effective procedure for soliciting proposals.
- *Unsolicited applications.* It is expected that, from time to time, organizations familiar with the SERVIR program may submit **unsolicited proposal**. Such submissions will be evaluated on a case by case basis.

All grants will require an application and will undergo a review and approval process. All grant applications, whether funded or rejected, shall be retained on file.

Review procedures may vary slightly among the three categories of grant applications. Additionally, all information received from applicants shall be considered proprietary and held in strict confidence by those individuals who review it to protect the integrity and privacy rights of the grant applicant.

#### **5.4 Requirements for Request for Applications (RFA)**

The Request for Application (RFA) represents the formal beginning of the award process for all solicited applications. At a minimum, all RFAs shall contain (see ADS 303.3.5.3 for more details):

1. A general description of the proposed program with an indication of the range of activities that might be involved, and the established goals of the activity, if any, which the applicant is expected to meet. The level of detail in the program description will depend on the requirements of the strategic objective.
2. How the award will be administered. For non-U.S. organizations, the RFA must state the Standard Provisions for Non-U.S. Nongovernmental Recipients will apply. For U.S. organizations, the RFA must state that 22 CFR 226, OMB Circulars, and the Standard Provisions for U.S. Nongovernmental Recipients will be applicable. Instead of attaching complete copies of 22 CFR 226 and the OMB Circulars to the RFA, the RFA directs applicants to the source where they may obtain copies (for example, indicate the name of the person they may contact, or the USAID homepage address on the Internet, or other Internet addresses).
3. An estimate of funds available for the RFA/APS and number of awards anticipated, including a statement to the effect that DAI reserves the right to fund any or none of the applications submitted.
4. Expected duration of DAI support or the period of performance.

5. Minimum eligibility requirements.
6. Qualification requirements, i.e., clear identification of types of entities that may apply.
7. Point of contact, including name, title, address, e-mail address, and phone and fax numbers, where a potential applicant can get any materials they may need to apply or state that the RFA contains everything a potential applicant needs to apply.
8. Required certifications.
9. Required format for the application.
10. Deadline for submission of application, how it is determined that the application is received in time, and the consequences of late submission.
11. Any funding restrictions (such as limitations on direct costs or no indirect costs, etc.) and whether or not the award will or will not allow the reimbursement of pre-award costs.
12. The selection criteria used to evaluate applications, including an indication of their relative importance.
13. The required cost-sharing element and, if used as part of the review process (i.e., more than just an eligibility factor) an explanation of how evaluated (should be a sub-element of cost effectiveness).
14. Description of the review and selection process.
15. What a successful applicant can expect to receive following selection.
16. Requirements and expectations regarding reporting.
17. Information regarding points of contact for questions.
18. Statement to the effect that DAI/USAID reserves the right to fund any or none of the applications submitted.
19. Any other relevant information.

### **5.5 Requirements for Annual Program Statements (APS)**

An annual program statement (APS) will be used to generate competition for new grants where SERVIR Demand intends to support a variety of creative approaches by applicants to develop their own ideas and methodologies in assessing and/or implementing activities that support SERVIR objectives. Normally, an APS can be issued with an open-ended response, specific review periods, or a specific closing date, reserving the right to close it if all funds have been obligated. Grant applicants will submit a concept summary form in response to an APS.

An APS must conform to requirements listed in APS 303.3.5.4 above. At a minimum, an APS may include the following information:

- Program eligibility requirements
- Activity objectives including any areas of special interest, illustrative expected results, and indicators or performance.
- Brief statement of how applications will be evaluated, including weighted selection criteria.

- Estimate of funds available and, if appropriate, the number of grants to be awarded (not always applicable)
- That the award will be administered according to the relevant Standard Provisions
- Point of contact at DAI Office in Bethesda (name, title, address and phone number)
- Statement that SERVIR Demand and USAID reserve the right to fund any or none of the applications submitted
- Any other relevant information

## **5.6 Format of Grant Applications**

The format for proposals will vary in accordance with the technical specifications and kind or type of grant. The format of grant applications may include the following common elements:

- a. Cover Letter, including the summary of the applicant's general information: Legal name of the organization and acronym (if applicable), legal address, telephone number(s), email address, web site (if any), name and information of contact person
- b. Application Document
  - Summary and Background
  - Project Description
  - Statement of Goals, Objectives, Activities, and Results
  - Technical Approach
  - Project management, Work plan and Timeline
  - Institutional Capacity
  - List of Team Members, including Scopes of Work and CVs of proposed personnel
  - Proposed Grant Budget and Budget Notes
  - Environmental Management Plan (which will address the IEE or CE)
  - Other attachments; could include registration documents, organization chart, Financial questionnaire, etc.

All information received from applicants will be considered proprietary and held in strict confidence by those individuals who review the application in order to protect the integrity and privacy rights of the grant applicant. For all types of applications, the RFA/APS will provide more detailed instructions regarding proposal requirements.

## **6. GRANT EVALUATION COMMITTEE AND SELECTION**

### **6.1 Grants Evaluation Committee**

All applications will be reviewed by a Grants Evaluation Committee (GEC) in accordance with the evaluation criteria specified in the RFA/APS. As stated

previously in this manual, unsolicited proposals will be evaluated on a case by case basis. The Grants Manager or his/her designee will screen grant applications and only forward to the GEC for review of applications which meet the minimum eligibility requirements of the solicitation.

The GEC will consist of at least two SERVIR Demand Activity representatives, one relevant SERVIR stakeholder (which may include a hub representative, member of the Coordination Office, or other NASA staff), and one ex-officio USAID Representative. All project representatives of the GEC are voting members; the USAID representative(s) will not be voting members, but will have veto power. All participants will score each application individually strictly in accordance with the evaluation criteria prescribed in the RFA/APS. In the event the Committee reviews an unsolicited proposal, the evaluation criteria will be at least similar to the evaluation criteria mentioned in Section 6.2.

After the individual scoring is completed, the GEC will meet to discuss and justify their scores and will have the opportunity to amend their scores based on discussions with other members of the committee. The Grants Manager would be responsible for taking notes and aggregating final scores of each member. The grant(s) will be awarded to the organization(s) that provides best value to the SERVIR Demand both technical and cost considered.

The GEC will have administrative, technical, and financial review responsibilities. Members are technical and administrative staff of SERVIR Demand and USAID and can be expected to make sound judgments of the technical aspects and feasibility of the proposed projects.

It will be the role of the Grants Manager to provide the Technical Evaluation Committee the RFA/APS and any annexes thereof, all the needed background information and written instructions to the individuals on the GEC.

The Grants Manager will take steps to ensure that members of the GEC—as well as any other SERVIR Demand involved in the review/approval—do not have any conflicts of interest or the appearance of such with regard to the organizations whose applications are under review.

“An individual shall be considered to have the appearance of a conflict of interest if that person, or that person's spouse, partner, child, close friends or relatives, work for or are negotiating to work for, or have a financial interest (including being an unpaid member of a Board of Directors) in any organization which submitted an application currently under the Committee's review”.

In case of potential conflict of interest, the committee member must recuse him/herself from the review process. Members of the evaluation committee shall neither solicit nor accept gratuities, favors, or anything of monetary value from parties to sub-Grants.

## **6.2 Evaluation Criteria**

Grant applications that meet minimum eligibility criteria (see Section 4.1) will be reviewed and awarded based on the following general selection criteria, which could include but should not be limited to:

- a. The level of direct support to SERVIR program objectives. The proposed activity must directly support the SERVIR program's objective and/or meet one or more of the SERVIR Demand intermediate results.
- b. Demonstrated capacity of organization, including sound financial practice, in areas pertaining to the proposed activity. The track record from the last three years performance is a critical factor in assessing the capacity of the Applicant to implement the activity.
- c. Responsiveness to user needs
- d. Potential for broad impact
- e. Appropriateness and feasibility of project activities within the proposed timeframe and budget

The competency, suitability, and capability of eligible applications will be evaluated based on the established criteria. The evaluation may entail interviewing, site visits, background research, and/or solicitation of additional information. The Grants Manager or his/her designee will prepare a written record of the results of the evaluation. The written record will account for how the application was evaluated in terms of the selection criteria and will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.

## **6.3 Environmental Compliance**

The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID's activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204.3.1 (Mandatory Compliance with 22 CFR 216) which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities.

In accordance with the paragraph above, DAI takes environmental impact considerations into account for all grant activities and find ways to protect the environment in areas related to any award. DAI will ensure that all appropriate

environmental guidelines for SERVIR Demand are included within the framework of all grant agreements. Specifically, DAI will ensure that grantees adhere to the requirements set forth in Section H.6.11 of the prime contract. Furthermore, DAI will ensure that for each grant offered under the SERVIR Demand, an initial environmental examination (IEE) or request for categorical exclusion (CE) will be required prior to the grant award. Such IEEs or CEs will be prepared as an amendment to the SERVIR Demand IEE.

#### **6.4 Pre-award Responsibility Determination (ADS 303.3.9)**

The recommendation or selection of an application in accordance with established procedures does not in any way guarantee the award. The COP or his designee makes the final determination of the award and must be fully satisfied that the applicant has the capacity to adequately perform the award in accordance with the principles established by USAID. This process is called the pre-award responsibility determination. Applicants for Standard, Simplified Grants, or In-Kind Grants must demonstrate that they possess, or have the ability to obtain, the necessary management competence to practice mutually agreed upon methods of accountability for funds and other assets provided by the SERVIR Demand Activity.

While 22 CFR 226 does not cover awards to non-U.S. recipients, DAI shall rely on the standards established in that regulation in determining whether potential non-U.S. recipients are responsible. To assist in making this determination, DAI shall conduct an informal survey using a financial capability questionnaire that would generally include a review of the applicant's recent audited financial statements, projected budget, cash flow, and organization chart, and applicable policies and procedures (e.g., accounting, purchasing, property management, personnel), if appropriate. The level of scrutiny and review required shall be proportional to the complexity of the grant program contemplated and the total amount of the grant.

