

CONTRACT/AGREEMENT DATA SHEET	B 15254	1. M/SER/AAM/A/SUP Action Monitor DRG	2. Date PIO/T Received in M/SER/AAM/A/SUP 5 ' 7 ' 87
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COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

1. Contract/Agreement/Number <i>OTR-0285-A-00-7124-00</i>	2. Date PIO/T Received in M/SER/AAM/A/SUP
4. Contractor/Recipient Name <i>Project HOPE Health Sciences Education Center</i>	5. Contractor Acronym
6. Project Title <i>Matching Grant</i>	7. Project Number <i>938-0285</i>
8. Project Officer's Name <i>V. Kunkle</i>	9. Bureau or USAID Symbol <i>FVA/PVC</i>

10. PIO/T Number <i>7381806</i>	21. Budget Plan Code <i>EDHA-87-13810-KG11</i> <i>App. 72-1171021,8 A11, 748-38-099-00-76-71</i>
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11. TYPE OF ACTION <input checked="" type="checkbox"/> A. New Acquisition/Assistance <input type="checkbox"/> B. Amendment/Modification 1. New/Revised Scope 2. Funded Extension 3. No Cost Extension 4. Transfer of action from AID/W to Mission/Mission to AID/W 5. Incremental Funding 6. Overhead Rate Adjustment 7. Contract Closeout 8. Other C.FPR or FAR OTR <i>HB 13</i>	22. Country or Region of Performance <i>World Wide</i> 23. A. This Action Increases or Decreases TEC by \$ <u>0</u> B. Total Estimated Cost of Contractual Document \$ <u>2,585,000</u> 24. Amount of Non-Federal Funds Pledged to the Project \$ <u>2,938,111</u>
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12. Amount of this PIO/T <i>0b1. U.S. \$ 530,000</i>	25. Effective Date of this Action 8/27/87 ✓ <i>6/17/87</i> 5/31/87
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13. Amount <input checked="" type="checkbox"/> Obligated <input type="checkbox"/> Subobligated <input type="checkbox"/> Deobligated by this Contract or Amendment U.S. \$ <i>530,000</i>	26. Estimated Completion/Expiration Date <i>5/31/92</i>
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14. Cumulative Obligation (Life of Contract) U.S. \$ <i>530,000</i>	27. Contractor DUNS Number <i>098661135</i>
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15. This Action Funded Through <i>6/31/88</i>	28. Consultant Type Award <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
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16. Date Contractual Documents Signed by AID Official ✓ <i>8/24/87</i>	29. Number of Person Months (PASA/RSSA only)
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17. Incrementally Funded Contracts <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	30. Number of Persons (PASA/RSSA only)
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18. Host Country/Counterpart Institution (University Contracts) <i>—</i>	31. CONTRACT TYPE A. Fixed Price (specify: <input type="checkbox"/> FFP <input type="checkbox"/> FPRD <input type="checkbox"/> FPEPA <input type="checkbox"/> FPI) <input checked="" type="checkbox"/> D B. Cost Reimbursement (specify: <input type="checkbox"/> CR <input type="checkbox"/> CPFF <input type="checkbox"/> CS <input type="checkbox"/> CPAF <input type="checkbox"/> CPIF) C. IGC and Requirements Contracts D. Grant <input checked="" type="checkbox"/> PASA/RSSA E. Contracts with Individuals
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19. Campus Coordinator (University Contracts) <i>—</i>	20. ADVANCE A. No Advance B. Advance Non-FRLC C. Advance FRLC <input checked="" type="checkbox"/> A
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32. Negotiator's Typed Name <i>R. Flynn</i>	33. Negotiator's Signature <i>Ruth E Flynn</i>	34. Date Signed <i>8/27/87</i>
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35. Contract/Grant Officer's Organization Symbol <i>W/MS</i>	36. Contract/Grant Officer's Signature <i>Carolyn R. Eldredge</i>	37. Date Signed <i>8/24/87</i>
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ENTERED
SEP 28 1987
COORS Section

38. SUBJECT TO STATUTORY REQUIREMENT

- A. Walsh-Healey Act, Manufacturer*
- B. Walsh-Healey Act, Regular Dealer*
- C. Service Contract Act
(U.S. ONLY - Guards, Maintenance, Laborers)
- D. Davis-Bacon Act *(Construction)*
- E. Not subject to Walsh-Bacon Act
(Most AID Contracts)

E

*Equipment, Supplies, Materials, and Commodities

39. Country of Manufacture

US

40. CURRENCY INDICATOR

- A. U.S. Dollar
- B. Local Currency
- C. Combination
- D. Unfunded

A

41. SUBCONTRACTS

Is there a provision for a subcontract? *(Contracts only)*

YES NO

42. TYPE OF SERVICE

- A. Training of Participants
- B. Technical Assistance to Host Country
(Program, Project related except A&E Services)
- C. A&E Services
- D. Construction
- E. Research
- F. Technical Services to AID
(other than training; usually operating expense)
- G. Training Service for AID
- H. Equipment, Materials, Supplies, Commodities
- I. Translation Service

B

43. CONTRACT/AGREEMENT SOURCE

- A. U.S. Contractor/Grantee
- B. Non-U.S. Contractor/Grantee
- C. Combination of A & B

A

44. TYPE OF AMERICAN OWNERSHIP

(U.S. Persons or Firms Only)

- Minority
- A. Asian/Pacific Islander
- B. Black American
- C. American Aleuts or Eskimos
- D. American Indian
- E. Hispanic

G

G. Non-Minority

45. METHOD OF SOLICITATION

- A. Sealed Bid
- B. Competitive Proposal
- C. Combination/Competition
- D. Other Competition
- E. Noncompetitive

E

46. LABOR SURPLUS AREA PREFERENCE

- Labor Surplus Area
- A. No Preference
- B. Tie Bid Preference
- C. Total Set Aside
- D. Not a Labor Surplus Area Preference Award

D

47. TYPE OF BUSINESS

- A. Source: Non-U.S. and Used Outside U.S. & Possessions
- B. Source: Non-U.S. and Possessions
(Foreign Purchases Used Inside U.S.)
(If U.S. Source, complete C through Q)
- C. Firm - Profit Making & PSC's

H

Non-Profit Organizations

- D. Private Educational Organizations
- E. Hospitals
- F. Research Institutions, Foundations, and Laboratories
- G. Other

Private Voluntary Organizations

- H. U.S. Registered
- I. U.S. Non-Registered
- J. Foreign

State/Local Government

- K. Educational Institutions
- L. Hospitals
- M. Research Organizations
- N. Other

O. International Agricultural Research Organizations

- P. Public International Organizations
- Q. U.S. Cooperatives

48. Women Owned Business?

YES NO

49. TYPE OF AWARD

- Small Business
- A. Not Set Aside
- B. Partial Set Aside
- C. Total Set Aside
- Other Than Small Business
- D. Personal Service Contract
- E. Individual Non-Personal Service Contract
- F. U.S. Government
- G. University
- H. Non-Profit Organizations and PVOs
- I. Large Businesses

H

50. Paying Office:

Payment will be made by

M/EM/PAFD AID/W

ORIGINAL
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

AUG 24 1987

William L. Brockschmidt
Vice President, Finance
The Project Hope Health Sciences
Education Center
Millwood, Virginia 22646

Subject: Cooperative Agreement No. OTR-0285-A-00-7124-00

Dear Mr. Brockschmidt:

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." or "Grantor") hereby provides to the Project Hope Health Sciences Education Center (hereinafter referred to as "Recipient"), the sum of \$2,585,000 to provide support for health education programs in five countries as described in the Schedule and the Program Description of this Cooperative Agreement.

This Cooperative Agreement is effective June 1, 1987 and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending May 31, 1992.

This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Enclosure 1, entitled "Schedule", Enclosure 2, entitled "Program Description," and Enclosure 3 entitled "Standard Provisions," which have been agreed to by your organization.

Please sign the original and six copies of this letter to acknowledge your receipt of the Cooperative Agreement, and return the original and five copies to the Office of Procurement.

Sincerely yours,

Carolyn R. Eldridge
Carolyn R. Eldridge
Grant Officer
Management Services Branch
Office of Procurement

Enclosures:

1. Schedule
2. Program Description
3. Standard Provisions
4. Payment Forms
5. Report Guidance

ACKNOWLEDGED:

BY: *William M. Schmitt*

TITLE: Vice President, Finance

DATE: September 16, 1987

FISCAL DATA

Total Estimated Amount: \$2,585,000
Total Obligated Amount: \$530,000
PIO/T No.: 7381806
Appropriation : 72- 1171021.8
Budget Plan Code (BPC): L0HA87 13810 KG11
Allotment: 748-38-099-00-76-71
Funding Source: A.I.D./W
Financial Management Paying Office: M/FM/PAFD
Grant Administration: OP/W/MS
Recipient DUNS No.: 098661135

FUNDS AVAILABLE
J. J. Schmitt
AUG 26 1987
e/c 4/90
Program Acctg Fin Division
Office of Financial Management

Doc. 44580

4

Cooperative Agreement Schedule

- I. Authority for this Cooperative Agreement is contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224). The purpose of the Agreement is to provide support and substantial involvement in Project HOPE as more specifically described in Enclosure 2 to this schedule entitled, "Program Description" and the recipient's proposal dated October 15, 1986 which is incorporated herein by reference.

In the event of any conflict among the provisions of this Agreement, the following order of precedence shall apply:

1. Cover Letter
2. Schedule
3. Mandatory and Optional Standard Provisions
4. Program Description
5. Recipient's Proposal dated October 15, 1987

II. Funds Obligated, Payment, Estimated Cost and Cost Sharing

- A. The total estimated amount of this Agreement for the period shown in Section IV - Period of Agreement is \$2,585,000.
- B. A.I.D. hereby obligates the amount of \$530,000 for program expenditures during the period set forth in Section IV and as shown in Section VII - Financial Plan below.
- C. Payment shall be made to the Recipient in accordance with the procedures set forth in Section IX - Standard Provision No. 1 entitled, "Payment - Letter of Credit."
- D. Additional funds up to the total amount of the Agreement shown in Section VII below may be obligated by A.I.D. subject to the availability of funds, and to the requirements of the Standard Provision, entitled, "Revision of Grant Budget."

III. Substantial Involvement Understanding

- A. Countries: The following countries are approved for direct in-country program support under the agreement: Belize, Costa Rica, Haiti, Honduras and Swaziland. Other countries may be approved during the period of the grant. Such approval will be communicated by A.I.D. in writing after consultation with the Grant Officer and relevant A.I.D. Mission.

B. Evaluation:

The scope of work for the project evaluation contract and the evaluator(s) chosen to carry out this activity must be developed with and approved in advance by A.I.D./FVA/PVC Project Officer. The Project Officer is to participate in the pre and post-evaluation briefings and to receive six (6) copies of the completed evaluation report for FVA/PVC and one copy for each country evaluated.

IV. Period of Agreement

- A. The effective date of the Cooperative Agreement is June 1, 1987. The expiration date is May 31, 1992.
- B. Funds obligated hereunder are available for program expenditure for the estimated period June 1, 1987 to May 31, 1988 as shown in the Financial Plan below. In the event there are funds remaining after this date, the Recipient is authorized to utilize them for the purposes of the Agreement as long as they are used within the period shown in A. above.

V. Reports and Evaluation

A. Reports

1. Annual Reports: Ten copies of the Annual Report plus one copy for the A.I.D. Mission in each target country in program will be submitted to the Project Officer (A.I.D./FVA/PVC) 60 days prior to each anniversary date of the agreement. Annual reports will describe project activities and Project HOPE's financial contribution to the project. Guidance for Periodic and Final Reports to FVA/PVC on recipient Accomplishments is provided as Enclosure 5 for illustrative purposes.

The Annual Report will also include a country data sheet for each subproject activity and will be furnished in the Standard format prescribed by FVA/PVC for its grant information system (A.I.D. FORM 1550-11 included in Enclosure 5). Other current A.I.D. grants to Project HOPE, such as OPGs, will be noted in the report with an explanation of any relationship of such grants to this Agreement.

2. Final Report: By the last day of the Cooperative Agreement period, one copy of the final report (last annual report) will be submitted to A.I.D./FVA/PVC and to the Grant Officer whose address appears on the Cooperative Agreement cover letter. The report shall include the following information as well as those items included in Enclosure 5 of this Agreement.
 - a. A comparison of actual accomplishments with the goals established for the Cooperative Agreement period.
 - b. Reasons why if established goals were not met; and
 - c. Other pertinent information including, when appropriate, analysis and explanations of cost overruns, or unusually high expenses.
3. Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the Recipient shall inform the Grant Officer as soon as the following types of conditions become known:

- a. Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities by the established time period. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
 - b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.
4. Financial Reports: Financial reports will be in accordance with Section IX - Standard Provisions. The original and two copies of all financial reports shall be submitted to the Agency for International Development, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D. C. 20523. In addition, three copies of all financial reports shall be submitted to the Technical Office specified in the Cover Letter of this Cooperative Agreement.

B. Evaluation

Self-evaluation will be conducted by Project HOPE in accordance with their normal evaluation program as described in their proposal. In addition, from time-to-time A.I.D. officers will, with prior notification to Project HOPE headquarters, visit selected project sites. The Cooperative Agreement Budget includes funds to contract for a project evaluation in the mid-and final year (as well as some set-aside funds for an independent final evaluation of previous Matching Grant). Special requirements for this project evaluation are delineated above under Section III - Substantial Involvement Understanding.

