

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA AID MISSION TO HONDURAS

AMERICAN EMBASSY
TEGUCIGALPA, HONDURAS

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PD-AAP-037
15N-33864

AUG 25 1982

Lic. Jane de Martel, President
University of San Pedro Sula
Apartado #1064
San Pedro Sula, Cortés

Subject: University of San Pedro Sula
Agricultural Education
Development Grant No. 522-0223

Dear Lic. Martel:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as A.I.D.) hereby grants to the University of San Pedro Sula (hereinafter referred to as the "Grantee") the sum of \$50,000 to provide support for a mutually agreed upon program in Honduras as more fully described in Attachment A to this Letter of Agreement entitled Detailed Project Description.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of Program objectives during the period July 2, 1982 through December 31, 1983. Expenditures for Project purposes allocable to the Grant will be accepted for reimbursement as of July 2, the date of the corresponding A.I.D. Authorization.

This Grant is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A, "Detailed Project Description," Attachment B, "Conditions of the Agreement," Attachment C, "Standard Provisions" and Attachment D, "Payment Procedures."

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant to the Agency for International Development, Mission to Honduras.

Sincerely Yours,


Anthony J. Cauterucci
Mission Director

POAAP 037

University of San Pedro Sula
Agricultural Education
Development Grant No. 522-0223

Attachments:

- A. Detailed Project Description
- B. Conditions of the Agreement
- C. Standard Provisions
- D. Payment Procedures
- E. Statement of Assurance of Compliance

ACCEPTED: University of San Pedro Sula.

BY:


Lic. Jane de Martel
President

DATE: August 27, 1982

FISCAL DATA

Appropriation:	72-1121021.3
Allotment:	LDAA-82-25522-AG13
Project No.:	522-0223
Current Grant Amount:	\$50,000

Detailed Project Description

DEVELOPMENT GRANT REQUEST

	<u>Est. US \$ Costs</u>
Total Amount of the Project	131,522.
USPS Input	74,187.
Request from USAID/H	57,335.

Project Title: Development Assistance to the
Universidad de San Pedro Sula (USPS)

Project Location: San Pedro Sula, Honduras

Contact Person: Lic. Jane Lagos de Martel, President

Date: 27 May 1982 (Revised 29 May 1982)

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I. Target Group of Beneficiaries:

The target group of beneficiaries of this project is the entire university community: students, faculty and staff. The major beneficiaries are the students as all efforts of the university are aimed at delivery of quality instruction, to produce qualified, educated professional graduates, who will be a credit to themselves, the university, their community and to the country of Honduras.

II. Project Purposes:

The purposes of this project are to assist USPS to:

- A. Increase the capability of the Agriculture School to deliver an improved program by:
 1. Providing additional equipment and supplies for their existing laboratory; and,
 2. Providing facilities and equipment for the practical field work of the agriculture program at the site of the new campus;
- B. Increase the capacity of the USPS Library and Learning Resources Center to provide services to students, staff and faculty;
- C. Create a University Extension Department to provide regular courses on a Friday and Saturday schedule and to determine needs for in-service type programs in agriculture;
- D. Determine educational needs for women and design programs to meet these needs;
- E. Upgrade teaching quality; and,
- F. Strengthen the capacity of USPS in administrative and management areas, personnel training, and to plan for the future.

III. Project Description:

The project consists of six components:

- A. Agriculture School Assistance.
- B. Library and Learning Resources Center Expansion.
- C. Creation of a University Extension Department.
- D. Women Programs Development.
- E. USPS Professors Professional Development Workshops.
- F. Technical Assistance.

A brief description of each of the components follows:

Component A

AGRICULTURE SCHOOL ASSISTANCE

The curriculum for the Agriculture School includes several courses which require laboratory work and many courses which require practical field activities. Under this project, the present modest laboratory will be expanded to more adequately meet the requirements of the curriculum. Additional equipment and supplies will be purchased and laboratory furniture will be installed. Also equipment and supplies will be purchased to carry out soils analysis.

To improve the practical field activities, at the site of the new campus, a rustic classroom and storage shed will be constructed. The storage shed will house the tools and equipment, folding chairs, blackboard, etc. all of which will be used in providing instruction in the field. In addition a potable water well will be perforated and an electrical pump will be installed so that water will be available for the poultry and animals which form part of the practical field activities.

With these improved facilities the practical field activities will be vitalized and more dynamic, improving the delivery of instruction for this very important aspect of the Agriculture School program.

Component B

LIBRARY AND LEARNING RESOURCES CENTER EXPANSION

The USPS Library and Learning Resources Center was established in 1979. The Library has approx. 2,600 volumens, in English and Spanish. There are a variety of both English and Spanish magazines and newspapers, which are obtained on a subscription basis. There are 75 seats in the library and the opentack system is used. With the increasing enrollment of the University, the demand is greater for library services. The University has been increasing its acquisitions on a modest rate annually. The funds contemplated in this proposal will provide the Library with approx. 1000 new volumes.

In the Learning Resources Center, there is a variety of modern Audio Visual equipment available for improving the delivery of instruction. There has been an increasing demand from the Professors for additional equipment, therefore the commodities and personnel contemplated in this proposal will increase the capacity of the Center to accomplish the mission for which it was established, that is to improve instruction. For example, the vidio tape recorder, which will be a new adquisition, will be used to record live experiments both in the laboratory and in the field, important conferences, talks by visiting professionals and other important events, which later can be played for in depth study, evaluation and critique by professors and students, making it a valuable tool for delivery and improvement of the instructional process.

Component C

CREATION OF A UNIVERSITY EXTENSION DEPARTMENT

There is a growing demand for delivery of education in short periods or on different and dynamic time schedules. For example in the field of Agriculture there are many graduates of the Escuela Agrícola Panamericana and the Escuela Nacional de Agricultura, who have completed three years of higher education and have the ambition and wish to continue their education and earn an Engineer title.

Many of these graduates are working in their career fields and live away from home and return on Friday for the week-end. Assessing the need of these graduates, USPS designed a Friday and Saturday program for these future students. There is no program of this type being offered in Honduras, at the present time. It is planned to start this program in the second semester of this school year in July.

Under this project, USPS, contemplates to hire a full time Director for this program who will have the additional function of making surveys to determine needs in other agriculture and related fields, for which short seminars or workshops will be developed. At present USPS can offer short seminars or workshops on such subjects as: assessing the value of rural lands, farms, and agricultural equipment; problems related to coffee production; agricultural management; fish farming; and others.

When a need and demand is identified, the Director will design the workshop or seminar for the subject which will be offered through the University Extension Department, serving both the public and private sectors.

In this project, funds are budgeted to cover the salaries of the Director and a part time secretary; for transportation; and for carrying out surveys, advertising, and production of promotional and development materials.

Component D

WOMENS PROGRAMS DEVELOPMENT

Although all of the present USPS programs have a large percentage of women registered; there are many short term programs, seminars and workshops which are provided by many universities or institutions of higher education in other countries on a credit or non-credit basis which are not being offered at this time, by USPS. There are a number of reasons for this situation, the principle ones being, the lack of information on dynamic programs being offered in other countries and the needs of women in the area of influence of USPS. Realizing that there is an in-

herent need for a program of this type, under this project USPS will hire a part time women director to explore the possibilities for development of a less than degree programs as a service to the women in the San Pedro Sula area.

The first step will be to search for a dynamic woman who has demonstrated leadership qualities and a genuine interest in women education. When this person is found, she will be hired on a part time basis and be provided with a secretary. A visit will be arranged for her to observe the dynamic women program of the "Instituto Femenino de Estudios Superiores", IFES in Guatemala City. IFES has an excellent reputation throughout Central America and has obtained a loan from BCIE in Tegucigalpa for construction of its physical plant, including dormitories so it can offer housing facilities for students coming from other parts of Guatemala and other countries in Central America. IFES has workshops and/or seminars from one week to several weeks and diploma programs of several semesters up to two years. Some programs lead to a degree program which is completed at the Universidad de San Carlos de Guatemala.

The second step will be to determine needs for seminars and/or workshops and for longer term diploma programs. Once the needs are determined, then develop the seminars and/or workshop or diploma courses to satisfy these needs. USPS does not have the physical facilities which might be required for this program at this time, however, there are resources in the San Pedro Sula area which can be tapped once the needs are established.

Component E

USPS PROFESSORS PROFESSIONAL DEVELOPMENT WORKSHOPS

Recognizing the need to improve the delivery of instruction at USPS a two week workshop for USPS professors was developed in 1980. This workshop was designed and conducted by Dr. Peter E. Tobia of the Universidad del Valle de Guatemala and his colleague Dr. Gene Allsup of Southern Illinois University at Edwardsville. The two educators considered this two week workshop as Phase I and it was offered three times, in November 1980, July and November 1981 and is scheduled to be held for a fourth time in July 1982. Each workshop had between

20 and 30 participants and with the fourth group, it is estimated that over 110 persons will have participated in the workshops. At the end of the workshop each participant is provided with a folder containing the highlights of the workshop so they can use the material for reference in preparation for their instructional tasks.

The workshop was designed as Phase I anticipating a Phase II at a later date. The workshop contains both conferences and practical application by the participants enabling them to obtain the basic teaching tools, such as development of goals and objectives, how to prepare a course outline, a daily lesson plan, write exams and manage a classroom. These basic teaching tools are essential for anyone who teaches, especially for the majority of professors at USPS who are professional lawyers, engineers, chemists, businessmen, agriculturists, and others who have not had the opportunity to take a teaching methods course in their professional education.

Many of the professors who have taken the Phase I have requested a Phase II or a continuation of this first workshop. Under this project it is planned that the same educators (Tobia and Allsup) will design and conduct Phase II, the first in November 1982 and the second in July 1983. Through the USPS professor evaluation system, there has been a notable improvement in those professors who have taken Phase I, therefore, it is felt that the investment being made by USPS and the professors themselves is paying off.

Component F.

TECHNICAL ASSISTANCE

Technical assistance is a continual need for any university which desires to upgrade, improve and enlarge their offerings and to improve in its administrative, management and planning activities. Ever since the university was founded the administration of USPS has employed highly qualified personnel as consultants. In this project it is contemplated to continue with this policy by hiring several consultants in three principal areas:

1. General Educational and Development Area, in curriculum development and revision, development of new programs, testing, instructional improvement, administrative matters, etc.
2. Library and Learning Resources Consultant, for improving these facilities, training of personnel, acquisition of new equipment, supplies, etc., and
3. Campus Development, to develop preliminary studies for the new campus.

For the first area, USPS will continue with the services of Dr. Peter E. Tobia, a general educational and development specialist; for the second area, USPS will also continue with the services of Mr. & Mrs. Cesar Larrinaga of Florida who originally designed and established the Library and Learning Resources Center; and for the third area, a local architect will be hired.

Dr. Tobia is on call to work with the university in his areas of specialty and will work as many days as are required to complete each assignment. It is contemplated that he will be on campus once a month during the academic year. The Larrinagas are available to train the library and learning resources center personnel in the use of the new equipment to be purchased in this project, when the equipment is on hand. A local architect, probably a Professor at the school of Architecture of USPS will be used to carry out the preliminary studies for development of the new campus.

Dr. Tobia, also will be the advisor in the implementation phase of this project.