The financial questionnaire is used to assist in the process of evaluating a grantee's financial management capability. DAI may also verify financial responsibility and institutional capacity by inspections of annual financial statements, audit reports, letters from other donors, and/or on-site visits. DAI will ensure, at a minimum that the grantee's financial control systems permit them to identify, segregate, accumulate and properly record all costs incurred under the grant.

The Grants Manager and/or other SERVIR Demand staff may visit the potential winning grantee at their office and do a pre-award survey and responsibility determination survey and discuss all matters regarding the award. The COP may make the following decisions depending on the results of the responsibility determination.

- Make the award,
- Deny the recommendation of Grants Manager and not approve the award, or

- Award with “special award condition” (ADS 303.3.9.2 – High Risk Recipients)

## 6.5 Cost Analysis and Negotiation

Each element of the cost application shall be reviewed by the Grants Manager with the assistance of the Contract Manager to determine whether it is reasonable, allowable and allocable in accordance with the applicable cost principles and OMB Circulars for U.S. Federal government grants.

Specifically, the cost analysis and cost realism will assist in determining:

- a. The extent of the prospective grantee's understanding of the financial aspects of the program and the grantee's ability to perform the grant activities within the funds requested;
- b. The extent to which the applicant's plans will accomplish the program objectives with reasonable economy and efficiency; and
- c. The degree to which budgeting is clear and reflects best use of grant resources and counterpart contribution.

In the case of awarding Fixed Obligation Grants (FOG) to Non-Government Organizations, DAI must have adequate cost information available to allow the COP or his designee to determine and negotiate the fixed price of the grant and payment structure. DAI must document the rationale for selecting the FOG mechanism. Under the FOG mechanism, the applicant must not procure real property such as land or land improvements.

If program income is anticipated during the award period, the purpose, procedures and use of this income by the grantee or donation by the grantee to another organization must be specifically stated in the award. The definition of program income is found at 22 CFR 226.2

In determining if the prospective grant recipient has the management capacity to plan and carry out the assistance award, some or all of the following may be required, depending on the size and complexity of the grant and/or the previous experience of the prospective grantee. The aim is to get as much information as possible in making the responsibility determination. For further information regarding pre-award determination of responsibility see ADS 303.3.9

- Completed financial capability questionnaire
- Copy of most recent audit, if no recent audit, “Balance Sheet”, “Income Statement” for the most current and previous fiscal year
- Incorporation papers or certificate of registration and statute
- Summary of relevant past performance – including type of contract/grant, value, title, client (and contact information, if available)
- *If applicable* – NICRA, or if no NICRA, the profit and loss statements which include detail of the total costs of goods and services sold, by information of the applicant’s customary indirect cost allocation method, together with supporting computations of the basis for the indirect cost allocation method
- Organizational chart, if available
- Cash flow, description of management structure, and/or oversight procedures, if available
- Copy of applicant’s accounting manual, if available
- Copy of applicant’s operations manual, if available
- Copy of purchasing policies and description of the applicant’s purchasing system (for large grantees), if available
- Any other pertinent information regarding the applicant

[<http://www.access.gpo.gov/nara/cfr/>]; suggestions on how to direct the use of program income are found at 22 CFR 226.24 and program income may be used to finance the grantees' cost-share of the grant award.

In cases where DAI awards a grant to for-profit entities, DAI will avoid the direct receipt or deposit of grantee program income to a DAI-controlled bank account under the grant program. If award of a grant to a for-profit entity becomes necessary, the advice and guidance of the DAI/Bethesda Contracts Office shall be sought prior to opening discussions with the prospective for-profit grantee(s).

## **6.6 Negotiation Memorandum**

Prior to award, DAI and the Grantee will enter into negotiations on the cost for the total award and technical implementation. DAI is responsible for determining that the cost proposal meets the objective(s) of the proposed program by the applicant and the cost are reasonable, allowable and allocable. As mentioned, the cost analysis, pre-award determinations, and negotiation process must be documented in a Memorandum of Negotiation (please see Annex B for a sample Memorandum of Negotiation). The written determination of the applicant's responsibility should confirm that the applicant:

- Has adequate financial resources, or the ability to obtain such resources, as required during the performance of the award;
- Has the ability to meet the award conditions, taking into consideration all existing prospective recipient commitments, nongovernmental and governmental;
- Has a satisfactory record of performance. Generally, relevant unsatisfactory performance in the past is enough to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance, or the applicant has taken adequate corrective measures to assure that they will be able to perform satisfactorily;
- Has a satisfactory record of business integrity; and
- Is otherwise qualified to receive an award under applicable laws and regulations.

## **6.7 Award elements**

After pre-award survey and responsibility requirements have been satisfied and final negotiations completed, DAI will prepare the Grant Agreement with the selected applicant for submission to USAID. All of these have to be completed prior to submission to the USAID COR for approval. Once approval is obtained from the USAID COR, DAI will finalize the grant agreement, obtain the grantee signature and countersign the approved Grant. The SERVIR Demand COP shall have the sole authority to sign grant agreements and subsequent modifications, if necessary.

## **7. GRANT PROGRAM ADMINISTRATION**

### **7.1 Grants Implementation Plan**

The grants implementation plan has a number of purposes:

- Execute the SERVIR Demand Grant program in compliance with the USAID ADS [Automated Directive System] 302.3.4.8 and 302.3.5.6 and the grants awards will be administered in accordance with the requirements of 22 CFR 226, ADS 303, the provisions of the Contract, and applicable Federal law which are fully described in the Grants Manual;
- Adhere with all programmatic and administrative assurances and other administrative certification requirements;
- Establish a grants management team to execute the grant program, how it will be managed, monitored and evaluated, and consolidate target results in the SERVIR Demand Performance Monitoring Plan (PMP); and
- Have clear distribution and allocation of grant funds in the award period.

### **7.2 Programmatic Assurances**

- Funds made available through the grant will be used only to implement activities that are complementary to the SERVIR objectives and/or Demand Activity results, which are more detailed in the Section 2.2
- Awards will only be made to eligible entities of which the criteria are fully described in this SERVIR Demand approved Grants Manual
- DAI will make every attempt to work with local partners that have proven know-how and experience in the results areas. The grants will be provided to non-governmental organization (NGOs) and/or small and medium scale enterprises which may include national or international organizations or U.S. Non-governmental organizations
- The Grants activities will ensure that no person shall, on the basis of race, ethnic, religion or sex be excluded from participation in the program

### **7.3 Administrative Assurances**

- USAID will be significantly involved in establishing selection criteria and must approve the actual selection of grantees, the identity of the proposed grantee, the amount of the proposed grant, and the nature of the grant activities
- DAI will apply the same requirements that would apply to USAID-executed grants
- DAI will include in the grant the right of USAID to terminate the grant activities unilaterally in extraordinary circumstances.
- Selection of grant recipients will be in accordance with the competition requirements as described in the SERVIR Demand Grants Manual;
- DAI will develop an information data base, TAMIS, to manage and communicate with USAID on all aspects of the grants;

- If warranted, DAI may provide periodic advances to grantees, in accordance with the Required-as-Applicable Standard Provision, unless USAID shall have agreed to another payment mechanism
- DAI may not award any grant for a period extending beyond the estimated termination or completion date of the Contract and whose term should allow for the orderly close-out prior to the expiration date of the contract.
- All grants funds will be managed under a separate account
- DAI will conduct full onsite review of each such grantee, follow-up reviews, and other reviews as appropriate to assure that grant activities are done in accordance with the respective agreements and contributing to the targets described in the SERVIR Demand program description and further communicate results with USAID
- Ensure that all grants files are managed properly according to the Grants Master File

#### **7.4 Grants Administration**

Award administration encompasses all dealings between DAI and the grantee from the time the award is made until the end of SERVIR Demand support. The specific nature and extent of administration will vary from award to award. It can range from reviewing and analyzing performance reports, to performing site visits, to a more technically developed involvement of project implementation.

Post award orientation with the Recipient and SERVIR Demand technical staff is encouraged to clarify the roles and responsibilities of the SERVIR Demand officials who will administer the award. The Grants Manager shall serve as the mandatory control point of record for all official communication dealing with grant administration.

The Grants Manager shall provide for the continuing oversight by appropriate SERVIR Demand staff of the financial management aspects of the award through reviews of reports, correspondence, site visits or other appropriate means. All grants are subject to audit.

Site visits are an important part of effective award management. Joint site visits by the SERVIR Demand technical staff and USAID are encouraged, since they can often be a more effective review of SERVIR Demand. A brief report highlighting the findings will be completed and included in the grant file.

Grants are subject to the provisions established and included in each award. The Grants Manager or his/her designee shall determine that the award does not contain administrative approvals that are in conflict with the grant provisions, stated regulations and policies. The Grants Manager is responsible for processing all award

agreement modifications, suspension and termination actions. All matters regarding grants administration are recorded in TAMIS.

## **7.5 Use and Disposition of Project Income**

Program Income is defined as income earned by the grantee that is directly generated by a supported grant activity or earned as a result of the grant award. It may result from activities integrally related to the grant, or from activities which are incidental to the main purpose of the grant. Program income may be earned both from grantee activities and from services provided by an individual performing a role in the grant activity. The time-frame for earning program income is any income earned by a grantee during the grant period. "During the grant period" means between the effective date of the Grant Agreement and the end date of the grant as reflected in the final financial report.