VI. Indirect Cost Rates

Pursuant to the Optional Standard Provision of this Agreement entitled, "Negotiated Indirect Cost Rates - Provisional," a rate or rates shall be established for each of the Recipient's accounting periods which apply to this Agreement. Pending establishment of revised provisional or final indirect cost rates for each of the Recipient's accounting periods which apply to this Agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Provisional	54.4%	Salaries and wages excluding all fringe benefits	Until Amended

The Medical Programs rate includes the following percentages of salaries and wages for General and Administrative expenses: FYE 6/30/85 - 41.1%; FYE 6/30/86 - 31.4%; and Provisional amount of 31.4% for 7/1/86 and forward until amended.

VII. Financial Plan

The following is the financial plan for this Agreement. Revisions to this plan should be made in accordance with the Mandatory Standard Provisions entitled, "Revision of Grant Budget." The Recipient cannot transfer more than 30 percent of any total country program to another country program. Nor should any country program be increased by more than 30 percent of its total, without prior FVA Project Officer knowledge and the Agreement Officer's approval. All other line item adjustments must be approved specifically by the Grant Officer.

BUDGET

Cost Element	From: 6/01/87	From: 6/01/88	Total Amount	Total Cost Sharing Arrangement	
	To: 5/31/88	To: 5/31/92	From: 6/01/87 To: 5/31/92	A.I.D.	PVO
1. Program Elements	\$ 692,434	\$ 2,694,656	\$ 3,387,090	\$ 1,693,548	\$ 1,693,542
Belize	0	(141,083)	(141,083)		
Costa Rica	(68,470)	(124,248)	(192,718)		
Haiti	(8,920)	0	(8,920)		
Honduras	(325,547)	(1,328,617)	(1,654,164)		
Swaziland	(289,497)	(1,100,706)	(1,390,205)		
2. Procurement	180,697	652,454	883,151	416,575	416,576
3. Evaluation	30,000	55,000	85,000	85,000	0
4. Indirect Costs	261,725	956,145	1,217,870	389,877	827,993
TOTAL	\$ 1,164,856	\$ 4,358,255	\$ 5,523,111	\$ 2,585,000	\$ 2,938,111

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NOTES:

1. Project HOPE agrees to cost share this Agreement by the end of the Life of Project period by at least a 1 to 1 cash match with A.I.D. under this Agreement. The only exception to the above is the Evaluation Contract amount of \$85,000, which does not require any Grantee match.

The Recipient is required to meet the requirements of the Standard Provision of this Agreement entitled "Cost Sharing/Matching".

If this award was made on the basis that the Recipient has offered to cost share at a rate greater than 1 to 1, the Recipient is required to notify the Grant Officer of any changes in the amount to be cost shared by the Recipient in accordance with the Standard Provision entitled "Revisions of Grant Budget". Such a change may impact on future funding decisions under this Agreement.

2. The Recipient is required to report in their annual reports and in their incremental funding letters the total amount of cost-sharing to date. Although the Recipient is required to cost share on a life-of-program basis, they are also expected to expend those funds on a pro rata basis per year and not wait until the last year of the agreement to expend their cost share.
3. Procurement: The Recipient will use their own private cost-share fund for all non-U.S. procurement.

VIII. Special Provisions

Following are the Special Provisions that apply to this Agreement: (Only those standard provisions which have been checked off are included physically within this Agreement.)

Title to all property purchased under this Cooperative Agreement shall be vested in the Recipient and subject to the Standard Provisions entitled "Title to Property - Grantee".

Travel: The Standard Provision requiring advance notification of the Recipient's travel intentions overseas is waived for this Agreement.

PROGRAM DESCRIPTION

- I. Program Goal: To improve the health and productivity of the rural and urban poor by improving the child and health care infrastructure of a target country to better provide health care for its populace.
- II. Program Purpose: To support child health infrastructure development by concentrating on certain key health interventions identified by host governments in Belize, Costa Rica, Haiti, Honduras and Swaziland. Project HOPE will provide education and training rather than direct health services in response to these requests.
- III. Principal Activities: The objectives of the program are country and task specific and revolve around the following activities:
 - (a) Nursing Education, including both basic and post-graduate nursing degrees, to prepare nurses to better meet the basic health needs of rural and urban populations;
 - (b) Building Laboratory Capacity to support the diagnostic and treatment needs of both primary, secondary and tertiary health care levels and preparing laboratory personnel to perform required laboratory tests;
 - (c) Establishing a Regional Training Center for the preparation of respiratory therapists to treat and prevent respiratory diseases and to form departments of respiratory therapy in selected health care institutions;
 - (d) Developing an Audio-Visual Resources Production Center to prepare materials for the training of young professionals and paraprofessionals of those diseases most prevalent in their practice areas;
 - (e) Training Technicians to repair and maintain medical equipment at different levels of health care institutions;
 - (f) Providing Continuing Education for members of health teams serving in rural and para-urban areas in order to deliver improved health care among poor populations, and
 - (g) Develop and Implement a Drug and Supply Management System that will improve the procurement, inventory, storage, distribution and dispensing of medical supplies.

IV. Country Activities: Specific country projects to be funded under this grant are:

1. Belize:

a. Laboratory Program: Development of a public health lab with microbiological and water and food testing capabilities. (New activity; start up to begin in year four pending sustainability and institutionalization of city hospital lab established and equipped by HOPE under current grant.)

2. Costa Rica:

a. Respiratory Therapy (RT) Program: Establishment of a regional center for training of RT; formation of departments of RT in selected institutions including staffing. (On-going*)

3. Haiti:

a. Laborary Program: Development of a lab at the University Hospital in Port-au-Prince. (On-going; funding requested for one year only.)

4. Honduras:

a. Child Health: Training for health professionals and para-professionals in a Child Health Education Initiative. (New project)

b. Learning Resources Program: Development of an audio-visual resources production center within the National University; development of libraries for use in rural/peri-urban communities; training of Hondurans to assume responsibility for the Center. (On-going)

c. Clinical Engineering Program: Establishment of biomedical equipment repair and maintenance centers at selected MOH and Social Security Institute agencies; training of current technicians for these and other centers in Honduras. (On-going)

d. Laboratory Programs:

(1) Completion of faculty of the National Autonomous University of Honduras (UNAH) Division of Parasitology, and the provision of a continuing education program for rural and peri-urban laboratory technologists. (On-going)

(2) Establishment of a school for laboratory technicians, including preparation of faculty for the school. (New activity)

* All on-going projects are being funded under HOPE's current Matching Grant which will terminate in June 1987.

5. Swaziland:

a. Three Separate Nursing Programs:

(1) Improving basic nursing curriculum at the Nazarene Nursing College. (On-going)

(2) Design and implementation of a one-year post-graduate community health nursing education program at the Swaziland Institute of Health Sciences. (On-going)

(3) Develop a training program in primary health care skills for nursing assistants trained for hospital nursing services at the Good Shepherd Hospital. (New activity)

b. Pharmacy/Medical Supply Program: Develop a materials management program to establish a drug and medical supply system for Swaziland. (On-going)

V. Program Management: At Project HOPE headquarters, Dr. Paul Burgess is Project Officer for the following target countries: Belize, Haiti, Swaziland and Honduras, and Mr. Daniel Baranowski is Project Officer for Costa Rica. Both country managers report to Mr. Donald G. Weaver, Director of International Programs. Mr. William B. Walsh, Jr., as Vice President for Operations, is responsible for the overall direction and management of international programs. In the field, each program has a HOPE country representative, who, along with his technical and administrative staff, is responsible for the day-to-day management of the program including the obligation of project funds according to the authorized budget and disbursement schedule set forth by headquarters.

VI. Proposed Evaluation Plan: HOPE has a well-developed system of internal program monitoring and evaluation. Monthly, quarterly, semi-annually and annual reports produced by the technical professionals on site and sent to HOPE headquarters, ensures adherence to the work plan, implementation and financial disbursement schedules. Program monitoring and evaluation is done with the involvement of HOPE headquarters and field personnel as well as host country counterparts individuals and institutions.

HOPE will provide PVC with annual progress reports describing program impact against stated objectives. An independent midterm and a final evaluation will take place during the third quarters of FY 1989 and FY 1991 respectively. PVC has added an additional \$55,000 to the program with HOPE for this purpose. An additional \$30,000 has been added to this grant for the purpose of conducting a final independent evaluation of the previous Matching Grant.

MANDATORY STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES¹

INDEX OF
MANDATORY STANDARD PROVISIONS

- | | |
|-----------------------------------|----------------------------------|
| 1. Allowable Costs | 7. Ineligible Countries |
| 2. Accounting, Audit, and Records | 8. Nondiscrimination |
| 3. Refunds | 9. U.S. Officials Not to Benefit |
| 4. Revision of Grant Budget | 10. Nonliability |
| 5. Termination and Suspension | 11. Amendment |
| 6. Disputes | 12. Notices |

1. ALLOWABLE COSTS (NOVEMBER 1985)

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 this grant, any negotiated advance understanding on particular cost items, and the applicable* cost principles in effect on the date of this grant.

* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (MARCH 1987)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee's financial management system shall provide for the following:

(1) Accurate, current, and complete disclosure for each AID-sponsored project or program in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

¹When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient," "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

(2) Records that identify adequately the source and application of funds for AID-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

(8) Examinations in the form of audits or internal audits shall be made by qualified individuals that are sufficiently independent of those that authorize the expenditure of AID funds, to produce unbiased opinions, conclusions, or judgments. They shall meet the independence criteria along the lines of Chapter IV, Part B of the U.S. General Accounting Office Publication Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant. It is not intended that each grant awarded to the grantee be examined. Generally, examinations should be conducted on an organization-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of the AID grant. Such tests would include an appropriate sampling of Federal grants and agreements. Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. A copy of the audit report shall be furnished to the AID grant officer who shall submit it to AID's Regional Inspector General for Audit. The frequency of these examinations shall depend upon the nature,

size, and the complexity of the activity. These grantee self-examinations do not relieve AID of its audit responsibilities, but may affect the frequency and scope of such audits.

(9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

(b) The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant;

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit; and

(3) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.

(c) The grantee shall require subrecipients to adopt the standards in paragraphs (a) and (b) above except that portion of subparagraph (a) 1 that would require specific financial reporting forms and frequencies in accordance with the payment provisions of the grant.

3. REFUNDS (MAY 1986)

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

(b) Funds obligated by AID 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 advanced to but not expended by the grantee and not encumbered by a legally binding transaction applicable to this grant 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.

4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant 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 grant budget will be necessary for the following reasons:

(1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.

(2) The need for additional funding.

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

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The grantee intends to contract or subgrant any of the substantive programmatic work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.

(7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.

(c) When requesting approval for budget revisions, the grantee shall use the budget formats 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 and Suspension."

(f) Except as required by other provisions of this grant specifically 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. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" 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 the new obligated grant total amount.

5. TERMINATION AND SUSPENSION (MAY 1986)

(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) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall 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. The grantee shall within 30 calendar days after the effective date of such

termination repay to the Government all unexpended AID funds 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 the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the 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. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (March 1987)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to AID's Associate Assistant to the Administrator for Management. Any appeal made under this provision shall be in writing and addressed to the Associate Assistant to the Administrator for Management, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In order to facilitate review on the record by the Associate Assistant to the Administrator for Management, the grantee shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Associate Assistant to the Administrator for Management shall be final.

7. INELIGIBLE COUNTRIES (MAY 1986)

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

8. NONDISCRIMINATION (MAY 1986)

(This provision is applicable when work under the grant is performed in the U.S. or when employees are recruited in the U.S.)

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

9. U.S OFFICIALS NOT TO BENEFIT (NOVEMBER 1985)

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.

10. NONLIABILITY (NOVEMBER 1985)

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

11. AMENDMENT (NOVEMBER 1985)

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.

12. NOTICES (NOVEMBER 1985)

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

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

(END OF MANDATORY STANDARD PROVISIONS)

**OPTIONAL STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

- | | |
|---|-------------------------------------|
| 1. Payment - Letter of Credit | <input checked="" type="checkbox"/> |
| 2. Payment - Periodic Advance | <input type="checkbox"/> |
| 3. Payment - Cost Reimbursement | <input type="checkbox"/> |
| 4. Air Travel and Transportation | <input checked="" type="checkbox"/> |
| 5. Ocean Shipment of Goods | <input checked="" type="checkbox"/> |
| 6. Procurement of Goods and Services | <input checked="" type="checkbox"/> |
| 7. AID Eligibility Rules for Goods and Services | <input checked="" type="checkbox"/> |
| 8. Subagreements | <input checked="" type="checkbox"/> |
| 9. Local Cost Financing with U.S. Dollars | <input checked="" type="checkbox"/> |
| 10. Patent Rights | <input checked="" type="checkbox"/> |
| 11. Publications | <input checked="" type="checkbox"/> |
| 12. Negotiated Indirect Cost Rates - Predetermined | <input type="checkbox"/> |
| 13. Negotiated Indirect Cost Rates - Provisional | <input checked="" type="checkbox"/> |
| 14. Regulations Governing Employees | <input checked="" type="checkbox"/> |
| 15. Participant Training | <input checked="" type="checkbox"/> |
| 16. Voluntary Population Planning | <input type="checkbox"/> |
| 17. Protection of the Individual as a Research Subject | <input checked="" type="checkbox"/> |
| 18. Care of Laboratory Animals | <input type="checkbox"/> |
| 19. Government Furnished Excess Personal Property | <input checked="" type="checkbox"/> |
| 20. Title to and Use of Property (Grantee Title) | <input checked="" type="checkbox"/> |
| 21. Title to and Care of Property (U.S. Government Title) | <input checked="" type="checkbox"/> |
| 22. Title to and Care of Property (Cooperating Country Title) | <input checked="" type="checkbox"/> |
| 23. Cost Sharing (Matching) | <input checked="" type="checkbox"/> |
| 24. Use of Pouch Facilities | <input checked="" type="checkbox"/> |
| 25. Conversion of United States Dollars to Local Currency | <input checked="" type="checkbox"/> |

(INCLUDE THIS PAGE IN THE GRANT)

Payment - Letter of Credit (NOVEMBER 1985)

(This provision is applicable only 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 annum, (ii) AID has, or expects to have, a continuing relationship with the grantee for 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 standards 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) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

(c) 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 to AID/M/FM/PAFD, Washington, D.C. 20523. 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 to M/FM/PAFD. 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 M/FM/PAFD, AID/Washington.