IV. Time Frame:

USPS will begin with the implementation phase of this project on the 1st. of July 1982. It is planned to accomplish all of the activities envisioned in this project in less than 12 months. However, due to the time lag experienced in obtaining prices, ordering and receiving commodities from abroad, the ending

date is programmed as the 31st of December 1983. Therefore, the time frame for this project is:

Starting date: 1 July 1982
Ending date: 31 December 1983

V. Conditions Expected at the End of the Project:

At the end of the project, the following conditions are expected to have taken place:

Component A. AGRICULTURE SCHOOL ASSISTANCE.

The science courses will have been improved through the provision of more adequate equipment, supplies and laboratory furniture, including the capability of doing soil analysis. The professors of science courses will have been able to present their instruction more realistically and meaningfully since they will have microscopes, and other instruments, equipment and supplies to carry out experiments, instead of just talking about them. There will be additional reference books for doing research and the professors will have new audio-visual equipment to enrich their teaching. The problem of completing their practical field work at the site of the new campus will have been solved by the installation and construction of a rustic classroom, storage facility a water well and poultry raising facilities.

Component B. LIBRARY AND LEARNING RESOURCES CENTER EXPANSION.

The books and equipment for the Library and Learning Resources Center will have been purchased, placed in use and personnel trained in the use of the equipment. It is estimated that approx. 1,000 new volumes will be acquired through this project, based on lists provided by the professors, directors of the various schools and students. The equipment will also be used in the in-service training programs for the University faculty.

Component C. CREATION OF A UNIVERSITY EXTENSION DEPARTMENT.

An extension department will have been created, a full time director hired and the Friday and Saturday two year program will be underway, with

probably 60-80 students in this innovative program. Surveys will have been made to determine needs for short term workshops and/or seminars in agriculture and agriculture related activities and probably five or more workshops will have been designed and implemented.

Component D. WOMEN PROGRAMS DEVELOPMENT.

A part time director of Women Programs will have been hired and she will have had a chance to visit the IFES program in Guatemala to see how it is organized, what programs are offered and how to replicate those programs which meet the needs of women in the San Pedro Sula area. Surveys will have been made to determine needs, facilities will have been obtained and faculty hired. It is contemplated that several programs will be underway.

Component E. USPS PROFESSORS PROFESSIONAL DEVELOPMENT WORKSHOPS.

The fourth group of Phase I of the Professional Development Workshops will have been held with approx. 30 professors attending. These professors will also have their workshop reference materials to assist them in the preparation of their second semester courses. The Phase II workshops will have been designed and offered twice, once in November 1982 and again in July 1983, with an attendance of approx. 60 professors.

Component F. TECHNICAL ASSISTANCE.

All of the technical assistance planned will have been provided, with the results that some new programs will have been designed, principally in conjunction with the Extension Department. Curriculum changes will have been made as required by the National Autonomous University of Honduras as a result of the process of recreditation and USPS is going through at this time. Some Academic, administrative and management problems will have been solved. Training will have been provided in the use of the new equipment for the Learning Resources Center and additional items will have been identified to acquire; proposed distribution of space at the new campus site will have been made and infrastructure requirements identified.

VI. Project Background:

A. General Information on the Universidad de San Pedro Sula:

The Universidad de San Pedro Sula (USPS), is a private, nonsectarian, co-educational institution of higher education, providing undergraduate education in seven career fields leading to the Licenciatura (roughly equivalent to the U.S. Bachelor's degree). USPS was founded by Resolution Number 345. E.P. of the Military Government Council of Honduras on the 21st. of February 1978, in accordance with Decree Number 577 of January 1978, entitled the Private Universities Law. As a center of culture, USPS has been planned toward academic excellence, the progress of the north zone of Honduras, and in general in the search for solutions of major problems of the country. USPS was founded by a group of public spirited citizens who were interested in providing higher education to those persons living in the area of influence of San Pedro Sula, the second largest, fastest growing, industrial and agricultural center of Honduras.

San Pedro Sula is considered the industrial capital of the country.

The tasks of establishing USPS was sustained in the following principles and ethic values: stimulate the formation of a scientific spirit free of prejudice and dogmatism; promote humanistic ideals of a democratic society as well as cultivate the values of Honduran traditional history; support free discussions in a climate of tolerance and respect for the beliefs and rights of all and promote the respect and dignity of humans and the adherence to the values of justice, liberty, solidarity and love among men.

USPS is organized with seven schools, Law, Architecture, Agriculture, Business Administration, Journalism, Banking Administration, and Education.

The career programs and degrees offered follows:

<u>SCHOOL</u>	<u>DEGREE</u>
Law	Licenciatura in Jurisprudence and Social Science
Architecture	Licenciatura in Architecture
Business Administration	Licenciatura in Business Administration
Agriculture	Licenciatura in Agronomy Engineering Administration.
Journalism	Licenciatura in Journalism
Banking Administration	Licenciatura in Banking Administration
Education	Licenciatura in Educational Science

USPS is fully accredited in Honduras as a Private University operating within the law of Private Universities Decree 577, of 27 January 1978, and is now in the process of obtaining recognition of the Universidad Nacional Autónoma de Honduras, under the Honduran Constitution of 1981.

As an institution servicing the north zone of Honduras, USPS attracts students throughout the zone. Over 75% of the students are from the city of San Pedro Sula, the remainder are from other cities such as, La Lima, El Progreso, Tela, Puerto Cortés, La Ceiba, Cofradía, San Antonio, Trinidad, Calpules, San Manuel, Choloma, Dos Caminos, Choloma Villanueva, Santa Rosa de Copán, and Tegucigalpa.

It is estimated that the majority of the students come from middle income families. The majority of the students work as well as study.

B. Enrollment and Admission

Enrollment for the first semester of 1982 follows:

<u>SCHOOL</u>	<u>TOTAL ENROLLMENT</u>	<u>MEN</u>	<u>WOMEN</u>
Law	212	131	81
Architecture	107	65	42
Agriculture	143	128	15
Business Administration	122	64	58
Journalism	6	1	5
Banking Administration	10	3	7
Education	<u>19</u>	<u>7</u>	<u>12</u>
	619	399	220

The present enrollment of 619 reflects a 287% growth since the start of USPS which had an initial enrollment of 215 students.

Admission to USPS is granted to those who have graduated from secondary school with any of the following titles: Bachiller de Ciencias y Letras (a strictly academic program preparing students for university study) Expert in Public Accounting and Commerce, Primary Education Professor and other equivalent titles granted to secondary school graduates. Aspirants for admission to USPS must also take aptitude tests. Students who have studied outside of Honduras have to have their records validated, in accordance with the procedures established by the Secretary of Education in Tegucigalpa. Once these records are validated, then a student who has studied abroad follows the same procedure as for students who have studied in Honduras.

The attrition rate is minimal. Reasons for leaving range from failure to pass a course/s, economic, work, or to transfer to another institution.

C. Degree Requirements.

All programs are designed to be completed in 10 semesters (5 years) and require that upon completion of the course work, the student prepares and presents a thesis.

D. Financial Resources

The financial resources of USPS are limited. The major source of income is from students payment of fees and tuition. Tuition and fees are paid each semester. Tuition for all schools except for Agriculture and Architecture is \$ 350.00 per semester. For Agriculture and Architecture it is \$ 425.00 per semester. Registration fee is \$ 50.00 per semester, fees are also assessed for workshops, seminars, etc.

E. Academic Calendar

The School year begins in February and ends in November. It is divided into semesters. Between terms there are workshops for the faculty. Also for those students who have failed, there are workshops to assist them to prepare for a make-up exam.

F. Physical Facilities.

USPS has obtained a large track of land, consisting of 340 acres, in the north western part of San Pedro Sula, which will be the site of the future permanent campus. At this site facilities will be constructed for the practical work portion of the School of Agriculture.

At the present time, USPS, rents space in various facilities in San Pedro Sula. The largest is in the Instituto Departamental La Salle, where they use 11 classrooms, have their administrative offices, library and learning resources center. Near the stadium, USPS rents two houses, one for the student legal services office, and the other for the school of Architecture. Also next to the stadium, USPS has renovated a building principally for use of the School of Agriculture, converting some of the rooms into classrooms, a laboratory, office space and a library.

G. Administration, Faculty and Staff.

USPS is directed by the "Sociedad Mercantil, PROMOTORA EDUCATIVA S. A. de C. V." located in San Pedro Sula.

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The "PROMOTORA EDUCATIVA" directs the University through the Administrative Council, consisting of the eleven founders of the University. The hierarchy of University is: Administrative Council. Rector, Academic Council, Academic and Administrative Directors, Directors, of each School and the Faculty. Most of the School directors, key members of the administrative staff, such as the Registrar, Librarian, and the secretaries are employed on a full time basis, whereas the professors are employed on a part time basis. Since the Rector, Lic. Roberto Ramirez, lives in Tegucigalpa, Lic. Jane de Martel, President of the "PROMOTORA EDUCATIVA", and the Administrative and Academic Councils, manages the University.

H. Location, Mailing Address and Telephone Number of the Administrative Office of USPS.

The administrative offices of USPS are located on the second floor of the Instituto Departamental La Salle.

The mailing address is:

Universidad de San Pedro Sula
Apartado Postal 10-64
San Pedro Sula, Cortes, Honduras

Telephone 54-18-89

VII Financial Plans

A. Summary of estimated US \$ costs of the project

SUMMARY OF ESTIMATED COSTS

Component	Est. US \$ Costs		
	USPS	AID/H	TOTAL
I Agriculture School Assistance	32,000.	11,000.	43,000.
II Library and Learning Resources Center Expansion	18,312	17,750	36,062.
III Creation of a University Extension Department	7,950.	6,450.	14,400.
IV Women Programs Development	5,725	4,855.	10,580.
V USPS Professors Professional Development Workshops	3,200.	6,400.	9,600.
VI Technical Assistance	<u>7,000.</u>	<u>10,880</u>	<u>17,880</u>
Totals.	74,187.	57,335.	131,522.

Component A

AGRICULTURE SCHOOL ASSISTANCE

Schedule of contemplated expenditures:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID / H	TOTAL
1.	Laboratory Equipment		11,000.	11,000.
2.	Laboratory Supplies	1,000.		1,000.
3.	Laboratory Furniture	3,000.		3,000.
4.	Perforation of a Water Well	5,000.		5,000.
5.	Pump for Water Well, Installed	7,500.		7,500.
6.	Rustic Classroom and Storage Facility	3,000.		3,000.
7.	Poultry houses and equipment	10,000.		10,000.
8.	Live Poultry	<u>2,500.</u>		<u>2,500.</u>
		32,000	11,000.	43,000.

Component B

LIBRARY AND LEARNING RESOURCES CENTER EXPANSION

Schedule of contemplated expenditures:

Item #.	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	-- Books for Library	2,000.	8,000.	10,000.
2.	1 ea Video Tape Recorder Set complete, with power pack, camera, recorder, and carrying case		3,000.	3,000.
3.	36 ea VTR tapes		900.	900.
4.	-- Accesories for VTR		150.	150.
5.	2 ea Overhead projectors		300.	300.
6.	1 ea Opaque Projector		500.	500.
7.	1 ea 16 mm movie projector, complete		1,500.	1,500.
8.	6 ea Projector Screens		300.	300.
9.	3 ea Slide Projectors		600.	600.
10.	2 ea Film Strip Projectors		300.	300.
11.	1 ea Tape Recorder		500.	500.
12.	5 ea Portable casset recorders		500.	500.
13.	-- Accesories and supplies for projectors and tape recorders		1,200.	1,200.
14.	Sub total for above commodities	(2,000.)	(17,750.)	(19,750.)
15.	-- VTR operator, part time	2,600.		2,600.
16.	-- Person in charge of LRC, full time	3,900.		3,900.
17.	-- Maintenance and service of above equipment	500.		500.
18.	Transportation, handling, agent fees, storage, etc. -- 20% of sub total above	3,950.		3,950.
19.	-- Honduran Customs Charges -- 15% of sub-total above -- minus books	1,462.		1,462.
Totals		14,412.	17,750.	32,162.