Examples of program income include:

1. Fees for services performed and for the sales of services, e.g., sale of computer time
2. Use or rental of real or personal property acquired with grant funds
3. Sale of commodities or items fabricated under the grant, e.g. publications
4. Payments of principal and interest on loans made with grant funds
5. Any donations that are solicited by the grantee during a grant activity

The Grantee will inform DAI of any program income generated under the grant and agrees to USAID's disposition of such program income which is in accordance with 22 CFR 226.24. Program income earned under this agreement shall be applied and used in the following descending order:

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-Federal share of the project or program; and
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

If the terms and conditions of the award do not specify how program income is to be used, then number 3) shall apply automatically. Grantees who are commercial organizations may not apply Option 1) to their program income.

Recipients shall have no obligation to the US government regarding program income earned after the end of the project/grant period.

Costs incident to the generation of program income may be deducted from gross income to determine program income, provided that these costs have

been charged to the award and they comply with the applicable rules for allowable costs under grants.

Unless terms and conditions of the award provide otherwise, recipients shall have no obligation to the US 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.

## **7.6 Cash Disbursements**

DAI must ensure that the grantees have the ability to comply with 22 CFR 26, Parts 226.20-226.22. The Mandatory and Required Applicable Standard Provisions for Non-U.S., Non-Governmental Recipients that apply to cash disbursement grants will be incorporated into the grant agreement where applicable.

The financial questionnaire is used to assist in the process of evaluating a grantee's financial management capability. DAI may also verify financial responsibility and institutional capacity by inspections of annual financial statements, audit reports, letters from other donors, and/or on-site visits. DAI will ensure, at a minimum that the grantee's systems permit them to identify, segregate, accumulate and properly record all costs incurred under the grant.

Cash payments will be provided in such a way as to minimize the potential for waste or fraud. Payments based upon the recipient's incremental progress are acceptable. Reimbursement based on presentation of receipts and other justifying documents is the other authorized method of payment. These two methods of cash disbursement are described below:

*Incremental Payments* – In order to qualify for payments, the grantee's accounting and financial management systems must conform to standards for funds control and accountability required under USAID and Federal regulations (ADS 303.3.9 and 22 CFR 226.20 – 226.22). New grantees are free to use their existing accounting systems, so long as they meet those applicable standards as set forth in the CFR, the applicable Standard Provisions, and the financial questionnaire.

Other guiding principles to cash advance disbursements include:

1. Funds shall not be commingled with other recipient owned or controlled funds.
2. Grantees should liquidate any prior advances before new advances are released; and
3. Advances shall be limited to the minimum amounts needed to meet current disbursement needs and only if a pre-award determination of responsibility has been made.

After the budget has been negotiated and the grant agreement has been signed, the grantee shall begin receiving disbursements for each upcoming benchmark (which should be at least monthly.) Benchmarks must be achieved before the specified disbursement is made.

DAI shall make every effort to determine the grantees ability to manage and financially support the grant award.

All interest and other refunds by award recipients hereunder will be made to a special, non-commingled, interest-bearing account established by DAI (the "Separate Account"). DAI has no beneficial interest in any funds in the Separate Account. Funds in the Separate Account shall be paid annually to USAID, as directed by the COR. At the conclusion of the Contract, any funds remaining in the Separate Account shall be returned to USAID and any interest shall be refunded to the U.S. Government.

*Reimbursements* – If a grantee's financial management systems do not conform to standards for receiving incremental payments, the grantee may still be eligible to receive reimbursements. As benchmarks are achieved, the grantee can submit the DAI Reimbursement Request form (based on Standard Form 1034 "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034). Each reimbursement shall be identified by the grant number and shall state the total costs for which reimbursement is being requested. The grantee shall attach all receipts and other appropriate documentation.

## **7.7 Language**

It is USAID policy that English shall be the official language of all award documents. If an award or any supporting documents are also provided in a foreign language it must be stated in each version that the English language version is the only official version (see ADS 303.5.17).

## **7.8 Termination and Suspension**

Language must be included in the grant agreement giving DAI and USAID the right to terminate a grant, in whole or part, or suspend payments, should the grantee become insolvent during the performance of the award or should the grantee not meet their responsibilities as set forth in the Grant Agreement. A termination letter will be placed in the grantee's file and include the following:

- The reasons for the termination;
- The effective date;
- The portion to be terminated; and
- The portion terminated (in case of partial termination).

USAID shall also have the right to terminate the grant activity (activities) unilaterally in extraordinary circumstances.

### **7.9 Monitoring, Reporting, and Audits**

The grantee shall maintain books, records, documents, and other evidence relating to the USAID-sponsored project. Accounting records that are supported by documentation will at a minimum show all costs incurred under the grant agreement, receipt and use of goods and services acquired under the grant agreement, costs of the project supplied from other sources, the overall progress of the project, and the cost share obligation from grant recipients.

All grantees will be subject to regular and periodic monitoring visits and reporting requirements. All projects must submit a final report on activities supported by the grant. For projects completed in less than a six-month period, a final expense and activity report, including the amount of cost share accompanied by supporting documents, must be submitted to DAI grants personnel upon completion. For projects exceeding a six-month timeframe, quarterly expense and activity reports, in addition to a final expense and activity report (which includes the amount of cost-share accompanied by supporting documentation), must be submitted to DAI, or as otherwise specified in the grant agreement.

DAI must closely monitor overruns in cost/expenditure categories or main line items. If major budget shifts are anticipated or observed, it is prudent to issue a modification to ensure proper monitoring and to avoid overruns. Under certain circumstances, the grantee may shift budget line item but not to exceed 10% of the respective budget line item being shifted.

Non-U.S. Grantees must be audited if they received more than \$300,000 in USAID funds during their fiscal year. Non-profit U.S. Grantees must be audited if they received more than \$500,000 in USAID funds during their fiscal year. The thresholds include USAID funds received from all USAID sources, not just USAID funds received through SERVIR Demand grants. DAI may require that 1) grantees that spend less than the above thresholds and 2) for-profit grantees be audited. DAI reserves the right to arrange for an audit at any time.

In some cases, DAI may decide to cover an audit through a grant, particularly for large grants. This might happen when the pre-award responsibility determination demonstrates that the organization is on the right track, but would benefit from regular audits to help the organization focus on ensuring its financial and accounting systems function properly.

Grantees are required to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID or DAI.

### **7.10 Records**

The grantee 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 at a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program. Unless otherwise notified, the grantee's records which pertain to this agreement shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by DAI, USAID and/or its representatives. DAI will open a grant file for each award and follow the guidance as set forth in Supplementary Reference ADS 303 "File Documentation Guidelines."

### **7.11 Publications and Media Releases**

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

The grantee shall provide DAI at least two copies of all published works developed under the award with lists of other written work produced under the award. At the end of the project, DAI shall submit one electronic or one hard copy of final documents (electronic copies are preferred) to PPC/CDIE/DIO at the following address:

Online (preferred): <http://dec.usaid.gov>

By mail (for pouch delivery):

USAID Development Experience Clearinghouse (DEC)  
DEXS Document Submissions  
M/CIO/KM/DEC  
RRB M.01-010  
Washington, DC 20523-6100

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. They may be submitted online (preferred); on 3.5" diskettes, a Zip disk, CD-R, or by e-mail. Electronic documents should be in PDF (portable document format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) strategic objective; and 6) date of publication;

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.

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.

### **7.12 Branding and Marking**

The branding strategy implementation and marking plan shall comply with "USAID Graphics Standards Manual" available at <http://www.usaid.gov/branding> and any successor branding policy as detailed in the ADS 320 as well as the SERVIR Demand approved Branding and Marking Plan. All grant documents published by the grantee shall identify the activity as **SERVIR Demand**. Publicity materials and communications shall clearly reflect that this activity is provided by the American People through USAID with the close collaboration of NASA. No other organizations or bodies shall be acknowledged publicly in connection with the SERVIR Demand unless the branding and marking have been approved in advanced by USAID. USAID marking will be included on any products, equipment, places where activities are carried out, external public communications, studies, reports, publications and informative and promotional products, and workshops, conferences, fairs and any such events.

The branding strategy should describe how the program, project, or activity is named and positioned; how it is promoted and communicated; and identifies all donors and explains how they will be acknowledged. The Marking Plan should detail the public communications, commodities, and program materials intended to visibly bear the USAID Identity.

### **7.13 Debarment and Terrorism Financing**

To ensure that SERVIR Demand does not award grants to applicants that have been debarred, suspended or proposed for debarment, apparently successful applicants will be checked against the U.S. Government's Excluded Parties List. As such, the SERVIR Demand team will perform a search for the applicant's name on the Excluded Parties List (<http://epls.arnet.gov>) and document the outcome.

Moreover, to prevent against providing support to entities determined to have committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests, DAI must compare each proposed grant action against specific databases. SERVIR Demand must check the master list of Specially Designated Nationals and Blocked Persons, which is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available at OFAC's website: <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>

Supporting documents showing that these searches have been performed must be printed and filed. They should also be recorded on TAMIS and submitted to USAID as part of the approval request.

Executive Order No. 13224 also deems that the Prime Recipient (i.e., DAI) will consider all information about potential grantees of which it is aware and all public information that is reasonably available to it or of which it should be aware. Locally available information (newspapers, radio, television, etc.) may be used to ascertain whether an individual or organization is defined within the Executive Order parameters. In other words, DAI is not absolved of its responsibility for providing support to an individual or organization just because the organization doesn't appear on the database searches if Contractor members should have reasonably known that the person or company has committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests.

#### **7.14 Amendments and Extension**

Once a grant has been awarded, no additional competition is required for amendments to the existing grant or follow-on grant awards for the same activity, or to further develop an existing assistance relationship for amounts equal to or less than the original grant.

Approval by the relevant grants committees is required for amendments to existing awards that involve any substantial change, extension, or expansion of previously approved grant activities.

The Grants Manager serves as the mandatory control point of record for all official communication that would constitute an amendment to the award. Amendments will be made by formal modifications to the basic award document.

