



Early Grade Reading Activity

Grants Manual

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Early Grade Reading Activity

Grants Manual – Grants under Contract

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Prepared for
USAID|Malawi
Kevin Roberts
kroberts@usaid.gov
United States Agency for International Development

Prepared by
Euclid Mtonga and Tammy Forrester
On behalf

RTI International
3040 Cornwallis Road
Post Office Box 12194
Research Triangle Park, NC 27709-2194

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Abbreviations

COP	Chief of Party
DEM	District Education Manager
FAGM	Finance Administration and Grants Manager
FOG	Fixed-obligation grant
GMU	Home office Grants Management Unit
GUCs	Grants under contract
M&E	Monitoring and evaluation
MoEST	Ministry of Education, Science and Technology
NESP	National Education Sector Plan
NICRA	Negotiated Indirect Cost Rate Agreement
OMB	Office of Management and Budget
PEA	Primary Education Advisor
PSIP	Primary School Improvement Program
PTA	Parent-Teacher Association
SIG	School Improvement Grant
SIP	School Improvement Plan
SMC	School Management Committee
USAID	United States Agency for International Development
USD	US dollar

Introduction

As described in RTI's Contract with USAID, the Early Grade Reading Activity will issue small grants under the block grants program. In support of **Task 1-5: Rewarding Performing Teachers and Schools**, Early Grade Reading Activity will use grants under contract (GUCs) to distribute district recognition awards. Schools and communities become eligible to apply for grants by demonstrating consistent, sustained engagement in the school-based reading intervention (by teachers, head teachers, and section heads), broad-based and consistent community efforts in support of reading (by parents, School Management Committees [SMCs], and Parent-Teacher Associations [PTAs], and other community leaders), and indications of student-level improvement in reading proficiency.

This manual has been developed using expedited procedures and forms that have been adapted from RTI's *Grants Administration Manual*, which is the guiding reference document. The purpose of this manual is to provide internal guidelines for Early Grade Reading Activity project staff in the procedures for issuing and administering grants.

The Ministry of Education, Science and Technology (MoEST) has introduced the Primary School Improvement Program (PSIP), under which MoEST disburses School Improvement Grants (SIGs). These grants are given to schools that have submitted School Improvement Plans (SIPs) to their District Education Manager (DEM) through Primary Education Advisors (PEAs). The PSIP includes financial management guidelines that were developed through the USAID Education Decentralization Support Activity. MoEST officers train PEAs in these guidelines, and the PEAs in turn train head teachers, deputy head teachers, SMCs, and PTA members involved in managing SIGs.

Early Grade Reading Activity believes that the guidelines are adequate and the systems can be used to manage its GUCs. By the time Early Grade Reading Activity starts disbursing the grants, it is expected that 100% of the schools will have been trained in the SIG guidelines.

Grant Administration

At the project level, grant administration is performed by the project grants management team. The team includes the Finance Administration and Grants Manager (FAGM) and the Project Administration Specialist. The project grants management team is expected to coordinate the formation of the project's grant program following guidelines from the RTI home office Grants Management Unit (GMU) and will operate under the oversight of GMU.

The grants team is supported at the field level by the literacy team and the training coordinators, in coordination with government partners. It is also supported at the

divisional level by the monitoring and evaluation (M&E) team as well as the finance assistant.

Solicitation and Competition

MoEST officials will be notified of the GUCs program.¹ DEMs, PEAs, and officials from the Department of Basic Education will be given information from the Early Grade Reading Activity Chief of Party (COP) about the grants. The PEAs will in turn notify the schools through SMCs, the PTAs, and the head teachers. Under the Education Act (1962), each school is legally required to have an SMC whose function is to support development activities and to manage funds for these activities.

MoEST has been conducting the PSIP, which requires schools to have SIPs through which the schools can receive SIGs. The DEM implements this activity through the PEAs, SMCs, and PTAs. Early Grade Reading Activity GUCs will use the existing systems under PSIP while focusing on Early Grade Reading Activity initiatives to send information to the schools to start the competition.

