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# **Grant and Cooperative Agreement Course for USAID Staff and Partners**



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# **Grant and Cooperative Agreement Course for USAID Staff and Partners**

Welcoming Remarks

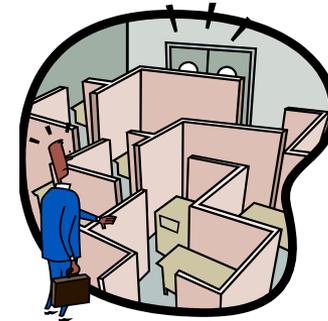
Amr Elattar, Director RFMO



# Logistics



Class times/breaks



Facility logistics



Agenda

Ground Rules





## Ground Rules

- Listen to understand.
- Start and end on time.
- Cell phones on vibrate – texting outside of classroom.
- Monitor side conversations during class
- Others Suggestions??



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## Introductions

- Name
- Organization
- What is your experience with USAID as an AOR or Implementer with U.S. sponsorship?
- What is the type of work you engage in?





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## Burning Questions

- Write down one or two burning questions that you would like answered regarding USAID or USAID Assistance Rules or Regulations.





## Course Summary

- Overview of USAID's overall rules, regulations and policies related to assistance (grants/cooperative agreements)
- Includes brief introduction on USAID/Washington and Overseas Field Missions
- Focused on post award (with some essential pre-award requirements for context)
- A focus of knowledge areas required for compliance
- Use of real life scenarios in lectures and interactive exercises



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## **DAY 1 TOPICS**

### **LEGAL LANDSCAPE**

U.S. Government Structure ~ Hierarchy of Rules: Legal Framework

### **USAID ORGANIZATION**

USAID Headquarters ~ Bureau for Management ~ Office of Acquisition and Assistance ~ A Note about Agreement Officer and Agreement Officer Representative ~ USAID Overseas Entities ~ Organizational Chart of a Bilateral Mission

### **USAID FORWARD**

### **PROGRAMMING AND STRATEGIES**

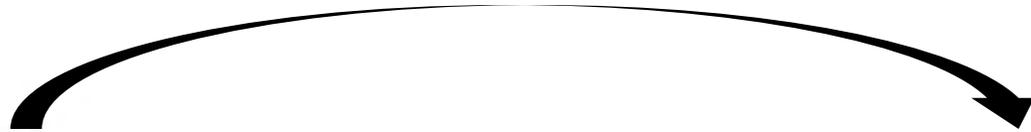
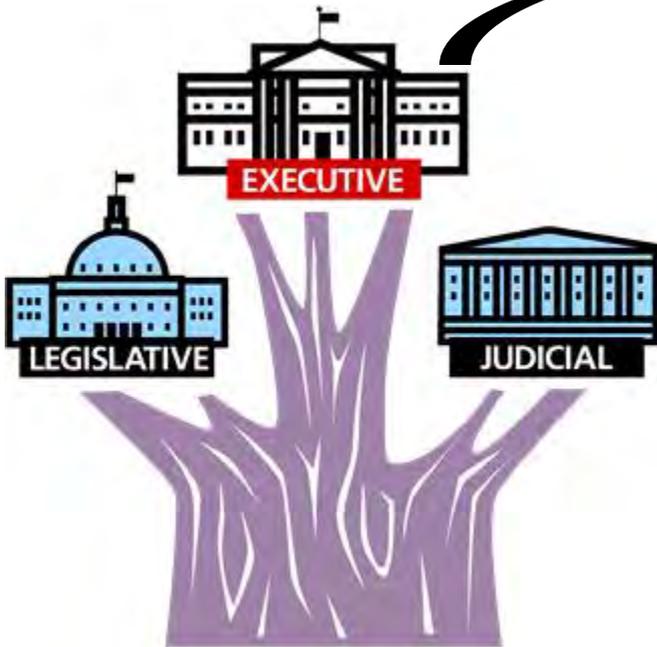
USAID Program Cycle and Acquisition and Assistance

### **ACQUISITION VERSUS ASSISTANCE**

**USAID UPDATES – ADS 303 – 2 CFR 200/700**



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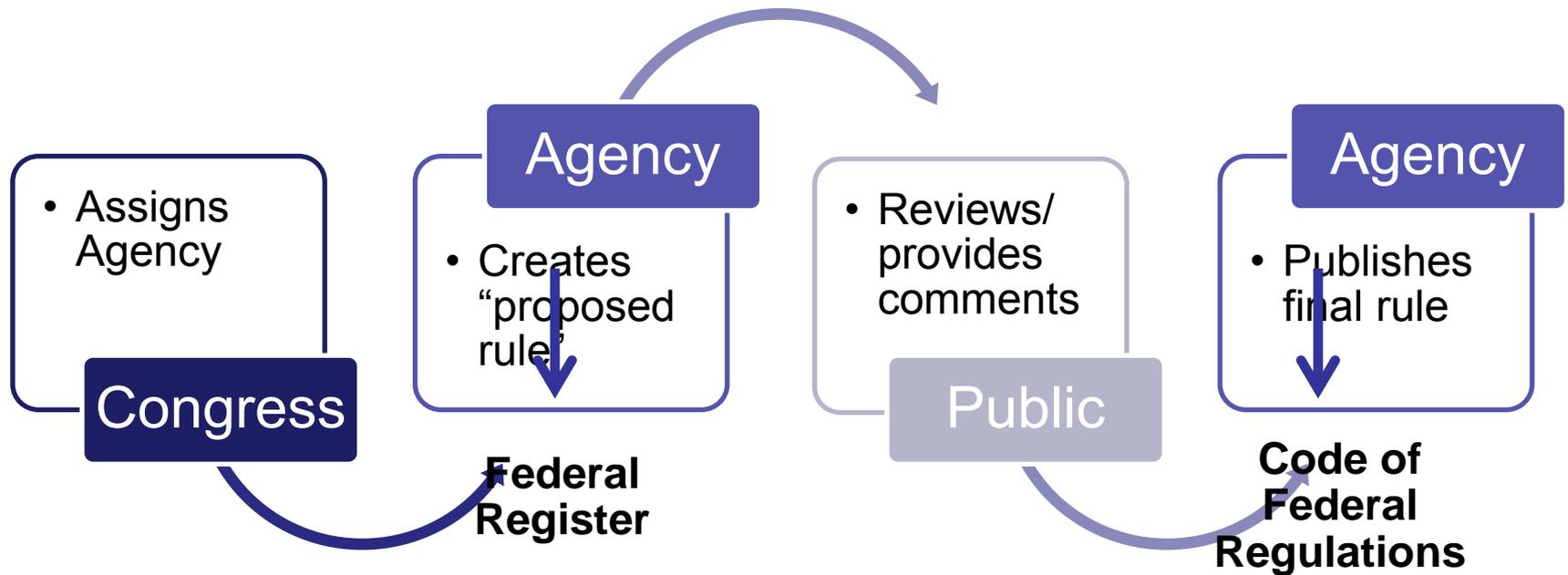




## Legal Landscape

<b>Statutes</b>	Laws passed by Congress Executive Orders
<b>Regulations</b>	Codified rules with force of law
<b>Agency Policy</b>	Additional binding requirements on Agency
<b>Guidance</b>	Gives Internal or external direction
<b>Award</b>	Includes provisions, terms & conditions that apply to that award
<b>Recipient Organization</b>	Internal policies and procedures that govern how recipient works