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAFD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report all cash advances in the remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of actions taken by the grantee to reduce the excess balances.

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(d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAFD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. M/FM/PAFD shall provide the grant officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The grant officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the grant officer.

(END OF STANDARD PROVISION)

PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

(This provision is applicable when the conditions for use of letter of credit cannot be met (including those pertaining to mixed dollar and local currency advances) and when the grantee meets the requirements of paragraph 1.0.6 of Handbook 13.)

(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 Advance or Reimbursement," in an original and two copies, to the address specified in the Schedule of this grant.

(c) The grantee shall submit one copy of SF-272, "Federal Cash Transactions Report," 15 working days following the end of each quarter to the payment office 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 to the payment office specified in the schedule. 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 SF-269 must be submitted to the payment office 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.

(END OF STANDARD PROVISION)

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PAYMENT - COST REIMBURSEMENT (NOVEMBER 1985)

(This provision is applicable to grants for construction, or to grants where the grantee does not meet the conditions for either a letter of credit or periodic advance payment.)

- (a) At the end of each month of this grant, the grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the payment office address specified in the schedule of this grant.
- (b) A final SF-270, shall be submitted within 60 days after the conclusion of the grant to the payment office.
- (c) The 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.
- (d) Assignment of Claims (otherwise known as assignment of proceeds) is authorized under this grant and will be processed by the payment office.

(END OF STANDARD PROVISION)

AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

- (a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.
- (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, AID will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, 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 air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.
- (d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.
- (e) U.S. flag air carrier service is considered available even though:
- (1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;
 - (2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or
 - (3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

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5f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.), passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier

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including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. flag air 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 unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(1) International Travel

(1) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subgrants and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

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OCEAN SHIPMENT OF GOODS (MAY 1986)

(This provision is applicable when goods purchased with funds provided under this grant are transported to cooperating countries on ocean vessels.)

- (a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.
- (b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.
- (c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.
- (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 U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, 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., FVOs) shall be governed by this standard provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(END OF STANDARD PROVISION)

PROCUREMENT OF GOODS AND SERVICES (November 1985)

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

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules for Goods and Services."

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which AID funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual is negotiating or has any arrangement concerning prospective employment. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeree whose bid/offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeree must fulfill in order to be evaluated by the recipient. Any and all bids/offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

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(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical practical procurement.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand-name or equal" descriptions may be used as a means to define the performance of other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.

(iii) Positive efforts shall be made by the recipients to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. 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 the maximum extent possible provide the following information to the Office of Small 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:

- (A) Brief general description and quantity of goods or services;
- (B) Closing date for receiving quotations, proposals, or bids; and
- (C) Address where solicitations or specifications can be obtained.

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

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$5,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

(A) Basis for contractor selection;

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

(C) Basis for award cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract shall contain, in addition to provisions to define a sound and complete contract, the following contract provisions, if applicable, as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where the U.S. Government or AID is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

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(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to AID.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to AID.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(8) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

(9) All negotiated contracts over \$10,000 awarded by the grantee shall include a provision to the effect that the grantee, AID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to AID and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the AID grant officer.

(END OF STANDARD PROVISION)

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AID ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

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

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement. AID's policy on ineligible and restricted goods and services is contained in Chapter 4 of AID Handbook 1, Supplement B, entitled "Procurement Policies".

(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.

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). AID will provide the grantee with a copy of this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, entitled "Procurement Policies".

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U. S. 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:

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,
- (C) "Selected Free World" countries (AID Geographic Code 941), and
- (D) "Special Free World" countries (AID Geographic Code 935).

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph b(1)(i) above, the grantee 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:

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Impelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or
- (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

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(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U. S. dollars, shall be procured in and shipped from the U. S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

(c) 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 the U. S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U. S. with a company or companies authorized to do marine insurance business in the U. S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.

(e) 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) The United States (AID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (AID Geographic Code 941), and
- (4) "Special Free World" countries (AID Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

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SUBAGREEMENTS (NOVEMBER 1985)

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

(a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the AID Consolidated List of Debarred, Suspended, or Ineligible Awardees under AID Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 201). AID will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain, in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where the U.S. Government is mentioned, the grantee's name will be substituted.

(1) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

(2) All subagreements in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated because of circumstances beyond the control of the subrecipient.

(3) Subagreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or subagreements in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the subagreement are subject to the regulations contained in the provisions of this grant. The subrecipient shall be advised as to the source of additional information regarding these matters.

(4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(END OF STANDARD PROVISION)

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LOCAL COST FINANCING (MAY 1986)

(This provision applies only when local costs are authorized by the grant, and must be used with the standard provision entitled "Procurement of Goods and Services.")

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. 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.

Imported shelf items are eligible in unlimited quantities if they have their origin in a country included in AID Geographic Code 941. Imported 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 quantities; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied that which is customarily used in quoting prices. The total amount of imported shelf items purchased 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 grant, 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. Imported shelf items produced in or imported from countries not included in Geographic Code 899 are ineligible for AID financing.

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

- (1) They must be paid for in local currency.
- (2) They must not be specifically imported for this grant.
- (3) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.
- (4) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

(c) 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.

(d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended, or Ineligible Awardees (AID Regulation 8, (22 CFR 208)). AID will provide the grantee with this list upon request.

(e) 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.

(f) If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

(END OF STANDARD PROVISION)

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PATENT RIGHTS (NOVEMBER 1985)

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

(a) Definitions.

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

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

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

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

(5) Small business firm means a domestic small business concern as defined at Section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, shall be used.

(6) Nonprofit organization means a domestic university or other institution of higher education or an organization of the type described in Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any domestic nonprofit scientific or any educational organization qualified under a state nonprofit organization statute.

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

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

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

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

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

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

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

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

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

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

(e) Minimum Rights to Recipient:

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

(2) The recipient's domestic license may be revoked or modified by AID to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the Federal Property Management Regulations and agency licensing regulations (if any). This license shall not be revoked in that field of use or the geographical areas in which the recipient has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of AID to the extent the recipient, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

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

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

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

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

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

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

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

(h) Reporting Utilization of Subject Inventions: The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the recipient or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the recipient, and such other data and information as AID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by AID in connection with any march-in proceedings undertaken by AID in accordance with paragraph (j) of this provision. To the extent data or information supplied under this section is considered by the recipient, its licensee or assignee to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.

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

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

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

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

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

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

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

(1) Rights to a subject invention in the United States may not be assigned without the approval of AID, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention provided that such assignee shall be subject to the same provisions as the recipient.

(2) The recipient may not grant exclusive licenses under the United States patents or patent applications in subject inventions to persons other than small business firms for a period in excess of the earlier of:

(i) Five years from first commercial sale or use of the invention;
or

(ii) Eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, unless on a case-by-case basis, AID approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use shall not be deemed commercial sale or use as to other fields of use and a first commercial sale or use with respect to a product of the invention shall not be deemed to end the exclusive period to different subsequent products covered by the invention.

(3) The recipient shall share royalties collected on a subject invention with the inventor; and

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

(1) Communications: Communications concerning this provision shall be addressed to the grant officer at the address shown in this agreement.

(END OF STANDARD PROVISION)

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PUBLICATIONS (NOVEMBER 1985)

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

- (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 AID project officer with one copy of all published works developed under this grant and 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 unless the schedule of the grant has identified the profits or royalties as program income.
- (d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

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NEGOTIATED INDIRECT COST RATES - PREDETERMINED (MAY 1986)

(This provision is applicable to organizations whose indirect cost rate(s) under this grant are on a predetermined basis.)

- (a) The allowable indirect costs under this grant shall be obtained by applying predetermined indirect cost rate(s) to the base(s) agreed upon by the parties, as specified in the schedule of this grant.
- (b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 a proposed predetermined indirect cost rate(s) and supporting cost data. In the event AID is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed predetermined indirect cost rate(s) and supporting cost data to the AID Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rate(s) shall begin as soon as practical 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.
- (d) Rates for subsequent periods shall be negotiated and the results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed upon predetermined rate(s), (2) the base(s) to which the rate(s) apply, (3) the fiscal year (unless the parties agree to a different period) for which the rate(s) apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The indirect cost 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 indirect cost rate(s) for any fiscal year or different period agreed to by the parties, the grantee shall be reimbursed either at the rate(s) fixed for the previous fiscal year or other period or at billing rate(s) acceptable to the AID grant officer subject to appropriate adjustment when the final rate(s) for the fiscal year or other period are established.

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(f) Any failure by the parties to agree on any predetermined indirect cost rate(s) 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 on a predetermined indirect cost rate(s), it is agreed that the allowable indirect costs under this grant shall be obtained by applying negotiated final indirect cost rate(s) in accordance with the terms of the standard provision of this grant entitled "Negotiated Indirect Cost Rates - Provisional".

(END OF STANDARD PROVISION)

NEGOTIATED INDIRECT COST RATES - PROVISIONAL (MAY 1986)

(This provision is applicable to any organization which does not have predetermined indirect cost rate(s); however, it shall also be included when the NEGOTIATED INDIRECT COST RATES - PREDETERMINED standard provision is used.)

- (a) A provisional indirect cost rate(s) shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), 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 periods shown in the schedule of this grant.
- (b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-68 proposed final indirect cost rate(s) and supporting cost data. In the event AID is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the AID Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles in effect on the date of this grant.
- (d) The results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall specify (1) the agreed upon final rate(s), (2) the base(s) to which the rate(s) apply, and (3) the period for which the rate(s) apply. The indirect cost 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 indirect cost rate(s) for any period, the grantee shall be reimbursed either at negotiated provisional rate(s) as provided above or at billing rate(s) acceptable to the grant officer, subject to appropriate adjustment when the final rate(s) for that period are established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rate(s) provided in this standard provision shall be set forth in a modification to this grant.
- (f) Any failure by the parties to agree on final rate(s) under this standard 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.

(END OF STANDARD PROVISION)

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REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

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

- (a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.
- (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 is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- (d) The 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 AID 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 rights 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.

(END OF STANDARD PROVISION)

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PARTICIPANT TRAINING (MAY 1986)

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

(a) Definition: A participant is any non-U.S. individual being trained under this grant outside of that individual's home country.

(b) Application of Handbook 10: Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the Office of International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.) Except for paragraph (h) on orientation, the following paragraphs in this standard provision are not subject to waiver except as specifically stated.

(c) Participant Training Information System: All grantees shall ensure that participants trained in the United States or in a third country are included in the Agency's Participant Training Information System.

The grantee shall fill out form AID 1381-4 entitled "Participant Data" and send it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and additional instructions for completing them from the Office of International Training. Data should be submitted prior to the initiation of participant travel. If this is not possible, the forms should be prepared and submitted immediately after arrival of the participant(s). The grantee shall also submit to the Office of International Training a blue copy of the form when subsequent changes in the participant's training program are made and at termination of participant's training program, ensuring that the original participant number (pre-printed on the form) is used.

(d) Visa Requirements for Training Within The United States:

(1) Under the authority of Section 635(f) of the Foreign Assistance Act, AID-sponsored participants are admitted to the United States under the Department of State/USIA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.

(2) J-1 visas are issued by the U.S. Embassy or Consulate for AID-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the AID Mission. The Mission retains one copy of the IAP-66A and forwards one copy to AID/S&T/IT.

(i) The enrollment fee shall be accompanied by a letter which lists the names of the participants (identical to that on the Participant Data Form), participant I.D. numbers from the Participant Data Form, period of coverage, fee amount paid, grant number, name of grantee, host country, and the U. S. Government appropriation number as shown on the grant.

(ii) The enrollment fees shall be calculated on the basis of fixed rates per participant per each 30 day period. The enrollment fees may not be prorated for fractional periods of less than 30 days and should cover the current training period for which funds are obligated under the grant. Current rates are found in Handbook 10 Participant Training Notices.

(4) The grantee shall assure that enrollment begins immediately upon the participant's departure for the United States for the purpose of participating in a training program financed or sponsored by AID, and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from AID's responsibility, whichever occurs first. 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 grant officer.

(5) The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from S&T/IT at the address indicated in section (b) above.

(6) If the grantee has a mandatory, nonwaivable health and accident insurance program for participants, 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. However, 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 HAC Program. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Claims Office.

(7) Medical costs not covered by the grantee's health service program or mandatory, nonwaivable health and accident insurance program, or AID's HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.