As required by the PSIP, grants will be given to the schools through the respective SMC. The SMC plays an important role in management of school funds, and the PTA provides an oversight role on the use of the funds.

SMC roles are as follows:

- Develop plans and budgets
- Manage finances and make payments
- Implement school budget and finances

PTA roles are as follows:

- Monitor effective use of the funds and report any malfeasance to the DEM
- Ensure compliance with grant guidelines
- Witness delivery of materials

PEAs will post fliers at each school explaining the GUCs.

Application Process

Only those schools that have received MoEST training in financial management guidelines for SIPs will be eligible. The guidelines specify a number of system requirements, including an SIP bank account with the necessary authorization and segregation of duties and controls, along with several books of accounts and grant application forms.

¹ Because the Early Grade Reading Activity GUCs program utilizes a different grant mechanism (i.e., fixed obligation grants) than MoEST uses for the PSIP grants, the project will seek concurrence from the MoEST on the GUC program before awarding any grants.

Early Grade Reading Activity field staff comprising district training coordinators and district M&E officers will collect information about which schools have already been trained in financial management.

Follow-up will be conducted by the COP and FAGM in consultation with DEMs to ensure that all the schools have been trained so that they are eligible to participate.

The SIP budgets are required to follow the National Education Sector Plan (NESP) goals with allocation of planned expenditure aligned with the following proportions:

- Quality and Relevance 50%
- Access and Equity 40%
- Governance and Management 10%

Early Grade Reading Activity will look at the sections on Quality and Relevance in the SIPs, which will include issues under early grade reading improvements.

The Early Grade Reading Activity grant application form will use the information from the SIG request form (form 2 in the *Financial Management Guidelines*²), with one additional section justifying the link to improvements in reading. The application form will also include baseline information and expected milestones that can be measured at the end of the monitoring period.

The DEM is the custodian of the district SIPs, approves the SIGs, and disburses the funds to the school bank accounts. The GUCs will be approved in consultation with the DEM. The PEAs will collect the applications forms that will be taken to the DEM. Project staff will access the application forms from the DEM, whose input will be required for approval and selection.

Pre-Award Process

The pre-award process includes some site visits by the FAGM to verify the existence of systems in selected schools in all of the intervention districts.

To conserve costs, most of the pre-award information will be collected from the PEAs, and a checklist will be designed to verify eligibility. At a minimum the information should include the following:

- A SIP submitted by the school to the DEM
- Verification of an SMC and its Finance and Procurement subcommittees
- A budget that includes Quality and Relevance goals
- An SIG bank account with required signatories
- A cash book (accounts ledger)

² MoEST. *Primary School Improvement Program Financial Management Guidelines*, June 2011

Evaluation Process

Evaluation criteria will be decided in consultation with the literacy specialist, the Early Grade Reading Activity M&E and Learning Specialist, MoEST officials, PEAs, head teachers, SMCs, and PTAs.

Baseline information will have to be recorded during the first school term to enable measurement of progress after the second school term.

Input from USAID will be sought while establishing the evaluation criteria. An evaluation committee comprising the DEM, project representatives, and (wherever possible) a USAID representative will conduct the evaluation.

Proposed criteria for selecting performing schools³ are as follows:

1. Areas of assessment for 40% of the total score
 - Curriculum leadership
 - Curriculum implementation
 - Innovation in curriculum implementation
2. Area of assessment for 20% of the total score
 - Learner
3. Other areas of assessment for 40% of the total score
 - School community service
 - Innovations in community mobilization

An assessment tool for each of the areas will be developed on the basis of the indicators.

Conflict of Interest

Projects must conduct an impartial review and evaluation of all applications. Members of the evaluation committee should not have any conflict of interest or the appearance of such with 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, are negotiating to work for, or have a financial interest (including being an unpaid member of a Board of Directors) in any organization that submitted an application that is under the committee's review.