#### **7.15 Grantee Responsibilities**

Each grant agreement will include a clause that states:

"The grantee recipient has full responsibility for the conduct of the project or activity supported under an award and for adherence to the award conditions. Although the

recipient is encouraged to seek the advice and opinion of DAI on special problems that may arise, such advice does not diminish the recipient's responsibility for making sound technical and administrative judgments and should not imply that the responsibility for operating decisions has shifted to DAI. The recipient is responsible for notifying DAI about any significant problems relating to the administrative or financial aspects of the award."

## **7.16 Grantee Procurement Procedures**

### *7.16.1 Procurement Standards*

DAI will establish standardized written procurement procedures. These procedures shall provide, at a minimum, that:

- DAI or the grantee, will avoid purchasing unnecessary items;
- Where appropriate, DAI or the grantee will determine whether lease and purchase alternatives is the most economical and practical procurement; and
- The DAI Grants Manager will document a price or cost analysis in its procurement files in connection with every procurement action. Price analysis will be accomplished in various ways, including the comparison 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.
- Further requirements may apply as found in the *Procurement Policies* (June 2012) clause from the Standard Mandatory Provisions for Non-U.S., Nongovernmental Recipients

### *7.16.2 Allowable Costs and Eligibility Rules for Goods and Services*

Expenses incurred under the grant program must meet the following criteria in order to be eligible for reimbursement:

- **Reasonable Cost:** Means those costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.
- **Allocable Costs:** Means those costs which are incurred specifically for the award.
- **Allowable Costs:** Means those costs which are reasonable and allocable and conform to any limitations in the award.

DAI is responsible for determining which costs are allowable and allocable under the grant.

The following guidelines will be used during the budget review stage of grant proposal evaluation, before the grant agreement is approved, to determine if a questionable cost is allowable:

- Review OMB Circular A-122, Attachment B, a list of “Selected Items of Cost” which describes what is and is not allowable, or allowable under what circumstances (for example, “alcoholic beverages: Costs of alcoholic beverages are unallowable”).
- Review ADS 312 “Eligibility of Commodities” for more information if an item to be procured is a restricted good or service.
- Determine whether the costs are reasonable, allocable and allowable.
- Contact the DAI home office for review and decision when appropriate.
- Prior to incurring a questionable cost, obtain USAID’s Contracting Officer written determination on whether the cost will be allowable. (This should be done even for cash disbursements, as DAI is accountable for the use of funds provided to the grantees.)

### 7.16.3 *Restricted Goods and Ineligible Goods*

SERVIR Demand and/or the grantee must not procure any of the following goods or services without the prior written approval of the USAID Contracting Officer (CO).

1. Agricultural commodities;
2. Motor vehicles;
3. Pharmaceuticals and contraceptive items;
4. Pesticides;
5. Fertilizer;
6. Used equipment, or
7. U.S. government-owned excess property.

Any commodities purchased by SERVIR Demand and/or the grantee must not be on USAID's list of “ineligible commodities”. The list consists of the following types of equipment:

1. Military equipment;
2. Surveillance equipment;
3. Police and law enforcement and support equipment;
4. Abortion equipment;
5. Luxury goods;
6. Gambling equipment;
7. Weather modification equipment.

This provision is applicable when the costs for commodities 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.

### 7.16.4 *Source and Nationality*

The authorized geographic code for the SERVIR Demand is listed in as “937”. DAI’s program is designed to adhere to these requirements.

## **7.17 Equipment**

Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of a given threshold or more per unit. If the grant budget includes equipment the Provision for Non-U.S. Non-Governmental Recipients (Title to and Use of Property, Recipient Title) will be incorporated into the Grant Agreement.

Under the simplified grants, the Agreement Officer must approve the purchase of equipment over a given threshold, and applicable provisions must be included in the grant format. The purchase of equipment with a value exceeding a given threshold is not authorized under a Fixed Obligation grant. The project must follow standard procurement procedures.

The grantee is required to use and maintain the equipment for the purpose of the award in accordance with the applicable standard provision and as summarized below:

- The recipient is required to maintain equipment records that include the description of the equipment, the source of the equipment, the title holder, the serial number or other identification, the acquisition date, the cost of equipment, the location, use, and condition of the equipment, and any ultimate disposition data including the date of disposal and the sale price of the equipment.
- The recipient is required to take an annual physical inventory of the equipment and reconcile the results with the equipment records and submit a copy of the physical inventory to DAI.
- In the grant agreement, the grantee will agree to indemnify, DAI and its Officers and Directors, including cost of defense, for any claim made against them arising out of the Grantee's performance of this grant agreement. This indemnity shall be in excess of DAI's insurance policies, but not limited by the scope of such policies. DAI and USAID do not assume liability for third party claims for damages arising out of this grant.

## **7.18 Supplies**

Supplies are all property, excluding equipment procured under the grant.

If, for example, an in-kind grant awarded for repairing a community meeting room budgeted 100 sacks of cement, but only 80 sacks were used, the remaining 20 sacks would remain the property of DAI to fund a different grant needing cement. However, if this same grant were implemented through cash disbursements and the grantee purchased 100 sacks of cement but only used 80 sacks, the grantee must calculate the residual inventory. If unused supplies exceeds a given threshold in total aggregate value upon termination or completion of

SERVIR Demand and the supplies are not needed for other USAID or U.S. government-funded project or program, the grantee may retain the supplies for use on non-federal activities or sell them, but shall in either case compensate USAID for its share.

A supply item remains the property of the Government and in the custody of DAI until formal disposition is conducted. The COR clearance is required to complete the disposition process for supplies

### **7.19 Travel**

Travel conducted by grantee personnel to and from grant activity sites shall be in accordance with the grant requirement and approved by DAI.

### **7.20 Grant Files and Closeout**

USAID reserves the right to conduct financial reviews or audits, and to otherwise ensure the adequate accountability of organizations expending USG funds. The grant files will contain the essential documents to demonstrate that the grant was successfully completed and that funds were spent prudently with costs justified.

In order to prepare the grant files for closeout, the project will maintain an ongoing official grant "Master File," which includes only the documents that need to be preserved in case of audit. This file will be clearly organized and easy to understand. An auditor with very little prior knowledge of the project will be able to quickly review the file and conclude whether the grant funds were used for their designated purpose, whether systematic and competitive procurement procedures were used, and whether all funds were properly accounted for.

A checklist located in Annex A details the documents that the master file must contain and provides an explanation of how they should be filed.

In addition, for each competition, the grants staff must maintain an RFA/APS file. The RFA/APS file checklist can be found in Annex A. The RFA for successful grant recipients should be included in a separate file at the beginning of the master files.

At closeout, project staff will also ensure that all entries in the grants management database are complete, which will help guide an auditor through DAI's grants management system.

Closeout of grants awarded under the standard and simplified formats are conducted in accordance with 22 CFR 226.71. Within 30 days of completion of the entire activity or all milestones, the grantee shall provide a written certification that the activity for which this sub-grant was awarded has been fully completed.

Grant closeout for fixed obligations grants will be accomplished with acceptance of the final milestone, and the approval of final payment. Within 30 days of completion of the entire activity or all milestones, the grantee shall provide a written certification that the activity for which this sub-grant was awarded was completed.

The grants staff is responsible for ensuring that the grantee has completed all requirements for closeout and shall include information on grant closeouts in the monthly report of grant activities.

In order to prepare the grant files for closeout, the Grants Manager will maintain an ongoing official **grant "Master File"** or binder, which includes documents associated with the particular grant. An auditor with very little prior knowledge of SERVIR Demand will be able to quickly review the file and conclude whether the grant funds were used for their designated purpose, whether systematic and competitive procurement procedures were used, and whether all funds were properly accounted for. At closeout, SERVIR Demand staff will also ensure that all entries in the grants management database are complete, which will help guide an auditor through DAI's grants management system.

**The Master File** will include:

- 1) RFA documents
  - Copy of all RFAs
  - USAID approval of RFAs
  
- 2) Grant Documents
  - Proposal from grantee
  - Evaluation Committee scoring sheets and bid committee summary
  - Negotiation Memorandum
  - Certification of environmental compliance
  - Proposal Competition Record
  - Pre-Award Responsibility Determination
  - Signed grant approval from USAID
  - Signed Grant Agreement
  - Signed Addenda to agreement, where applicable
  - Any extensions or additional approvals from USAID (including print-outs of approval emails), where applicable
  - Grant Budget and any budget amendments
  - Grant correspondence
  - Grantee Certifications
  
- 3) Procurement Documents
  - Bidding documentation (see section VI, Procurement Procedures)
  - Procurement Negotiation Memorandum

- In-kind agreements with vendors, if used
  - If a single item worth more than a given threshold was given to a grantee, the file must include an inventory list of such goods and equipment and must be disposed of to the grantee with the CO's permission.
- 4) Financial Documents
- Financial reports from grantee (these can be stored separately, if organized by grant number)
  - The financial documents themselves may be included in the grant file, or there can be a spreadsheet that cross-references grant payments with separate field-based Finance Department files. This permits an auditor to look up original receipts and other financial documentation for each grant as needed.
- 5) Reporting and Evaluation Documents
- Final reports from grantee
  - Reports on payment of foreign taxes
  - Monitoring reports
  - Impact assessments
  - Additional demonstration of activities (i.e. photographs, recordings of radio PSA, video files of conference events, newspaper clippings, and so on.)
  - Grant paperwork beyond a single copy of the items on this checklist can be disposed of after closeout.
  - Progress Report
- 6) Closeout Documentation
- Grant Closeout Letter
  - Closeout Checklist

# ANNEXES

- A. Checklists for Master Grant File and RFA/APS File
- B. Sample Memorandum of Negotiation
- C. Assistance on Branding and Marking
- D. Awarding Fixed Obligation Grants to NGOs
- E. Fixed Obligation Grant (FOG) Entity Eligibility Checklist