(g) Participant Counseling For Training Within The United States: Problems involving participants such as serious physical or emotional illness, accident or injury, arrest, death, the voluntary or involuntary early termination of a program, and the refusal of a participant to return to the home country upon completion of the program should be referred to the AID Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the AID Duty Officer (202-647-1512) at other times. In referring cases, give the Counselor the name, country, and current location of

the participant as well as a brief description of the problem with names and telephone numbers of hospitals, physicians, attorneys, etc. Following verbal referral, the participant's name, home address, and next of kin, and location of training should be sent to the grant officer, who will transmit the information to the S&T/IT Counselor.

(h) Orientation: In addition to the above mandatory requirements for all participants, grantees are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation (see Chapter 13 of Handbook 10) and orientation in Washington at the Washington International Center (see Chapter 18D of Handbook 10). The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the grant officer, who will transmit the request to NCIV through S&T/IT.

(END OF STANDARD PROVISION)

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VOLUNTARY POPULATION PLANNING (AUGUST 1986)

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

(a) Voluntary Participation:

(1) 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 individual's 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.

(2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Voluntary Participation Requirements For Sterilization Programs:

(1) 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.

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

(3) Further, the grantee shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of 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.

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

(c) Prohibition on Abortion-Related Activities:

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

(2) No funds made available under this grant will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.

(d) Ineligibility of Foreign Nongovernmental Organizations That Perform or Actively Promote Abortion As A Method of Family Planning:

(1) The recipient agrees that it will not furnish assistance for family planning under this grant to any foreign nongovernmental organization which performs or actively promotes abortion as a method of family planning in AID-recipient countries or which provides financial support to any other foreign nongovernmental organization that conducts such activities. For purposes of this paragraph (d), a foreign nongovernmental organization is a nongovernmental organization which is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

(2) Prior to furnishing funds provided under this grant to another nongovernmental organization organized under the laws of any State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, the recipient shall obtain the written agreement of such organization that the organization shall not furnish assistance for family planning under this grant to any foreign nongovernmental organization except under the conditions and requirements that are applicable to the recipient as set forth in this paragraph (d).

(3) The recipient may not furnish assistance for family planning under this grant to a foreign nongovernmental organization (the subrecipient) unless:

(i) the subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities, and

(ii) the recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (4), below.

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(4) Prior to furnishing assistance for family planning under this grant to a subrecipient, the subrecipient must agree in writing that:

(i) The subrecipient will not, while receiving assistance under this grant, perform or actively promote abortion as a method of family planning in AID-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities.

(ii) The recipient and authorized representatives of AID may, at any reasonable time, (A) inspect the documents and materials maintained or prepared by the subrecipient in the usual course of its operations that describe the family planning activities of the subrecipient, including reports, brochures and service statistics; (B) observe the family planning activity conducted by the subrecipient; (C) consult with family planning personnel of the subrecipient; and (D) obtain a copy of the audited financial statement or report of the subrecipient, if there is one.

(iii) In the event the recipient or AID has reasonable cause to believe that a subrecipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall review the family planning program of the subrecipient to determine whether a violation of the undertaking has occurred. The subrecipient shall make available to the recipient such books and records and other information as may be reasonably requested in order to conduct the review. AID may also review the family planning program of the subrecipient under these circumstances, and AID shall have access to such books and records and information for inspection upon request.

(iv) The subrecipient shall refund to the recipient the entire amount of assistance for family planning furnished to the subrecipient under this grant in the event it is determined that the certification provided by the subrecipient under subparagraph (3), above, is false.

(v) Assistance for family planning provided to the subrecipient under this grant shall be terminated if the subrecipient violates any undertaking in the agreement required by subparagraphs (3) and (4), and the subrecipient shall refund to the recipient the value of any assistance furnished under this grant that is used to perform or actively promote abortion as a method of family planning.

(vi) The subrecipient may furnish assistance for family planning under this grant to another foreign nongovernmental organization (the sub-subrecipient) only if (A) the sub-subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (B) the subrecipient obtains the written agreement of the sub-subrecipient that contains the same undertakings and obligations to the subrecipient as those provided by the subrecipient to the recipient as described in subparagraphs (4) (i)-(v), above.

(5) Agreements with subrecipients and sub-subrecipients required under subparagraphs (3) and (4) shall contain the definitions set forth in subparagraph (10) of this paragraph (d).

(6) The recipient shall be liable to AID for a refund for a violation of any requirement of this paragraph (d) only if (i) the recipient knowingly furnishes assistance for family planning to a subrecipient who performs or actively promotes abortion as a method of family planning, or (ii) the certification provided by a subrecipient is false and the recipient failed to make reasonable efforts to verify the validity of the certification prior to furnishing assistance to the subrecipient, or (iii) the recipient knows or has reason to know, by virtue of the monitoring which the recipient is required to perform under the terms of this grant, that a subrecipient has violated any of the undertakings required under subparagraph (4) and the recipient fails to terminate assistance for family planning to the subrecipient, or fails to require the subrecipient to terminate such assistance to a sub-subrecipient which violates any undertaking of the agreement required under subparagraph (4)(vi), above. If the recipient finds, in exercising its monitoring responsibility under this grant, that a subrecipient or sub-subrecipient receives frequent requests for the information described in subparagraph (10)(iii)(A)(II), below, the recipient shall verify that this information is being provided properly in accordance with subparagraph (10)(iii)(A)(II) and shall describe to AID the reasons for reaching its conclusion.

(7) In submitting a request to AID for approval of a recipient's decision to furnish assistance for family planning to a subrecipient, the recipient shall include a description of the efforts made by the recipient to verify the validity of the certification provided by the subrecipient. AID may request the recipient to make additional efforts to verify the validity of the certification. AID will inform the recipient in writing when AID is satisfied that reasonable efforts have been made. If AID concludes that these efforts are reasonable within the meaning of subparagraph (6) above, the recipient shall not be liable to AID for a refund in the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to AID the efforts made by the recipient to verify the validity of the certification.

(8) It is understood that AID also may make independent inquiries, in the community served by a subrecipient or sub-subrecipient, regarding whether it performs or actively promotes abortion as a method of family planning.

(9) A subrecipient must provide the certification required under subparagraph (3) and a sub-subrecipient must provide the certification required under subparagraph (4)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient furnishing assistance for family planning under the grant.

(10) The following definitions apply for purposes of this paragraph (d):

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(i) Abortion is a method of family planning when it is for the purpose of spacing births. This includes, but is not limited to, abortions performed for the physical or mental health of the mother but does not include abortions performed if the life of the mother would be endangered if the fetus were carried to term or abortions performed following rape or incest (since abortion under these circumstances is not a family planning act).

(ii) To perform abortions means to operate a facility where abortions are performed as a method of family planning. Excluded from this definition are clinics or hospitals which do not include abortion in their family planning programs.

(iii) To actively promote abortion means for an organization to commit resources, financial or other, in a substantial or continuing effort to increase the availability or use of abortion as a method of family planning.

(A) This includes, but is not limited to, the following:

(I) Operating a family planning counseling service that includes, as part of the regular program, providing advice and information regarding the benefits and availability of abortion as a method of family planning;

(II) Providing advice that abortion is an available option in the event other methods of family planning are not used or are not successful or encouraging women to consider abortion (passively responding to a question regarding where a safe, legal abortion may be obtained is not considered active promotion if the question is specifically asked by a woman who is already pregnant, the woman clearly states that she has already decided to have a legal abortion, and the family planning counselor reasonably believes that the ethics of the medical profession in the country require a response regarding where it may be obtained safely);

(III) Lobbying a foreign government to legalize or make available abortion as a method of family planning or lobbying such a government to continue the legality of abortion as a method of family planning;

(IV) Conducting a public information campaign in AID-recipient countries regarding the benefits and/or availability of abortion as a method of family planning.

(B) Excluded from the definition of active promotion of abortion as a method of family planning are referrals for abortion as a result of rape, incest or if the life of the mother would be endangered if the fetus were carried to term.

(C) Action by an individual acting in the individual's capacity shall not be attributed to an organization with which the individual is associated, provided that the organization neither endorses nor provides financial support for the action and takes reasonable steps to ensure that the individual does not improperly represent that the individual is acting on behalf of the organization.

(iv) To furnish assistance to a foreign nongovernmental organization means to provide financial support under this grant to the family planning program of the organization, and includes the transfer of funds made available under this grant or goods or services financed with such funds, but does not include the purchase of goods or services from an organization or the participation of an individual in the general training programs of the recipient, subrecipient or sub-subrecipient.

(v) To control an organization means the possession of the power to direct or cause the direction of the management and policies of an organization.

(11) In determining whether a foreign nongovernmental organization is eligible to be a subrecipient or sub-subrecipient of assistance for family planning under this grant, the action of separate nongovernmental organizations shall not be imputed to the subrecipient or sub-subrecipient, unless, in the judgment of AID, a separate nongovernmental organization is being used as a sham to avoid the restrictions of this paragraph (d). Separate nongovernmental organizations are those that have distinct legal existence in accordance with the laws of the countries in which they are organized. Foreign organizations that are separately organized shall not be considered separate, however, if one is controlled by the other. The recipient may request AID's approval to treat as separate the family planning activities of two or more organizations, which would not be considered separate under the preceding sentence, if the recipient believes, and provides a written justification to AID therefor, that the family planning activities of the organizations are sufficiently distinct as to warrant not imputing the activity of one to the other.

(12) Assistance for family planning may be furnished under this grant by a recipient, subrecipient or sub-subrecipient to a foreign government even though the government includes abortion in its family planning program, provided that no assistance may be furnished in support of the abortion activity of the government and any funds transferred to the government shall be placed in a segregated account to ensure that such funds may not be used to support the abortion activity of the government.

(13) The requirements of this paragraph are not applicable to family planning assistance furnished to a foreign nongovernmental organization which is engaged primarily in providing health services if the objective of the assistance is to finance integrated health care services to mothers and children and birth spacing or family planning is one of several health care services being provided by the organization as part of an integrated system of health service delivery.

(e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subagreements and contracts involving family planning or population activities which will be supported in whole or part from funds under this grant. Paragraph (d) shall be inserted in subagreements and sub-subagreements in accordance with the terms of paragraph (d). The term subagreement means subgrants and subcooperative agreements.

(END OF STANDARD PROVISION)

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PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (NOVEMBER 1985)

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

- (a) Safeguarding the rights and welfare of human subjects involved in research supported by AID is the responsibility of the organization to which support is awarded. It is the policy of AID that no work shall be initiated under any grant for the support of research involving human subjects unless the research is given initial and continuing review and approval by an appropriate committee of the applicant organization. This review shall assure that (1) the rights and welfare of the individuals involved are adequately protected, (2) the methods used to obtain informed consent are adequate and appropriate, and (3) the risks and potential medical benefits of the investigation are assessed.
- (b) The organization must provide written assurance to AID that it will abide by this policy for all research involving human subjects supported by AID. This assurance shall consist of a written statement of compliance with the requirements regarding initial and continuing review of research involving human subjects and a description of the organization's review committee structure, its review procedures, and the facilities and personnel available to protect the health and safety of human subjects. In addition to providing the assurance, the organization must also certify to AID for each proposal involving human subjects that its committee has reviewed and approved the proposed research before any work may be initiated.
- (c) Since the welfare of the subject individual is a matter of concern to AID as well as to the organization; AID advisory groups, consultants, and staff may independently review all research involving human subjects, and prohibit research which presents unacceptable hazards. This provision, however, shall not derogate in any manner from the responsibility of the organization set forth herein.
- (d) All of the above provisions apply to any research involving human subjects conducted outside of the United States and, in addition, such overseas research will conform to legal and other requirements governing human research in the country where they are conducted.
- (e) In addition to the procedures set forth above, studies with unmarketed drugs will be carried out in accordance with provisions applicable in the country where the study is conducted. In the United States, the regulations of the Food and Drug Administration will be followed and evidence of such compliance provided to AID.
- (f) Guidance on procedures to safeguard human subjects involved in research is found in Title 45, Part 46, of the Code of Federal Regulations. Compliance with these procedures, except as modified above, is required.

(END OF STANDARD PROVISION)

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CARE OF LABORATORY ANIMALS (NOVEMBER 1985)

(This provision is applicable when laboratory animals are involved in research financed by the grant.)

- (a) Before undertaking performance of any grant involving the use of laboratory animals, the grantee shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The grantee shall furnish evidence of such registration to the grant officer.
- (b) The grantee shall acquire animals used in research under this grant only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.
- (c) In the care of any live animals used or intended for use in the performance of this grant, the grantee shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in (a) above. In case of conflict between standards, the higher standard shall be used. The grantee's reports on portions of the grant in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The grantee may request registration of the grantee's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the grantee's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contracting the Senior Staff Office, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Maryland 20782.

(END OF STANDARD PROVISION)

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GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY (NOVEMBER 1985)

(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.

(END OF STANDARD PROVISION)

TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1985)

(This provision is applicable when the Government vests title to property 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 agreement, subagreement, 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 paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from AID for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by AID.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from AID or its successor Federal sponsoring agency. AID or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any,

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from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(i) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

(A) Activities sponsored by AID.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by AID; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition Of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:

(i) The grantee agrees 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.

(ii) The grantee may retain the property for other uses provided that compensation is made to AID or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from AID.

(iii) AID shall determine whether the property can be used to meet AID requirements. If no requirement exists within AID the availability of the property shall be reported to the General Services Administration by AID to determine whether a requirement for the property exists in other Federal agencies. AID shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse AID an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(C) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by AID for such costs incurred in its disposition.