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Component C

CREATION OF A UNIVERSITY EXTENSION DEPARTMENT

Schedule of contemplated expenditures:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	Salary of full time Director to develop programs for one year	4,875.	4,875	9,750.
2.	Transportation, (reimbursement for use of personal car) to conduct surveys, promote seminars, etc.	600.	600.	1,200.
3.	Advertisements, surveys, promotional materials, etc. for program development	1,500.		1,500.
4.	Part time secretary for one year	975.	975.	1,950.
		7,950	6,450.	14,400.

Component D

WOMEN PROGRAMS DEVELOPMENT

Schedule of contemplated expenditures:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	Salary of Director to develop Programs, half time for one year	3,250.	3,250.	6,500.
2.	Visit to an on-going program of "Instituto Femenino de Estudios Superiores" IFES of Guatemala (per diem and travel)		630.	630.
3.	Advertising, surveys, promotional materials, etc. for program development	1,500.		1,500.
4.	Part time secretary for one year	975.	975.	1,950
	Totals	5,725.	4,855.	10,580

Component E

USPS PROFESSORS PROFESSIONAL DEVELOPMENT WORKSHOPS

Schedule of contemplated expenditures:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	Phase I, 4th group, July 1982	3,200.		3,200.
2.	Phase II, 1st. group, Nov. 1982		3,200.	3,200.
3.	Phase II, 2d group, July 1983		3,200.	3,200.
Totals		3,200	6,400.	9,600.

Component F

TECHNICAL ASSISTANCE

Schedule of contemplated expenditure:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	General Educational and Development Consultant. (Travel, Per Diem and Fees).	3,900.	8,880.	8,880
2.	Library and Learning Resources Consultants. (Travel and Fees)	5,000.		5,000.
3.	Campus Development Consultant (Fees only)	2,000.	2,000.	4,000
Totals		10,900	10,880.	21,780

VIII. Implementation Plan:

As soon as this project is approved, and an advance of funds is provided by USAID/H, USPS will establish a separate account for this project. Firm costs will be obtained for the required commodities so purchase orders can be prepared. A search will be made for the Directors of the Extension Program and the Women Programs.

The Fourth Professors Professional Development workshop, first phase, will be held. As technical services are required, consultants will be hired to provide these services. All these implementation activities will be managed through the normal operating procedures of the University.

IX. Evaluation Plan:

A. Formative Evaluation

Formative evaluation of this project will be made through normal administrative procedures to insure that the purposes of the project are being accomplished. Quarterly reports including a financial statement will be prepared by USPS and copies will be presented to USAID/H. Consultation by USPS with USAID/H will be made as required.

Visits of representatives of USAID/H will be accomplished on a routine basis.

B. Summative Evaluation

A final report will be prepared on termination of the project outlining the accomplishments, evaluating them against the original purposes of the project and the conditions expected at the end of the project.

REVISIONS TO DETAILED PROJECT DESCRIPTION

Additional Information Ref. VIII. Implementation Plan.

Met
22 Jun 82

Since the project paper has been submitted, a list of commodities for the components I Agriculture School Assistance and II Library and Learning Resources Center Expansion has been developed. The final lists have been sent to eight different suppliers of these commodities (on 12 June 1982) requesting that Pro-Forma invoices be provided, including delivery, via Air Freight CIF San Pedro Sula. The suppliers were requested to send the pro-formas by the 15th of July so they can be reviewed and a firm purchase order can be prepared. It is anticipated that the purchase order will be made before the end of July.

A confirmation letter was sent to Dr. Allsup, Southern Illinois University at Edwardsville, confirming the dates of the USPS Professors Professional Development Workshop, 4th Group which is to start on the 5th of July 1982. Dr. Tobia has been working on the workshop and has prepared and sent out the notices to the USPS Professors regarding the workshop. Planning for the second phase of the Workshop will be done during the time that Doctors Tobia and Allsup are conducting the workshop for the I Phase, 4th Group.

USPS is actively looking for candidates for the directors of the Women's Program and the University Extension Department. It is planned to start these activities as soon as qualified persons are hired.

Quotations have been received for the well drilling and estimates have been made for the construction of the rustic classroom for the Agriculture School Program. Implementation of this activity should be started during the second semester which starts in July.

As soon as the learning resources center equipment arrives, arrangements will be made for the required technical assistance. USPS has a person in mind for the work on the new campus and will begin this project during the second semester.

A request has been made of the faculty to recommend books for the library. As soon as the request has been complied with, a list of books will be prepared and quotations requested for the respective purchases.

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REVISED 4 June 82

VII Financial Plans:

2d Revision

22 Jun 82

A. Summary of estimated US \$ costs of the project

3d Revision

29 Jul 1982

SUMMARY OF ESTIMATED COSTS

Component	Est. US \$ Costs		
	USPS	AID/H	TOTAL
I Agriculture School Assistance	32,000.	16,500.	48,500.
II Library and Learning Resources Center Expansion	6,200.	18,200.	24,400.
III Creation of a University Extension Department	14,400.	—	14,400.
IV Women Programs Development	10,580.	—	10,580.
V USPS Professors Professional Development Workshops	4,500.	5,100.	9,600.
VI Technical Assistance	11,580.	10,200.	21,780.
Totals.	79,260.	50,000.	129,260.

NOTE: Revisions were made in Components II-VI and Summary Sheet, due to the Financial and Administrative Analysis visit of Mr. Loc Eckersley to USPS on 4 June 1981, With Marco Zavala. Revisions were agreed upon by Mr. Eckersley and Lic. Jane de Martel, Pres. USPS. During this visit Lic. Jane de Martel, asked Mr. Eckersley to include 20% flexibility between components and items, and that the project be authorized as of the 1st of July 1982, in order to cover the costs shifted to USAID/H in Components V and VI.

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Component A

Revised 29 July 198

AGRICULTURE SCHOOL ASSISTANCE



Schedule of contemplated expenditures:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID / H	TOTAL
1.	Laboratory Equipment		16,500.	16,500
2.	Laboratory Supplies	1,000.		1,000.
3.	Laboratory Furniture	3,000.		3,000.
4.	Perforation of a Water Well	5,000.		5,000.
5.	Pump for Water Well, Installed	7,500.		7,500.
6.	Rustic Classroom and Storage Facility	3,000.		3,000.
7.	Poultry houses and equipment	10,000.		10,000.
8.	Live Poultry	2,500.		2,500.
		32,000.	16,500.	48,500.

Note: Amount of item 1, includes 15% for CIF-SPS, est. costs. These costs are based on actual quotations provided by the suppliers in the United States from whom purchases will be made. Commodities included in Item 1, include equipment for the general science laboratory, surveying and slides.

REVISED 4 June 82 *RT*2d Revision 29 Jul 82 *RT*

Component B

LIBRARY AND LEARNING RESOURCES CENTER EXPANSION

Schedule of contemplated expenditures:

Item #	Purpose	Est. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	Books for Library	1400.	10,200.	11,600.
2.	Equipment and accessories for Audio Visual Equipment and replacement parts		8,000.	8,000.
3.	Person in charge of LRC full time	3900.		3,900.
4.	Maintenance and service of above equipment	500.		500.
5.	Bookcases for Library	400.		400.
	Totals	6,200.	18,200.	24,400.

Note: Amount of item 2, AID/H includes 15% for CIF-SPS est. Costs. These costs are based on actual quotations provided by the suppliers in the United States from whom purchases will be made. Commodities included in Item 2 include overhead projects, opaque projector, 16mm movie projector, projector screens, film strip projectors, slide holders, replacement lamps, and carrying covers for the overhead and opaque projectors.

REVISED 4 June 82

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Component C

CREATION OF A UNIVERSITY EXTENSION DEPARTMENT

Schedule of contemplated expenditures:

		EST. US \$ COSTS		
Item #	Purpose	USPS	AID/H	TOTAL
1.	Salary of full time Director to develop programs for one year	9,750.		9,750.
2.	Transportation, (reimbursement for use of personal car) to conduct surveys, promote seminars, etc.	1,200.		1,200.
3.	Advertisements, surveys, promotional materials, etc. for program development	1,500.		1,500.
4.	Part time secretary for one year	1,950.		1,950.
		<u>14,400.</u>		<u>14,400.</u>

Component D

WOMEN PROGRAMS DEVELOPMENT

Schedule of contemplated expenditures:

		EST. US \$ COSTS		
Item #	Purpose	USPS	AID/H	TOTAL
1.	Salary of Director to develop Programs, half time for one year	6,500.		6,500.
2.	Visit to an on-going program of "Instituto Femenino de Estudios Superiores" IFES of Guatemala (per diem and travel)	630.		630.
3.	Advertising, surveys, promotional materials, etc. for program development	1,500.		1,500.
4.	Part time secretary for one year	1,950.		1,950.
	Totals	<u>10,580.</u>		<u>10,580</u>

Component E

REVISED 4 June 82

2d Revision 22 Jun 82

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USPS PROFESSORS PROFESSIONAL DEVELOPMENT WORKSHOPS

Schedule of contemplated expenditures:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	Phase I, 4th group, July 1982	1,500.	1,700.	3,200.
2.	Phase II, 1st. group, Nov. 1982	1,500.	1,700.	3,200.
3.	Phase II, 2d group, July 1983	1,500.	1,700.	3,200.
Totals		4,500.	5,100.	9,600.

Component F

TECHNICAL ASSISTANCE

Schedule of contemplated expenditure:

Item #	Purpose	EST. US \$ COSTS		
		USPS	AID/H	TOTAL
1.	General Educational and Development Consultant. (Travel, Per Diem and Fees).	2,580.	10,200.	12,780.
2.	Library and Learning Resources Consultants. (Travel and Fees)	5,000.		5,000.
3.	Campus Development Consultant (Fees only)	4,000.		4,000.
Totals		11,580.	10,200.	21,780.