# HOW ARE CODE OF FEDERAL REGULATIONS CREATED



**Statutes/EOs**

**Recipient Policies**

**Regulations**

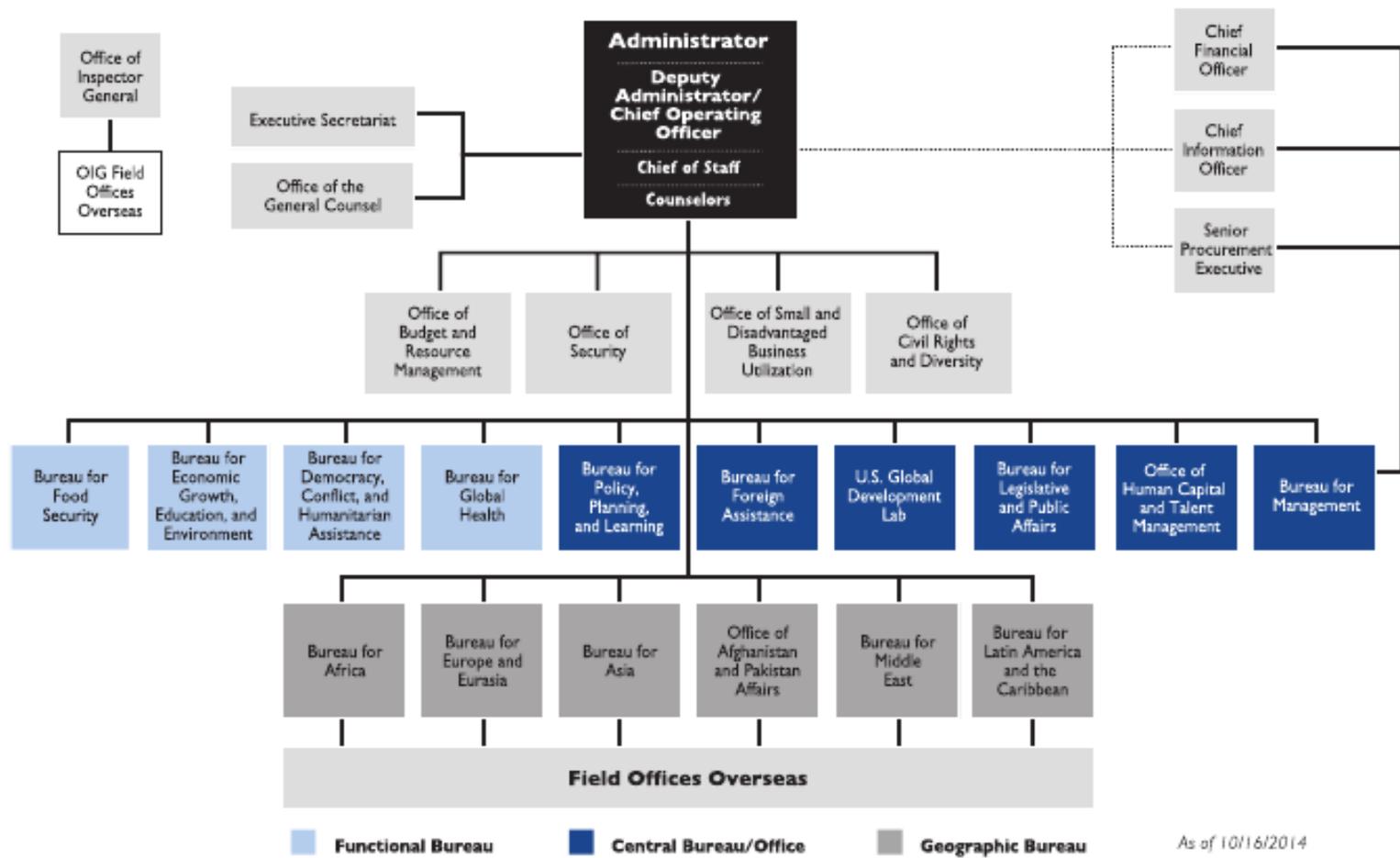
**Regulation**

**AWARD**

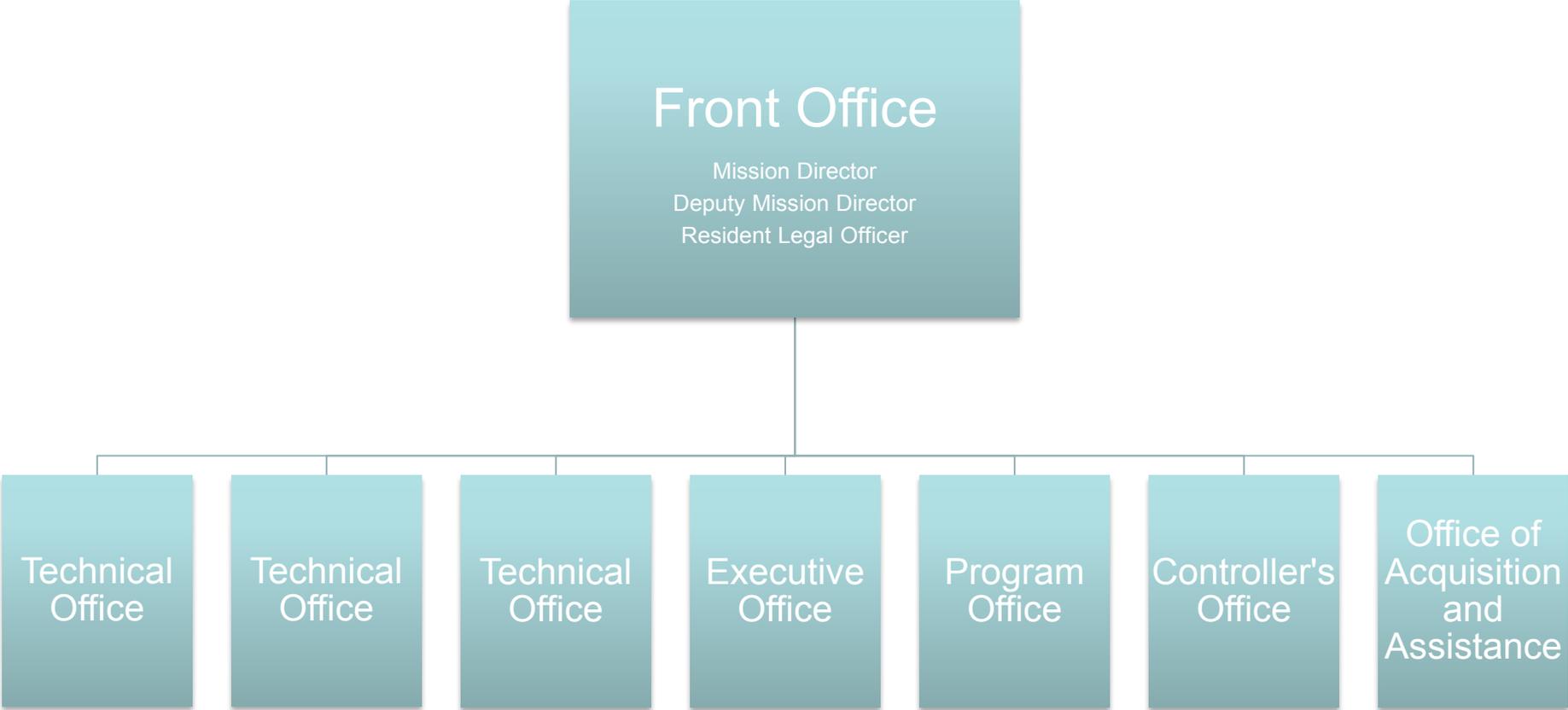
**Scramble**

**Agency  
Policy**

**Guidance**



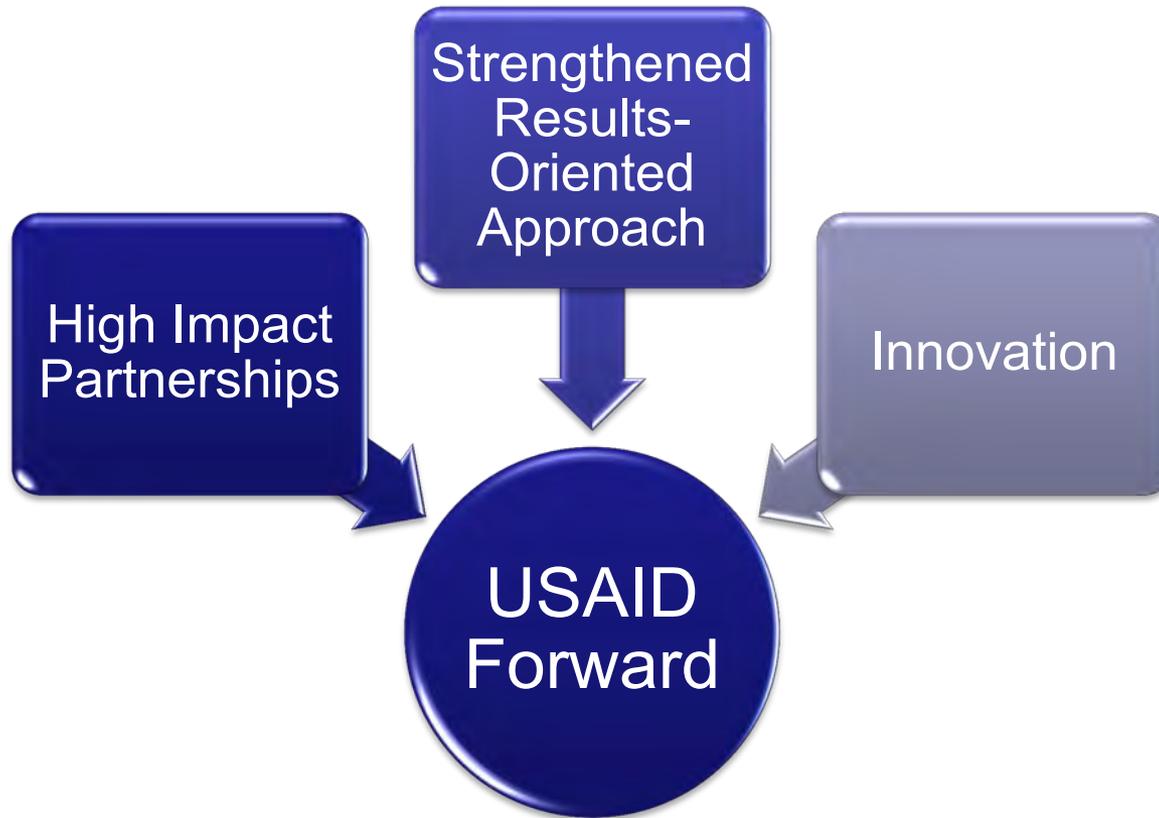
# Organizational Chart of a USAID Bilateral Mission





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## USAID FORWARD – Principles of Good Development Work



# USAID FORWARD INDICATORS

- Number of country development cooperation strategies (CDCSs) completed;
- Number of completed high quality evaluations;
- Number of emerging foreign service officer (FSO) and foreign service national (FSN) leaders participating in formal mentoring programs;
- Mission program funds per year implemented through local systems;
- U.S. staff work plans with at least one direct engagement performance measure;
- Total value of public-private partnerships with a minimum of 1:1 leverage;
- Percent of program funds dedicated to leveraging commercial private capital through the Development Credit Authority; and
- Number of missions actively supporting mobile money initiatives.

## Country Development Cooperation Strategy

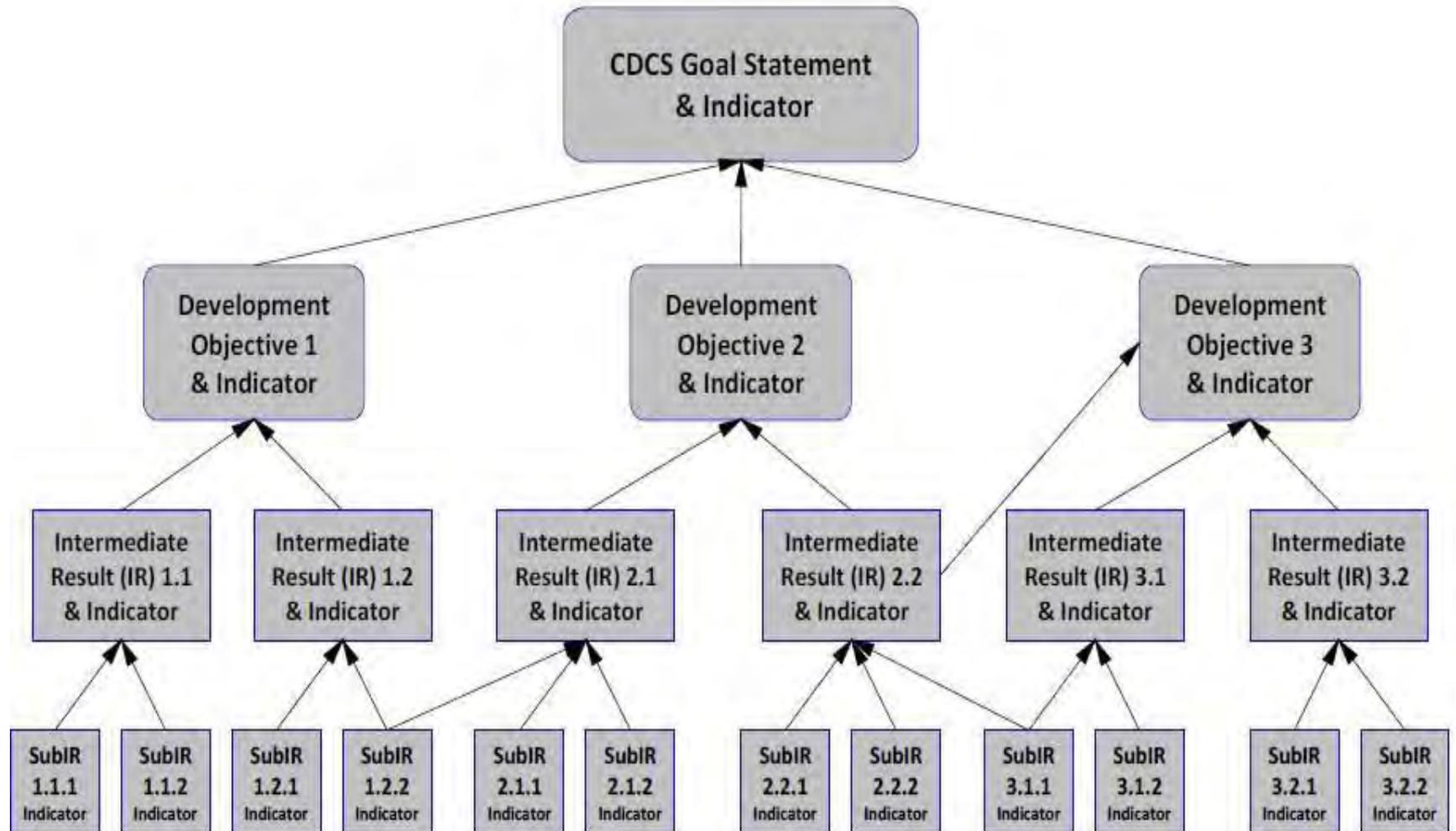
“USAID will work in collaboration with other agencies to formulate country development cooperation strategies that are results-oriented, and will partner with host countries to focus investment in key areas that shape countries’ overall stability and prosperity.”

- *excerpt from PPD-6*

# USAID Project Cycle



# CDCS Results Framework



# Acquisition vs. Assistance

## Acquisition

- A legally binding relationship in which the principal purpose is to acquire by purchase, lease or barter property or services for the direct benefit or use of the US Government or its agents.

## Assistance

- The principal purpose of the relationship is to transfer money to the recipient to carry out a public purpose of support or stimulation authorized by a law of the United States.



# Acquisition vs. Assistance

<b>Legal Instrument</b>	<b>Acquisition</b>	<b>Assistance (Grants/Cooperative Agreements)</b>
Eligible & Competent Parties	Yes	Yes
Legal & Appropriate Requirement	Yes	Yes
Fair and Reasonable Consideration	Yes	Yes
Agreement on the Terms	Yes	Yes

# Acquisition vs. Assistance

<b>Requirements Development &amp; Procurement Planning</b>	<b>Acquisition</b>	<b>Assistance (Grants/Cooperative Agreements)</b>
Specifications	More Precise. SOW/PWS	More General – Program Description
Public Notice	FBO.GOV	GRANTS.GOV
Announcement	Strict Rules for Posting	Not as strict Rules
Types of Instruments	FAR Part 16	ADS 303
Suppliers/Vendors	SAM.GOV	SAM.GOV

# Acquisition vs. Assistance

General	Acquisition	Assistance (Grants/Cooperative Agreements)
Authority	Constitution	Statute (FAA)
Regulatory System	FAR/AIDAR System	Agency Assistance System (ADS), Code of Federal Regulations
Purpose	To Acquire	Transfer Anything of Value
Benefit	USAID Direct	Public Purpose
Profit	Allowed	Not Allowed
Forms	Overwhelming	Limited

# Acquisition vs. Assistance

Receipt, Review, & Evaluation of Applications	Acquisition	Assistance (Grants/Cooperative Agreements)
Response Date and Time	Firm Submission Date	AO discretion on receipt and incomplete submissions
Results	More Specific	More flexible and creative
Source Selection	Competitive Range	Apparent Successful Applicant
Less Than Full and Open Competition	FAR Exceptions – Justification and Approval (J&A)	ADS 303 Justification of Restricted Eligibility (JRE)
Past Performance	PPIRS/CPARs	No formal database

# Acquisition vs. Assistance

Award Administration	Acquisition	Assistance (Grants/Cooperative Agreements)
Protest	Clear Process	No Provision, Ombudsman?
Responsibility Determination	Required Prior to Award by CO	AO may proceed with award if not 100% responsible, with Special Conditions
Award Announcement	FBO.GOV	GRANTS.GOV
Audit	Yes	Yes
Debarred List/Terrorist Financing List	SAM.GOV	SAM.GOV
Branding/Marking	Yes	Yes

# Acquisition vs. Assistance

<b>Post-Award Administration</b>	<b>Acquisition</b>	<b>Assistance (Grants/Cooperative Agreements)</b>
Post-Award Orientation Conference	Same	Same
Government Property	Title to USG	Host Government and Recipient Title
Termination	Unilateral authority by Government	Recipient may initiate termination
Remedies	Full authority	Less authority – less rigid
Closeout	Varies on contract type	2 CFR 200 for US and Recipient Contracted Audits for Non US



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## **DAY 2 TOPICS**

### **TYPES OF ASSISTANCE AWARDS**

Cooperative Agreements: Substantial Involvement ~ Leader with Associate (LWA) ~ Fixed Amount Awards (FAA)

### **PRE-AWARD ISSUES**

Responsibility Determination ~ Organizational Policy Assessment ~  
What if the USAID AO is unable to make an Affirmative Determination of  
Responsibility Through Risk Assessment ~ Environmental Issues

### **CERTIFICATIONS AND ASSURANCES**

## **Day 2 Topics (con't)**

### **AWARD ISSUED**

Appointment of Agreement Officer Representative (AOR) ~  
Designation of Agreement Officer Representative (AOR) ~  
Limitations on Authority ~ Role of AOR

### **FINANCIAL MANAGEMENT**

Payments ~ Advance Payments ~ Cost Reimbursement ~  
Withholding Payment ~ Special Note for Non-U.S. NGOs paid by  
USAID/Washington (M/CFO) ~ Cost Share ~ Program Income



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# Morning Review:

## EACH DAY WE REFLECT ON THE LEARNING FROM THE DAY BEFORE

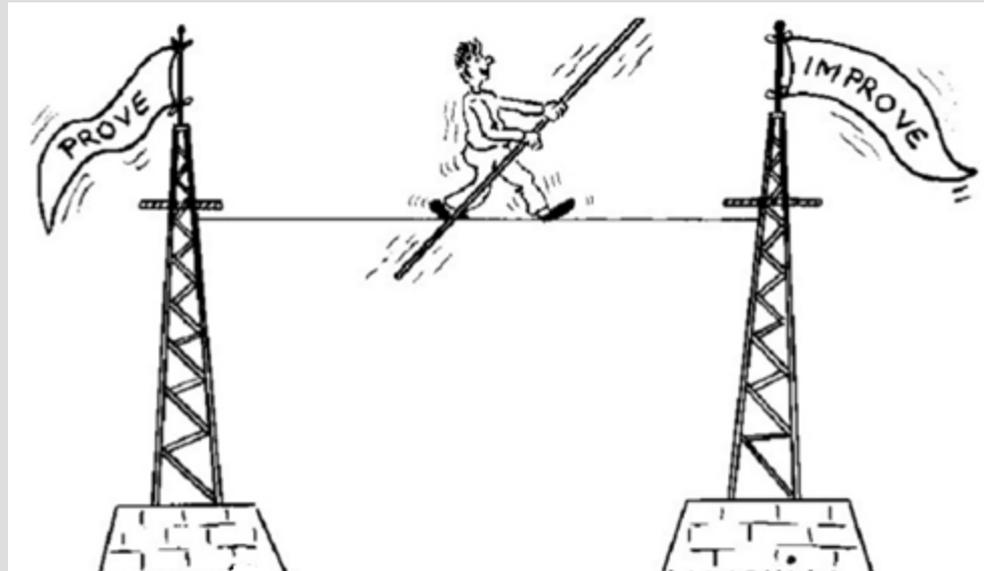
- ❖ Each team captain will be given a card face down
- ❖ On the card is an alphabet (A-Z)
- ❖ When facilitator says “Ready, Set, Go” your team is to brainstorm on your flipchart all the topics that were discussed “yesterday” that begins with the letter on your card
- ❖ You will be given three (3) minutes to brainstorm
- ❖ Your list will be evaluated by the Facilitator
- ❖ Facilitator has final say for each point given for a correct topic discussed



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## Monitoring, Evaluation and Learning





- *Please note down your questions and paste it on the identified area.*
- *We will try to address each one of them.*
- *If we cannot thoroughly address them now, we will put them in the 'parking lot' and make sure we address them over the next week.*



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M ?  
E ?  
L ?





**Monitoring?** is the ongoing and systematic tracking of data or information relevant to USAID strategies, projects, and activities.

**Evaluation?** is the systematic collection and analysis of information about the characteristics and outcomes of projects and activities as a basis for judgments to improve effectiveness, and/or inform decisions about current and future programming.



# Learning?

**A continuous process of analyzing a wide variety of information sources and knowledge (including evaluation findings, monitoring data, innovations and new learning that bring to light new best practices or call into question received wisdom, and collected observations and tacit knowledge from those who have particularly deep or unique insight in a given area), leading to iterative adaptation of strategy, project design and/or implementation, in order to sustain the most effective and efficient path to achieving development objectives.**

**(ADS Chapters 200-203)**



## **Group Activity 1 – Why do you need MEL in the work you do?**

### **Instructions:**

- Make a group of 5-6 people.
- Identify your group leader.
- Discuss in detail within Group
- Transfer your information to flip chart paper for reporting back.
- Report back.



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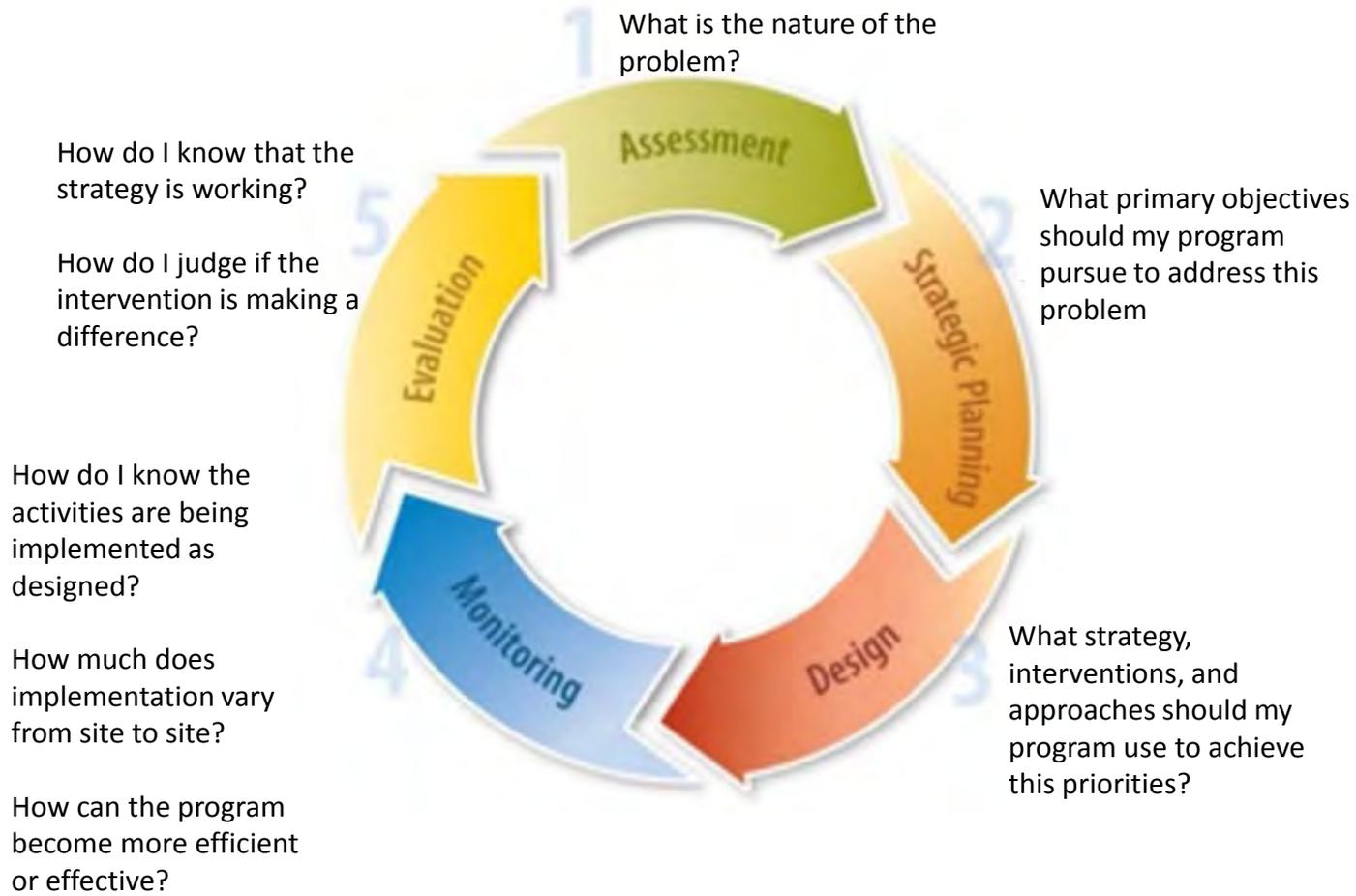
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## Learning lab video

<http://usaidlearninglab.org/lab-notes/inside-usaid-program-cycle>



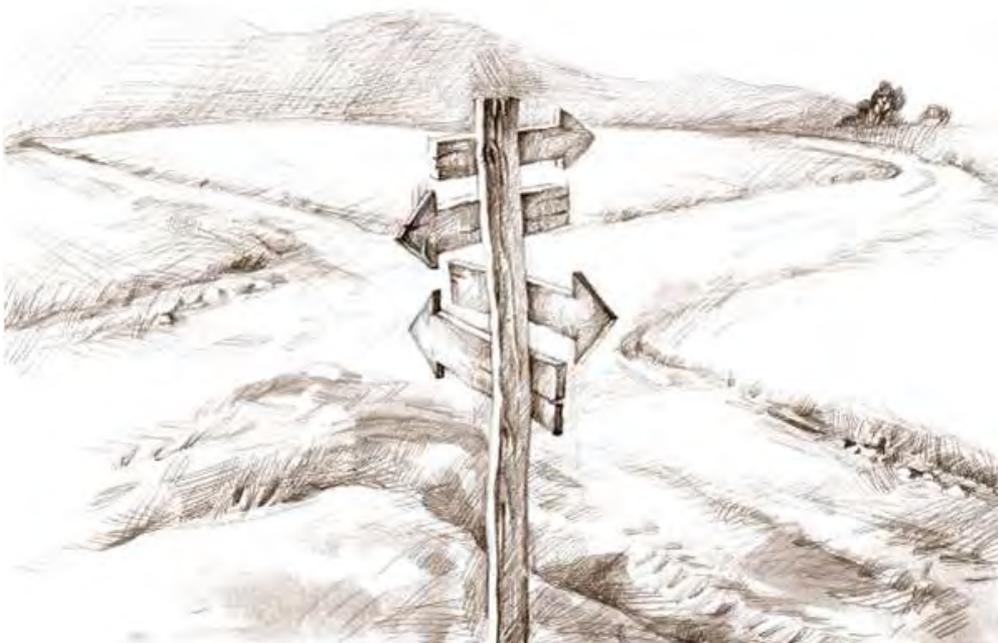
# Role of Measurement, Evaluation & Learning (MEL) in Program Cycle





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*“If you don’t know  
where you’re going, any  
road will get you there.”*

*–Lewis Carroll,  
Alice in Wonderland*





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# Monitoring, Evaluation and Learning Plan



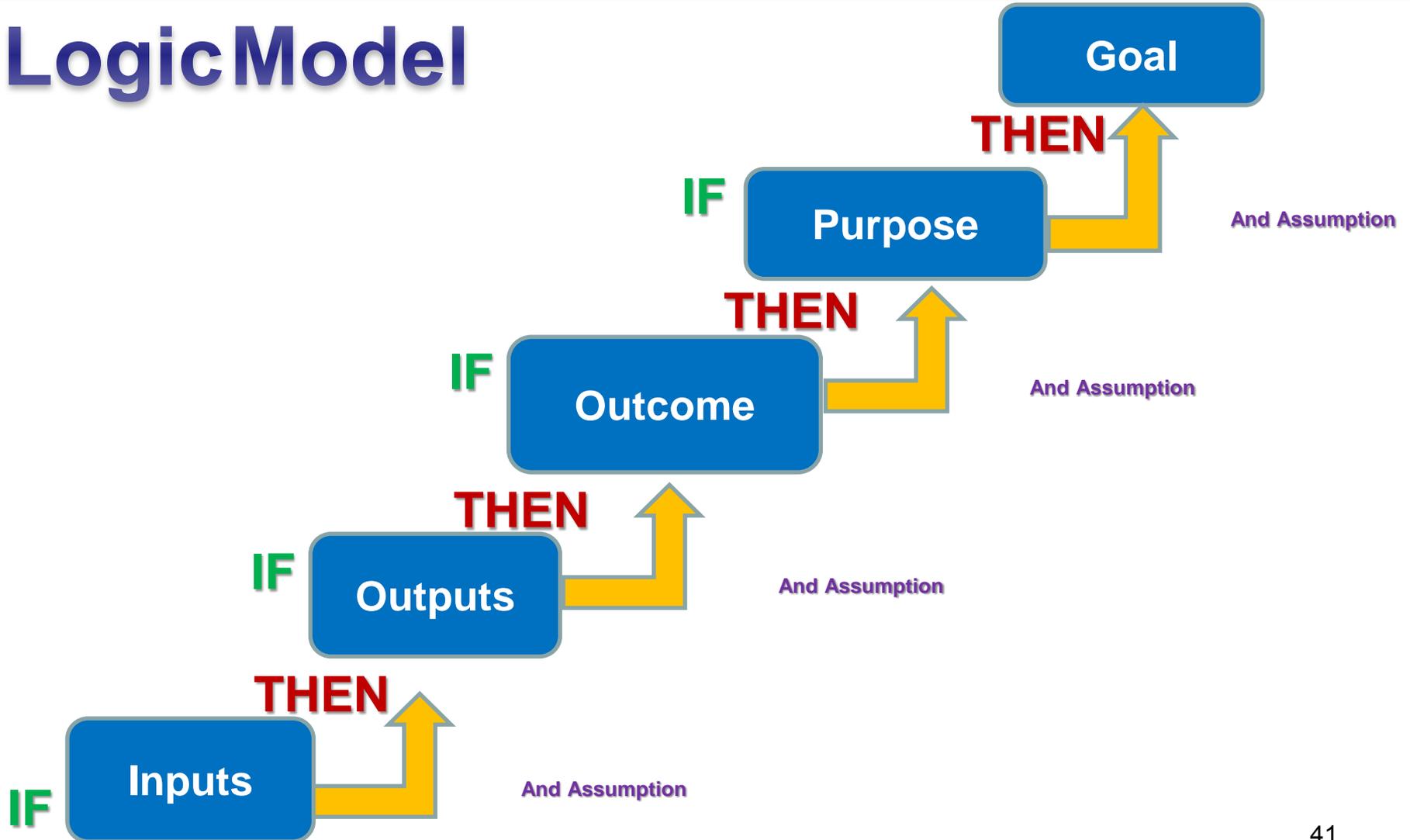
## ADS 201.3.12.2

**The Logical Framework (LogFrame) is the tool that *must* be used as the basis for designing activities. This guides us where we wantd to go.**