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

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(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

- (1) Property records shall be maintained accurately and shall include:
 - (i) A description of the property.
 - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
 - (iii) Source of the property, including grant or other agreement number.
 - (iv) Whether title vests in the grantee or the Federal Government.
 - (v) Acquisition date and cost.
 - (vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.
 - (vii) Location, use, and condition of the property and the date the information was reported.
 - (viii) Unit acquisition cost.
 - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates AID for its share.
- (2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."
- (3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.
- (4) Adequate maintenance procedures shall be implemented to keep the property in good condition.
- (5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)

TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE) (NOVEMBER 1985)

(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 personal property by reason of affixation to any real property.

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

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

(1) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this 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.

(2) 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, the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.

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

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

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

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

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

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

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

(vii) 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.

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

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

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

(iii) recording of work accomplished under the program:

(A) 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.

(C) 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;

(iii) For which the grantee is otherwise responsible under the express terms 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;

(vi) 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:

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- (i) The lost, destroyed, or damaged Government property;
 - (ii) The time and origin of the loss, destruction, or damage;
 - (iii) All known interests in commingled property of which the Government property is a part; and
 - (iv) The insurance, if any, covering any part of or interest in such commingled property.
- (4) The grantee shall make repairs and renovations of the damaged Government property or take such other action as the grant officer directs.
- (5) 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 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 suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.
- (e) Access: The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.
- (f) Final Accounting and Disposition of Government Property: Upon completion of this 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 disposition 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.

(END OF STANDARD PROVISION)

TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the cooperating country 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 country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country 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. 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.

(b) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this 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.

(c) The grantee shall prepare and establish a program, to be approved by the appropriate AID 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 following requirements:

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

(i) Identification of each item of cooperating country 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 (insert name of cooperating country)."

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

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

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

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

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

(vii) 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.

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

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

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

(iii) recording of work accomplished under the program:

(A) 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.

(C) A report of status of maintenance of cooperating country 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 cooperating country 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 cooperating country 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 (b) above;

(iii) For which the grantee is otherwise responsible under the express terms 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;

(vi) 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 cooperating country property, except to the extent that AID 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 cooperating country property, the grantee shall notify the grant officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the grant officer a statement of:

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- (i) The lost, destroyed, or damaged cooperating country property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the cooperating country property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The grantee shall make repairs and renovations of the damaged cooperating country property or take such other action as the grant officer directs.

(5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse AID, as directed by the grant officer. The grantee shall do nothing to prejudice AID'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 AID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) Access: AID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

(f) Final Accounting and Disposition of Cooperating Country Property: 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 to the grant officer an inventory schedule covering all items of equipment, materials and supplies under the grantee's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this grant. The grantee shall also indicate what disposition has been made of such property.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

COST SHARING (MATCHING) (NOVEMBER 1985)

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

(a) For each year (or funding period) under this grant, the grantee agrees to expend from non-Federal funds an amount at least equal to the percentage of the total expenditures under this grant specified in the schedule of the grant. The schedule of this grant may also contain restrictions on the application of cost sharing (matching) funds. The schedule takes precedence over the terms of this provision.

(b) Eligibility of non-Federal funds applied to satisfy cost sharing (matching) requirements under this grant are set forth below:

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

(2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies (may include public international organizations or foreign governments) and institutions, and private organizations and individuals, and

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

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

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

(2) Are not included as contributions for any other Federally assisted program;

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

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

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

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

(7) Conform to other provisions of this paragraph.

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

(e) Specific procedures for the grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:

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

(i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the grantee's organization. In those instances in which the required skills are not found in the grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

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

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

(3) Valuation of donated nonexpendable personal property, buildings, and land or use thereof:

(i) The method used for charging cost sharing or matching for donated nonexpendable personal property, buildings and land may differ according to the purpose of the grant as follows:

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

(B) If the purpose of the grant is to support activities that require the use of equipment, buildings, or land; depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be allowed provided that AID has approved the charges.

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

(A) Land and buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser; and certified by a responsible official of the grantee.

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

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

(D) Borrowed equipment: The value of borrowed equipment shall not exceed its fair rental value.

(f) The following requirements pertain to the grantee's supporting records for in-kind contributions from non-Federal third parties:

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

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

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

(h) If at the end of any year (or funding period) hereunder, the grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of AID funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to AID.

(i) Failure to meet the cost sharing (matching) requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant for cause in accordance with paragraph (a) entitled "For Cause" of the standard provision of this grant entitled "Termination and Suspension".

(j) The restrictions on the use of AID grant funds set forth in the standard provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The grantee will account for the AID funds in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records".

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

(END OF STANDARD PROVISION)

USE OF POUCH FACILITIES (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

(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, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or AID Mission. In consideration of the use of pouch facilities, 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 standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to (a)(1) and (2) above sent by pouch should be addressed as follows:

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

(5) 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.

(6) 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 the grantee's official and personal mail for pouch, provided of course, adequate postage is affixed.

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

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

(END OF STANDARD PROVISION)

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CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

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 currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

(END OF STANDARD PROVISION)

FINANCIAL STATUS REPORT

(Follow instructions on the back)

3. RECIPIENT ORGANIZATION (Name and complete address, including ZIP code)

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

2. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER

OMB Approved
No. 80-RO180

PAGE OF

PAGE

4. EMPLOYER IDENTIFICATION NUMBER

5. RECIPIENT ACCOUNT NUMBER OR IDENTIFYING NUMBER

6. FINAL REPORT

YES NO

7. BASIS

CASH ACCRUAL

8. PROJECT/GRANT PERIOD (See instructions)

FROM (Month, day, year)

TO (Month, day, year)

9. PERIOD COVERED BY THIS REPORT

FROM (Month, day, year)

TO (Month, day, year)

10.

STATUS OF FUNDS

PROGRAMS/FUNCTIONS/ACTIVITIES ▶	(a)	(b)	(c)	(d)	(e)	(f)	TOTAL (g)
a. Net outlays previously reported	\$	\$	\$	\$	\$	\$	\$
b. Total outlays this report period							
c. Less: Program income credits							
d. Net outlays this report period (Line b minus line c)							
e. Net outlays to date (Line a plus line d)							
f. Less: Non-Federal share of outlays							
g. Total Federal share of outlays (Line e minus line f)							
h. Total unliquidated obligations							
i. Less: Non-Federal share of unliquidated obligations shown on line h							
j. Federal share of unliquidated obligations							
k. Total Federal share of outlays and unliquidated obligations							
l. Total cumulative amount of Federal funds authorized							
m. Unobligated balance of Federal funds							

11. INDIRECT EXPENSE

a. TYPE OF RATE

(Place "X" in appropriate box)

PROVISIONAL PREDETERMINED FINAL FIXED

b. RATE

c. BASE

d. TOTAL AMOUNT

e. FEDERAL SHARE

13. CERTIFICATION

I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

DATE REPORT SUBMITTED

TYPED OR PRINTED NAME AND TITLE

TELEPHONE (Area code, number and extension)

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

FEDERAL CASH TRANSACTIONS REPORT

Approved by Office of Management and Budget, No. 80-RO182

(See instructions on the back. If report is for more than one grant or assistance agreement, attach completed Standard Form 272-A.)

1. Federal sponsoring agency and organizational element to which this report is submitted

2. RECIPIENT ORGANIZATION

Name :

Number and Street :

City, State and ZIP Code:

4. Federal grant or other identification number

5. Recipient's account number or identifying number

6. Letter of credit number

7. Last payment voucher number

Give total number for this period

8. Payment Vouchers credited to your account

9. Treasury checks received (whether or not deposited)

10. PERIOD COVERED BY THIS REPORT

FROM (month, day, year)

TO (month, day year)

3. FEDERAL EMPLOYER IDENTIFICATION NO. ▶

11. STATUS OF FEDERAL CASH

(See specific instructions on the back)

a. Cash on hand beginning of reporting period

\$

b. Letter of credit withdrawals

c. Treasury check payments

d. Total receipts (Sum of lines b and c)

e. Total cash available (Sum of lines a and d)

f. Gross disbursements

g. Federal share of program income

h. Net disbursements (Line f minus line g)

i. Adjustments of prior periods

j. Cash on hand end of period

\$

12. THE AMOUNT SHOWN ON LINE 11J, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING

Days

13. OTHER INFORMATION

a. Interest income

\$

b. Advances to subgrantees or subcontractors

\$

14. REMARKS (Attach additional sheets of plain paper, if more space is required)

15. CERTIFICATION

I certify to the best of my knowledge and belief that this report is true in all respects and that all disbursements have been made for the purpose and conditions of the grant or agreement

AUTHORIZED
CERTIFYING
OFFICIAL

SIGNATURE

TYPED OR PRINTED NAME AND TITLE

DATE REPORT SUBMITTED

TELEPHONE (Area Code, Number, Extension)

THIS SPACE FOR AGENCY USE

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OUTLINE FOR PERIODIC AND
FINAL REPORTS TO FVA/PVC
ON GRANT ACCOMPLISHMENTS

- Summary (1 page)
- Table of Contents (1 page)
- I. Background to Grant and Project Context* (2-3 pages)
What were the circumstances that gave rise to the Project? What were the socio-economic-political conditions? What was the essence of the problem? What were the express needs of beneficiaries, participants, the PVO, etc.? What local or other resources were available to meet these needs? Why was external funding necessary?
- II. PVO Approach* (2-3 pages)
What was the PVO's approach? Strategy? Inputs? Target groups? Original expectations of outcomes and products? Summarize grant and project objectives, the PVO's approach and/or special capability.
- III. Review and Analysis of Project Results--by Country (5-10 pages)
In each country, what have been the specific outputs achieved? (Differentiate grant-related outputs where possible.) Effects on target groups? Problems encountered? Impacts on local institutions, local policy and people outside the project?* Unintended effects?*
- IV. Management: Review and Analysis of Headquarters/Support Functions (2-4 pages)
What issues have been encountered in the Project's planning or design? Staff resources? Training? Logistical support? Technical assistance? What have the roles of monitoring and evaluation? Relations with local USAID Missions? Overall project fund raising and marketing? Role of the Board of Directors? Development education?

*Special attention should be given to this topic in the Final Report.

V. Financial Report (2-4 pages)

- A. Brief Narrative Statement, including details on matching sources, grant-related fund-raising, etc.
- B. Expenditure Statement (See attached format).
- C. Comparison of Original and Actual Budgets (if different).
- D. Budget for Coming Year (Periodic Report only).

VI. Lessons Learned and Long-Term Project Implications* (2-10 pages)

- A. Estimates of Project Costs and Benefits.
- B. Institution Building Assessment.
- C. Estimate of Sustainability.
- D. Benefit Distribution.
- E. Local Participation.
- F. Leadership Development.
- G. Innovation and Technology Transfer.
- H. Policy Implications.
- I. Collaboration/Networking with Other Agencies.
- J. Replication.

VII. Recommendations* (2 pages)

- A. To Project Leadership and PVO.
- B. To Country and Local Leaders.
- C. To Donors or Others Seeking Similar Impacts.

Attachments:

- A. Country Data Sheets. (See attached format.)
- B. Original Logical Framework (or other project design summary); and any modifications.
- C. Any Detailed Addenda Amplifying Textual Material.
- D. Tables, Lists, Samples of Publications, etc.

*Special attention should be given to this topic in the Final Report.

FVA/PVC:REBigelow:08/09/85:1888H

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

OMB No. 0412-0630
Expiration Date: 03/31/89

FOR OFFICIAL USE ONLY

PVO Type		Project Number	
Appropriation		Level	
Country Code	Fund Type	Technical Code	
Project Officer	Key 1	Key 2	

PROJECT INFORMATION (PRIMARY)

Name of Organization		Grant/Contract Number
Start Date (MM/DD/YY)	End Date (MM/DD/YY)	AID Project Officer's Name

AID OBLIGATION BY AID-FY (\$000)

FY	AMOUNT	FY	AMOUNT

LOP

Activity Description

Status

COUNTRY INFORMATION (SECONDARY)

Country	Location in Country (Region, District, Village)
PVO Representative's Name	Local Counterpart/Host Country Agency

COUNTRY FUNDING INFORMATION (\$000)

YEAR				
AID \$				
PVO \$				
INKIND				
LOCAL				
TOTAL				

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PVO Financial Overview

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Program Expenditures:</u>			
Small Project Grants	\$ xxx	\$ xxx	\$ xxx
Leadership Training	xxx	xxx	xxx
Sectoral Strategy Dev.	xxx	xxx	xxx
Disaster Relief	xxx	xxx	xxx
Evaluation	xxx	xxx	xxx
Program Management	xxx	xxx	xxx
Indirect Costs	xxx	xxx	xxx
	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
TOTAL WORLDWIDE PROGRAM	<u>\$ xxxxx</u>	<u>\$ xxxxx</u>	<u>\$ xxxxx</u>
<u>Sources of Funds:</u>			
A.I.D. Matching Grant	\$ xxx	\$ xxx	\$ xxx
Other A.I.D. *	xxx	xxx	xxx
Private Cash	xxx	xxx	xxx
Private In-kind	xxx	xxx	xxx
Host government	xxx	xxx	xxx
Other (specify)	xxx	xxx	xxx
	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>
Total	<u>\$ xxxxx</u>	<u>\$ xxxxx</u>	<u>\$ xxxxx</u>

*Please list

Explanation of Budget Items

(Note: This explanation, when combined with the functional budget presentation, should provide information explaining the method of estimating costs associated with carrying out the matching grant program. Additional details may, however, be requested during the course of grant negotiation.)