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ATTACHMENT B

Conditions of the Agreement

1. This Agreement provides funds for approximately 18 months, through December 31, 1983, subject to satisfactory progress towards project objectives.
2. There is currently in the grant the amount of \$50,000 obligated. Adjustments among budget line items in the Project Proposal budget in excess of 15% are subject to the approval of the Grant Officer. A.I.D. funds may be utilized only for line items identified for A.I.D. financing that are included in the Project Proposal budget.
3. The Grantee will contribute \$79,260 in cash or in kind, in support of Project activities for the period July 1982 through December 1983.
4. A report of progress in meeting project objectives should be submitted to A.I.D. three months from the date of this letter and every three months thereafter in order to evaluate the project and assess the degree of achievement of the Project objectives listed in the Project Proposal. Each quarterly report will summarize the Project progress in relation to that planned, any constraints to Project implementation being experienced and efforts believed necessary to resolve the problems encountered.
5. All reports and evaluations will be submitted, two copies of each in Spanish or English, to the A.I.D. Project Officer.
6. Expenditures for Project purposes allocable to the Grant will be accepted for reimbursement as of the date of the A.I.D. Authorization, July 2, 1982.
7. I have designated Mr. Ambrosio Ortega as the USAID Officer responsible for contact with the Grantee. This Officer has already been in touch with you, and once this Agreement is signed, I would expect that your relationship would continue and be helpful to both parties.
8. The following non-applicable Standard Provisions (Attachment C) are hereby deleted: 6. Negotiated Overhead Rates--Predetermined; 7. Negotiated Overhead Rates--Non-Profit Organizations--Other Than Educational Institutions; 10. Payment--Federal Reserve Letter of Credit (FRLC) Advance; 12. Payment--Reimbursement; 16. Procurement of Goods and Services over \$250,000; 20. Title to and Care of Property (U.S. Government Title), 25. Prohibition on Abortion-Related Activities; 26. Voluntary Participation Requirements for Sterilization Programs; 27. Publications; 28. Patents; 29. Regulations Governing Employees Outside the United States.

STANDARD PROVISIONS
FOR
U.S. GRANTEES AND U.S. SUBGRANTEES

1. ALLOWABLE COSTS AND CONTRIBUTIONS (NONPROFIT ORGANIZATIONS - OTHER THAN EDUCATIONAL INSTITUTIONS)

(This provision is applicable to nonprofit organizations other than educational institutions)

(a) The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the Grant Officer to be reasonable, allocable, and allowable in accordance with the terms of (1) this grant, (2) any negotiated advance understanding on particular cost items, and (3) cost principles contained in OMB Circular A-122 entitled "Cost Principles for Nonprofit Organizations" in effect on the date of this grant (hereinafter referred to as "applicable cost principles").

(b) If Grantee contributions in the form of cost sharing/matching are required under this grant, the allowability of costs applied to the grant for such contributions shall be determined by the Grant Officer in accordance with the terms of paragraph 1K, "Cost Sharing and Matching" of Handbook 13 in effect on the date of this Grant.

(c) The requirements set forth in this provision are only applicable to costs incurred with funds provided by AID under this grant. Except for paragraph (b) above, the requirements set forth in this provision are not applicable to costs incurred by the Grantee from non-Federal funds. Such costs will be considered allowable to the extent they conform to the requirements of paragraph (b) above and are incurred for purposes of the grant.

2. ALLOWABLE COSTS AND CONTRIBUTIONS (EDUCATIONAL INSTITUTIONS)

(This provision is applicable to educational institutions)

(a) The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the Grant Officer to be reasonable, allocable, and allowable in accordance with the terms of (1) this grant, (2) any negotiated advance understanding on particular cost items, and (3) OMB Circular A-21, "Principles for Determining Costs Applicable to Grants, Contracts and Other Agreements with Educational Institutions," in effect on the date of this grant (hereinafter referred to as "applicable cost principles").

(b) If Grantee contributions in the form of cost sharing/matching are required under this grant, the allowability of costs applied to the grant for such contributions shall be determined by the Grant Officer in accordance with the terms of paragraph 1K, "Cost Sharing and Matching," of Handbook 13 in effect on the date of this grant.

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(c) The requirements set forth in this provision are only applicable to costs incurred with funds provided by AID under this grant. Except for paragraph (b) above, the requirements set forth in this provision are not applicable to costs incurred by the Grantee from non-Federal funds. Such costs will be considered allowable to the extent they conform to the requirements of paragraph (b) above and are incurred for the purposes of the grant.

3. ACCOUNTING, AUDIT, AND RECORDS

(a) With respect to accounting, records and audit, the Grantee shall comply with the requirements set forth in paragraphs 1I, 1J, 1L, and 1M of Handbook 13.

(b) The AID Inspector General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 1I6 of Chapter 1 of Handbook 13) reserve the right to conduct an audit of the Grantee's books and records to determine whether the Grantee has expended AID's funds in accordance with the terms and conditions of this grant. The Grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

4. REFUNDS

(a) If use of the AID funds provided hereunder results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of the grant, the Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(b) Funds obligated by AID hereunder but not disbursed to the Grantee at the time the grant expires or is terminated, shall revert to AID, except for such funds encumbered by the Grantee by a legally binding transaction applicable to this grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this Grant have been expended for purposes not in accordance with the terms of this grant, the Grantee shall refund such amount to AID.

5. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

(a) No person in the United States shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from AID in accordance with:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d) which prohibits discrimination on the basis of race,

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color or national origin, in programs and activities receiving Federal financial assistance,

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance,

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds,

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.) which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(b) In accordance with its written assurance, the Grantee agrees to comply with AID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

6. NEGOTIATED OVERHEAD RATES - PREDETERMINED

(This provision is applicable to educational or other nonprofit organizations or institutions that are on a predetermined overhead rate basis)

(a) Notwithstanding the provision of this grant entitled "Allowable Costs and Contributions," the allowable indirect costs under this grant shall be obtained by applying predetermined overhead rates to the base(s) agreed upon by the parties, as specified in the Schedule of this grant.

(b) The Grantee, except for educational institutions covered by OMB Circular A-88, as soon as possible but not later than 3 months after the close of each of its accounting periods during the term of this grant, shall submit to the AID Grant Officer with copies to the cognizant audit activity, the AID Inspector General, and the AID Overhead and Special Costs Branch, Services Operations Division, Office of Contract Management, AID/Washington, D.C. 20523, a proposed predetermined overhead rate or rates based on the Grantee's actual cost experience during that fiscal year, together with supporting cost data. Negotiation of predetermined overhead rates by the Grantee and the AID Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of the applicable cost principles in effect on the date of this grant.

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(d) Predetermined rates appropriate for the work under this grant in effect on the effective date of this grant shall be incorporated into the grant. Rates for subsequent periods shall be negotiated and the results set forth in a written overhead rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed predetermined overhead rates, (2) the base(s) to which the rates apply, (3) the fiscal year unless the parties agree to a different period for which the rates apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of predetermined overhead rates for any fiscal year or different period agreed to by the parties, the Grantee shall be reimbursed either at the rates fixed for the previous fiscal year or other period or at billing rates acceptable to the AID Grant Officer subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

(f) Any failure by the parties to agree on any predetermined overhead rates or rates under this provision shall not be considered a dispute within the meaning of the "Disputes" provision of this grant. If for any fiscal year or other period specified in the grant the parties fail to agree to a predetermined overhead rate or rates, it is agreed that the allowable overhead costs under this grant shall be obtained by applying negotiated final overhead rates in accordance with the terms of the applicable "Negotiated Overhead Rates" provision of this grant.

✓ 7. NEGOTIATED OVERHEAD RATES - NONPROFIT ORGANIZATIONS - OTHER THAN EDUCATIONAL INSTITUTIONS

(This provision is applicable to nonprofit organizations which do not have predetermined rates; however, it shall also be included when the NEGOTIATED OVERHEAD RATES - PREDETERMINED provision is used, under the conditions set forth therein)

(a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this Grant. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in the Schedule of this grant.

(b) The Grantee, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this grant shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Services Operations Division, Office of Contract Management, AID, Washington, D.C., and to the Office of the Inspector General, AID/Washington, D.C., a proposed final rate or rates for the period, together with supporting cost data. Negotiation of final overhead rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

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(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with OMB Circular A-122 (Cost Principles for Nonprofit Organizations) as in effect on the date of this grant.

(d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of final overhead rates for any period, the Grantee shall be reimbursed either at negotiated provisional rates as provided above or at billing rates acceptable to the Grant Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in this provision shall be set forth in a modification to this grant.

(f) Any failure by the parties to agree on any final rate or rates under this provision shall be considered a dispute within the meaning of the Standard Provision of this Grant, entitled "Disputes," and shall be disposed of in accordance therewith.

8. NEGOTIATED OVERHEAD RATES - EDUCATIONAL INSTITUTIONS

(This provision is applicable to educational institutions which do not have predetermined rates; however, it shall also be included when the NEGOTIATED OVERHEAD RATES - PREDETERMINED provision is used, under the conditions set forth therein)

(a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this grant. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable *indirect* costs shall be at the rate(s), on the base(s), and for the period shown in the Schedule of this grant.

(b) The Grantee, except educational institutions covered by OMB Circular A-88, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this grant, shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Services Operations Division, Office of Contract Management, AID/Washington, D.C. 20523 and to the Office of the Inspector General, AID/Washington, D.C. 20523, a proposed final rate or rates for the period, together with supporting cost data. Negotiation of final overhead

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rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with OMB Circular A-21 (Principles for Determining Costs Applicable to Grants, Contracts and other Agreements with Educational Institutions) as in effect on the date of this grant.

(d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rates; (2) the bases to which the rates apply, and (3) the periods for which the rates apply. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of final overhead rates for any period, the Grantee shall be reimbursed either at negotiated provisional rates as provided above or at billing rates acceptable to the Grant Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in this provision shall be set forth in a modification to this grant.

(f) Any failure by the parties to agree on any final rate or rates under this provision shall be considered a dispute within the meaning of the Standard Provision of the Grant, entitled "Disputes" and shall be disposed of in accordance therewith.

9. REVISION OF FINANCIAL PLANS

(a) The Financial Plan, i.e., grant budget, is the financial expression of the project or program as approved during the application and/or award process.

(b) The Grantee shall immediately request approval from the Grant Officer when there is reason to believe that within the next 30 calendar days a revision of the approved Financial Plan will be necessary for any of the following reasons:

1. To change the scope or the objectives of the project or program.

2. Additional funding is needed.

3. The Grantee expects the amount of AID authorized funds will exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.

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4. The Grantee plans to transfer amounts budgeted for indirect costs to absorb increases in direct costs or vice versa.

5. The Grantee plans to transfer funds budgeted for training allowances (direct payments to trainees) to other categories of expense.

6. The Grantee plans to incur an expenditure which would require approval under the terms of this grant, and was not included in the approved Financial Plan.

7. The Grantee intends to subcontract or subgrant any of the substantive programmatic work under this grant, and such subcontracts or subgrants were not included in the approved Financial Plan.

(c) When requesting approval for budget revisions, the Grantee shall use the budget forms that were used in the application unless a letter request will suffice.

(d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the Grant Officer shall review the request and notify the Grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the Grant Officer shall inform the Grantee in writing of the date when the Grantee may expect the decision. The Grant Officer shall obtain the Project Officer's clearance on all such requests prior to communication with the Grantee.

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this Standard Provision, AID determines not to provide additional funds, the AID Grant Officer will, upon written request of the Grantee, terminate this grant pursuant to the Standard Provision of this grant, entitled "Termination."

(f) Except as required by other provisions of this grant specifically citing and stated to be an exception from this provision, the Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount obligated under the grant, and the Grantee shall not be obligated to continue performance under the grant (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the Grant Officer has notified the Grantee in writing that such obligated amount has been increased and has specified in such notice an increased amount constituting the total amount then obligated under the grant.

✓ 10. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

This provision is applicable when the following conditions are met: (i) the total advances under all the Grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per

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annum, (ii) AID has, or expects to have, a continuing relationship with the Grantee of at least one year; (iii) the Grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, (iv) the Grantee's financial management system meets the standard for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit and Records"; and, either (v) the foreign currency portion of the total advance under this grant is less than 50%; or (vi) the foreign currency portion of the total advance under this grant is more than 50%, but more than one foreign currency *country* is involved).