**ANNEX A**  
**CHECKLISTS FOR MASTER FILE AND RFA/APS FILE**

**The Master File\* must contain the following documents, which must be clearly labeled and filed in binders in the order below. (Note: Main sections of documents (I-IV) should be separated into individual binders. Numbered items (1., 2., etc.) should have a separate tab with labels.)**

| Section/Binder | Title           | Tab | Title  | Reference in Grant program Implementation Manual | Check One |     | Comments |
|----------------|-----------------|-----|--|--|-----------|-----|----------|
|                |                 |     |  |  | Yes       | N/A |          |
| I              | Grant Documents |     |  |  |           |     |          |
|                |                 | 1   | Signed grant agreement, including budget and any amendments (amendments on top)  |  |           |     |          |
|                |                 | 2   | Signed grant concurrence from USAID & request for concurrence. Where applicable, additional concurrence from USAID and requests for concurrence.   |  |           |     |          |
|                |                 | 3   | Negotiation memorandum   |  |           |     |          |
|                |                 | 4   | Application from grantee   |  |           |     |          |
|                |                 | 5   | Pre-award responsibility determination (per guidance found in ADS 303 (303.3.9)  |  |           |     |          |
|                |                 |     | <i>In determining if the prospective grant recipient has the management capacity to plan and carry out the assistance award, some or all of the following may be required, depending on the size and complexity of the grant and/or the previous experience of the prospective grantee. The aim is to get as much information as possible in making the responsibility determination. For further info., see ADS 303.3.9</i> |  |           |     |          |
|                |                 |     | a. completed financial capability questionnaire  |  |           |     |          |
|                |                 |     | b. copy of most recent audit, if no recent audit, "Balance Sheet", "Income Statement" for the most current and previous fiscal year  |  |           |     |          |
|                |                 |     | c. incorporation papers or certificate of registration and statute   |  |           |     |          |
|                |                 |     | d. summary of relevant past performance - including type of contract/grant, contract/grant value, title, client (and contact information, if available)  |  |           |     |          |
|                |                 |     | e. <i>if applicable</i> - NICRA, or if no NICRA, the profit and loss statements which include detail of the total costs of goods and services sold, by information of the applicant's customary indirect cost allocation method, together with supporting computations of the basis for the indirect cost allocation method  |  |           |     |          |
|                |                 |     | f. organizational chart, if available  |  |           |     |          |

|     |                                    |   |   |  |  |  |  |
|-----|------------------------------------|---|---|--|--|--|--|
|     |                                    |   | g. cash flow, description of management structure and/or oversight procedures, if available   |  |  |  |  |
|     |                                    |   | h. copy of applicant's accounting manual, if available  |  |  |  |  |
|     |                                    |   | i. copy of applicant's operations manual, if available  |  |  |  |  |
|     |                                    |   | j. copy of purchasing policies and description of the applicant's purchasing system (for large grantees), if available  |  |  |  |  |
|     |                                    |   | k. any other pertinent information regarding the applicant (please explain in "comments" section)   |  |  |  |  |
|     |                                    | 6 | Print-outs of debarment and terrorist financing searches  |  |  |  |  |
|     |                                    |   | a. US Government Excluded Parties List  |  |  |  |  |
|     |                                    |   | b. List of Specially Designated Nationals and Blocked Persons   |  |  |  |  |
|     |                                    |   | c. United Nations Security Committee (UNSC) list  |  |  |  |  |
|     |                                    | 7 | Grant correspondence  |  |  |  |  |
|     |                                    |   |   |  |  |  |  |
| II  | Procurement Documents              |   |   |  |  |  |  |
|     |                                    | 1 | Bidding documentation such as RFQ and bid matrix (see section on "Procurement Procedures")  |  |  |  |  |
|     |                                    | 2 | Procurement negotiation memorandum  |  |  |  |  |
|     |                                    | 3 | Inventory list of each single item (goods and equipment) that was purchased either with grant funds or by the Contractor.   |  |  |  |  |
|     |                                    |   |   |  |  |  |  |
| III | Financial Reports                  |   |   |  |  |  |  |
|     |                                    | 1 | Financial reports from grantee (these can be stored in separate binders, but kept in same location)   |  |  |  |  |
|     |                                    | 2 | The financial reports themselves may be included in the grant file, or there can be a spreadsheet that cross-references grant payments with separate field-based Finance Department files. This permits an auditor to look up original receipts and other financial documentation for each grant as needed. |  |  |  |  |
|     |                                    |   |   |  |  |  |  |
| IV  | Reporting and Evaluation Documents |   |   |  |  |  |  |
|     |                                    | 1 | Final reports from grantee  |  |  |  |  |
|     |                                    | 2 | Monitoring reports  |  |  |  |  |
|     |                                    | 3 | Impact assessments  |  |  |  |  |
|     |                                    | 4 | Additional demonstration of activities (i.e. photographs, cassette tapes of   |  |  |  |  |

|  |  |  |   |  |  |  |  |
|--|--|--|---|--|--|--|--|
|  |  |  | radio PSA, video tapes of conference events, newspaper clippings, and so on.)                                       |  |  |  |  |
|  |  |  |   |  |  |  |  |
|  |  |  | *The RFA should be included in a separate file at the beginning of the master files for successful grant recipients |  |  |  |  |
|  |  |  | **Grant paperwork beyond a single copy of the items on this checklist can be disposed of after closeout.            |  |  |  |  |
|  |  |  |   |  |  |  |  |

**RFA/APS file must include the following, in this order (numbered items (1., 2., etc.,) should be separated by tabs and clearly labeled):**

| Section/Tab | Title  | Reference in Grant program Implementation Manual | Check One |     | Comments |
|-------------|--|--|-----------|-----|----------|
|             |  |  | Yes       | N/A |          |
|             |  |  |           |     |          |
| 1           | RFA/APS  |  |           |     |          |
| 2           | List of review panel members   |  |           |     |          |
| 3           | Signed review panel by-laws, if applicable   |  |           |     |          |
| 4           | Summary of all evaluations and ratings   |  |           |     |          |
| 5           | Review panel score sheets and any other relevant correspondence, comments or information |  |           |     |          |
| 6           | Copies of rejected grant proposals/applications  |  |           |     |          |
| 7           | Letters to rejected grant applicants   |  |           |     |          |

# **ANNEX B**

## **SAMPLE MEMORANDUM OF NEGOTIATION**

### **Negotiation Memorandum**

**Grantee: Jane Goodall Institute – Uganda (JGI)**  
**DAI Prime Contract No. 617-C-00-03-00011-00, PRIME/West**

### **Budongo Forest Ecotourism Project.**

As a grantee, Jane Goodall Institute – Uganda (JGI) will support DAI in the implementation of the PRIME/West activity. This Grant will be funded through the PRIME/West Special Activities Fund (SAF). JGI will support PRIME/West in implementing the Budongo Forest Ecotourism Project. Specifically, JGI will carry out activities that increase the revenue generated from non-extractive activities that enable financial support to conservation of Budongo Forest Reserve by establishing management and revenue sharing Agreements between NFA and the grantee for the long term management of Kaniyo Pabidi and Busingiro sites. training field personnel in ecotourism activities in chimpanzee ecology and habituation, forest ecology together with interpretative principles. The grantee will improve visitor facilities at Kaniyo Pabidi and Busingiro by building a new visitor centre, accommodation and amenities, renovation of existing buildings at Busingiro, and extension to the existing trail network within the forest. The grantee will train communities in conservation issues, will establish an operational environmental education centre at Busingiro and implement an ongoing educational programme for primary school children within the peripheries of the of the reserve.

A summary of the procurement process for this Grant is outlined below:

- The potential grantee submitted an unsolicited concept paper that was reviewed and evaluated together with other unsolicited concept papers and proposals that had been received. Other unsolicited concept papers and proposals were received from the following applicants:
  - Abanya - Rwenzori Mountaineering Association (AMA),
  - Classic Africa Safaris
  - Association for the Advancement of Sustainable Rural Development (ASASURUDE)
  - Community Volunteer Initiative for Development (COVOID)
  - Volcanoes Safaris.

- The concept papers and proposals were circulated to the SAF review and evaluation panel members (composed of the project COTR, PRIME/West SAF Manager, COP, and two PRIME/West Team Leaders) on March 01, 2006 and they were competitively reviewed in accordance with ADS303, the approved PRIME/West SAF policy and procedures manual and with reference to their linkage in contributing to PRIME/West's activities and results as well as fitting within USAID programmatic Objective number 7 (SO7). Of all the five applicants, the review and evaluation panel approved Jane Goodall Institute. A written evaluation of the application was prepared by the review panel and is on file at the PRIME/West office.
- As a result of discussions between PRIME/West and the Awardee, a final submission was received.
- The SAF Manager circulated the final submission to PRIME/West technical staff for their comments and it was on the basis of the comments that were received and discussions with the Awardee that the final program description was developed.
- The uniqueness, proprietary ness and innovativeness of the activity to merit USAID funding and how it fits within USAID SO7 are attached in a separate communication.
- The PRIME/West SAF Manager conducted a pre-award responsibility and due diligence assessment of the awardee. The pre-award responsibility assessment was conducted in accordance with ADS E303.5.9 (b,) and (c.) as well as PRIME/West's policies and procedures. The assessment included:
  - Obtaining copies of and reviewing independent audited financial statements for the last three years (2003, 2004 and 2005) prepared by a certified public accountant.
  - The quality of the applicant's past performance on previous projects funded by USAID and other agencies. JGI has a long-standing reputation and a wealth of experience with US Government-funded projects and has exhibited the ability to comply with the terms and conditions of the funding agreement, and to meet both the program objectives and financial requirements of the agreement.
  - Obtained copies of the applicant's projected budget, cash flow and organizational charts in order to determine the sufficiency of the Awardee's policies and systems to implement the proposed activity. It was observed that

JGI has a detailed policy and procedures manual that includes the preparation and approval of cost applications, treasury and cash management, labor distribution, reporting and the payroll, procurement, acquisition, maintenance and disposal of property, reporting, internal and external audits and monitoring and financial oversight. A copy of the manual is available on file at the PRIME/West office. A verification of transactions from the original documents to entry into the financial system to the production of reports was done to obtain reasonable satisfaction that the policies and procedures in the manual are complied with on a day-to-day basis and that the financial system is capable of meeting PRIME/West's reporting requirements

- PRIME/West's Chief of Party and Cognizant Technical Officer (COTR) conducted an on-site verification of the proposed ecotourism construction site to ensure its appropriateness for construction of the ecotourism site and nothing came to their attention as to develop reservations in this award.
- An assessment of the infrastructure required to implement the activity was done. It was discovered that the grantee possesses the necessary infrastructure to implement the activity. For example, JGI has a vehicle that will be devoted to this activity.
- A review of the grantee's legal registration status was done.