I. Summary of Financial Presentation: The Mg program has three distinct components -- upgrading counterpart staff through training, small project grants for health and vocational training projects, and the development of sectoral strategies in the health and vocational training fields. Other costs of this program include direct program management, provision for a field evaluation, and indirect costs.

II. Upgrading Counterpart Staff: These costs reflect the salaries, xx% fringe benefits and allowances of three field-based regional training advisors, with salaries estimated at \$25,000 per year and allowances at \$xxxx per year, and 50% of the salaries and fringe benefits for two Regional Directors (annual salary for each at \$25,000) based at headquarters. The consultants item is based on an estimated use of 30 person days of consulting time at \$180.00 per day. The travel estimate is based on international airfare and per diem for 2 R/Ts each to Africa (\$5,500 each) and South America (\$3,500 each). Other direct costs includes training materials, rental of facilities for workshops, etc.

III. Small Project Grants: These funds will be used to finance the costs of project activities in the health and vocational training fields. The average amount of each grant is estimated to be \$5,000.

-V. Sectoral Strategy Development: These costs reflect the salary and xx% fringe benefits of the two technical advisors (annual salary of \$22,000 each), augmented with 20 days of consultants' time valued at \$180.00 per day. Travel costs of \$9,000 is included in the amounts shown for each sector, calculated based on one R/T to each of the two regions of the grant program per item II above.

V. Program Management: These costs reflect the salary (\$30,000) and xdx% fringe benefits of a full time manager for the grant, and the costs of travel for two international trips (\$9,000) and \$2,000 for travel within the U.S.

VI. Evaluation: This line item represents the estimated cost of six weeks of consultant time valued at \$160.00 per day plus international travel and per diem associated with travel overseas for 3 weeks of on-site evaluation work, commissioned by the PVO.

VII. Indirect Costs: Our latest approved indirect cost rate with AID (as of 10/31/84) is 15% of total direct program costs. A copy of the indirect cost rate agreement is attached.

ILLUSTRATIVE FUNCTIONAL BUDGET
MATCHING GRANT FOR A THREE COUNTRY PROGRAM

I. PART I - TOTAL PROGRAM COSTS

Function	Countries			Total Program	Of Which AID MG
	Niger	Malawi	Bolivia		
<u>Direct Program Costs</u>					
Upgrading Counterpart Staff:					
- Staff Personnel Costs	\$ xxx	\$ xxx	\$ xxx	\$ xxxxx	\$ xxx
- Consultants	xxx	xxx	xxx	xxxxx	xxx
- Travel	xxx	xxx	xxx	xxxxx	xxx
- Other Direct Costs	xxx	xxx	xxx	xxxxx	xxx
Small Project Grants:					
- Health	xxx	xxx	xxx	xxxxx	xxx
- Vocational Training	xxx	xxx	xxx	xxxxx	xxx
Sectoral Strategy Development:					
- Health	xxx	xxx	xxx	xxxxx	xxx
- Vocational Training	xxx	xxx	xxx	xxxxx	xxx
<u>Program Management</u>					
- Staff Personnel Costs	xxx	xxx	xxx	xxxxx	xxx
- Travel	xxx	xxx	xxx	xxxxx	xxx
<u>Evaluation:</u>					
	xxx	xxx	xxx	xxxxx	xxx
<u>Indirect Costs:</u>					
	xxx	xxx	xxx	xxxxx	xxx
TOTAL MG PROGRAM	\$ xxxxxx	\$ xxxxxx	\$ xxxxxx	\$ xxxxxxx	\$ xxxxx

II. PART II: SOURCES OF FUNDS

A.I.D. Matching Grant	
PVO Private Cash	\$ xxxxxx
PVO In-kind Contributions	xxxxx
Host Government Contributions	xxxxx
Other (please specify, e.g., PACT, CODEL)	xxxxx
TOTAL	\$ xxxxxxx

*Prepare this for each year of the grant, as well as a summary table for the life of the gra

**PVO PROJECT REPORTING INFORMATION
ON AID SUPPORTED PVO PROJECTS**

PROJECT INFORMATION

Name of Organization _____

Project Number _____ Grant/Contract Number _____

Start Date (MM/DD/YY) _____ End Date (MM/DD/YY) _____ AID Project Officer's Name _____

AID OBLIGATION BY AID-FY (\$000)			
FY	AMOUNT	FY	AMOUNT
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Project Purpose _____

COUNTRY INFORMATION

Country _____ Location in Country (Region, District, Village) _____

PVO Representative's Name _____ Local Counterpart/Host Country Agency _____

COUNTRY FUNDING INFORMATION

YEAR				
AIDS				
PVOS				
INKIND				
LOCAL				
TOTAL				

Purpose (If other than project purpose) _____

Status _____

FOR OFFICIAL USE ONLY

PVOTYPE	SUBPROJ
APPN	SUNDTYPE
CNTRY CODE	TECHCODE
PROIOFFC	NONADD1
	NONADD2

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AID 1350-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country Centrally Funded	Page 1 of Pages
		2. PIO/T No. 7381806	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	4. Project/Activity No. and Title 938-0285 Project HOPE Matching Grant	

DISTRIBUTION	5. Appropriation Symbol 7201171021.8		6. Allotment Symbol and Charge 748-38-099-00-76-71 EDH87 13810 KGL1	
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		8. Project Assistance Completion Date (Mo., Day, Yr.)	
	9. Authorized Agent AID/W		10 This PIO/T is in full conformance with PRO/AG Date _____	
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input checked="" type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other		11b. Contract/Grant/PASA/RSSA Reference Number (if this is an Amendment)	

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		- 0 -	530,000		
	B. U.S. Owned Local Currency				

13. Mission References

14a. Instructions to Authorized Agent: SER/OP/W/MS is requested to execute a 5-year Grant Agreement with Project HOPE effective from 1 June 1987 through 31 May 1992. Initial funding of \$530,000 is provided for expenditures during the first 12 months. Depending on availability of funds and progress in the program satisfactory to A.I.D., additional annual increments of funding will be provided, up to a total of \$2,585,000. Request SER/OP to allow for 30% flexibility among programmatic lines and indirect costs without written permission from PVC Project Officer.

PIO/T Attachments: #1 Grant Program Budget, #2 Statement of Work, #3 Program Description, #4 Proposed Budget, #5 Guidance for Periodic and Final Reports, #6 Proposal with Revisions, #7 AA/FVA Authorization Memo, #8 PVC's ITT Memo on financial status dated 6/18/86. Please clear grant document with PVC Project Officer before sending to PVO.

14b. Address of Voucher Paying Office
AID/M/FM/PAFD, Washington, D.C. 20523

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate	Phone No.	B. The statement of work lies within the purview of the initiating and approved agency programs	Date
FVA/PVC: VKunkle <i>[Signature]</i>	Date 4/7/87	FVA/PVC: K Poe <i>[Signature]</i>	4/9/87
C. FVA/PVC: SBergen <i>[Signature]</i>	Date 4-8-87	D. Funds for this project are reserved by POSTED 4/22/87	
FVA/PVC L.Watlington <i>[Signature]</i>	Date 4-14-87		
E. FVA/PPM: K Kosar <i>[Signature]</i>	Date 4-15-87		

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature _____ Date _____	Signature <i>[Signature]</i> Date 4/22/87
Title _____	Title Stamberg Deputy Director, FVA/PPM

AID 1350-1 (10-79)	1. Cooperating Country Centrally Funded	2. PIO/T No.	Page 2 of	Pages
	4. Project/Activity No. and Title Project HOPE, Matching Grant No. 938-0285			

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER _____ HERETO ENTITLED "STATEMENT OF WORK".

19. SPECIAL PROVISIONS

- A. LANGUAGE REQUIREMENTS (SPECIFY) n/a
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS) n/a
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN. n/a
- E. WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED)
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 - HAS BEEN OBTAINED HAS NOT BEEN OBTAINED
 - IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY)

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

Additional information on this project is contained in the attached Action Memo to AA/FVA dated _____ authorizing this program, and Project HOPE's proposal.

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- 1 DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- _____ JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14)
- 2 STATEMENT OF WORK (BLOCK 18)
- _____ WAIVER(S) (BLOCK 19) (SPECIFY NUMBER)
- other Detailed Program Description

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AID 1350-1 (10-79)	1. Cooperating Country Centrally Funded	2. PIO/T No.	Page 3 of Pages
	4. Project/Activity No. and Title Project HOPE, Matching Grant No. 938-0285		

22. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

See Attached Program Description

B. Cooperating Country Liaison Official

N/A

C. AID Liaison Officials

FVA/PVC, Project Officer Vicky Kunkle

LOGISTIC SUPPORT

23. Provisions for Logistic Support

A. Specific Items (Insert "X" in applicable column as right. If entry needs qualification, insert asterisk and explain below in C. "Comments")	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
(1) Office Space					X
(2) Office Equipment					X
(3) Housing and Utilities					X
(4) Furniture					X
(5) Household Equipment (Stoves, Refrig., etc.)					X
(6) Transportation in Cooperating Country					X
(7) Transportation To and From Country					X
(8) Interpreter Services/Secretarial					X
(9) Medical Facilities					X
(10) Vehicles (official)					X
(11) Travel Arrangements/Tickets					X
(12)					
(13)					
(14)					
(15)					

(OTHER SPECIFY)

B. Additional Facilities Available From Other Sources

- APO/FPO
 PX
 COMMISSARY
 OTHER (Specify, e.g., duty free entry, tax exemption)

n/a

GRANT PROGRAM BUDGET

Summary of Detailed Project Budget in Proposal

<u>Cost Element</u>	Amount Obligated Fr <u>6/01/87</u> To <u>5/31/88</u>	Estimated Additional Fr <u>6/01/88</u> To <u>5/31/92</u>	Total Project Estimate Fr <u>6/1/87</u> To <u>5/31/92</u>
1. Program Elements			
Belize	- 0 -	70,541	70,541
Costa Rica	34,235	62,124	96,359
Haiti	4,460	- 0 -	4,460
Honduras	162,774	664,308	827,082
Swaziland	144,749	550,354	695,103
2. Procurement			
Teaching Materials	22,715	79,552	102,267
Lab Supplies	1,000	24,038	25,038
BioMedical Materials	2,500	5,500	8,000
Office Supplies	3,750	18,431	22,181
Consultants	60,383	198,707	259,090
3. Evaluation	30,000	55,000	85,000
Total Direct	466,566	1,728,555	2,195,121
4. Indirect Costs (overhead)	63,434	326,445	389,879
TOTAL AID SHARE:	530,000	2,055,000	2,585,000
GRANTEE SHARE:	<u>634,856</u>	<u>2,303,255</u>	<u>2,938,111</u>
TOTAL PROGRAM BUDGET:	1,164,856	4,358,255	5,523,111

NOTES TO BUDGET: Please include the following in the Grant Agreement:

- Project HOPE has agreed to cost share this agreement by the end of the Life of Project period by at least 1 to 1 cash match with A.I.D. under this grant. Only exception to the above is the Evaluation Contract amount of \$85,000 which is A.I.D. initiated and does not require any Grantee match.

D. SUBSTANTIAL INVOLVEMENT

1. Countries: The following countries are approved for direct In-country program support under the agreement: Belize, Costa Rica, Haiti, Honduras and Swaziland. Other countries may be approved during the period of the grant. Such approval will be communicated by A.I.D. in writing after consultation with the relevant A.I.D. Mission.
 2. The scope of work for the project evaluation contract and the evaluator(s) chosen to carry out this activity must be developed with and approved in advance by AID/FVA/PVC Project Officer. The Project Officer is to participate in the pre and post-evaluation briefings and to receive six (6) copies of the completed evaluation report for FVA/PVC and one copy for each country evaluated.
- E. AUTHORIZED GEOGRAPHIC CODES FOR PROCUREMENT: Procurement under this project will follow the general order of precedence as necessary to effectively implement the project. No Code 935 or restricted procurement is anticipated at this time.
- F. TRAVEL - The Standard Provision requiring advance notification of the Grantee's travel intentions overseas is waived for all Matching Grants by the Action Memo cleared by the AA's of all A.I.D. bureaus and signed by the Administrator of A.I.D. August 20, 1979. Copy of this memo is on file in SER/OP/W/MS and FVA/PVC.

- A. PURPOSE: The purpose of this five year Matching Grant is to support child health infrastructure development by concentrating on certain key health interventions identified by host governments in Belize, Costa Rica, Haiti, Honduras and Swaziland.

The above is more specifically described in Attachment 3. "Program Description," and Project HOPE's proposal (Attachment 6) dated October 15, 1986, which is incorporated in the Grant Agreement. In the event of an inconsistency, the Program Description shall take precedence over Project HOPE's proposal.

- B. REPORTING AND EVALUATION: Ten copies of the Annual Report plus one copy for the A.I.D. Mission in each target country in program will be submitted to the Project Officer (AID/FVA/PVC) 60 days prior to each anniversary date of the grant. Annual reports will describe project activities and Project HOPE's financial contribution to the project. Guidance for Periodic and Final Reports to FVA/PVC on Grant Accomplishments is provided as Attachment 4 for illustrative purposes. (AID/FVA/PVC is in the process of submitting this guidance format to OMB for their clearance. Once OMB clearance is given the suggested format will be required.)

The Annual Report will also include a country data sheet for each subproject activity and will be furnished in the standard format prescribed by FVA/PVC for its grant information system (AID FORM 1550-11 included in Attachment 4). Other current A.I.D. grants to Project HOPE, such as OPGs, will be noted in the report with an explanation of any relationship of such grants to this grant supported program.