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of funding obligated by this grant, against which the Grantee may draw cash only for immediate disbursing needs. The term "immediate disbursing needs" when applied to FRLC's is defined as the cash requirements for a three-day period. Any subgrantee funded by the Grantee from funds provided by this grant, shall obtain such funds from the Grantee only as needed for disbursement. The financial management system of the Grantee shall provide for effective control over and accountability for Federal funds as stated in paragraph 1L of Handbook 13.

(b) FRLC Operational Requirements

(1) The Grantee will select a commercial bank that agrees to receive payment vouchers, TFS Form 5401, "Payment Voucher on Letter of Credit," drawn on the U.S. Treasury and to forward such payment vouchers to the applicable Federal Reserve Bank or branch. The Grantee shall select a commercial bank that will credit the account of the Grantee at the time of presentation of the completed payment voucher. Immediate credit by the commercial bank will enable the Grantee to meet its responsibilities to draw cash only when actually needed for disbursements.

(2) After arranging with a commercial bank for operations under FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller, three originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit," signed by those officials authorized to sign payment vouchers against the FRLC and by the designated official of the Grantee who has authority to specify individuals to sign payment vouchers. Only those officials whose signatures appear on the SF-1194 can sign the TFS Form 5401. New signature cards must be submitted whenever there is a change in the persons authorized to sign payment vouchers.

(3) The Grantee shall subsequently receive one certified copy of the *Federal Reserve Letter of Credit*, SF-1193. No payment vouchers shall be presented to the commercial bank before the FRLC is opened. The SF-1193 indicates the effective date the FRLC is opened.

(4) As funds are required for immediate disbursement needs, the Grantee will submit a properly completed payment voucher (Form TFS 5401) to the commercial bank for transmission to the Federal Reserve Bank or

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branch. The commercial bank may at this time credit the account of the Grantee with the amount of funds being drawn down. Payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$5,000 or more than \$5,000,000. In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(5) In preparing the payment voucher, the Grantee shall assign a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

(6) After the first payment voucher (Form TFS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous drawdowns has been expended or is insufficient to meet current needs.

(c) FRLC Reporting

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies. If the Grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant. This report shall be submitted to the addresses specified by AID in the Schedule of this grant. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to AID/Washington.

(2) The Grantee shall submit an original and two copies of SF-272, "*Federal Cash Transactions Report*," 15 working days following the end of each quarter to the address specified in the Schedule. Grantees receiving advances totaling more than \$1 million per year shall submit SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report in the Remarks section of SF-272 all cash advances. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients of the Grantee's field organizations shall be supported by short narrative explanations of action taken by the Grantee to reduce the excess balances.

(d) Suspension of FRLC

(1) If at any time, the AID Controller determines that the Grantee has failed to comply with the terms and conditions of the FRLC, the AID Controller shall advise the Grant Officer who may cause the FRLC to be suspended or revoked.

(2) The Controller may recommend suspension or revocation to the Grant Officer on the grounds of an unwillingness or inability of the

Grantee to: (A) establish procedures that will minimize the time elapsing between cash drawdowns and the disbursement thereof, (B) timely report cash disbursements and balances as required by the terms of the grant and (C) impose the same standards of timing of advances and reporting on any sub-recipient or any of the Grantee's overseas field organizations.

11. PAYMENT - PERIODIC ADVANCES

(This provision is applicable when the conditions for use of an FRLC cannot be met (including those pertaining to mixed dollar and local currency advances) and when: (i) the Grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (ii) the Grantee's financial management system meet the standards for fund control and accountability required under the standard provision of this grant entitled: "Accounting, Audit and Records")

(a) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so that the funds are available to the Grantee as close as is administratively feasible to the actual disbursements by the Grantee for program costs. Cash advances made by the Grantee to secondary recipient organizations or the Grantee's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by AID to the Grantee.

(b) Grantees shall submit requests for advances at least monthly on SF-270, "Request for Advances or Reimbursement," in an original and two copies, to the address specified in the Schedule of this grant.

(c) The Grantee shall submit an original and two copies of SF-272, "Federal Cash Transactions Report," 15 working days following the end of each quarter to the address specified in the Schedule. Grantees receiving advances totaling more than \$1 million per year shall submit SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report in the Remarks section of SF-272 the amount of cash advances in excess of thirty days requirement in the hands of subrecipients or the Grantee's overseas field organizations and shall provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(d) A "Financial Status Report," SF-269, shall be prepared on an accrual basis by the Grantee and submitted quarterly no later than 30 days after the end of the period in an original and two copies. If the Grantee's accounting records are not normally kept on the accrual basis, the Grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final "Financial Status Report" must be submitted within 90 days after the conclusion of the grant.

(e) If at any time, the AID Controller determines that the Grantee has demonstrated an unwillingness or inability to: (1) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (2) timely report cash disbursements and balances as required by the terms of the grant, and (3) impose the same standards of timing of advances and reporting on any subrecipient or any of the Grantee's overseas field organizations; the AID Controller shall advise the Grant Officer who may suspend or revoke the advance payment procedure.

✓ 12. PAYMENT - REIMBURSEMENT

(This provision is applicable to grants for construction, or to grants where Grantees do not meet the conditions for either an FRLC or periodic advance payment)

(a) Each month, the Grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the address specified in the Schedule of this grant.

(b) A "Financial Status Report," SF-269, shall be submitted quarterly no later than 30 days after the end of the period in an original and two copies. The final "Financial Status Report" must be submitted within 90 days after the conclusion of the grant.

(c) Both reports will be prepared on a cash basis, however if the Grantee's accounting records are not normally kept on a cash basis, the Grantee shall not be required to convert its accounting system to meet this requirement.

13. TRAVEL AND TRANSPORTATION

(This provision is applicable when domestic or international air travel or shipment costs are reimbursable under the grant)

(a) The Grant Officer hereby approves international travel to be reimbursed under this grant provided that the Grantee shall obtain written concurrence from the cognizant Project Officer in AID prior to sending any individual outside the United States to perform work under the grant. For this purpose the Grantee shall advise the Project Officer at least 30 days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant Mission or U.S. Embassy advance notification (with a copy to the Project Officer) of the arrival date and flight identification of grant-financed travelers.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so notify the Grantee after receipt of advice of intent

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to travel, required above. AID will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All international air travel and all international air shipments funded under this grant shall be made on United States flag air carriers (hereinafter referred to as "certificated air carriers"), to the extent service by such carriers is available in accordance with paragraphs (d) and (e) below:

The terms used in this provision have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. flag air carriers" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(d) Passenger or freight service by a certificated air carrier is considered "available" even though:

(1) Service by noncertificated air carrier can be paid for in excess foreign currency, or

(2) Service by a noncertificated air carrier is preferred by the agency or traveler needing air transportation, or

(3) Service by a noncertificated air carrier is more convenient for the agency or traveler needing air transportation.

(e) Passenger service by a certificated air carrier will be considered to be "unavailable":

(1) When certificated air carriers offer only first class service, and less than first class service is available from noncertificated air carriers, or

(2) When the traveler, while en route, has to wait 6 hours or more to transfer to a certificated air carrier to proceed to the intended destination, or

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(3) When any flight by a certificated air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc., and no other flight by a certificated air carrier is available during the 6 hour period, or

(4) When by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or more hours longer from the original airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers.

(5) When the elapsed travel time on a scheduled flight from origin to destination airports by noncertificated air carrier(s) is 3 hours or less, and service by certificated air carrier(s) would involve twice such scheduled travel time.

(f) Freight service by a certificated air carrier will be considered to be unavailable when:

(1) No certificated air carrier provides scheduled air freight service from the airport serving the shipment's point of origin, and a noncertificated air carrier does.

(2) The certificated air carrier(s) serving the shipment's point of origin decline to issue a through airway bill for transportation to the shipment's final destination airport.

(3) Use of a certificated air carrier would result in delivery to final destination at least 7 days later than delivery by means of a noncertificated air carrier.

(4) The total weight of the consignment exceeds the maximum weight per shipment which a certificated air carrier will accept and transport as a single shipment, and a noncertificated air carrier will accept and transport the entire consignment as a single shipment.

(5) The dimensions (length, width, or height) of one or more of the items of a consignment exceed the limitation of the certificated aircraft's cargo door openings, but do not exceed the acceptable dimensions for shipment on an available noncertificated air carrier.

(g) Where U.S. Government funds are used to reimburse the Grantee's use of other than U.S. flag carriers for international transportation, the Grantee will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was

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unavailable for the following reason(s): (State appropriate reason(s) as set forth in (e) or (f) above; see 41 CFR 1-1.323-3 for further guidance.)

(h) Travel Costs and Overseas Maintenance Allowances

(1) Travel Within the United States

(i) As used herein, the term "travel within the United States" includes the 50 states, District of Columbia, Commonwealth of Puerto Rico, Virgin Islands, and all the U.S. Territories except the Trust Territories of the Pacific Islands.

(ii) Subsistence allowances paid to Grantee employees traveling within the United States will be reimbursed in accordance with the established policies and practices of the Grantee which are uniformly applied to both federally financed and other activities of the Grantee.

(2) International Travel

(i) As used herein, the term "international travel" includes travel to the U.S. Trust Territories of the Pacific Islands.

(ii) The Grantee will be reimbursed for international travel, subsistence, and post differentials and other allowances paid to employees in an international travel status, or assigned overseas, in accordance with the Grantee's established policies and practices which are uniformly applied to federally financed and other activities of the Grantee, but only to the extent that such reimbursement does not exceed the applicable amounts or rates established in the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended.

14. OCEAN SHIPMENT OF GOODS

(This provision is applicable when goods purchased with funds provided under this grant are transported to the Cooperating Country on ocean vessels)

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

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

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(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Grantee of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

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

15. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000

(This provision is applicable when the total procurement element (i.e., the sum of all purchase orders and contracts for goods and services) of this grant does not exceed \$250,000)

(a) Ineligible Goods and Services

Under no circumstances shall the Grantee procure any of the following under this grant:

- (1) military equipment,
- (2) surveillance equipment,
- (3) commodities and services for support of police or other law enforcement activities,
- (4) abortion equipment and services,
- (5) luxury goods and gambling equipment, or
- (6) weather modification equipment.

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this grant, and has received reimbursement for such purposes, the Grantee agrees to refund to AID the entire amount of the reimbursement.

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(b) Restricted Goods

The Grantee shall not procure any of the following goods and services without the prior written authorization of the Grant Officer:

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) rubber compounding chemicals and plasticizers,
- (6) used equipment,
- (7) U.S. Government-owned excess property, or
- (8) fertilizer.

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(c) Geographic Source and Order of Preference

All goods (e.g., equipment, materials, and supplies) and services, the costs of which are to be reimbursed under this grant, and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) the United States (AID Geographic Code 000),
- (2) "Selected Free World" countries (AID Geographic Code 941),
- (3) the cooperating country,
- (4) "Special Free World" countries (AID Geographic Code 935).

(d) Application of Order of Preference

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in 15(c) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:

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

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

(3) impelling local political considerations precluded consideration of U.S. sources,

(4) the goods or service were not available from U.S. sources, or

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

(e) The Grantee's Procurement System

The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of *preference* requirements of this provision and the standards set forth in paragraph 1U of AID Handbook 13, "Grants."