**The LogFrame is also the sound starting point for a useful MEL Plan. It shows the theory of change for your activities.**

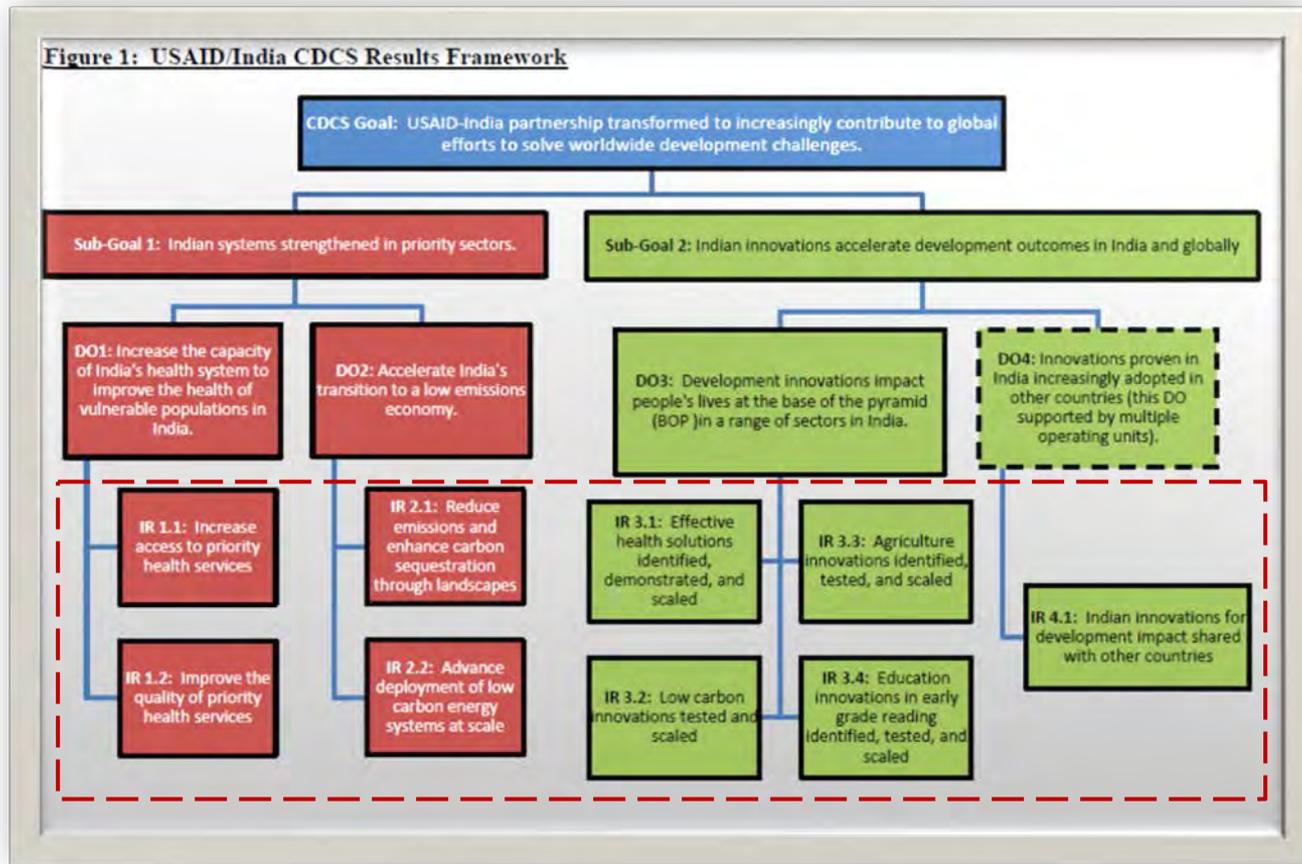


# Logic Model





# Linkage between a CDCS results framework, a Project Log frame and Activities





# LogFrame

The LogFrame describes “how” a developmental change will be achieved (top-to-bottom) as well as “why” or “so what” (bottom-to-top).

Narrative Summary	Indicators	Data Sources	Assumption
Goal			
Purpose			
Outputs			
Inputs			





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**Good news!**  
**your MEL Plan gets you**  
**halfway there**



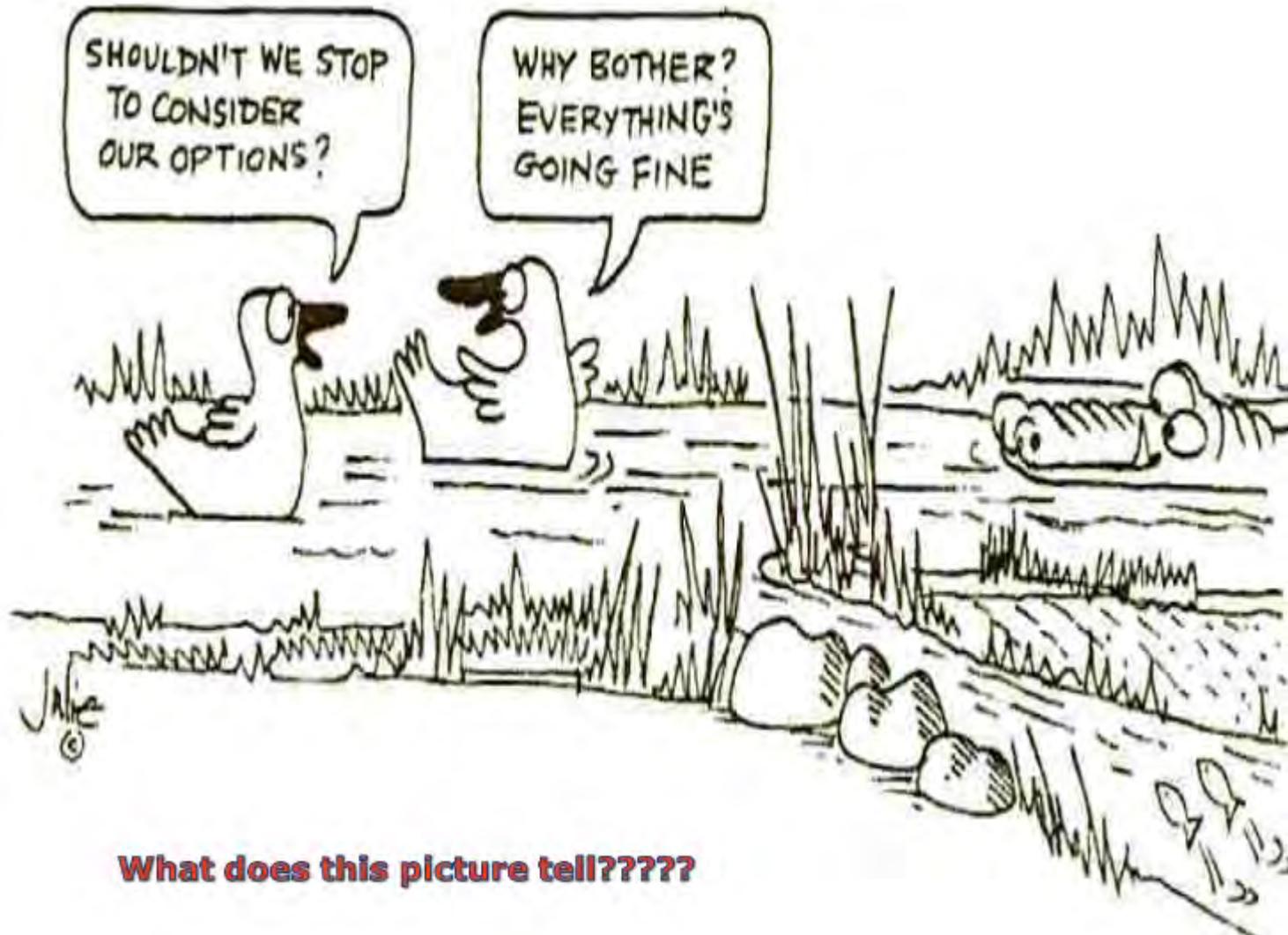
- ✓ What is the plan for baseline collection?
  - ✓ Need to have before implementation begins
  - ✓ Target setting
  - ✓ Information Flow and Feedback mechanism
  - ✓ Capacity Building activities
  - ✓ Setting up Monitoring mechanism
  - ✓ Data Gathering, Recording, Reporting and Analyzing
  - ✓ Quality Assurance/Data Quality Assessment
- ✓ Performance Indicator Reference Sheets **(PIRS)**
    - ❖ The definition of the indicator
    - ❖ Its link to the LogFrame
    - ❖ Unit of measure
    - ❖ Whether and how the data must be disaggregated (by sex, age, or other category)
    - ❖ Data source
    - ❖ Method of data collection, construction, and/or analysis
    - ❖ Reporting frequency
    - ❖ Known data quality limitations, relative to the five standards of data quality
    - ❖ Date of last DQA and DQA reviewer for all indicators that a mission plans to report externally
    - ❖ Responsible office and individual for collection and analysis
    - ❖ Any changes to the indicator reference data over time



# Evaluation Plan:

Please feel free to include additional information regarding sources of data, specific evaluation design preference and methods, etc.

- ✓ How many, if any, evaluations do you plan to conduct of this activity?
- ✓ Will your evaluation(s) be conducted internally or externally?
- ✓ If you plan to conduct an internal evaluation, does your organization have someone who knows evaluation design and methods?
- ✓ What things would 'trigger' an evaluation of this activity?
- ✓ What key questions would you like your evaluation(s) to address?
- ✓ Who all key stakeholders will be associated for this activity evaluation?
- ✓ What will be the timeline of evaluation?
- ✓ What is your budget for evaluation?
- ✓ Who will use the evaluation and how will the final report be used?

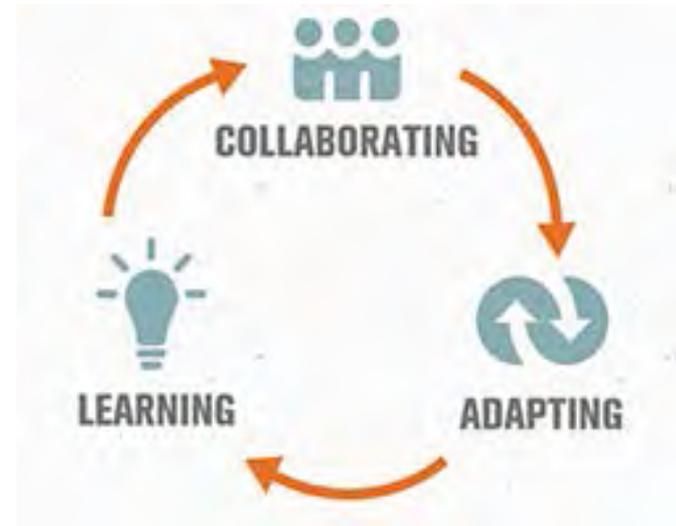


**What does this picture tell?????**



# Learning Plan:

- With whom will you collaborate during activity implementation?**
- Will you identify learning gaps in knowledge during implementation? If you do, how will you address them?**
- Will you pause and reflect on progress during activity implementation?**
- Will you use that knowledge to adapt your activity accordingly?**



Being intentional about learning and resourcing it appropriately

Knowledge Capturing

Knowledge Dissemination and Sharing

Knowledge Application

Knowledge Generation



The purpose of MEL practices is to apply knowledge gained from evidence and analysis to improve development outcomes and ensure accountability for the resources used to achieve them.

USAID and its partners must rely on the best available information to rigorously and credibly make choices, plan effectively, manage adaptively, and learn more systematically.



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## Group Activity 2: Action Plan to Address Barriers to Information Use

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- ❖ **Instructions:**
- ❖ Discuss barriers to data use experienced in your work. Here are some questions to start your discussion:
  - Have you ever had an experience while making a policy- or program-related decision when you were concerned about the quality of the information being used?
  - Does your agency have the technical capacity to ensure access to and availability of reliable data?
  - What specific challenges have you experienced among your staff when it comes to using information?
  - How does your organization support having the necessary information to make decisions?
- ❖ After identifying barriers, prioritize them and select the five most important barriers. Craft solutions for each priority barrier.
- ❖ Fill out the attached Action Plan (pg. 2) for at least two of the prioritized barriers.
- ❖ Transfer your top five barriers, solutions, and Action Plan to flip chart paper for reporting back.



# Action Plan for Addressing Barriers to Using Information/Data and in Decision Making

## Assessment of Information Use Constraints

Barrier No.	Barrier	Proposed Intervention	Steps Involved	Person(s) Responsible	Other Stakeholders	General Timeline



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# Key Takeaways





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Don't let the things  
happen in their own  
way.....

**Report right things to right  
person at right time!!!**

**Don't just write for files**



Be the user of  
information not the  
owner.....