- C. EVALUATION: Self-evaluation will be conducted by Project HOPE in accordance with their normal evaluation program as described in their grant proposal. In addition, from time-to-time A.I.D. officers will, with prior notification to Project HOPE headquarters, visit selected project sites. The Grant Program Budget includes funds to contract for a project evaluation in the mid-and final years of the grant (as well as some set-aside funds for an independent final evaluation of previous Matching Grant). Special requirements for this project evaluation are delineated under No. 2. of Section D, "Substantial Involvement" below.

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BELIZE FUNCTION	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			GRAND TOTALS				
	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL		
DIRECT PROGRAM COSTS:																				
TRAINING AND EDUCATION																				
-Staff Personnel Costs																				
-Consultants												27,587	27,587	55,174	28,966	28,966	57,932	56,533	56,533	113,106
-Teaching Materials/Supplies												0	0	0	0	0	0	0	0	0
-Equipment												8,250	8,250	16,500	3,287	3,288	6,575	11,537	11,538	23,075
-Travel/Transportation												10,000	10,000	20,000	2,500	2,500	5,000	12,500	12,500	25,000
-Other Operating Costs												6,300	6,300	12,600	4,288	4,287	8,575	10,582	10,587	21,175
												720	720	1,440	2,681	2,681	5,362	3,401	3,401	6,802
EVALUATION																		0	0	0
INDIRECT COSTS																				
												7,389	14,093	21,482	4,853	16,312	21,165	12,242	30,405	42,647
TOTAL PG PROGRAM	0	0	0	0	0	0	0	0	0	0	60,316	66,910	127,196	46,575	58,034	104,609	106,821	124,984	211,825	

COSTA RICA FUNCTION	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			GRAND TOTALS			
	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	
DIRECT PROGRAM COSTS:																			
TRAINING AND EDUCATION																			
-Staff Personnel Costs	27,755	27,755	55,510	31,475	31,475	62,950	18,869	18,869	37,738										
-Consultants	8,356	8,357	16,713	8,175	8,174	16,349	15,938	15,939	31,877							78,099	78,099	156,198	
-Teaching Materials/Supplies	1,550	1,550	3,100	850	850	1,700	765	765	1,530							32,469	32,470	64,939	
-Equipment	0	0	0	1,000	1,000	2,000	0	0	0							3,165	3,165	6,330	
-Travel/Transportation	4,500	4,500	9,000	4,500	4,500	9,000	4,175	4,175	8,350							1,000	1,000	2,000	
-Other Operating Costs	1,980	1,980	3,960	1,930	1,980	3,960	1,125	1,125	2,250							13,175	13,175	26,350	
																5,085	5,085	10,170	
EVALUATION																0	0	0	
INDIRECT COSTS																			
	6,142	19,198	25,340	10,045	17,647	27,692	4,539	5,727	10,266							20,726	42,572	63,298	
TOTAL PG PROGRAM	50,283	63,340	113,623	58,025	65,626	123,651	45,411	46,600	92,011	0	0	0	0	0	153,719	175,566	329,283		

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HAITI FUNCTION	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			GRAND TOTALS		
	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL	AID	HOPE	TOTAL
DIRECT PROGRAM COSTS:																		
TRAINING AND EDUCATION																		
-Staff Personnel Costs	3,660	3,660	7,320													3,660	3,660	7,320
-Consultants	17,300	17,300	34,600													17,300	17,300	34,600
-Teaching Materials/Suppl	1,000	1,000	2,000													1,000	1,000	2,000
-Endowment	0	0	0													0	0	0
-Travel/Transportation	300	300	600													300	300	600
-Other Operating Costs	500	500	1,000													500	500	1,000
EVALUATION																0	0	0
INDIRECT COSTS	2,135	6,673	8,808													2,135	6,673	8,808
TOTAL IS PROGRAM	24,895	29,433	54,328	0	0	0	0	0	0	0	0	0	0	0	0	24,895	29,433	54,328

HONORIAS FUNCTION	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			GRAND TOTALS		
	AID	HOPE	TOTAL	AID	HOPE	TOTAL												
DIRECT PROGRAM COSTS:																		
TRAINING AND EDUCATION																		
-Staff Personnel Costs	141,861	141,860	283,721	150,340	150,339	300,679	132,745	132,745	265,490	138,806	138,805	277,611	151,313	151,313	302,626	715,065	715,062	1,430,127
-Consultants	34,727	34,728	69,455	36,469	36,470	72,939	38,287	38,287	76,574	40,201	40,201	80,402	42,211	42,211	84,422	191,895	191,897	383,792
-Teaching Materials/Suppl	17,220	17,219	34,439	15,100	15,100	30,200	12,715	12,714	25,429	13,127	13,128	26,255	13,567	13,566	27,133	71,729	71,727	143,456
-Endowment	3,250	3,250	6,500	3,250	3,250	6,500	1,750	1,750	3,500	1,750	1,750	3,500	1,750	1,750	3,500	11,750	11,750	23,500
-Travel/Transportation	11,082	11,083	22,165	11,306	11,306	22,612	10,561	10,561	21,122	10,778	10,778	21,556	11,006	11,006	22,012	54,733	54,734	109,467
-Other Operating Costs	9,831	9,830	19,661	10,256	10,256	20,512	10,708	10,708	21,416	11,189	11,190	22,379	15,301	15,301	30,602	57,285	57,285	114,570
EVALUATION																0	0	0
INDIRECT COSTS	32,014	100,077	132,091	50,442	88,656	139,118	55,420	69,978	125,398	45,590	86,947	132,537	32,127	107,993	140,120	215,613	453,651	669,264
TOTAL IS PROGRAM	249,983	318,047	568,032	277,183	315,377	592,560	262,186	276,743	538,929	261,441	322,799	564,240	267,275	343,140	610,415	1,318,070	1,556,106	2,874,176

SWAZILAND FUNCTION	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			GRAND TOTALS		
	AID	HOPE	TOTAL	AID	HOPE	TOTAL												
DIRECT PROGRAM COSTS:																		
TRAINING AND EDUCATION																		
-Staff Personnel Costs	121,546	121,545	243,091	104,667	104,667	209,334	114,993	114,992	229,985	107,000	106,999	213,999	119,086	119,087	238,173	567,292	567,290	1,134,582
-Consultants	0	0	0	0	0	0	0	0	0	8,500	8,500	17,000	8,925	8,925	17,850	17,425	17,425	34,850
-Teaching Materials/Suppli	6,645	6,645	13,290	6,856	6,856	13,712	14,771	14,771	29,542	6,206	6,205	12,411	7,827	7,827	15,654	42,305	42,304	84,609
-Equipment	300	300	600	300	300	600	300	300	600	1,300	1,300	2,600	300	300	600	2,500	2,500	5,000
-Travel/Transportation	18,400	18,400	36,800	18,821	18,820	37,641	19,511	19,511	39,022	21,012	21,012	42,024	22,211	22,210	44,211	97,955	97,953	195,908
-Other Operating Costs	4,803	4,803	9,606	5,006	5,006	10,012	5,219	5,220	10,439	5,445	5,446	10,891	9,384	9,383	18,767	29,857	29,858	59,715
EVALUATION															0	0	0	0
INDIRECT COSTS	23,143	72,343	95,486	29,142	51,202	80,344	37,609	47,491	85,100	28,350	55,024	83,874	28,417	68,632	89,049	139,161	294,692	433,853
TOTAL PG PROGRAM	174,837	224,036	398,873	164,792	186,851	351,643	192,405	222,285	394,688	178,313	204,486	382,799	186,150	234,364	422,514	896,495	1,022,022	1,946,517

SUPPORT ALL COUNTRIES FUNCTION	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			GRAND TOTALS			
	AID	HOPE	TOTAL	AID	HOPE	TOTAL													
DIRECT PROGRAM COSTS:																			
TRAINING AND EDUCATION																			
-Staff Personnel Costs	294,822	294,820	589,642	286,482	286,481	572,963	266,607	266,606	533,213	273,393	273,391	546,784	299,365	299,366	598,731	1,420,669	1,420,664	2,841,333	
-Consultants	60,383	60,385	120,768	44,444	44,444	89,288	54,225	54,226	108,451	48,701	48,701	97,402	51,136	51,136	102,272	259,089	259,092	518,181	
-Teaching Materials/Suppli	26,415	26,414	52,829	22,806	22,806	45,612	22,251	22,250	56,501	27,583	27,583	55,166	24,681	24,681	49,362	129,736	129,734	259,470	
-Equipment	3,550	3,550	7,100	4,550	4,550	9,100	2,050	2,050	4,100	13,050	13,050	26,100	4,550	4,550	9,100	27,750	27,750	55,500	
-Travel/Transportation	34,282	34,283	68,565	34,627	34,626	69,253	34,247	34,247	68,494	38,090	38,090	76,180	35,505	35,503	71,008	176,751	176,749	353,500	
-Other Operating Costs	17,114	17,113	34,227	17,262	17,262	34,484	17,052	17,053	34,105	17,354	17,356	34,710	27,366	27,365	54,731	96,128	96,129	192,257	
EVALUATION	30,000	0	30,000	0	0	0	25,000	0	25,000	0	0	0	30,000	0	30,000	85,000	0	85,000	
INDIRECT COSTS	63,434	198,291	261,725	89,649	157,505	247,154	97,568	123,196	220,764	81,829	156,064	237,893	57,397	192,937	250,334	389,877	827,993	1,217,870	
TOTAL PG PROGRAM	530,000	634,856	1,164,856	500,000	567,854	1,067,854	525,000	525,628	1,050,628	500,000	574,235	1,074,235	530,000	635,538	1,165,538	2,585,000	2,938,111	5,523,111	

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ACTION MEMORANDUM TO THE ASSISTANT ADMINISTRATOR, FVA

FROM: AAA/PVC, Thomas A. McKay

SUBJECT: Project HOPE New Matching Grant

1. Problem: Your approval is requested for support of Project HOPE under a five year Matching Grant (MG) in the amount of \$2,585,000 and to obligate \$530,000 in FY 1987 to initiate this grant.

2. Background: Project HOPE is the principal activity of the People-to-People Health Foundation, Inc.; an independent, non-profit institution founded 28 years ago. During this period, HOPE has implemented various health activities in 37 countries varying from sophisticated technology development projects in teaching hospitals in Poland and China to a child survival project in Guatemala. Currently, HOPE has programs in 18 different countries mainly Central and Latin America.

FVA/PVC has two types of grant activities with HOPE: a Matching Grant (FY 1984-87) for \$3.5 million in five countries in the LAC/CAR region and one in Africa, and a Child Survival Grant (FY 1985-88) for \$700,000 in Guatemala. Most of the activities under the current MG will continue under the proposed grant.

The current MG is scheduled to be evaluated in August 1987.

3. Proposed Program: The purpose of this grant is to support child health infrastructure development by concentrating on certain key health interventions identified by host governments in Belize, Costa Rica, Haiti, Honduras and Swaziland. Responding to these needs, HOPE will provide education and training rather than direct health services. The objectives of the program are country and task specific and revolve around the following activities:

(a) nursing education, including both basic and post-graduate nursing degrees, to prepare nurses to better meet the basic health needs of rural and urban populations; (b) building laboratory capacity to support the diagnostic and treatment needs of both primary, secondary and tertiary health care levels and preparing laboratory personnel to perform required laboratory tests; (c) establishing a regional training center for the preparation of respiratory therapists to treat and prevent respiratory diseases

and to form departments of respiratory therapy in selected health care institutions; (d) developing an audio-visual resources production center to prepare materials for the training of young professionals and paraprofessionals of those diseases most prevalent in their practice areas; (e) training technicians to repair and maintain medical equipment at different levels of health care institutions; (f) providing continuing education for members of health teams serving in rural and para-urban areas in order to deliver improved health care among poor populations, and (g) develop and implement a drug and supply management system that will improve the procurement, inventory, storage, distribution and dispensing of medical supplies.

Proposed country specific activities are described in Tab A.

Evaluation Plan: HOPE has a well-developed system of internal program monitoring and evaluation based on a quarterly reporting system. Hope will provide PVC with annual progress reports describing program impact against stated objectives. An independent midterm and a final evaluation will take place during the third quarters of FY 1989 and FY 1991 respectively. PVC has added an additional \$55,000 to HOPE's program for this purpose.

4. Budget: HOPE originally requested \$3.8 million over a five year period for a six country program. After some negotiations between PVC, the Missions and Hope, this was reduced to an LOP of \$2.5 million for a five country program. A detailed revised budget is attached as Tab B.

Budget Summary:

<u>Country:</u>	<u>Total:</u>	<u>A.I.D. MG:</u>	<u>PVO Cash Match</u>
Belize:	231,805	106,821	124,984
Costa Rica:	329,285	153,719	175,566
Haiti:	54,328	24,895	29,433
Honduras:	2,874,176	1,318,070	1,556,106
Swaziland:	1,948,517	896,495	1,052,022
Evaluations*:	85,000	85,000	-0-
TOTAL:	5,523,111	2,585,000	2,938,111

*This includes: \$30,000 for evaluation of current MG
\$20,000 for mid-term evaluation of new MG;
\$35,000 for final evaluation of new MG

5. Country Clearances: A.I.D. Mission inputs were solicited from all target countries. All Missions were strongly in favor of continuing HOPE's activities in their respective countries (See Tab C.)