In such cases, the committee will carefully review the situation, in consultation with the USAID AOR/COR, to determine the appropriate action required to avoid or mitigate such conflict and ensure impartiality in the award of grants under the program. Members of the evaluation committee shall neither solicit nor accept gratuities, favors, or anything of monetary value from applicants.

The members of the evaluation committee should sign a *Conflict of Interest Certification* as shown in **Attachment A**.

³ These are draft criteria that will go through consultations and some field testing before finalization.

Procedures for Award

A checklist will be used to check compliance with *SIP Financial Management Guidelines* as well as reading activity implemented under the project. A memorandum of negotiations will be filed by the FAGM.

Successful applicants will be notified of the award officially through the DEM as well as by a notification in the notices placed throughout the concerned districts.

Disbursement of Year 1 Grants will occur near the end of the 2013–2014 academic year so that funds can be used in preparation for the 2014–2015 academic year.

Funds will be transferred to the DEMs, who will disburse to the schools using the same method that Treasury uses for disbursing SIGs.

Grant Administration

The DEM verifies the completion of the Grant activity using the SIG Activity Verification form (form 9 of the *Financial Management Guidelines*).

Activity verification includes a review of finance and procurement documentation at the school. The PEAs and the district M&E officers will also be involved in monitoring activities. Also, when they visit the grantee schools for other activities, the DEMs and the divisional finance officers will conduct spot checks of school records.

The reports, both from the PEAs and from Early Grade Reading Activity divisional finance staff, will be sent to the FAGM.

Grant Type

Fixed Obligation Grants

Under the project, it is envisioned that all SIP grants will be issued as fixed obligation grants (FOGs) for a total value less than USD \$5,000. RTI has an internal policy that allows for expedited procedures for grants that fall within this category.

FOGs in the amount less than USD \$5,000 require less documentation than the full grant package. The grant application may include special grant provisions and be signed in lieu of a separate grant agreement.

The following is required for the Grant Package:

- Negotiation memorandum
- Bridger Insight check
- Budget
- Milestones
- Program description

FOGs allow for the award of a grant for very specific activities without the requirement of monitoring the actual costs subsequently incurred by the grantee. It is intended for use to support specific activities where there is a certainty about the

costs, and in which the accomplishment of the purpose or milestone in the grant is readily discernible, such as conferences and supplies.

An important aspect to these grants is the structure of the payments. Grantees will be paid a set amount upon achievement of milestones; therefore, it is essential that there is sufficient cost history to negotiate the payments. Structuring payments also ensures that (1) funds requested will reflect the actual cost of the effort; (2) no funds will remain upon completion of the project; and (3) the grantee does not receive a windfall upon completion of the grant. Grant closeout would be accomplished with the acceptance of the final milestone and approval of payment.

The signing of the grant by the grantee is not considered an appropriate milestone. Generally, advance payments are not made under a FOG, given the ability to provide for sufficient cash flow through milestone payments.

The appropriate use of a FOG should be based on the following factors:

- The ability to easily identify and quantify programmatic accomplishments or results in establishing grant milestones
- Limited risk that there will be changes to the program
- Adequate cost (historical or unit pricing) available to determine and negotiate the fixed price of the grant⁴

FOGs shall include both of the following provisions:

1. The project reserves the right to terminate in whole or in part or to suspend payments, should the grantee become insolvent during performance of the award.
2. Grantees must certify in writing, at the end of the grant period, that the activity was completed. If the grantee cannot provide certification, it shall be expected to make appropriate reimbursements.

Given that the value of the grants to be issued under Early Grade Reading Activity falls within the micro-purchase threshold, RTI intends to incorporate any mandatory flow-down provisions within the grant application and *not* include separately the Mandatory Standard Provisions for Fixed Obligation Grants to Non-governmental Recipients.

If there are applicants that do not meet the minimum requirements to issue a FOG, RTI will consider issuing an in-kind grant to facilitate project activities.