Overall, there was nothing discovered during the assessment that would potentially curtail the implementation of this activity.

- The SAF team, Home Office Project Associate and Senior Contracts Administrator conducted a detailed review of the potential Awardee's budget. The parties reached agreement on all of the budget items as follows:

**Personnel salaries:** The daily rates for all employees were reviewed and were deemed to be adequate and consistent with the market rates and DAI's historical rates paid in Uganda for similar positions. The salary rates used for current JGI employees are based on their current salary rates. Other checks that were done with respect to personnel salaries are similar those included the Negotiation Memorandum for JGI's environmental education activity.

**Short-term technical assistance (STTA):** The potential Awardee will rely on local consultants to fulfill the construction consultant, facilitators for workshops as well as facilitators for interpreters' training roles. The daily rate for the facilitator is based on the rates that the National Environmental Management Authority (NEMA) pays for facilitation of similar work. The daily rate for the construction consultant is budgeted at USD150 since this building

using log cabins is a fairly new concept in Uganda and there will require attracting a highly qualified person. These rates are adequate and consistent with the market rates and DAI's historical rates paid in Uganda for similar positions. The LOE for each consultant was agreed to be adequate

**Other Direct Costs (ODCs):** Below is what was agreed upon:

- Office rent - Since implementation of the PRIME/West Grant will take up approximately 1/3 of JGI's staff time, it was decided that 1/3 of the current rent would be divided between PRIME/West and JGI. The cost share agreed upon was 2/3 for PRIME/West and 1/3 for JGI. The current rental agreement was used in determining the rent budget figure and a copy is on file.
- Office supplies – The budget figure for office supplies was determined by looking at previous expenditures for office supplies. It was decided that the budget should be based on 30% of their normal monthly costs for office supplies. Copies of expenditures for office supplies for previous months are on file and these rates are not expected to vary much during the implementation of this project. Therefore the figure incorporated into the budget is reasonable to implement the activity given the anticipated expenditures during the implementation period.
- Office Utilities - The utilities budget figure was determined by looking at previous expenditures for office utilities. It was decided that the budget should be based on 30% of their normal monthly utility costs. Copies of the utilities expenditures in recent months are on file and these rates are not expected to vary much during the implementation of this project. Therefore the figure incorporated into the budget is reasonable to implement the activity given the anticipated expenditures during the implementation period.
- Communications - The budget was based on 30% of the current monthly expenditures for mobile phone calls, internet access and land line phone calls.
- Equipment maintenance and service - The budget is based on previous expenditures for maintenance and service and the budget was agreed to be reasonable given the anticipated level of activity.

In addition to the above, it was verified that the items included under ODCs were not double counted under General Administration costs.

**Per Diem-Lodging, meals and other incidentals:** JGI's policy is not to give employees a flat daily rate for per diem but instead they pay directly for the lodging and meals of all employees while they are participating in training sessions and activities. The budget figure for per diem is based on a rate for the accommodation and meals of two JGI staff members in the field. It was determined that the estimated number of days and staff in the field per month are adequate. The budgeted expenditures for fuel are based on the anticipated level of activity. It also includes stipends and transport refunds for volunteers.

**Project Activities:** For each of the project activities to be undertaken, detailed budget requirements were discussed and agreed upon. Amendments were made to budget lines as necessary to provide further clarity on the activities to be implemented. Specific cost information on some of the budget items include:

- Construction of a dormitory for visitors, log cabins and visitors centre. The cost is based on quotations received from Romeco Limited by the Awardee. PRIME/West Kampala office has copies of the quotations on file.
- Other construction/renovation costs (at Paniyo Padibi and Busingiro sites). These are based on reasonable estimates obtained by the grantee and in line with similar costs incurred by National Forestry Authority (NFA) on similar expenditure.
- Trail cutting and maintenance and other casual labor costs. Current market costs for similar work are budgeted for.
- Trainings and workshops. Detailed budget requirements were discussed and agreed. The costs are reasonable to conduct the activities.

**Procurements:** Non-expendable items:

- Laptop computer and motorcycle. PRIME/West procured a laptop computer and motorcycle under the implementation of the NatureUganda Subcontract. Thus PRIME/West already has the cost information for these non-expendable items proposed under this award and the budget was adjusted to reflect costs approved and incurred on similar expenditures in the past by PRIME/West.

- "Solar Equipment (Solar panels/batteries/inverter /regulator/changeover). Three quotations were solicited by the Awardee and the budget is based on the lowest of the three quotations. Copies of the quotations are available at the PRIME/West Office in Kampala."
- Digital SLR camera and corresponding lens and GPS/Radio Unit. Quotations obtained from the internet as obtained by JGI with copies in the PRIME/West Kampala office.
- Expendable items. The unit cost prices for the range finder, energy saving torches, binoculars and backpacks were obtained from quotations on the internet by JGI. Copies are on file in the PRIME/West Kampala Office. Other expendable item unit cost prices are reasonable and in line with market prices and quotations were therefore not obtained.
- A cost share contribution was requested of the Awardee.
- Draft documents were prepared and submitted to the home office Senior Contracts Administrator for review and subsequent submission to USAID. The SAF team in coordination with the Home Office Senior Contracts Administrator further evaluated the cost proposal and requested clarification and revisions as required.
- DAI determined the revised cost proposal from the subcontractor to be fair and reasonable, and within program projections. The proposal was consistent with the Awardee's cost accounting practices, policies, and procedures.
- The Awardee signed the certifications regarding terrorist financing as required by AAPD 04-14. The Awardee also provided a branding strategy and marking plan as required by AAPD 05-11. As required by AAPD 02-04, DAI checked the "SDN & Blocked Persons" to ensure that the names of the Awardee and proposed individuals to implement the activity are not on the list.
- DAI expects to award a cost-reimbursable Grant based on the proposed and agreed to ceiling. All applicable mandatory and standard provisions have been incorporated into the Grant document attached.

## **Negotiation Summary**

## Principal Elements of the Negotiations

- Agreement on award type
- Agreement on period of performance
- Agreement on Daily Rates
- Agreement on estimated hours
- Agreement on benchmarks and deliverables
- Agreement on estimated ODCs
- Agreement on total cost and price

## **Significant Considerations Affecting Establishment of Initial or Revised Prices**

The Awardee's proposed daily rates are within an acceptable range considering historical information and market standards for the industry. The proposed ODCs were found to be reasonable and acceptable to meet program requirements.

## **Cost Accounting Standards (CAS)**

DAI has determined that the grantee maintains an accounting system that is sufficient to properly accumulate and allocate costs incurred under this program. A copy of the accounting and policy manual is available on file at the Kampala office.

## Explanation of Incentive Fee or Profit Plan When Incentives Are Used

No incentives were used in negotiating the Grant price.

## Negotiation Results

Upon completion of negotiations, the agreed to amount of the grant is as follows:

- |                          |                                      |
|--------------------------|--------------------------------------|
| - Grant Type:            | Cost-reimbursable                    |
| - Period of Performance: | April 2006 – March 2008              |
| - Daily Rates            | (See Detailed Grant Budget attached) |
| - Estimated Hours:       | (See Detailed Grant Budget attached) |
| - Estimated ODCs:        | (See Detailed Grant Budget attached) |

## ANNEX C

### ASSISTANCE ON BRANDING AND MARKING

#### Assistance on Branding Strategy and Marking Plan and Provision regarding Marking under USAID-Funded Assistance Instruments

##### I. BRANDING STRATEGY - ASSISTANCE

###### (a) Definitions

**Branding Strategy** means a strategy that is submitted at the specific request of a USAID Contracting Officer by an Apparently Successful Applicant after evaluation of an application for USAID funding, describing how the program, project, or activity is named and positioned, and how it is promoted and communicated to beneficiaries and cooperating country citizens. It identifies all donors and explains how they will be acknowledged.

**Apparently Successful Applicant(s)** means the applicant(s) for USAID funding recommended for an award after evaluation, but who has not yet been awarded a grant, cooperative agreement or other assistance award by the Contracting Officer. The Contracting Officer will request that the Apparently Successful Applicants submit a Branding Strategy and Marking Plan. Apparently Successful Applicant status confers no right and constitutes no USAID commitment to an award.

**USAID Identity (Identity)** means the official marking for the Agency, comprised of the USAID logo and new brandmark, which clearly communicates that our assistance is from the American people. The USAID Identity is available on the USAID website and is provided without royalty, license, or other fee to grantees of USAID-funded grants or cooperative agreements or other assistance awards or subawards.

(b) **Submission.** The Apparently Successful Applicant, upon request of the Contracting Officer, will submit and negotiate a Branding Strategy. The Branding Strategy will be included in and made a part of the resulting grant or cooperative agreement. The Branding Strategy will be negotiated within the time that the Contracting Officer specifies. Failure to submit and negotiate a Branding Strategy will make the applicant ineligible for award of a grant or cooperative agreement. The Apparently Successful Applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events and materials, and the like.