6. Significant Issues: The Matching Grant Committee found the HOPE proposal to be an improvement over the concept paper especially with regard to overall strategy and program focus. See Tab D. The full proposal presented 11 country specific projects in six target countries. Several issues involving specific activities in Costa Rica, Panama, Belize and Swaziland were negotiated between PVC, ASHA, LAC/DR, USAID Missions and HOPE. We feel that these issues have been solved to the satisfaction of all parties involved. A discussion of each issue is contained in Tab E.

RECOMMENDATION 1: That you approve the proposed five year Matching Grant to Project HOPE with an LOP authorization of \$2,585,000 and to obligate \$530,000 in FY 1987 to initiate this FVA/PVC grant.

APPROVED: William B. Ryan

DISAPPROVED: _____

DATE: 4/13/87

Attachments:

- Tab A: Proposed Country Specific Activities
- Tab B: Revised Budget
- Tab C: Mission Cables
- Tab D: Committee Review Summary
- Tab E: Discussions of Issues
- Tab F: Country Information for A.I.D. Supported Projects
- Tab G: Project HOPE Matching Grant Proposal
- Tab H: CN and Activity Sheet

Certified Public Accountants
**Lucas,
Tucker & Co.**

733 15TH STREET, N.W., SUITE 1020, WASHINGTON, D.C. 20005 (202) 659-2911

June 18, 1986

Ms. Rhodina McIntosh
Office of Private and Voluntary Cooperation
Bureau for Food for Peace and Voluntary Assistance
Agency for International Development
Washington, D.C. 20523

Dear Ms. McIntosh:

We have performed an analytical review of the financial statements of PEOPLE-TO-PEOPLE HEALTH FOUNDATION, INC. for the year ended June 30, 1985. The purpose of our review is to provide reference information for the determination of the organization's continued eligibility for registration with the Agency for International Development in accordance with regulation 3, 22 CFR Part 203.

For the purpose of this review, we have performed the stated procedures on the following items:

1. Review of Auditor's Report
2. Review of Financial Statements
3. Review of Footnotes to Financial Statements
4. Analysis of Sources of Funds
5. Computation and interpretation of selected financial ratios
6. Review of current year's Budget
7. Review of PVO Annual Report
8. Review of Internal Revenue Form 990
9. Reconciliation of Form AID-1550-2 with Audited Financial Statements

The foregoing procedures do not constitute an examination made in accordance with generally accepted auditing standards or an independent verification of any underlying documentation. Accordingly, we do not express an opinion on the validity of the information contained in the financial statements of PEOPLE-TO-PEOPLE HEALTH FOUNDATION, INC. and the related statements of support, revenue and expenditures (Form AID 1550-2) for the year ended June 30, 1985. Our comments resulting from the aforementioned review of the information supplied by you are summarized in Attachment A.

Very truly yours,

Lucas, Tucker & Co.
LUCAS, TUCKER & CO.

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ATTACHMENT A

PEOPLE-TO-PEOPLE HEALTH FOUNDATION, INC.

A. REVIEW OF AUDITOR'S REPORT:

The independent accountants, Deloitte, Haskins & Sells, CPA's, issued an audit report dated August 30, 1985, and rendered an unqualified opinion on the financial statements of People-to-People Health Foundation, Inc. and Committees for Project HOPE for the year ended June 30, 1985. In their opinion, the financial statements present fairly the financial position and results of operations in conformity with generally accepted accounting principles applied on a consistent basis.

B. REVIEW OF FINANCIAL STATEMENTS:

People-to-People Health Foundation, Inc. (Project Hope) segregates its balance sheet into six fund groups. This is basic to fund accounting procedures which is the process of separating resources into self-balancing accounts on the basis of restrictions imposed by donors and/or the governing board. Current assets are cash or other assets held for conversion into cash within a relatively short period. Current assets for 1984 and 1985 were \$20,295,151 and \$31,208,000, respectively; an increase of \$10,912,849 or 53.77%. This increase was due to a number of factors. The PVO received inventory contributions of \$14,300,000 and \$8,700,000, respectively, for 1985 and 1984, but used approximately \$13,400,000 and \$6,500,000 for the same period, which had a net effect of increasing

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unrestricted inventories \$3,634 or .08%. Grants receivable increased because the organization recognized more U.S. grants in 1985 than 1984, and the PVO's policy is to record grants when awarded. Grants receivable increased 143.21% or \$9,506,672 over 1984 which indicates the organization has been awarded a substantial amount of contracts for the 1985 year. Deferred revenue and grants increased 127.29% which indicates these grant funds had not been earned at year end.

Restricted cash increased \$488,142 or 143.21%. The bulk of this increase is from cash obtained through grants from the United States government under the Foreign Assistance Act of 1951. These grants are restricted for use only in countries designated. Cash balances in these restricted accounts were \$278,695 and \$791,859 for 1984 and 1985, respectively.

Other changes in the current asset accounts reflect management efforts to maximize return on investments and different mixtures of certificates of deposit and investments received as contributions during the year. Current assets constituted 86.28% of the total assets in 1985.

The non-current assets consisted primarily of assets of the land, building and equipment fund which remained basically unchanged from 1981 through 1985.

Current liabilities are liabilities accrued and deferred, and unearned revenue that is to be paid out of current assets or transferred to income within a relatively short period of time. Current liabilities for People-to-People Health Foundation, Inc. increased in 1985

over 1984 by 78.82% or \$9,993,467. This increase results primarily from the account "deferred revenue-grants designated for future periods" which represented 71.67% of total current liabilities or \$16,367,000 for 1985. These grants are restricted for international medical programs funded by the United States government. Deferred revenue and grants increased \$9,166,084 or 127.29% over 1984.

The PVO had an excess of public support, grants and other revenues over expenses of \$504,000 for the year ended June 30, 1985. Contributions increased \$1,583,000 or 30.50% and grants for international medical programs increased \$1,164,935 or 18.82%. The organization sustained a \$25,000 loss on the sale of securities and property during the year.

The PVO's overseas program expenditures increased 52.77% or \$8,096,099 over 1984 while domestic programs increased 47.83% for the same period. Support services also increased over 1984. A review of the statement of functional expenses showed increases in salaries and wages, benefits, and payroll taxes of \$1,768,000 or 37.47% over 1984 and supplies increased \$5,228,000 or 54.25% for the same period.

In conclusion, the organization experienced overall growth in total fund groups and consistent increases in private and government support, which are being expended increasingly on program activities.

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C. REVIEW OF FOOTNOTES:

The footnotes properly disclosed material information related to the financial statements.

D. REVIEW OF THE CURRENT YEAR'S BUDGET:

People-to-People Health Foundation, Inc. projected total support and revenue of \$35,826,000 which is an anticipated increase of \$7,131,000 above 1985.

The PVO anticipates a 9.08% decrease in public support, namely donated supplies and equipment, and a 121.79% increase in government grants. This increase is based on Project Hope receiving new grants to support programs for health policy research and analysis, its domestic program, and the approval of a new grant to train residents along the U.S/Mexico border. There was a 78.45% decrease in grants for the international medical program.

Project Hope budgeted expenditures to increase \$7,385,000 over 1985 actual expenses; a 26.20% increase. This change consists primarily of program services costs with increased spending on international and domestic programs.

The overall effect will be an excess of support and revenue over expenses of \$250,000 for the year ended June 30, 1986.

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E. REVIEW OF ANNUAL REPORT:

The annual report was in agreement with the audited financial statements. The auditor's report was a part of the annual report.

F. REVIEW OF I.R.S FORM 990:

The Internal Revenue Service Form 990 was not in agreement with the audited financial statements. There was a discrepancy of \$1,194,000 in both income and expenses due to the organization's policy of recognizing donated services, material and equipment as revenue and expenses in the financial statements, but not in the 990.

G. REVIEW OF A.I.D. FORM 1550-2:

The A.I.D. Form 1550-2 was in agreement with the audited financial statements.

H. OVERALL ASSESSMENT:

At June 30, 1985, the organization appeared to be in stable financial condition. Most of Project Hope's activities occurred within the general unrestricted and restricted funds. The financial position of the general fund remains sound. If any financial difficulties arise, the PVO would rely on the board designated fund acting as an endowment fund for support; the very purpose of its existence.

FINANCIAL RATIOS:

1.	Fundraising costs as a percentage of funds raised and in-kind contributions:		
	Fundraising costs	\$ 1,366,000	= 6.92%
	Contributions	\$19,743,000	
2.	Fundraising costs as a percentage of total expenditures:		
	Fundraising costs	\$ 1,336,000	= 4.85%
	Total expenditures	\$28,191,000	
3.	General and administrative costs as a percentage of total expenditures:		
	General & administrative costs	\$ 952,000	= 3.38%
	Total expenditures	\$28,191,000	
4.	Fundraising and general and administrative costs as a percentage of total expenditures:		
	Fundraising, gen. & admin. costs	\$ 2,318,000	= 8.23%
	Total expenditures	\$28,191,000	
5.	Domestic program costs as a percentage of total expenditures:		
	Domestic program costs	\$ 2,434,000	= 8.63%
	Total expenditures	\$28,191,000	
6.	Overseas program costs as a percentage of total expenditures:		
	Overseas program costs	\$23,439,000	= 83.14%
	Total expenditures	\$28,191,000	
7.	Total program costs as a percentage of total expenditures:		
	Total program costs	\$25,873,000	= 91.77%
	Total expenditures	\$28,191,000	
8.	Income distribution:		
	Percentage of income derived from:		
		Amount	%
	Private contributions	\$ 5,190,000	18.09%
	Donations	14,553,000	50.72
	Revenue	959,000	3.34
	U.S. government support - A.I.D.	7,401,000	25.79

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U.S. government support - other	230,000	0.80
Other governments and international agencies support	<u>362,000</u>	<u>1.26</u>
Total support and revenue	<u>\$28,695,000</u>	<u>100.00%</u>

9. Fund balances:

	Amount	%
Unrestricted funds	\$ 3,107,000	23.30%
Board designated fund	5,000,000	37.49
Deferred giving fund		
Pooled income	47,000	0.35
Gift annuity	36,000	0.28
Annuity trust	47,000	0.35
Endowment	135,000	1.01
Fixed assets fund	<u>4,964,000</u>	<u>37.22</u>
Total fund balances	<u>\$13,336,000</u>	<u>100.00%</u>

10. Total current liabilities as a percentage of fund balance:

Current liabilities

	Amount
Accounts payable	\$ 480,000
Accrued pension	413,000
Accrued liabilities	163,000
Due to other funds	647,000
Deferred revenue and support	77,000
Gifts in kind held for future use	4,506,000
Deferred revenue	19,000
Deferred revenue and grants	<u>16,367,000</u>
Total current liabilities	<u>\$22,672,000</u>

Total current liabilities	\$22,672,000	=170.01%
Fund balances	<u>\$13,336,000</u>	

11. Number of days average expenditures included in working capital:

Daily average expenditures:		
Total expenditures	<u>\$28,191,000</u>	
Days in a year	365	= <u>\$ 77,236</u>

Number of days:
 Working capital $\$ 8,536,000$
 Daily average expenditure $\$ 77,236 = \underline{\underline{111 \text{ days}}}$

12. Computation of the acid-test and the current ratios:

Quick And Current Assets

	<u>Amount</u>
Cash - unrestricted	\$ 229,000
Cash - restricted	829,000
Certificates of deposit	486,000
Investments	7,534,000
Accounts receivable	326,000
Pledges receivable	192,000
Due from other funds	647,000
Total quick assets	<u>\$10,243,000</u>
Inventories	4,618,000
Grants receivable	16,145,000
Other assets	202,000
Total current assets	<u>\$31,208,000</u>

Current liabilities:

	<u>Amount</u>
Accounts payable	\$ 480,000
Accrued pension	413,000
Accrued liabilities	163,000
Due to other funds	647,000
Deferred revenue and support	77,000
Gifts in kind held for future use	4,506,000
Deferred revenue	19,000
Deferred revenue and grants	16,367,000
Total current liabilities	<u>\$22,672,000</u>

Acid-Test Ratio:

Quick assets $\underline{\$10,243,000} = 0.45 \text{ to } 1$
 Current liabilities $\underline{\$22,672,000}$

Current Ratio:

Current assets $\underline{\$31,208,000} = 1.38 \text{ to } 1$
 Current liabilities $\underline{\$22,672,000}$

13. Analysis of selected items:

	<u>1983</u>	<u>1984</u>	<u>1985</u>
Excess (deficiency) of support and revenue over expenditures	<u>\$ 651,736</u>	<u>\$ 342,037</u>	<u>\$ 504,000</u>
Total assets	<u>\$23,075,050</u>	<u>\$25,677,173</u>	<u>\$36,172,000</u>
Total liabilities	<u>\$10,585,015</u>	<u>\$12,845,101</u>	<u>\$22,836,000</u>
Total fund balance	<u>\$12,490,035</u>	<u>\$12,832,072</u>	<u>\$13,336,000</u>
Working capital	<u>\$ 7,066,305</u>	<u>\$ 7,616,618</u>	<u>\$ 8,536,000</u>

PVO SUMMARY

PVO Name: People-to-People Health
Foundation

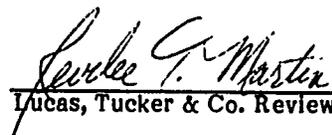
Contact Name: Dr. W.B. Walsh
Title: President

Address: Carter Hall
Millwood, Virginia 22646

Fiscal Year Ending June 30, 1985

1. The PVO's status appears to have changed significantly with respect to the following conditions of registration:

2. The PVO's status does not appear to have changed significantly with respect to any of the conditions of registration.


Lucas, Tucker & Co. Reviewer

6/18/86
Date