Applicable Guidelines (ADS 303) and Regulations (22 CFR 226)

Grants will be administered in accordance with the guidelines in ADS 303 and the regulations found in 22 CFR 226. As applicable, grantees will be expected to comply

⁴ Fixed price may include indirect costs if supported by a Negotiated Indirect Cost Rate Agreement (NICRA) with a U.S. federal government agency. If not supported by a NICRA, indirect costs may not be included in the grant budget unless the costs are converted and specified as direct costs.

with the provisions of these guidelines and regulations, which can be accessed at the following:

<http://transition.usaid.gov/policy/ads/300/303.pdf>
<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=3da13d636e6d06fe754df603f04dab42&rgn=div5&view=txt&node=22:1.0.2.22.23&idno=22>

Disbursement of Grant Funds

All disbursements under FOGs will be made when evidence has been submitted that a benchmark has been achieved. Such evidence may come in many forms, including but not limited to a work plan, a technical report, a financial report, meeting notes, the arrangement of specified logistics, and the finalization of a list of training participants. The following list and Table 1 represent examples of how a disbursement schedule might be structured under a FOG:

- Example: School Grant
- Activity Goal: Purchase exercise books and hire one teaching assistant
- Grant Amount: \$2,000

Table 1. FOG Example Benchmarks for Disbursement of Grant Funds

Benchmark	Description	Disbursement
1	Submission of SIP to District Education Manager. Attend training in Financial Management conducted by PEAs. Detailed supply list submitted with utilization plan	\$1,500
2	Teacher Assistant Hired and Submission of Final Report	\$500
Total		\$2,000

Cash advances should not be required under FOGs, but may be issued on a limited, case-by-case basis with valid justification.

Allowability of grant expenses

To be allowable under an award, costs must meet the following general criteria as well as other standards found in Office of Management and Budget (OMB) Circular A-122:

- Be reasonable for the performance of the award and be allocable thereto under the cost principles in OMB Circular A-122
- Conform to any limitations or exclusions set forth in these principles or in the award regarding types or amount of cost items
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization
- Be accorded consistent treatment

- Be determined in accordance with generally accepted accounting principles
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period
- Be adequately documented

Ineligible costs include those outlined in OMB Circular A-122 as well as the following:

- Teacher or school administration salaries are not allowable; however, assistant teacher allowances are allowable.
- Entertainment expenses are not allowable.

Grants Monitoring, Reporting, and Recordkeeping

The grantee shall maintain books, records, documents, and other evidence that relate to adequately showing all costs incurred under the grant, the receipt and use of goods and services acquired under the grant, the costs of the project that were supplied from other sources, and the overall progress of the project.

All grantees will be subject to regular and periodic monitoring visits and periodic reporting requirements. All projects must submit a final report on activities supported by the grant. For projects completed within less than a six-month period, a final expense and activity report must be submitted to RTI upon completion.

Grantees are required to maintain records for a minimum of three years after the close-out date of the grant and to make accounting records available for review by RTI or appropriate representatives of USAID.

Nonperformance of Grantee and Termination

If the monitoring process (either through reports or through site visits) results in identifying deficiencies or violations, then the chief of party, in consultation with the GMU senior grants manager from the RTI home office, should **notify the grantee in writing about the deficiencies and provide an appropriate amount of time to correct these deficiencies**. The GMU senior grants manager should receive a copy of the written notification. The project grants management team may assist the grantee in a reasonable manner to address the deficiencies. In the event the grants management team provides assistance to the grantee, the team should document in writing the level of assistance provided. If the grantee cannot correct the deficiencies during the specified timeframe or is not responsive to RTI's requests to do so, then project management may take further action, including recommending to GMU to suspend or terminate the grant agreement.

In addition, according to ADS 302.3.4.12, USAID has the ability to terminate the grant activities unilaterally in extraordinary circumstances.

Closeout

Grant closeout for FOGs will be accomplished with acceptance of the final milestone and the approval of final payment. This will include final performance and financial reports by the literacy specialist, M&E and Learning Specialist, and FAGM.

A review will be conducted of the first-year grants to help guide the process in subsequent years.