###### (c) Submission Requirements

At a minimum, the Apparently Successful Applicant's Branding Strategy will address the following:

(1) Positioning

*What is the intended name of this program, project, or activity?*

Guidelines: USAID prefers to have the USAID Identity included as part of the program or project name, such as a "title sponsor," if possible and appropriate. It is acceptable to "co-brand" the title with USAID's and the Apparently Successful Applicant's identities. For example: "The USAID and [Apparently Successful Applicant] Health Center."

If it would be inappropriate or is not possible to "brand" the project this way, such as when rehabilitating a structure that already exists or if there are multiple donors, please explain and indicate how you intend to showcase USAID's involvement in publicizing the program or project. *For example: School #123, rehabilitated by USAID and [Apparently Successful Applicant]/ [other donors].*

Note: the Agency prefers "made possible by (or with) the generous support of the American People" next to the USAID Identity in acknowledging our contribution, instead of the phrase "funded by." USAID prefers local language translations.

*Will a program logo be developed and used consistently to identify this program? If yes, please attach a copy of the proposed program logo.*

Note: USAID prefers to fund projects that do NOT have a separate logo or identity that competes with the USAID Identity.

## (2) Program Communications and Publicity

*Who are the primary and secondary audiences for this project or program?*

Guidelines: Please include direct beneficiaries and any special target segments or influencers. *For Example: Primary audience: schoolgirls age 8-12, Secondary audience: teachers and parents—specifically mothers.*

*What communications or program materials will be used to explain or market the program to beneficiaries?*

Guidelines: These include training materials, posters, pamphlets, Public Service Announcements, billboards, websites, and so forth.

*What is the main program message(s)?*

Guidelines: For example: "Be tested for HIV-AIDS" or "Have your child inoculated."

Please indicate if you also plan to incorporate USAID’s primary message – this aid is “from the American people” – into the narrative of program materials. This is optional. However, marking with the USAID Identity is required.

*Will the grantee announce and promote publicly this program or project to cooperating country citizens? If yes, what press and promotional activities are planned?*

Guidelines: These may include media releases, press conferences, public events, and so forth. Note: incorporating the message, “USAID from the American People”, and the USAID Identity is required.

*Please provide any additional ideas about how to increase awareness that the American people support this project or program.*

Guidelines: One of our goals is to ensure that both beneficiaries and cooperating country citizens know that the aid the Agency is providing is “from the American people.” Please provide any initial ideas on how to further this goal.

## (2) Acknowledgements

*Will there be any direct involvement from a cooperating country government ministry? If yes, please indicate which one or ones. Will the grantee acknowledge the ministry as an additional co-sponsor?*

Note: it is perfectly acceptable and often encouraged for USAID to “co-brand” programs with government ministries.

*Please indicate if there are any other groups whose logo or identity the grantee will use on program materials and related communications.*

Guidelines: Please indicate if they are also a donor or why they will be visibly acknowledged, and if they will receive the same prominence as USAID.

- (d) **Award Criteria.** The Contracting Officer will review the Branding Strategy for adequacy, ensuring that it contains the required information on naming and positioning the USAID-funded program, project, or activity, and promoting and communicating it to cooperating country beneficiaries and citizens. The Contracting Officer also will evaluate this information to ensure that it is consistent with the stated objectives of the award. with the Apparently Successful Applicant’s cost data submissions. with the Apparently Successful Applicant’s project, activity, or program performance plan. and with the regulatory requirements set out in 22 CFR 226.91. The Contracting Officer may obtain advice and recommendations from technical experts while performing the evaluation.

## II. MARKING PLAN – ASSISTANCE

### (a) Definitions

**Marking Plan** means a plan that the Apparently Successful Applicant submits at the specific request of a USAID Contracting Officer after evaluation of an application for USAID funding, detailing the public communications, commodities, and program materials and other items that will visibly bear the USAID Identity. Grantees may request approval of Presumptive Exceptions to marking requirements in the Marking Plan.

**Apparently Successful Applicant(s)** means the applicant(s) for USAID funding recommended for an award after evaluation, but who has not yet been awarded a grant, cooperative agreement or other assistance award by the Contracting Officer. The Contracting Officer will request that Apparently Successful Applicants submit a Branding Strategy and Marking Plan. Apparently Successful Applicant status confers no right and constitutes no USAID commitment to an award, which the Contracting Officer must still obligate.

**USAID Identity (Identity)** means the official marking for the Agency, comprised of the USAID logo and new brandmark, which clearly communicates that our assistance is from the American people. The USAID Identity is available on the USAID website and USAID provides it without royalty, license, or other fee to grantees of USAID-funded grants, cooperative agreements, or other assistance awards or subawards. A **Presumptive**

**Exception** exempts the applicant from the general marking requirements for a *particular* USAID-funded public communication, commodity, program material or other deliverable, or a *category* of USAID-funded public communications, commodities, program materials or other deliverables that would otherwise be required to visibly bear the USAID Identity. The Presumptive Exceptions are:

Presumptive Exception (i). USAID marking requirements may not apply if they would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials, such as election monitoring or ballots, and voter information literature. political party support or public policy advocacy or reform. independent media, such as television and radio broadcasts, newspaper articles and editorials. and public service announcements or public opinion polls and surveys (22 C.F.R. 226.91(h)(1)).

Presumptive Exception (ii). USAID marking requirements may not apply if they would diminish the credibility of audits, reports, analyses, studies, or policy

recommendations whose data or findings must be seen as independent (22 C.F.R. 226.91(h)(2)).

Presumptive Exception (iii). USAID marking requirements may not apply if they would undercut cooperating country government "ownership" of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as "by" or "from" a cooperating country ministry or government official (22 C.F.R. 226.91(h)(3)). Presumptive Exception (iv). USAID marking requirements may not apply if they would impair the functionality of an item, such as sterilized equipment or spare parts (22 C.F.R. 226.91(h)(4)).

Presumptive Exception (v). USAID marking requirements may not apply if they would incur substantial costs or be impractical, such as items too small or otherwise unsuited for individual marking, such as food in bulk (22 C.F.R. 226.91(h)(5)).

Presumptive Exception (vi). USAID marking requirements may not apply if they would offend local cultural or social norms, or be considered inappropriate on such items as condoms, toilets, bed pans, or similar commodities (22 C.F.R. 226.91(h)(6)).

Presumptive Exception (vii). USAID marking requirements may not apply if they would conflict with international law (22 C.F.R. 226.91(h)(7)).

(b) **Submission.** The Apparently Successful Applicant, upon the request of the Contracting Officer, will submit and negotiate a Marking Plan that addresses the details of the public communications, commodities, program materials that will visibly bear the USAID Identity. The marking plan will be customized for the particular program, project, or activity under the resultant grant or cooperative agreement. The plan will be included in and made a part of the resulting grant or cooperative agreement. USAID and the Apparently Successful Applicant will negotiate the Marking Plan within the time specified by the Contracting Officer. Failure to submit and negotiate a Marking Plan will make the applicant ineligible for award of a grant or cooperative agreement. The applicant must include an estimate of all costs associated with branding and marking USAID programs, such as plaques, labels, banners, press events, promotional materials, and so forth in the budget portion of its application. These costs are subject to revision and negotiation with the Contracting Officer upon submission of the Marking Plan and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.

(c) **Submission Requirements.** The Marking Plan will include the following:

- (1) A description of the public communications, commodities, and program materials that the grantee will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity. These include:
  - (i) program, project, or activity sites funded by USAID, including visible infrastructure projects or other programs, projects, or activities that are physical in nature.
  - (ii) technical assistance, studies, reports, papers, publications, audiovisual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID.
  - (iii) events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences, and other public activities. and
  - (iv) all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies and other materials funded by USAID, and their export packaging.
- (2) A table specifying:
  - (i) the program deliverables that the grantee will mark with the USAID Identity,
  - (ii) the type of marking and what materials the applicant will be used to mark the program deliverables with the USAID Identity, and
  - (iii) when in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking.
- (3) A table specifying:
  - (i) what program deliverables will not be marked with the USAID Identity, and
  - (ii) the rationale for not marking these program deliverables.
- (d) Presumptive Exceptions.
  - (1) The Apparently Successful Applicant may request a Presumptive Exception as part of the overall Marking Plan submission. To request a Presumptive Exception, the Apparently Successful Applicant must identify which Presumptive Exception applies, and state why, in light of the Apparently Successful Applicant's technical proposal and in the context of the program description or program statement in the USAID Request For Application or Annual Program Statement, marking requirements should not be required.
  - (2) Specific guidelines for addressing each Presumptive Exception are:
    - (i) For Presumptive Exception (i), identify the USAID Strategic Objective, Interim Result, or program goal furthered by an appearance of neutrality, or state why the program, project, activity, commodity, or communication is 'intrinsically neutral.' Identify, by category or deliverable item, examples of program materials funded under the award for which you are seeking an exception.

- (ii) For Presumptive Exception (ii), state what data, studies, or other deliverables will be produced under the USAID funded award, and explain why the data, studies, or deliverables must be seen as credible.
  - (iii) For Presumptive Exception (iii), identify the item or media product produced under the USAID funded award, and explain why each item or product, or category of item and product, is better positioned as an item or product produced by the cooperating country government.
  - (iv) For Presumptive Exception (iv), identify the item or commodity to be marked, or categories of items or commodities, and explain how marking would impair the item's or commodity's functionality.
  - (v) For Presumptive Exception (v), explain why marking would not be cost beneficial or practical.
  - (vi) For Presumptive Exception (vi), identify the relevant cultural or social norm, and explain why marking would violate that norm or otherwise be inappropriate.
  - (vii) For Presumptive Exception (vii), identify the applicable international law violated by marking.
- (3) The Contracting Officer will review the request for adequacy and reasonableness.

In consultation with the Cognizant Technical Officer and other agency personnel as necessary, the Contracting Officer will approve or disapprove the requested Presumptive Exception. Approved exceptions will be made part of the approved Marking Plan, and will apply for the term of the award, unless provided otherwise.