(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the Grantee, shall, to maximum extent possible, provide the following information to the Office of Small and Disadvantaged Business Utilization, AID/ Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of, and granted by, the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000.

(1) Brief general description and quantity of goods or services;

(2) Closing date for receiving quotations, proposals, or bids; and

(3) Address where invitations or specifications can be obtained.

(g) Ineligible Suppliers

Funds provided under this grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID

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Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208): The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this grant. AID will provide the Grantee with this list.

(h) Ocean and Air Transportation

For requirements relating to transportation by ocean vessel of commodities purchased under this grant, see the Standard Provision entitled "Ocean Shipment of Goods." For requirements relating to transportation of commodities by air, see the Standard Provision entitled "Travel and Transportation."

✓ 16. PROCUREMENT OF GOODS AND SERVICES OVER \$250,000

(This provision is applicable when the total procurement element, i.e., the sum of all purchase orders and contracts for goods and services, of this grant will be greater than \$250,000 over the life of the grant)

(a) General. Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g., equipment, vehicles, materials, and supplies) and services which will be financed under this grant with United States dollars shall be procured in and shipped from the United States (Code 000) and from any other countries within the authorized geographic code specified in the Schedule of this grant.

(b) Procurement of goods. In order to be eligible under this grant, goods purchased under this grant must be of eligible source and origin, and must satisfy AID's componentry requirements set forth below. In addition, the supplier of commodities must meet the nationality requirements specified in paragraph (d)(1) of this provision.

(1) Source. Source means the country from which a commodity is shipped to the Cooperating Country or the Cooperating Country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, source means the country from which the commodity was shipped to the free port or bonded warehouse.

(2) Origin. The origin of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results that is substantially different in basic characteristics, or in purpose or utility, from its components.

(3) Componentry. Components are the goods that go directly into the production of a produced commodity. AID componentry rules are as follows:

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(i) If a commodity produced in an eligible source country contains no imported component, it is eligible for AID financing.

(ii) Unless otherwise specified by the Grant Officer, components from the United States, the Cooperating Country, and any other countries included in Geographic Code 941 may always be utilized in unlimited amounts regardless of the geographic code authorized.

(iii) Unless procurement is authorized from countries included in Code 899, components from free world countries not included in Code 941 are limited according to the following rules:

(A) They are limited only if they are acquired by the producer in the form in which they were imported.

(B) The total cost to the producer of such components (delivered at the point of production) may not exceed 50 percent of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the commodity available for export sale (whether or not financed by AID).

(C) AID may prescribe percentages other than 50 percent for specific commodities.

(iv) Any component from a non-free world country makes the commodity ineligible for AID financing.

(4) Supplier Nationality. (See paragraph (d) of this provision.)

(c) Eligibility of commodity-related services.

(1) Incidental services. Nationality rules are applied to the contractor supplying equipment under this grant and not separately to any contractor that may supply commodity-related incidental services. Such services, defined as the installation or erection of AID-financed equipment, or the training of personnel in the maintenance, operation, and use of such equipment, are eligible if specified in the equipment contract and performed by citizens of countries included in AID Geographic Code 935, or non-United States citizens lawfully admitted for permanent residence in the United States.

(2) Ocean and air transportation.

(i) Except as otherwise approved in writing by the Grant Officer, AID will finance only those ocean transportation costs:

(A) Incurred on vessels under U.S. flag registry, when Geographic Code 000 is authorized for procurement of goods or services;

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(B) Incurred on vessels under U.S., Cooperating Country, or other countries included in Geographic Code 941 flag registry, when Geographic Code 941 is authorized for procurement of goods or services; or

(C) Incurred on vessels under flag registry of any free world country, if the costs are part of the total cost on a through bill of lading paid to a carrier for initial carriage on a vessel which is authorized in accordance with paragraphs (c)(2)(i)(A) and (B), above.

(ii) Any ocean or air charter, covering full or part cargo, for the transportation of goods purchased under this grant must be approved by the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, prior to shipment.

(iii) When use of non-U.S. flag vessels has been authorized, the following requirements still apply:

(A) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the Cooperating Country on ocean vessels, shall be transported on privately owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for such vessels; and

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

(iv) When U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Grantee of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(v) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(vi) For use of U.S. flag air carriers, see the Standard Provision, entitled "Travel and Transportation."

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(3) Marine insurance. The eligibility of marine insurance is determined by the country in which it is "placed." Insurance is "placed" in a country if payment of the insurance premium is made to, and the insurance policy is issued by, an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in any State of the United States, then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in any State of the United States.

(d) Nationality. Except as specified in paragraph (c) above, in order to be eligible for AID financing under this grant, contractors, sub-contractors, or suppliers must fit one of the following categories:

(1) Suppliers of commodities. A supplier providing goods must fit one of the following categories for the costs of such goods to be eligible for AID financing under this grant:

(i) An individual who is a citizen or legal resident of a country or area included in the authorized geographic code; or

(ii) A corporation or partnership organized under the laws of a country or area included in the authorized geographic code; or

(iii) A controlled foreign corporation; i.e., any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 et seq. of the Internal Revenue Code, 26 U.S.C. 957; or

(iv) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which fit any of the foregoing categories.

(2) Suppliers of services. A contractor or subcontractor thereunder providing services under an AID-financed grant must fit one of the following categories for the costs of such contracts or subcontracts to be eligible for AID financing under this grant. (NOTE: the term contractor includes personal services contractors):

(i) An individual who is a citizen of and whose principal place of business is in a country included in the authorized geographic code or a non-U.S. citizen lawfully admitted for permanent residence in the United States whose principal place of business is in the United States; or

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(ii) A corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either subparagraph (A) or (B), below:

(A) The corporation or partnership is more than 50% beneficially owned by individuals who are citizens of a country or area included in the authorized geographic code. In the case of corporations, "more than 50% beneficially owned" means that more than 50% of each class of stock is owned by such individuals; in the case of partnerships, "more than 50% beneficially owned" means that more than 50% of each category of partnership interest (e.g., general, limited) is owned by such individuals. (With respect to stock or interests held by companies, funds or institutions, the ultimate beneficial ownership by individuals is controlling.)

(B) The corporation or partnership:

(1) has been incorporated or legally organized in the United States for more than three years prior to the issuance date of the invitation for bids or request for proposals, and

(2) has performed within the United States administrative and technical, professional or construction services under a contract or contracts for services and derived revenue therefrom in each of the three years prior to the date described in the preceding paragraph, and

(3) employs United States citizens in more than half its permanent full-time positions in the United States, and

(4) has the existing capability in the United States to perform the contract; or

(iii) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which fit categories (d)(2)(i) and (d)(2)(ii) above. However, joint ventures with firms wholly or partially owned by the host government are ineligible.

(iv) A duly authorized officer of the firm shall certify that the participating firm meets either the requirements of subparagraphs (d)(ii)(A) or (d)(ii)(B) above. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of subparagraph (d)(ii)(A) of this provision, the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the certifying officer certifies, regarding any stockholder (including any corporate funds or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which might rebut that presumption.

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(3) Ineligible suppliers of commodities and services.

Citizens or firms of any country not included in AID Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents, for goods and services, the costs of which will be reimbursed under this grant. However, non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible.

(e) Nationality of employees under contracts and subcontracts for services. The nationality policy of subparagraph (d)(2) of this provision does not apply to the employees of contractors or subcontractors whose services will be reimbursed under this grant, but all contractor and subcontractor employees engaged in providing services under AID-financed grants must be citizens of countries included in AID Geographic Code 935 or non-U.S. citizens lawfully admitted for permanent residence in the United States.

(f) The Cooperating Country as a source. With certain exceptions, the Cooperating Country is not normally an eligible source for procurement to be paid in U.S. dollars. The exceptions are for ocean freight and marine insurance (see paragraphs (c)(1) and (c)(2) of this provision). The Cooperating Country may be an eligible source if local cost financing is approved either by specific action of the Grant Officer or in the Schedule of the grant. In such cases, the Standard Provision entitled "Local Cost Financing with U.S. Dollars," will apply.

(g) Ineligible goods and services. Under no circumstances shall the Grantee procure any of the following under this grant:

- (1) military equipment,
- (2) surveillance equipment,
- (3) commodities and services for support of police or other law enforcement activities,
- (4) abortion equipment and services.
- (5) luxury goods and gambling equipment, or
- (6) weather modification equipment.

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(h) Restricted goods. The Grantee shall not procure any of the following goods or services without the prior written authorization of the Grant Officer.

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- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) rubber compounding chemicals and plasticizers,
- (6) used equipment,
- (7) U.S. Government-owned excess property, or
- (8) fertilizer.

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

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

- (1) Code 000, United States,
- (2) the Cooperating Country,
- (3) Code 941, Selected Free World,
- (4) Code 899, Free World.

(j) Ineligible suppliers. Funds provided under this grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this grant. AID will provide the Grantee with this list.

(k) The Grantee's procurement system. The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and nationality requirements of this provision and the standards set forth in paragraph 1U of AID Handbook 13, "Grants."

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17. LOCAL COST FINANCING WITH U.S. DOLLARS

(This provision is applicable whenever local cost financing has been specifically authorized in the Schedule of this grant regardless of dollar amount)

(a) Local cost financing is the use of U.S. dollars to obtain local currency for the procurement of goods and services in the Cooperating Country in furtherance of the purpose of the grant. Local cost financing must be specifically authorized in the Schedule of the grant. The amount of U.S. dollars which may be used must be specified in the authorization, together with any special restrictions on their use.

(b) Procurement of goods and services under local cost financing is subject to the following restrictions:

(1) Ineligible goods and services

Under no circumstances shall the Grantee procure any of the following under this grant:

- (i) military equipment,
- (ii) surveillance equipment,
- (iii) commodities and services for support of police or other law enforcement activities,
- (iv) abortion equipment and services,
- (v) luxury goods and gambling equipment, or
- (vi) weather modification equipment.

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(2) Restricted goods

The Grantee shall not procure any of the following goods or services without the prior written authorization of the Grant Officer:

- (i) agricultural commodities,
- (ii) motor vehicles,
- (iii) pharmaceuticals,

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- (iv) pesticides,
- (v) rubber compounding chemicals and plasticizers,
- (vi) used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) fertilizer.

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(3) Any component from a non-free world country makes a commodity ineligible for AID financing.

(4) Nationality

(i) Citizens or firms of any country not included in AID Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents for goods and services the costs of which will be reimbursed under this grant.

(ii) Local cost financing is the use of appropriated U.S. dollars to obtain local currency for the payment for goods and services purchased in the Cooperating Country. Authorization of local cost financing makes the Cooperating Country, in addition to the United States and any other country included in the authorized geographic code for the project, an eligible source for the purchase of goods or services in the Cooperating Country. Goods or services purchased under local cost financing must be located in the Cooperating Country at the time they are purchased; they cannot be imported specifically for the project being implemented by this grant. The supplier from which goods or services are purchased under local cost financing must also be in the Cooperating Country. Suppliers of goods or services under local cost financing must meet the nationality eligibility tests prescribed in paragraph (d) of the provision of this grant entitled "Procurement of Goods and Services over \$250,000." When local cost financing has been authorized, the Cooperating Country is deemed to be included in the "authorized geographic code" for purposes of determining nationality eligibility pursuant to paragraph (d) of the provision, entitled "Procurement of Goods and Services over \$250,000."