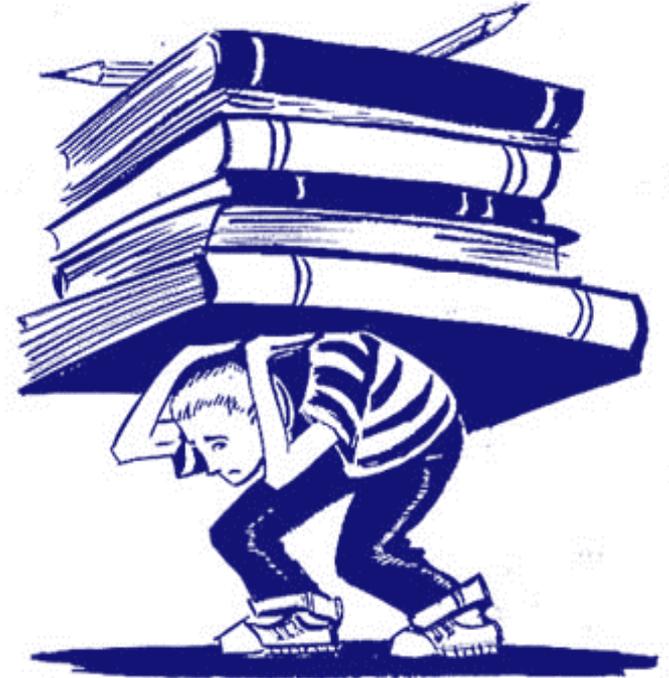
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**Collect what is needed**



**Do not be overburdened with information**





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## Helpful links:

Learning Lab: <http://usaidlearninglab.org/>

Performance Indicator Reference Sheet:

[https://www.usaid.gov/sites/default/files/documents/1861/Recommended\\_PIRS\\_for\\_USAID\\_indicators\\_0.pdf](https://www.usaid.gov/sites/default/files/documents/1861/Recommended_PIRS_for_USAID_indicators_0.pdf)

Country Development Cooperation Strategy:

<https://www.usaid.gov/india/cdcs>



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**Thanks**



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## **USAID ASSISTANCE INSTRUMENT TYPES**

- Cooperative Agreement
- Grant
- Simplified Grant
- Fixed Amount Award (FAA)
- Leader with Associate Award (LWA)



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# What type of Assistance Instrument am I?



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## Grant

- This type of assistance instrument allows the recipient substantial freedom to pursue its program objectives



## Simplified Grant

- This instrument is always a grant and may not exceed \$150,000 for the life of the award. The recipient may not purchase any goods that are over \$5000 in value.



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## Leader with Associate Award

- This instrument is comprised of a competitive award that covers a specific worldwide activity. It also allows USAID missions to award an associate grant or cooperative agreement under the umbrella of the original award to carry out specific activities within the scope of the original award in a country or region.



## Fixed Amount Award (FAA)

- This type of grant supports a program with very specific elements. Payment is made upon work completed or milestones received rather than on actual costs incurred.



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## Cooperative Agreement

- This award allows the recipient freedom to pursue its stated objectives but substantial involvement by USAID is anticipated.



## Types of Substantial Involvement

- Approval of the Recipient's Implementation Plans
- Approval of Specified Key Personnel
- Agency and Recipient Collaboration or Joint Participation
  - Collaborative involvement in selection of advisory committee members
  - Concurrence on the substantive provisions of sub-awards
  - Approval of the recipient's monitoring and evaluation (M&E) plans
  - Monitoring to authorize specified kinds of direction or re-direction because of inter-relationships with other projects
- Agency Authority to Immediately Halt a Construction Activity



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## **FIXED AMOUNT AWARD (FAAs)**

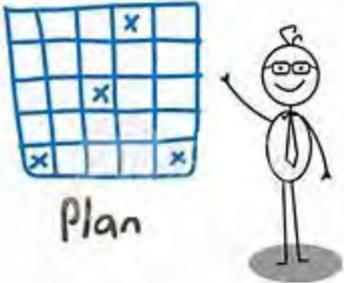
- Increasingly used by USAID and Recipients
- Reach local partners that may not meet conditions for cost-reimbursement instruments
- Payments → pre-defined milestones



## Fixed Amount Award (FAA)

- ✓ Simplified grant
- ✓ Structures payments based upon the completion of tasks or deliverables
- ✓ Limited to three years
- ✓ Not subject to cost audits
- ✓ For Direct USAID Awards – No Ceiling
- ✓ For Subawards by Recipients - the total value is currently limited to \$150,000 (revisions expected by USAID to increase ceiling)

# MILESTONES





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## **Fixed Amount Award (FAA) Group Exercise**

- ❖ Review the application from an organization seeking USAID sponsorship for their program on capacity building and training for disaster risk reduction in preparedness for disaster response in Asia
- ❖ In your group, identify at least 4 milestones that could be incorporated into this FAA award, to include pricing
- ❖ Appoint a spokesperson from your group and share your findings to the class.



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# Mail Call!





## **PRE-AWARD ISSUES**

- Responsibility Determination
  - Potential Specific Conditions
- Environmental Issues - 22 CFR 216
- Representations and Certifications

## DO YOUR POLICIES MEASURE UP?

- ❖ *Using the policy guide in the the workbook, take a few moments to assess whether your current policies meet these minimum requirements*





## AOR DESIGNATION LETTER

- ❖ Read the designation letter(s)
  - Grant
  - Cooperative Agreement
- ❖ Discuss at your table any concerns and/or questions that you might have regarding the responsibilities and duties of the AOR
- ❖ Report out



# Agreement Officer (AO) Agreement Officer's Representative (AOR)

- Has authority to enter into and administer grants and cooperative agreements
  - Has authority to obligate funds on behalf of the US government
  - Has administrative approval authority
  - Some AO approval authorities may be delegated to the AOR
- Acts as the technical representative of the AO in the performance of an assistance instrument
  - Usually acts as the main point of contact for the recipient implementation team
  - Responsible for monitoring the implementation progress of the recipient

# RECIPIENT FEUD CHALLENGE

## POST AWARD ORIENTATION MEETING

At the onset of the award, you should request a Post Award Orientation meeting with USAID

- ❖ In your table team, list as many of the topics that should be on the agenda and addressed during this meeting as you can.
- ❖ Assume you are a new implementing partner with USAID
- ❖ You have 5 minutes





## **A Post Award Orientation Meeting should....**

- Achieve clear and mutual understanding of terms and conditions of the agreement
- Identify and resolve potential problems
- Avert misunderstanding
- Discuss the proper communication channels to make our working relationship more effective
- Clarify authority, roles and responsibilities under the agreement



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## BRANDING AND MARKING

- Branding
  - How a program or project is named and positioned
  - Identifies the sponsor of the work
- Marking
  - Applying graphic identities or logos to program materials or project signage to visibly acknowledge contributors
  - Identifies organizations supporting the work



## **COST SHARE (2 CFR 200.306 )**

“The portion of the project or program costs not borne by the United States Federal Government”

Purpose:

- To further the objectives of the program
- Ensure that the recipient will build its organizational capacity for resource mobilization
- To promote sustainability
- Expand the impact of the program
- Demonstrate recipients’ degree of support

## LEVERAGING

- Significant resource mobilization. In the case of public-private alliances,
- USAID seeks the mobilization of resources of other actors on a 1:1 or greater basis.
- Resources may include funds, in-kind contributions, and intellectual property.
- Defined by ADS Chapters 200-203



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## Leveraging...

For example:

If USAID invests \$1 million in an alliance, the array of assets, expertise, contributions and resources provided by the private sector partner(s) must have a value equal to \$1 million and will preferably have a value significantly greater than \$1 million.



## **PAYMENT OPTIONS**

- Letter of Credit
- Advance Payment
- Cost Reimbursement
- Achievement of Milestone (FAA)



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## Disbursement Channels for USG Funds

- The Award Agreements will define the authorized disbursement methods.
- Local Payment Mechanisms:
  - Advance/Liquidation basis
  - Reimbursement basis



## Advances

- Mission Controllers and the M/CFO/CMP must ensure that outstanding advances for the contractors and recipients are monitored on an on-going basis.
- At a minimum, they are periodically reviewed (at least quarterly) to ensure funds advanced are not in excess of immediate disbursement needs.



## **Allowability of Costs**

### **PRIOR GUIDANCE**

- 2 CFR 220 (OMB Circular A-21) Educational Institution
- 2 CFR 230 (OMB Circular A-122) Non-Profit Organizations
- 48 CFR Part 31 For Profit Organizations
- Allowability of Cost Standard Provision for non US Organizations

**EFFECTIVE DECEMBER 26, 2014 – New Awards**

**2 CFR 200, Subpart E**

**2 CFR 700**



## **Which of the following is an acceptable cost share item? If not, why?**

1. Volunteer doctors to provide medical services at the local clinic
2. Costs associated with a fundraising gala to raise cost share money for the grant
3. A medical clinic donated by the Health Ministry
4. First class travel for NGO president to do a site visit
5. Books bought and distributed under another USAID award
6. Pharmaceuticals procured by UKAid and distributed under this grant
7. Beer and tickets to a baseball game to thank USAID for the grant award
8. Casino equipment for the village recreation center (intended to generate program income)



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## **PROGRAM INCOME (2 CFR 200.80)**

“Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. ”



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## **DAY 3 TOPICS**

### **FINANCIAL MANAGEMENT**

Budget Revisions and Approvals: what requires prior written approval of the USAID AO? ~ Cost Principles ~ Period of Availability of Funds

### **PROCUREMENT OF GOODS AND SERVICES: USG WIDE**

General Recipient Responsibilities

### **PROCUREMENT OF GOODS AND SERVICES: USAID SPECIFIC**

22 CFR 228 – Rules for Procurement of Commodities and Services ~ Source of Commodities



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## **DAY 3 TOPICS (con't)**

### **ELIGIBILITY OF COMMODITIES FOR USAID FINANCING**

Ineligible Commodities ~ Eligibility of Other Commodities

~ Restricted Commodities ~ Eligibility of Commodities Determined by Transportation Medium ~ Eligibility of Commodities Determined by Ineligibility of Marine Insurance Provider ~ Eligibility of Suppliers of Commodities and Services for USAID Financing Nationality of Privately-Owned or Privately-Controlled Suppliers

### **ELIGIBILITY OF SERVICES FOR USAID FINANCING**

Ineligible Services ~ Prohibitions on Assistance ~ General Rule for Most Services ~ Special Rules for Construction and Engineering Services Supplier Nationality ~ USAID's Construction Policy ~ Special Rules for Transportation Related Services



## Budget Revisions

### US Organizations

- 2 CFR 200.308
  - Revision of Budget and Program Plans

### Non US Organizations

- Mandatory Standard Provision for Non US NGOS
  - M.3 – Amendment of Award and Revision of Budget



## **GRANT BUDGET FORMAT - Version 1**

SALARIES	3,500,000
FRINGE BENEFITS (9%)	315,000
TRAVEL	400,000
PARTICIPANT TRAINING	1,000,000
SUBAWARDS/SUBCONTRACTS	2,250,000
OFFICE LEASE	500,000
FACILITY RENOVATIONS	1,000,000
OVERHEAD/INDIRECT (25%)	<u>2,241,250</u>
TOTAL ESTIMATED COST	11,206,250



## GRANT BUDGET FORMAT - Version 2

GLIN 001	Water, Sanitation and Hygiene	\$3,500,000
GLIN 002	Improved Livelihoods	\$2,000,000
GLIN 003	Volunteer Engagement	\$3,000,000
GLIN 004	Scholarships	<u>\$2,000,000</u>
TOTAL ESTIMATE COST		\$10,000,000



## Budget Revisions Group Exercise

1. You need additional funds to carry out your program. What do you do? Do you need approval? From whom?
2. You want to split the time of your Chief of Party between two grants. Can this be done? How?
3. You have funding left in your grant and you want to use it to implement an additional activity under your grant before the completion date of the grant. Can you do this? How?
4. When does key personnel require approval?
5. Based upon current expenditures, you need to move funds between direct line items to make up for short falls in one line item. The amount is over 10% of the total grant amount. Can you do this? Does it need to be approved?



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# Mail Call!





## **PROCUREMENT OF GOODS AND SERVICES UNDER ASSISTANCE AWARDS**

- **Recipient Responsibilities**
- **Codes of Conduct**
- **Competition**
- **Procurement Procedures**
- **Cost and Price Analysis**
- **Procurement Records**
- **Contract Administration**
- **Contract Provisions**



## **22 CFR 228- Eligibility of Sources for Goods and Services**

- Specifies the eligibility of goods and services for USAID financing
- Tells from where – and from whom – goods and services under grant and cooperative agreements can be procured
- Applies the procurement element under assistance awards
- Revision created a single primary geographic code (937) and eliminated geographic code (000)



## **Procurement of Goods and Services – USAID Specific 22 CFR 228 – Key Definitions**

- Nationality – place of legal organization of suppliers
- Source – country from which commodities is shipped or country where the commodity is located at time of purchase
- Available for Purchase - offered for sale in a country at the time of purchase without regard to where it was manufactured or produced
- Developing Countries - lower or middle income economies categorized by World Bank
- Advanced Developing Countries – upper middle income countries categorized by World Bank
- Prohibited Sources - countries to which assistance is prohibited – Iran, Syria, Sudan, Somalia, and North Korea



## Geographic Codes 22 CFR 228

- Code 937 - US, the recipient country and “developing” countries other than “advanced developing countries”.
- Code 110 - Independent States of the Former Soviet Union
- Code 935 - Development Fund for Africa (DFA) Funding, US, recipient country, developing country and advance developing countries – or if the total procurement element in award is \$250,000 or less



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## Who is YOUR Source?