- (e) **Award Criteria:** The Contracting Officer will review the Marking Plan for adequacy and reasonableness, ensuring that it contains sufficient detail and information concerning public communications, commodities, and program materials that will visibly bear the USAID Identity. The Contracting Officer will evaluate the plan to ensure that it is consistent with the stated objectives of the award. with the applicant's cost data submissions. with the applicant's actual project, activity, or program performance plan. and with the regulatory requirements of 22 C.F.R. 226.91. The Contracting Officer will approve or disapprove any requested Presumptive Exceptions (see paragraph (d)) on the basis of adequacy and reasonableness. The Contracting Officer may obtain advice and recommendations from technical experts while performing the evaluation.

### **III. PROVISION: MARKING UNDER USAID-FUNDED ASSISTANCE INSTRUMENTS**

#### **(a) Definitions**

**Commodities** mean any material, article, supply, goods or equipment, excluding grantee offices, vehicles, and non-deliverable items for grantee's internal use, in

administration of the USAID funded grant, cooperative agreement, or other agreement or subagreement.

**Principal Officer** means the most senior officer in a USAID Operating Unit in the field, e.g., USAID Mission Director USAID Representative. For global programs managed from Washington but executed across many countries, such as disaster relief and assistance to internally displaced persons, humanitarian emergencies or immediate post conflict and political crisis response, the cognizant Principal Officer may be an Office Director, for example, the Directors of USAID/W/Office of Foreign Disaster Assistance and Office of Transition Initiatives. For non-presence countries, the cognizant Principal Officer is the Senior USAID officer in a regional USAID Operating Unit responsible for the non-presence country, or in the absence of such a responsible operating unit, the Principal U.S Diplomatic Officer in the non-presence country exercising delegated authority from USAID.

**Programs** mean an organized set of activities and allocation of resources directed toward a common purpose, objective, or goal undertaken or proposed by an organization to carry out the responsibilities assigned to it.

**Projects** include all the marginal costs of inputs (including the proposed investment) technically required to produce a discrete marketable output or a desired result (for example, services from a fully functional water/sewage treatment facility).

**Public communications** are documents and messages intended for distribution to audiences external to the grantee's organization. They include, but are not limited to, correspondence, publications, studies, reports, audio visual productions, and other informational products. applications, forms, press and promotional materials used in connection with USAID funded programs, projects or activities, including signage and plaques. Web sites/Internet activities. and events such as training courses, conferences, seminars, press conferences and so forth.

**Subgrantee** means any person or government (including cooperating country government) department, agency, establishment, or for profit or nonprofit organization that receives a USAID subaward, as defined in 22 C.F.R. 226.2.

**Technical Assistance** means the provision of funds, goods, services, or other foreign assistance, such as loan guarantees or food for work, to developing countries and other USAID grantees, and through such grantees to subgrantees, in direct support of a development objective – as opposed to the internal management of the foreign assistance program.

**USAID Identity (Identity)** means the official marking for the United States Agency for International Development (USAID), comprised of the USAID logo or seal and new

brandmark, with the tagline that clearly communicates that our assistance is “from the American people.” The USAID Identity is available on the USAID website at [www.usaid.gov/branding](http://www.usaid.gov/branding) and USAID provides it without royalty, license, or other fee to grantees of USAID-funded grants, or cooperative agreements, or other assistance awards

**(b) Marking of Program Deliverables**

- (1) All grantees must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or subaward with the USAID Identity, of a size and prominence equivalent to or greater than the grantee’s, other donor’s, or any other third party’s identity or logo.
- (2) The Grantee will mark all program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) with the USAID Identity. The Grantee should erect temporary signs or plaques early in the construction or implementation phase. When construction or implementation is complete, the Grantee must install a permanent, durable sign, plaque or other marking.
- (3) The Grantee will mark technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID with the USAID Identity.
- (4) The Grantee will appropriately mark events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities, with the USAID Identity. Unless directly prohibited and as appropriate to the surroundings, grantees should display additional materials, such as signs and banners, with the USAID Identity. In circumstances in which the USAID Identity cannot be displayed visually, the grantee is encouraged otherwise to acknowledge USAID and the American people’s support.
- (5) The Grantee will mark all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies, and other materials funded by USAID, and their export packaging with the USAID Identity.
- (6) The Contracting Officer may require the USAID Identity to be larger and more prominent if it is the majority donor, or to require that a cooperating country government’s identity be larger and more prominent if circumstances warrant,

and as appropriate depending on the audience, program goals, and materials produced.

- (7) The Contracting Officer may require marking with the USAID Identity in the event that the grantee does not choose to mark with its own identity or logo.
- (8) The Contracting Officer may require a pre-production review of USAID-funded public communications and program materials for compliance with the approved Marking Plan.
- (9) Subgrantees. To ensure that the marking requirements “flow down” to subgrantees of subawards, grantees of USAID funded grants and cooperative agreements or other assistance awards will include the USAID-approved marking provision in any USAID funded subaward, as follows:

*“As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the grantee’s, subgrantee’s, other donor’s or third party’s is required. In the event the grantee chooses not to require marking with its own identity or logo by the subgrantee, USAID may, at its discretion, require marking by the subgrantee with the USAID Identity.”*

- (10) Any ‘public communications’, as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:

*“This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert grantee name] and do not necessarily reflect the views of USAID or the United States Government.”*

- (11) The grantee will provide the Cognizant Technical Officer (COTR) or other USAID personnel designated in the grant or cooperative agreement with two copies of all program and communications materials produced under the award. In addition, the grantee will submit one electronic or one hard copy of all final documents to USAID’s Development Experience Clearinghouse.

**(c) Implementation of marking requirements.**

- (1) When the grant or cooperative agreement contains an approved Marking Plan, the grantee will implement the requirements of this provision following the approved Marking Plan.
- (2) When the grant or cooperative agreement does not contain an approved Marking Plan, the grantee will propose and submit a plan for implementing the requirements of this provision within [**Contracting Officer fill-in**] days after the effective date of this provision. The plan will include:
  - (i) A description of the program deliverables specified in paragraph (b) of this provision that the grantee will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity.

- (ii) the type of marking and what materials the applicant uses to mark the program deliverables with the USAID Identity,
  - (iii) when in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking,
- (3) The grantee may request program deliverables not be marked with the USAID Identity by identifying the program deliverables and providing a rationale for not marking these program deliverables. Program deliverables may be exempted from USAID marking requirements when:
- (i) USAID marking requirements would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials.
  - (ii) USAID marking requirements would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent.
  - (iii) USAID marking requirements would undercut cooperating country government "ownership" of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as "by" or "from" a cooperating country ministry or government official.
  - (iv) USAID marking requirements would impair the functionality of an item.
  - (v) USAID marking requirements would incur substantial costs or be impractical.
  - (vi) USAID marking requirements would offend local cultural or social norms, or be considered inappropriate.
  - (vii) USAID marking requirements would conflict with international law.
- (4) The proposed plan for implementing the requirements of this provision, including any proposed exemptions, will be negotiated within the time specified by the Contracting Officer after receipt of the proposed plan. Failure to negotiate an approved plan with the time specified by the Contracting Officer may be considered as noncompliance with the requirements is provision.

(d) **Waivers.**

- (1) The grantee may request a waiver of the Marking Plan or of the marking requirements of this provision, in whole or in part, for each program, project, activity, public communication or commodity, or, in exceptional circumstances, for a region or country, when USAID required marking would pose compelling political, safety, or security concerns, or when marking would have an adverse impact in the cooperating country. The grantee will submit the request through the Cognizant Technical Officer. The Principal Officer is responsible for approvals or disapprovals of waiver requests.
- (2) The request will describe the compelling political, safety, security concerns, or adverse impact that require a waiver, detail the circumstances and rationale for the waiver, detail the specific requirements to be waived, the specific

portion of the Marking Plan to be waived, or specific marking to be waived, and include a description of how program materials will be marked (if at all) if the USAID Identity is removed. The request should also provide a rationale for any use of grantee's own identity/logo or that of a third party on materials that will be subject to the waiver.

- (3) Approved waivers are not limited in duration but are subject to Principal Officer review at any time, due to changed circumstances.
  - (4) Approved waivers "flow down" to grantees of subawards unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.
  - (5) Determinations regarding waiver requests are subject to appeal to the Principal Officer's cognizant Assistant Administrator. The grantee may appeal by submitting a written request to reconsider the Principal Officer's waiver determination to the cognizant Assistant Administrator.
- (e) **Non-retroactivity.** The requirements of this provision do not apply to any materials, events, or commodities produced prior to January 2, 2006. The requirements of this provision do not apply to program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) where the construction and implementation of these are complete prior to January 2, 2006 and the period of the grant does not extend past January 2, 2006.

**ANNEX D  
AWARDING FIXED OBLIGATION GRANTS TO NGOS**

**AWARDING FIXED OBLIGATION  
GRANTS TO NON-GOVERNMENTAL  
ORGANIZATIONS**

**An Additional Help Document  
For ADS Chapter 303**

Insert PDF file located at

<http://transition.usaid.gov/policy/ads/300/303saj.pdf>

Revision Date: 03/12/2012  
Responsible Office: M/OAA  
File Name: 303saj\_03121

**ANNEX E  
FIXED OBLIGATION GRANT ENTITY ELIGIBILITY  
CHECKLIST**

**FIXED OBLIGATION GRANT (FOG)  
ENTITY ELIGIBILITY CHECKLIST  
A Mandatory Reference for ADS Chapter 303**

Insert PDF file located at

<http://transition.usaid.gov/policy/ads/300/303mak.pdf>

**FIXED OBLIGATION GRANT (FOG) ENTITY ELIGIBILITY CHECKLIST  
A Mandatory Reference for ADS Chapter 303**

Full Revision: 03/12/2012  
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