(c) General principles. Under local cost financing, the Grantee shall follow sound procurement policies, utilizing competition to the maximum practical extent, obtaining the lowest available price, and documenting such procurements to justify the method used and the price established.

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(d) Procurement of goods. In order to be eligible under local cost financing, goods are subject to the following specific requirements:

(1) Indigenous goods. Goods which have been mined, grown, or produced in the Cooperating Country through manufacture, processing, or assembly are eligible for local cost financing under this grant. Goods produced with imported components must result in a commercially recognized new commodity that is substantially different in basic characteristics or in purpose or utility from its components in order to qualify as indigenous; such goods may not contain components from any nonfree world country.

(2) Imported shelf items. Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item; they are not goods which have been specifically imported for use in an AID-financed project.

(i) Shelf items are eligible for local cost financing in unlimited quantities up to the total amount available for local cost financing if they have their source in the Cooperating Country and their origin in a country included in AID Geographic Code 941.

(ii) Shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed \$5,000. For goods sold by units of quantity; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied is that which is customarily used in quoting prices. The total amount of imported shelf item purchases from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by AID for the project whichever is higher; however, in no case may the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver.

(3) Goods imported specifically for the project. Goods imported specifically for the project being implemented by this grant are not eligible for local cost financing; they are subject to the requirements of the provision entitled "Procurement of Goods and Services over \$250,000."

18. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

(This provision applies when personal property is furnished under the grant)

The policies and procedures of Handbook 16, "Excess Property," and the appropriate provisions of 41 CFR 101-43 apply to the Government furnished excess property under this grant.

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19. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)
(This provision is applicable when the Government vests title in the Grantee only)

Title to all property financed under this grant shall vest in the Grantee, subject to the following conditions:

(a) The Grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the Grantee under this provision under this grant or any other U.S. Government grant, subgrant, contract or subcontract.

(b) The Grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraph 1T of Chapter 1, Handbook 13.

(c) With respect to nonexpendable property having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:

(1) To report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(2) To transfer title to any such items to the Government in accordance with any written request therefore issued by the Grant Officer at any time prior to final payment under this grant.

✓ 20. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE)
(This provision is applicable when title to property is vested in the U.S. Government)

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

(b) Use of Government Property

Government property shall, unless otherwise provided herein or approved by the Grant Officer, be used only for the performance of this grant.

(c) Control, Maintenance and Repair of Government Property

The Grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and

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preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The Grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the Grant Officer may prescribe as reasonably necessary for the protection of the Government property.

The Grantee shall submit, for review and written approval of the Grant Officer, a records system for property control and a program for orderly maintenance of Government property; however, if the Grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110 (see paragraph 1T of Chapter 1, Handbook 13), the Grantee shall furnish the Grant Officer proof of such approval in lieu of another approval submission.

(1) Property Control

The property control system shall include but not be limited to the following:

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

(B) The price of each item of property acquired or furnished under the grant.

(C) The location of each item of property acquired or furnished under the grant.

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

(E) A record of disposition of each item acquired or furnished under the grant.

(F) Date of order and receipt of any item acquired or furnished under the grant.

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

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(2) Maintenance Program

The Grantee's maintenance program shall be such as to provide for, consistent with sound business practice and the terms of the Grant:

(i) disclosure of need for and the performance of preventive maintenance.

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

(iii) recording of work accomplished under the program.

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

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

A report of status of maintenance of Government property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss

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

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

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

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above, or (B) to take all reasonable steps to comply with any appropriate written directions of the Grant Officer under (c) above:

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(iii) For which the Grantee is otherwise responsible under the express terms of the article or articles designated in *the Schedule of this grant*.

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

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

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

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

(3) Upon the happening of loss or destruction of or damage to the Government property, the Grantee shall notify the Grant Officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Grant Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Grantee shall make repairs and renovations of the damaged Government property or take such other action as the Grant Officer directs.

(4) In the event the Grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or

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replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse the Government, as directed by the Grant Officer. The Grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Grant Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignments in favor of the Government) in obtaining recovery.

(e) Access

The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(f) Final Accounting and Disposition of Government Property

Upon completion of this grant, or at such earlier dates as may be fixed by the Grant Officer, the Grantee shall submit, in a form acceptable to the Grant Officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposal of the Government property as may be directed or authorized by the Grant Officer.

(g) Communications

All communications issued pursuant to this provision shall be in writing.

21. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)

(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the cooperating government may designate)

(a) Except as modified by the *Schedule* of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the Grantee by AID or by the Cooperating Government, shall at all times be in the name of the Cooperating Government or such public or private agency as the Cooperating Government may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in the *Schedule* of this grant; but all such property shall be under the custody and control of Grantee until the owner of title directs otherwise or completion of work under this grant or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

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(b) The Grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The Grantee shall be guided by the requirements of paragraph 1T of Chapter 1, Handbook 13.

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

22. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY

Upon arrival in the Cooperating Country, and from time to time as appropriate, the Grantee's Chief of Party shall consult with the Mission Director who shall provide, in writing, the procedure the Grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of said currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

23. TERMINATION

(a) For Cause. This grant may be terminated for cause at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the Grant Officer to the Grantee.

(c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended

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portions of funds theretofore paid by the Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the Grantee prior to effective date of the termination of this grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Government *within* 90 calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this grant, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

24. VOLUNTARY PARTICIPATION

(This provision is applicable to all grants involving any aspect of family *planning* or population assistance activities, and all Title X grants in particular)

(a) The Grantee agrees to take any steps necessary to ensure that funds made available under this grant will not be used to coerce any individual to practice methods of family planning inconsistent with such individuals' moral, philosophical, or religious beliefs. Further, the Grantee agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(b) The Grantee shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

✓ 25. PROHIBITION ON ABORTION-RELATED ACTIVITIES

(This provision is applicable to all grants involving any aspect of family *planning* or population assistance activities, and all Title X grants in particular)

(a) No funds made available under this grant will be used to finance, support, or be attributed to the following activities: (1) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (2) special fees or incentives to women to coerce or motivate them to have abortions; (3) payments to persons to perform abortions or to solicit persons to undergo abortions; (4) information, education, training, or communication programs that seek to promote abortion as a method of family planning.

(b) The Grantee shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

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✓ 26. VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS

(This provision is applicable when any surgical sterilization will be supported in whole or in part from funds under this grant)

(a) None of the funds made available under this grant shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilization.

(b) The Grantee shall insure that any surgical sterilization procedures supported in whole or in part by funds from this grant are performed only after the individual has voluntarily presented himself or herself at the treatment facility and has given his or her informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after he or she has been advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and his or her option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress or other forms of coercion or misrepresentation.

(c) Further, the Grantee shall document the patient's informed consent by (1) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (2) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

(d) Copies of informed consent forms and certification documents for each voluntary sterilization (VS) procedure must be retained by the Grantee for a period of three years after performance of the sterilization procedure.

(e) The Grantee shall insert paragraphs (a), (b), (c), (d) and (e) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder involving the performance of any sterilization which will be supported in whole or in part from funds under this grant.

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✓ 27. PUBLICATIONS

(This provision is applicable to any grant which produces any book, publication, or other copyrightable materials)

(a) If it is the Grantee's intention to identify AID's contribution to any publication resulting from this grant, the Grantee shall consult with AID on the nature of the acknowledgement prior to publication.

(b). The Grantee shall provide the Project Manager with one copy of all published works developed under the grant. The Grantee shall provide the Project Manager with lists of other written work produced under the grant.

(c) In the event grant 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 grant.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under the grant in accordance with paragraph 1T8.b. of Chapter 1, Handbook 13. Provided, the Grantee agrees to and does hereby grant to the Government a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

28. PATENTS

(This provision is applicable to any grant which produces patentable items, patent rights, processes, or inventions)

(a) Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 1T8.a. of Chapter 1, Handbook 13.

(b) Nothing contained in this provision shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

29. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

(This provision is applicable only to the Grantee's U.S. and third country national employees; it is not applicable to the Grantee's Cooperating Country national employees)

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

(c) Other than work to be performed under this grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage directly or indirectly, either in his/her own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which he/she is assigned, nor shall he/she make loans or investments to or in any business, profession or occupation in the foreign countries to which he/she is assigned.

(d) The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(e) In the event the conduct of any Grantee employee is not in accordance with the preceding paragraphs, the Grantee's chief of party shall consult with the Mission Director and the employee involved and shall recommend to the Grantee a course of action with regard to such employee.

(f) The parties recognize the right of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

(g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the Grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

30. SUBORDINATE AGREEMENTS

(a) The placement of subordinate agreements (i.e., grants or contracts) with other organizations, firms or institutions, and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer unless such subordinate agreements were identified in the approved Financial Plan, in accordance with paragraph (b)(7) of the Standard Provision of this grant entitled "Revision of Financial Plans."

(b) The use of the Standard Provisions of this grant is mandatory for subgrants to U.S. institutions. For subgrants to foreign institutions

Best Available Document

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(c) Contracts awarded with funds provided by this grant shall be undertaken in accordance with the requirements of the Standard Provision of this grant entitled "Procurement of Goods and Services over \$250,000" or "Procurement of Goods and Services under \$250,000" (whichever is applicable), and paragraph 1U3 of Handbook 13. Contracts awarded with funds provided by this grant to U.S. organizations shall set forth the provisions of paragraph 1U4 of Handbook 13. Paragraph 1U4 does not apply to foreign organizations.

31. SALARIES

All salaries, wages, fees, and stipends, which will be reimbursable by AID under this grant, shall be in accordance with both the Grantee's usual policy and practice and the applicable cost principles. To the extent that the Grantee's policy and practice conflict with the applicable cost principles, the latter shall prevail.

32. INELIGIBLE COUNTRIES

Unless otherwise approved by the AID Grant Officer, no AID funds will be expended for costs incurred in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

33. DISPUTES.

(a) Any dispute arising under this grant, which is not disposed of by agreement, shall be decided by the AID Grant Officer who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to the Grantee.

(b) Decisions of the AID Grant Officer shall be final and conclusive unless, within 30 days of receipt of the decision of the Grant Officer, the Grantee appeals the decision to the Administrator, AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523; a copy of any such appeal shall be concurrently furnished to the Grant Officer.

(c) In connection with any appeal proceeding under this provision, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or his duly authorized representative shall be final and conclusive, unless determined by a court of competent jurisdiction to be fraudulent, capricious, arbitrary, an abuse of discretion, or based on clearly erroneous findings of facts or conclusions of law.

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34. PARTICIPANT TRAINING

(This provision is applicable if AID funds provided hereunder will be used to finance participant training)

(a) Definitions

(1) Participant training is the training of any foreign national outside of his or her home country, using AID funds.

(2) A participant is any foreign national being trained under this grant outside of his or her home country.

(b) Applicable regulations

Participant training is to be conducted according to the policies established in AID Handbook 10 - Participant Training, except to the extent that specific exceptions to AID Handbook 10 have been provided in this grant (Handbook 10 may be obtained by submitting a request to the Office of International Training, at the address specified in paragraph (c) below.)