- ❖ Review 22 CFR 228 exercise in your workbook
- ❖ Use the regulation to answer and discuss the questions in the scenario in your table teams
- ❖ Report out

# ADS 312 - ELIGIBILITY OF COMMODITIES

## Prohibited Commodities

- (never ever ever)
  - Military Equipment and Surveillance Equipment
  - Commodities for Support of Police or Law Enforcement
  - Abortion Equipment
  - Luxury/Gambling Goods
  - Weather Modification Equipment

## Restricted Commodities

- Agricultural
- Fertilizers
- Pesticides
- Pharmaceuticals
- Rebuilt and Reconditioned Equipment
- Motor Vehicles
- Condoms and Contraceptives



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## **Eligibility of Commodities - 22 CFR 228 Prohibited Sources**

Commodities from with source/nationality from a “prohibited source” country are not eligible for USAID financing, without specific waiver approval

Waivers are obtained from Office of Foreign Assets Control under U.S. Department of Treasury



## Eligibility of Services for USAID Financing

- Prohibited Services
  - Law enforcement
  - Abortion services
  - Undemocratic government
  - Foreign Investment promotion
  - Drug Trafficking
  - Foreign Delegation entertainment
  - Prostitution and sex trafficking



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## Eligibility of Services for USAID Financing

- Services must have their nationality in a county or area included within the authorized geographic code
- Construction Policy
- Transportation Related Services



## **Procurement of Goods and Services – USAID Specific 22 CFR 228 – Special Considerations**

- Transactions under \$25,000 - No waiver required
- Waivers must be in writing from appropriately authorized USAID official
- Special considerations for Construction and Engineering Services from advance developing countries
- Foreign policy interests govern waivers for foreign owned government organizations



## DAY 4 TOPICS

### PERSONNEL

Key Personnel Issues ~ Employees vs Consultants ~ Staff Training ~ Approvals Required as Revisions to Budget and Program Plans ~ In-Country Status of Recipient (and Sub-Recipient) and its Personnel ~ Evacuations and Ordered Departures ~ Suspensions/Interruptions of Operations ~ Payment for/to Host Government Personnel: Recurrent Costs and Salary Supplements ~ Codes of Conduct/Standards of Ethics

### Property Management

Types of Property ~ Prior Approval for Purchase of Property Under the Cost Principles ~ Insurance Coverage ~ Title to Tangible Property ~ Intangible (Intellectual) Property



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## **DAY 4 TOPICS (con't)**

### **FINANCIAL AND PROGRAM REPORTING**

Program Planning Reports ~ Program Performance Reports ~ Financial Reporting ~ Indirect Cost Rate Proposals ~ Reporting Host Government Taxes ~ Reporting First-Tier Sub-awards and Executive Compensation ~ Tangible Property Reporting ~ Record-Keeping and Record Retention



## ARE YOU SMARTER THAN A HALF TRAINED RECIPIENT?

- Each team will be assigned topics on common personnel issues pertaining to Assistance
- Using this information create a **GAME SHOW** to quiz your fellow classmates on the most important elements of your assigned reading.
- Your game show should be limited to 7 minutes.
- Be **creative**



## TEAM ASSIGNMENTS

Table	TOPIC
Table 1	Employee vs. Consultant pp. 4-8
Table 2	Staff Training, Approvals, In-country Status pp. 9-11
Table 3	Evacuation, Suspensions pp. 11-12
Table 4	Host Country Personnel pp. 12-16
Table 5	Codes of Conduct pp. 16-20



## Personnel Issues

- USAID Form 1420 Biodata Form is prohibited for use in Assistance
- Key Personnel – Versus Non Key Personnel
- Salary Disclosure - When and What Detail
- Local Employed Personnel Compensation Plan (LEPCP)
- Use of UNDP compensation plan is encouraged
- Market Value of Consultants/Staff
- Fair and Reasonable Issues



## Property Management

### PROPERTY TRUST RELATIONSHIP

Real property, equipment, intangible property and debt instruments that are acquired or improved with USAID funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved.

# Property Management

Major Types of Property ~ Prior Approval Requirements

Real Property

Personal Property

Equipment

Supplies

Intangible Property and Debt Instruments

# Property Management

Insurance Coverage

Title to Tangible Property

Intangible Property (US and Non US)

- Rights in Data

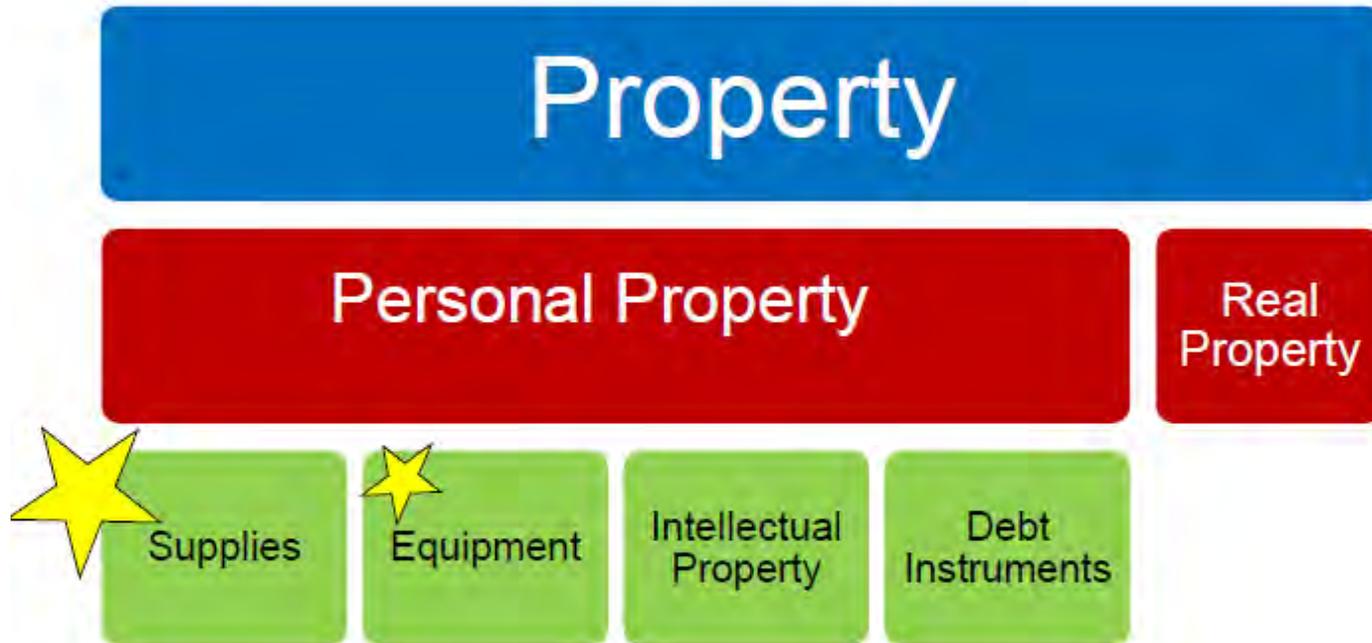
- Copyrights

- Patent/Inventions

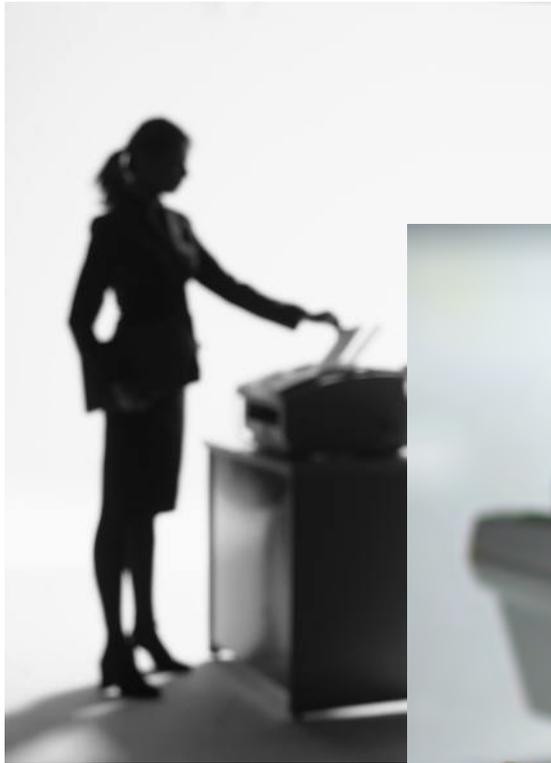


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# Government Property Definitions



# PROPERTY CHALLENGE



## Property Challenge

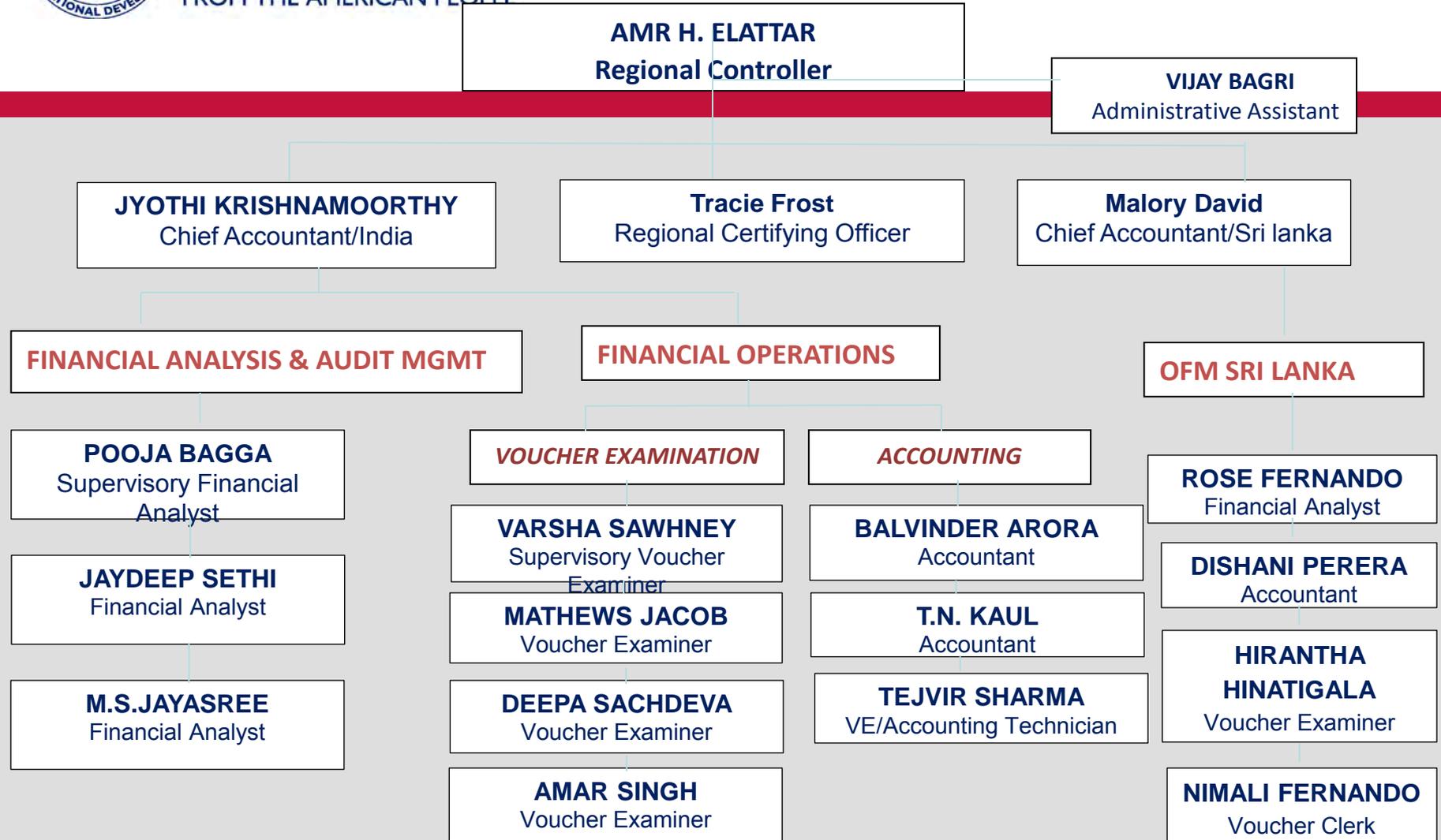
- Each team should discuss and select one property question or challenge.
- Write down your question on your chart paper
- The team to your right will research and answer your question
- Refer to 2 CFR 200.311 – 316





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# REGIONAL FINANCIAL MANAGEMENT OFFICE(RFMO)





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## RFMO – MAIN AREAS OF RESPONSIBILITY

- **Funds Control / Funding authorization**
- **Audits / Pre-award Assessments / Financial reviews**
- **Leading the Mission's Local Capacity Building initiatives. (Staff and Partners)**
- **Internal Control**
- **Financial reporting and Compliance**
- **Payments**

## **Financial Reporting 2 CFR 200.327**

- Expenditures and Unliquidated Obligations
- Indirect Rates
- Reporting Host Government Taxes
- Reporting First-Tier Sub-Awards and Executive Compensation

# Financial Reporting

SF-425 “Federal Financial Report” :

- Should be submitted at the end of every quarter
- Within 30 days of the end of the quarter

## REFERENCES

- ADS Chapter 303: Grants and Cooperative Agreements to Non-Governmental Organizations  
<http://www.usaid.gov/policy/ads/300/303.pdf>
- ADS Chapter 636: Program Funded Advances  
<http://www.usaid.gov/policy/ads/600/636.pdf>
- ADS 602 - Forward Funding of Program Funds  
<http://www.usaid.gov/policy/ads/600/602.pdf>

## Forms Required from Recipients by the Paying Office

For advance requests: (on a monthly basis)

- 1) For advance: SF-270 “Request for Advance or Reimbursement” (marked for “advance”)
- 2) For liquidation : SF-1034 “ Public Voucher for Purchases and Services”

For reimbursement requests: (depending on disbursement chanel)

- 1) SF-1034 “Public Voucher for Purchases and Services”

# SF-270

- It is a two-page form:
  - Information for advance and reimbursement requests must be provided on the first page
  - The second page is for signatures and instructions
- On the first page, there are three primary sections:
  - The top portion is for information about the particular grant and request
  - The middle section is for the advance or reimbursement calculation
  - The third portion is for requesting advances only

## REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

1. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED

2. EMPLOYER AGENCY OR DONOR NUMBER

3. RECIPIENT ORGANIZATION:

Name:

Number and Street:

City, State and ZIP Code:

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY

5. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER

6. PAYEE (When check is to be sent to different than item 3):

Name:

Number and Street:

City, State and ZIP Code:

OMB APPROVAL ID: 0348-0004

PAGE: 1 OF 2 PAGES

7. TYPE OF PAYMENT REQUESTED:

ADVANCE  REIMBURSEMENT

FINAL  PARTIAL

8. BASIS OF REQUEST:

CASH  ACCRUAL

9. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY

10. PERIOD COVERED BY THIS REQUEST

TO: (month, day, year)

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES	(a)	(b)	(c)	TOTAL
a. Total program outlays to date (As of date)	\$	\$	\$	\$ 0
b. Less: Cumulative program income				0
c. Net program outlays (line a minus line b)		0	0	0
d. Estimated net cash outlays for advance period				0
e. Total (Sum of lines c & d)				0
f. Non-Federal share of amount on line e				0
g. Federal share of amount on line e				0
h. Federal payments previously requested				0
i. Federal share now requested (line g minus line h)		0	0	0
j. Advances required by month when requested by Federal grantor agency for use in making precluded advances	1st month			0
	2nd month			0

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by this advance	\$
b. Less: Estimated balance of Federal cash	\$
c. Amount requested (line a minus line b)	\$ 0

AUTHORIZED FOR LOCAL REPRODUCTION (Continued on Reverse) STANDARD FORM 270 (Rev. 7-87) Prepared by GMB Columns A-102 and A-110

# SF-1034

- Standard cover form for all requests – only one request at a time
- Always shows the current/actual amount – not the cumulative > used to double check information on the SF-425
- Always indicate the total amount and the currency

PURCHASE ORDER NUMBER		PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL		FISCAL YEAR	
U.S. DEPARTMENT OF THE TREASURY U.S. DEPARTMENT OF JUSTICE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES U.S. DEPARTMENT OF AGRICULTURE U.S. DEPARTMENT OF EDUCATION U.S. DEPARTMENT OF ENERGY U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT U.S. DEPARTMENT OF LABOR U.S. DEPARTMENT OF TRANSPORTATION U.S. DEPARTMENT OF THE INTERIOR U.S. DEPARTMENT OF JUSTICE U.S. DEPARTMENT OF STATE U.S. DEPARTMENT OF DEFENSE U.S. DEPARTMENT OF AGRICULTURE U.S. DEPARTMENT OF EDUCATION U.S. DEPARTMENT OF ENERGY U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT U.S. DEPARTMENT OF LABOR U.S. DEPARTMENT OF TRANSPORTATION U.S. DEPARTMENT OF THE INTERIOR U.S. DEPARTMENT OF JUSTICE U.S. DEPARTMENT OF STATE U.S. DEPARTMENT OF DEFENSE		THE CONTROLLER'S OFFICE BANK CENTER, 3RD FLOOR SCARBOROUGH, ME 04110		DATE OF PURCHASE	
PAYEE'S NAME AND ADDRESS		PAYEE'S PHONE NUMBER		PAYEE'S ACCOUNT NUMBER	
PURPOSE OF PURCHASE		QUANTITY		UNIT PRICE	
NAME OF SUPPLIER		ADDRESS OF SUPPLIER		CITY, STATE AND ZIP	
QUANTITY		UNIT PRICE		AMOUNT	
TOTAL		TOTAL		TOTAL	
APPROVED BY		EXCHANGE RATE		DIFFERENCE	
TITLE		SIGNATURE		DATE	
CHECK NUMBER		ON TREASURER OF THE UNITED STATES		CHECK NUMBER	
DATE		DATE		DATE	
CHECK NUMBER		ON TREASURER OF THE UNITED STATES		CHECK NUMBER	
DATE		DATE		DATE	

# SF-1034: Top Portion

<b>U.S. Dept...</b> Always indicate the address of the Paying Office	Add the date when the voucher is prepared	VOUCHER NO.	
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION USAID/RSC/RFMC The Controller's Office Bank Center, Granite Tower, 3rd Floor Szabadsag Ter 7-9 1944 Budapest, Hungary	DATE VOUCHER PREPARED CONTRACT NUMBER AND DATE REQUISITION NUMBER AND DATE	<b>VOUCHER NO.:</b> e.g. Adv.#1, Reimb.#5, Liq.#8, etc.	
PAYEE'S NAME AND ADDRESS	<b>Always fill 'PAYEE'S NAME AND ADDRESS'.</b> <b>Also add the account # and SWIFT or ABA# or write 'banking information on file at RFMC'.</b> <b>Always confirm change of banking information in a separate note or banking information form as well</b>	<b>CONTRACT # AND DATE:</b> <b>ALWAYS add the contract # ; especially if there are more projects implemented by the same recipient; 'date': effective date of the award</b>	
SHIPPED FROM	TO	WEIGHT	GOVERNMENT B/L NUMBER

**Do not fill the rest of the fields**

# SF-1034: Middle Portion

NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <i>(Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)</i>	QUAN-TITY	UNIT PRICE		AMOUNT  ( 1 )
				COST	PER	
<p><b>Enter all relevant payment information:e.g.</b>                      -Reimbursement request for the period of 10/2011                      -Personnel - \$xxx; Office Lease - \$XXX,                      Equipment - \$xxx, etc.</p>		<p><b>Do not provide confusing/irrelevant information, eg. the amount of previous advances for a liquidation:                      Advance USD 10,000, Liquidation USD 8,000 and missing 'TOTAL'</b></p>				
(Use continuation sheet(s) if necessary)				(Do not use this space below)		<b>TOTAL</b>

**Always fill the 'TOTAL', quantities above must add up to total amount; always indicate currency if other than USD**

# SF-1034: Bottom Portion

(Date continued on reverse if necessary)		(Payee must NOT use the space below)		TOTAL
PAYMENT: PROVISIONAL COMPLETE PARTIAL FINAL PROCESSED	APPROVED FOR	EXCHANGE RATE	DIFFERENCES	
	= \$	= \$1.00		
	BY <sup>1</sup>			
			Amount verified correct for payment	
<div style="border: 1px solid black; padding: 5px; background-color: #f0f0f0;"> <p><b>Do not fill – space for the Paying Office only</b></p> </div>				
(Date)	(Authorized Certifying Officer)	(Title)		
ACCOUNTING CLASSIFICATION				
P A I D  B Y	CHECK NUMBER	ON TREASURER OF THE UNITED STATES	CHECK NUMBER	ON (Name of bank)
	CASH	DATE	PAYEE <sup>2</sup>	
	\$			
<sup>1</sup> When stated in foreign currency, insert name of currency. <sup>2</sup> If the ability to certify and authority to approve are contained in one person, one signature only is necessary; if neither the approving official will sign in the space provided, insert his initials. <sup>3</sup> When a voucher is received in the name of a company or corporation, the name of the person holding the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, its Secretary," or "The Board," as the case may be.				FOR  TITLE

Previous edition obsolete

NON 7540-00-900-7104

### PRIVACY ACT STATEMENT

The information requested on this form is required under the provisions of 31 U.S.C. 820 and 821, for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amount to be paid. Failure to furnish this information will hinder discharge of the payment obligation.

## Overview of Paying Office Procedures

- Recipients send their requests to USAID/India RFMO preferably via e-mail to [indiarfmo@usaid.gov](mailto:indiarfmo@usaid.gov)
- In case of a concern, the primary contact of the Recipient is the AOTR, who may refer a question on to the Voucher Examiner for further information. The VE may be in direct correspondence with the Recipient, but the AOTR must be copied at all times
- Requests are stamped with date of receipt, logged into the accounting system and sent to the AOTR for administrative approval - the initial approval of an invoice or voucher received for payment. The approving officer is directly concerned with acceptance of the supplies, services, etc., billed. The approval is necessary before the voucher is certified for payment by the authorized Certifying Officer

# SF-425 Federal Financial Rep. (= Liq. Rep.) Top Portion

## FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted  Corporation for National and Community Service		2. Federal Grant or Other Identifying Number Assigned by Federal Agency		Page 1	of 1  pages
3. Recipient Organization (Name and complete address including Zip code)					
4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number	6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	
8. Project/Grant Period From: (Month, Day, Year)		To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)		

<b>1.</b> Fund provider : USAID	<b>3.</b> Name of Recipient	<b>6.</b> Report type	<b>8.</b> The period of award performance
<b>2.</b> Agreement number	<b>4.a/b</b> for US Recipients only	<b>7.</b> Basis of accounting	<b>9.</b> Reporting period end date (3/31, 6/30, 9/30 or 12/31)

## SF-425 Portion 2 - Cash Management Information

10. Transactions	Enter cumulative amounts <u>from the date of inception of the award</u> through the end date of the reporting period
<i>(Use lines a-c for single or multiple grant reporting)</i>	<b>10.a</b> The total amount of actual funds received from USAID through the end date of the reporting period; Total grant funds received (the total of advances and reimbursements) as of date
<b>Federal Cash</b>	<b>10.b</b> The total amount of disbursements from grant fund as of the end date of the reporting period (advance liquidation or reimbursement). Sum of cash expended for goods and services, payment made to subgrants and indirect expenses charged to award (total federal share of outlays)
a. Cash Receipts	
b. Cash Disbursements	
c. Cash on Hand (line a minus b)	<b>10.c</b> Cash on hand This amount represents the immediate cash needs (outstanding advance balance)

# SF-425 Portion 3

Enter cumulative amounts from the date of inception of award through the end date of the reporting period

**10.d** Total amount of USG funds obligated as of the reporting period end date. (Total obligated amount in

<b>Federal Expenditures and Unobligated Balance:</b>	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	
h. Unobligated balance of Federal funds (line d minus g)	
<b>Recipient Share:</b>	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
<b>Program Income:</b>	
l. Total Federal program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	

**10.e** The amount of expenses: cash expenses for direct charges for goods and services, indirect expenses charged to the award, payment to the sub-receipients. Plus the net increase or decrease in the amount owed. (10.G of SF269 - Total previous advance liquidation or reimbursements)

**10.f** The amount of expenses incurred but not yet paid. Cash on hand, same amount from 10.c. Cash on hand = 'outstanding advance balance' resulted from the difference of total advance and total advance liquidation

**10.g** Sum of the expenditures and cash on hand (advance liquidation plus unspent, outstanding advance)

# SF-425 Portion 3 continued...

<b>Federal Expenditures and Unobligated Balance:</b>	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	
h. Unobligated balance of Federal funds (line d minus g)	
<b>Recipient Share:</b>	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
<b>Program Income:</b>	
l. Total Federal program income earned	
m. Program income expended in accordance with the deduction alternative	
n. Program income expended in accordance with the addition alternative	
o. Unexpended program income (line l minus line m or line n)	

**10.h** Total federal share subtract from the total federal funds authorized (Remaining balance on budget)

**10.i** Total required recipient share for the reporting period

**10.j** The amount of cost share expended through reporting period (Expenditures plus income earned and used to finance the non-federal share of the project)

**10.k** Subtract 10.j from 10.i

**10.m** Income earned and used to reduce the federal share of the total project cost

**10.n** Income earned and added to funds of total project cost and spent to further eligible activities

**10.o** Total income minus 10.m or n. The result is the program income that has been earned but not expended as of the reporting end date

# SF-425 Bottom

11. Complete this section only if it is required by the Cooperative Agreement

	a. Type	b. Rate
11. Indirect Expense		

12. Place for explanations or additional information, if not in an attached note – e.g. cash on hand

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify that it is true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official c. Telephone (Area code, number and extension)

b. Signature of Authorized Certifying Official

13.a/b Name, title and signature of an authorized Certifying Official (at the Recipient) and contact information.

**(N.B.:**

- Always make sure that the certification text is included!
- Failure to fill this part results in return/rejection of form.)

Expiration Date: 10/31/2011

**N.B.** The SF-425 does not show the actual amount to be liquidated on the current request, that is why it is important for the Recipient to fill the SF-1034 to ensure accuracy of data provided

## Taxes

-Service Tax, Excise Duty and Custom Duty, if paid towards project's eligible expenditure are allowable costs.

-Income tax paid on organization's income or employee's income is un-allowable cost.

-Any penalty paid on late deposit of T.D.S., PF etc. is un-allowable cost.

# VAT

VAT is an allowable expenditure provided:

- Original bills are submitted to USAID/ India within the stipulated time-frame for goods and services procured from USAID funds.
- The invoice should have:
  - Registered dealer' s name, address and TIN
  - Details of goods purchased and value
  - Purchaser' s name should be  
‘USAID<Contract/Grant/Agreement/Award No.>C/O  
American Embassy, Organization name and address
- Value of invoice should be more than INR 1,500 excluding VAT amount

## Audits

- US Recipients
  - \$750,000 (FAA and Simplified Grants Included) ADS 591.3.4.1
  - 2 CFR 200, Subpart F
  - Required to contract with qualified auditing firms
- Non US Recipient
  - \$300,000 (FAAs/Fixed Price contracts excluded,) Simplified Grants included) ADS 591.3.2
  - RIG approved auditors
  - USAID Inspector General Guidelines for Financial Audits Contracted by Foreign Recipients



## Audit Inventory Threshold US ADS 591.3.1.1

-

## Non US ADS 591.3.2.1

**US**

**Non US**



FAA as a US Prime

YES

N/A

FAA as a Sub to US Prime

YES

NO

US Prime issues FAA to Non-US Sub

YES

NO

Non US Prime issues Non-US FAA sub

N/A

NO

## Audits

- Audit would be conducted every year where the amount expended by recipient increases the threshold limit of \$300,000 per recipient's financial year (directly or through sub grantees).
- Same applies for the sub grants and recipient is responsible for monitoring the same.
- Audit is to be conducted by an auditor appointed from the USAID/India list of approved auditors.
- Auditor is appointed by recipient and hence, fee is also paid by the recipient from program budget.