(c) Reporting requirement

Once each month the Grantee shall submit three copies of Form AID 1380-9, "Monthly Report of Participants Under *Grant, Loan, or Contract Programs*," to the Office of International Training, Bureau for Science and Technology (S&T/IT), AID/Washington, D.C. 20523.

35. HEALTH AND ACCIDENT COVERAGE FOR AID PARTICIPANT TRAINEES

(This provision is applicable if AID funds provided hereunder will be used to finance the training of non-U.S. participants in the United States)

(a) The Grantee shall enroll all non-U.S. participants (hereinafter referred to as "participants"), whose training in the United States is financed by AID under this grant, in the Agency for International Development's Health and Accident Coverage (HAC) program.

(b) The Grantee shall, prior to the initiation of travel by each participant financed by AID under this grant, fill out and mail to AID a self-addressed, postage prepaid, HAC Program Participant Enrollment Card (AID form 1380-98). The Grantee can obtain a supply of these cards and instructions for completing them from the Office of International Training, AID/Washington, D.C. 20523.

(c) The Grantee shall assure that enrollment shall begin immediately

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country of origin, or is released from AID's responsibility, whichever is the sooner. The Grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the AID Project Manager and subject to the requirements of paragraph (d).

(d) The Grantee shall submit the HAC Program Participant Enrollment Card to AID, as specified in paragraph (b), above, to enable the participant(s), or the provider of medical services, to submit bills for medical costs resulting from illness or accident to the HAC Administrator, Trust Fund Administrators, Inc., 1030 15th Street, NW, Suite 500, Washington, D.C. 20005. The HAC Administrator, not the Grantee, shall be responsible for paying all reasonable and necessary medical charges, not otherwise covered by student health service or other insurance programs (see paragraphs (e) and (f)), subject to the availability of funds for such purposes, in accordance with the standards of coverage established by AID under the HAC program, and subject to the payment of the fee specified in paragraph (d) (1), below.

(1) Within thirty (30) days after enrollment, the Grantee shall send an enrollment fee computed on the basis of the fixed rate per participant per month* (the minimum period for calculation of fee is one month - that is, one participant month, 30 days, not one calendar month - premiums may not be prorated for fractional periods of less than 30 days), to: Agency for International Development, Office of Financial Management, Program Accounting Division, Nonproject Assistance, Washington, D.C. 20523.

The enrollment fee should cover a minimum period of up to one year or the current training period for which funds are obligated under this grant, whichever is less. As applicable, payments for additional periods of enrollment shall be made 30 days prior to the beginning of each new enrollment period or new period of funding of this grant (the monthly enrollment fee for succeeding fiscal years may be obtained by calling the AID Office of International Training). All such fee payments shall be made by check, payable to the "Agency for International Development (HAC)." If payments are not made within 30 days, a late payment charge shall apply at a percentage rate based on the current value of funds to the Treasury for each 30-day period; the full charge shall also be applicable to periods of less than 30 days. The percentage rate will be calculated by the Treasury as an average of the current value of funds to the Treasury for a recent three-month period and will be transmitted to AID in TFRM Bulletins.

The late payment charge shall be applied to any portion of the fees in arrears and be remitted together with the fees as a separately identified item on the covering memorandum.

*The rate is \$25.00 per participant-month for Fiscal Year 1982.

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(2) Whenever possible, fee payments for groups of several participants entering the HAC Program within the 30-day reporting period shall be consolidated and covered by a single check. Participants covered by the fee payment shall be listed individually in covering letter, identifying each participant (the name reported must be identical to that on the HAC enrollment card), showing period of enrollment (or period of coverage for which payment is remitted if this is different from the enrollment period), fee amount paid, grant number, and U.S. Government appropriation number (as shown under the "Fiscal Data" section of the grant cover letter).

(e) The Grantee, to the extent that it is an educational institution with a student health service program, shall also enroll all participants in their institution's student health service program. Medical costs which are covered under the institution's student health service shall not be eligible for payment under AID's HAC program. The Grantee shall provide the HAC Administrator with a copy of information showing what medical costs are covered by the institution's student health service program; medical costs that are not covered by the institution's student health service program shall be submitted to the HAC Administrator.

(f) If the Grantee has a mandatory, nonwaivable health and accident insurance program for students, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under AID's HAC plan or under this grant. Even though the participant is covered by the Grantee's mandatory, nonwaivable health and accident insurance program, the participant MUST be enrolled in AID's more comprehensive HAC program, and HAC payments MUST be made to AID as provided in above. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Administrator.

(g) Any payments for medical costs not covered by the Grantee's student health service program, or mandatory, nonwaivable health and accident insurance program, or AID's HAC program shall be reimbursable under this grant only with specific written approval of the Grant Officer and subject to the availability of funds.

(h) The HAC Administrator, for the period February 1, 1980 through January 31, 1983, is:

Trust Fund Administrator's, Inc.
1030 15th Street, NW., Suite 500
Washington, D.C. 20005:

36. USE OF POUCH FACILITIES

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID Grantees and their employees as a general policy,

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as detailed in items (1) through (7) below; however, the final decision regarding use of pouch facilities rests with the Embassy or AID Mission. In consideration of the use of pouch facilities as hereinafter stated, the Grantee and its employees agree to indemnify and hold harmless the Department of State and AID for loss or damage occurring in pouch transmission.

(1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this clause, and are not authorized to be sent or received by pouch.

(4) Official mail pursuant to (a)(1) above, sent by pouch should be addressed as follows:

Name of individual or organization (followed by letter symbol "C")
Name of post (USAID/_____)
Agency for International Development
Washington, D.C. 20523

(5) Personal mail pursuant to (a)(2) above should be to the address specified in (a)(4) above, but without the name of the organization.

(6) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(7) AID Grantee personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch may, however, accept official mail from Grantees and letter mail from their employees for the pouch, provided of course, adequate postage is affixed.

(b) The Grantee shall be responsible for advising its employees of this authorization and these guidelines and limitations on use of pouch facilities.

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(c) Specific additional guidance on Grantee use of pouch facilities in accordance with this clause is available from the Post Communication Center at the Embassy or AID Mission.

37. U.S. OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

38. COVENANT AGAINST CONTINGENT FEES

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this grant without liability or, in its discretion, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

39. NONLIABILITY

AID does not assume liability with respect to any third party claims for damages arising out of work supported by this Grant.

40. AMENDMENT

The grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the Grant Officer and an appropriate official of the Grantee.

41. THE GRANT

The letter to the Grantee signed by the Grant Officer, *the Schedule*, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the grant.

42. NOTICES

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the AID Grant Officer, at the address specified in the grant,

To Grantee, at Grantee's address shown in the grant,

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or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

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University of San Pedro Sula
 Development Grant No. 522-0223

Payment Procedures

- a. Each month (or quarter, if the Grantee is on a quarterly basis) after the initial cash advance, the Grantee shall submit to the AID Controller voucher form SF 1034 (original) and SF 1034-A (three copies); "Public Voucher for Purchases and Services Other Than Personal."
- b. Each voucher shall be identified by the appropriate grant or cooperative agreement number and shall be accompanied by an original and three copies of a report in the following format:

FEDERAL CASH ADVANCE STATUS REPORT
 (Report Control No. W-245)

A. Period covered by this report: Period covered by the next report:
 FROM (Month, day, year) _____ FROM (Month, day, year) _____
 TO (Month, day, year) _____ TO (Month, day, year) _____

B. Cash Advance Use and Needs

1. Cash advance on hand at the beginning of this reporting period..... \$ _____

2. U.S. Treasury check advance(s) received during this reporting period..... \$ _____

3. Interest earned on cash advance during this reporting period..... \$ _____

4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3)..... \$ _____

5. LESS, interest remitted to AID during this reporting period..... \$ _____

6. NET cash advance available during this reporting period (Line 4 minus Line 5)..... \$ _____

- 7. Total disbursements during this reporting period, including subadvances (see footnote 1)..... \$ _____
- 8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7)..... \$ _____
- 9. Project disbursements, including subadvances, for the next reporting period (see footnote 2)..... \$ _____
- 10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8)..... \$ _____
- 11. Total interest earned on cash advance from the start of the Grant or Cooperative Agreement to the end of this reporting period, but not remitted to AID..... \$ _____
- 12. Total cash advances to subgrantees, if any, as of the end of this reporting period..... \$ _____

C. Certification

The undersigned hereby certifies: (1) that the report in paragraph B.9 above represents the best estimates of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the Grant will be made in the event of disallowance in accordance with the terms of the Grant, (3) that appropriate refund or credit to the Grant will be made in the event funds are not expended, and that any interest accrued on the funds made available herein will be refunded to AID.

BY _____

DATE _____ TITLE _____

FOOTNOTES:

- 1. The Grantee shall submit a cumulative detailed report of disbursements by budget line item quarterly.
- 2. The Grantee shall attach to this summary a detailed projection by budget line item, of its anticipated needs for the final reporting period.
- c. AID funds shall not be commingled with other Grantee owned or controlled funds. The Grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

ATTACHMENT "E"

ASSURANCE OF COMPLIANCE WITH THE AGENCY FOR
INTERNATIONAL DEVELOPMENT REGULATION UNDER TITLE VI
OF THE CIVIL RIGHTS ACT OF 1964

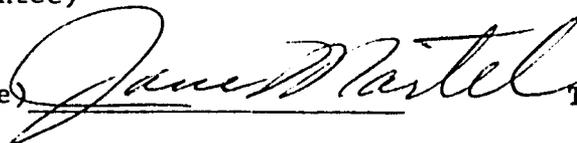
University of San Pedro Sula (hereinafter called the "Grantee")
HEREBY AGREES THAT It will comply with Title VI of the Civil Rights Act of
1964 (P.L. 88-352) and all requirements imposed by or pursuant to the
Regulation of the Agency for International Development (22 CFR Part 209, 30 FR
317) issued pursuant to that Title, to end that, in accordance with Title VI
of that Act and the Regulation, no person in the United States shall, on the
ground of race, color, religion, sex or national origin, be excluded from
participation in, be denied the benefits of, or be otherwise subjected to
discrimination under a program or activity for which the Grantee received
Federal financial assistance from the Agency and HEREBY GIVES ASSURANCE THAT
it will immediately take any measures necessary to effectuate this Agreement.

If any real property or structure thereon is provided or improved with the aid
of Federal financial assistance extended to the Grantee by the Agency, this
assurance shall obligate the Grantee, or in the case of any transfer of such
property, any transferee, for the period during which the real property or
structure is used for a purpose for which the Federal financial assistance is
extended or for another purpose involving the provision of similar services
or benefits. If any personal property is so provided, this assurance shall
obligate the Grantee for the period during which the Federal financial
assistance is extended to it by the Agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining
any and all Federal grants, loans, contracts, property, discounts or other
Federal financial assistance extended after the date hereof to the Grantee by
the Agency, including installment payments after such date on account of
applications for Federal financial assistance which were approved before such
date. The Grantee recognizes and agrees that such Federal financial
assistance will be extended in reliance on the representations and agreements
made in this assurance, and that the United States shall have the right to
seek judicial enforcement of this assurance. This assurance is binding on the
Grantee, its successors, transferees, and assignees, and the person and
persons whose signature appear below are authorized to sign this assurance on
behalf of the Grantee.

University of San Pedro Sula
(Grantee)

BY: (Signature)



TITLE: President

TYPE NAME: Lic. Jane de Martel

DATE: August 27, 1982