## Financial Review

A team of Financial Analysts from RFMO conducts financial review:

- Within six months of the award date.
- Every year in case the recipient is not subject to audit. Or at any time deemed necessary by the Mission.

The scope of financial review is to:

- -Follow up on the pre-award survey findings
- -Ensure that USAID funds have been utilized for the purposes as laid out in their cooperative agreement
- -Form a reasonable opinion on financial management system on recipient.

## Some vulnerable areas:

- Competitive procurement procedures for selection of organizations/ consultants/staff.
- Commingling of funds/activities
- Self authorization of vouchers/payments by Chief of Party
- Non Segregation of procurement/finance functions
- Outstanding advances for more than 90 days.
- Advances/security deposits booked as expenditure
- Entertainment expenses
- Time and attendance sheets are not available
- VAT claims not submitted to USAID in a timely manner
- Assets reconciliations are not done with books of accounts
- Basis for allocation of cost in multi donor environment is not clear or is arbitrary

## Some vulnerable areas:

- Variation in expenses claimed from USAID Vs. appearing in partner's books of accounts
- Inadequate documentation of official mobile phones used for personal purposes
- Adequate documentation is usually not available for cost share.
- Marking and physical verification of assets not done on regular basis.
- All provisions of the agreement must be complied with including key personnel approvals, work plan approvals etc.

# Program Reporting

- Program Planning Reports
  - Annual Work Plan
  - M&E Plan
- Program Performance Reports
  - Notifications
  - Periodic Monitoring Reports
  - Annual Results Report
  - Final Report

# Mail Call!



# **Monitoring and Reporting Program Performance**

## **2 CFR 200.328 - 337**

### Minimal Standards

- Accurate, current and complete financial data
- Source and Application of Funds
- Internal Controls Document Proper Use of Assets
- Comparison of Outlays with Budget Amounts
- Procedures on receipt of funds and disbursements
- Support of reasonableness, allocability and allowability of costs incurred under award
- Source Documentation Records

# Financial and Program Reporting Due Dates

TYPE OF REPORT	DUE DATE
Financial Report [SF-425 and SF-425A] [based on calendar year]	Within 30 calendar days following the end of each calendar quarter
Quarterly Program Performance Report [based on calendar year]	Within 30 days after end of each calendar quarter covered
Annual and/or Final Results Reports [based on USG FY: Oct 1 – Sept 30]	Within 90 days after the estimated Completion Date; if the quarterly and annual reports are due at the same time, only the annual report will be required.
<p>Other Reports:</p> <ol style="list-style-type: none"> <li>1. a. Tangible Property.               <ol style="list-style-type: none"> <li>i. loss/damage/theft</li> <li>ii. Disposition Instruction Request</li> <li>iii. Inventory Report</li> </ol> </li> <li>b. Intangible/Intellectual Property               <ol style="list-style-type: none"> <li>i. Published/Written Work</li> <li>ii. Patent</li> </ol> </li> <li>2. Tax Report (SP Reporting of Foreign Taxes)</li> </ol>	<p>1a(i) Immediately            1a(ii) When recipient has no need for real property, or equipment with per unit fair market value of \$5,000 or more, for the program or other USAID/USG programs.            1a(iii) Within 90 days after completion date            1b. Whenever there's such property; 2 months after the inventor discloses it [SP]            2. By April 16 of the next year</p>

## **DAY 5 TOPICS**

### **SUSPENSION, TERMINATION, DISPUTES AND USAID ENFORCEMENT**

Suspension/Termination ~ Enforcement: Remedies for non-compliance ~  
Disputes and Appeals – 2 CFR 700.15

### **BRANDING AND MARKING**

### **AUDIT AND CLOSEOUT**

### **STANDARD and REQUIRED AS-APPLICABLE PROVISIONS**

2 CFR 200/700

## **DAY 5 TOPICS (con't)**

### **SUBAWARD OVERVIEW**

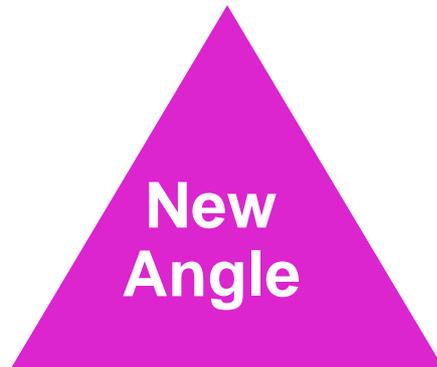
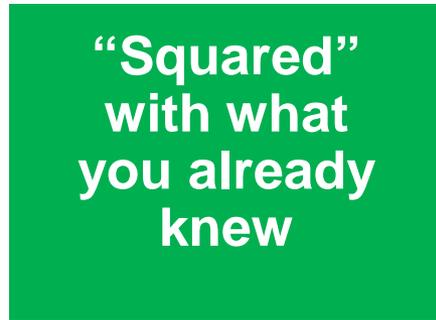
Pre Subaward ~ Post Subaward

### **A PRACTICAL APPROACH TO FRAUD & CORRUPTION**

Fraudulent or Corrupt Activities ~ Making Fraud and Corruption  
More Difficult ~ USAID IG Actions ~ Conclusion

### **WRAP-UP AND CLOSING REMARKS**

**Morning Review:** Each team will reflect on the learning of the week and answer the question "what?" for each shape. You do not have to come to consensus – 20 mins.



## Branding and Marking



### Guidance

- 2 CFR 700.16 Marking (US)
- M.9 - Marking and Public Communications Under USAID-Funded Assistance (Non US)
- ADS 320



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## How would you mark the following?

- A conference for neo-natal health
- A health clinic renovation
- A shovel
- Pens and pencils
- Latrine pits
- Donkeys



2 CFR 700.16 page 5-8



**Boxes of condoms**



**Latrine**



**With other USG agencies**



## Conference for neo-natal health

**In Afghanistan, our investments  
have led to the largest increase in  
life expectancy and largest decreases  
in maternal and child mortality**  
*of any country in the world in the last decade.*



## Publication



## Co-branding



???

## USAID Standard Provisions

Table	1	2	3	4	5
	M17	M25	RAA10	RAA16	RAA13
	RAA 21	RAA23	RAA24	RAA25	RAA27
	RAA7	RAA2	RAA6	M8	M15

## **Suspension and Termination 2 CFR 200.338 – 342**

### Suspension and Terminations

- Material failure to comply
- Mutual Consent of the parties
- National interests of the US Government
- By the Recipient

Options Include Partial Suspensions and Terminations

## USAID Enforcement and Remedies

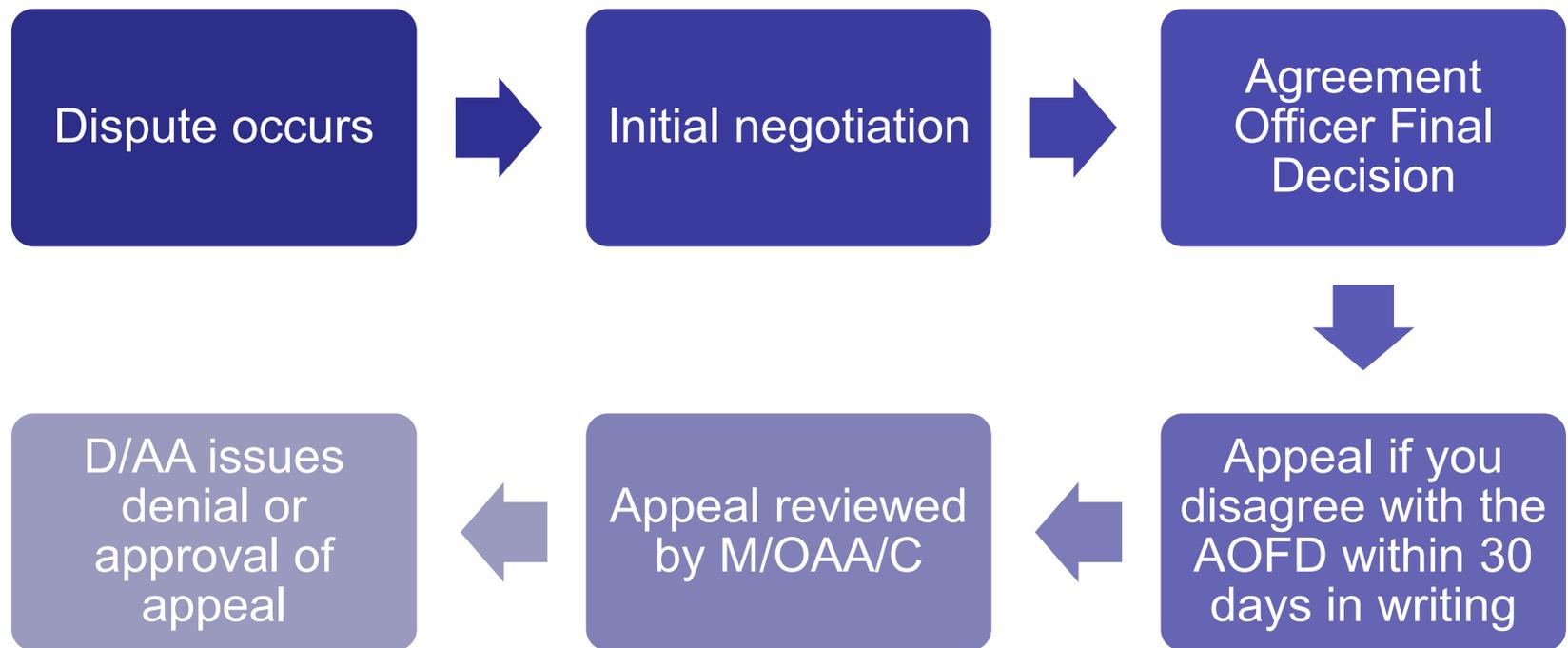
- USAID may consider recourse actions tailored to fairness and interests of foreign assistance program. Available actions are:
  - Cooperative efforts: USAID may choose to work with the recipient to find cooperative and mutually beneficial ways to address the root causes of the problem.
  - Limiting future funding or extensions: USAID may choose not to add funds to the assistance award in the future, or to decline or limit any requested extensions.

## Enforcement

### Noncompliance remedies:

- USAID may determine that the Recipient is in noncompliance with its responsibilities under the pertinent grant or cooperative agreement, and may invoke any of the five “enforcement” measures:
  1. Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe enforcement action by USAID.
  2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
  3. Wholly or partly suspend or terminate the current award.
  4. Withhold further awards for the project or program.
  5. Take other remedies that may be legally available.

## Disputes and Appeals 2 CFR 700.15.



## **Close Out**

### Close Out Issues

- All required reports have been provided
- Final patent reports submitted
- Completion of Property Disposition Instructions
- Funding period or date of completion expired
- Expenditures completed
- Compliance with all terms and conditions of award

## **Subaward Management**

Selection of Suitable Partners

Negotiation of Costs

Agreement on Cost Share Responsibilities

Selection of Instrument

Obtain USAID Agreement Officer Approval

Preparation of Subaward content

M&E Plan of Subrecipient

Payment Provisions

Reporting Requirements

Closeout

# Fraud Awareness and Prevention

What is fraud and corruption?

- Every country has at least one law defining these terms
- For purposes of this course, it is the use of public funds for private benefit

## Fraud Awareness and Prevention



- You have 10 minutes within your table to come up with a list of how to commit fraud under a USAID grant award.
- Report your findings to the class.

# Fraud Awareness and Prevention

## Overview

- Heighten awareness of the many ways that fraud or corruption can
- Occur during implementation
- Consider actions to make fraud/corruption more difficult
- Provide methodologies for detecting fraud or corruption
- Learn what to do when there is a suspicion of fraud or corruption

# Fraud Awareness and Prevention

## Potential Fraud Situations

- Hiring staff
- Selecting sub-grantees, sub-contractors and other vendors
- Performing the work
- Accepting deliverables
- Training
- Finance and administration

## **Fraud Awareness and Prevention**

### REALITY

There are many forms of fraud and corruption and innumerable ways in which someone can divert resources from the intended purpose to their own benefit.

However, situational awareness and prevention tools can reduce overall vulnerabilities.

# Fraud Awareness and Prevention

## Basic Prevention

- Management systems
  - Checks and balances
  - Logs and checklists
  - Documentation requirements
  - Training
- Oversight
  - Review documentation
  - Site visits
  - Audits
  - Awareness

## Fraud Awareness and Prevention

Not all questionable actions are fraud or corruption

There can be a valid explanation, such as:

- Lack of training
- Poor judgment
- Incompetence
- Laziness
- Overwork
- Misinterpretation of the situation by the observer



## Fraud Awareness and Prevention

If you find a situation where fraud or corruption may be occurring, what do you do:

- Investigate the situation yourself?
- Report the situation to local authorities?
- Report the situation to program management?
- Report the situation to USAID?
- Report the situation to the Inspector General (IG)?



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## Fraud Awareness and Prevention

Notifying USAID and/or USAID Inspector General (IG)

What will USAID and the IG do?

- Normally USAID and IG work together
- Often there is an audit
- USAID will reclaim funds lost due to fraud or corruption
- Other actions can be taken including suspension and debarment