

Grants Program Manual
Armenia Social Protection Systems Strengthening Project
Amy Ramm
SO 3.4
USAID Armenia 111-C-00-06-00067-00

AECOM International Development
December 5, 2007





USAID
FROM THE AMERICAN PEOPLE

USAID ARMENIA, SOCIAL PROTECTION SYSTEMS
STRENGTHENING PROJECT

ՄԱԿԱՆ ԺԻՎՈՒԹՅԱՆ ԵՎ ՍՈՑԻԱԼԱԿԱՆ ԲԻՅՈՒՄԱՆՈՒԹՅԱՆ
ԸՆԹԱՐՈՒՄԻ ԸՆԿՆՈՒՄԻ ԻՏՎԱԾ

ARMENIA SPSS PROJECT GRANTS PROGRAM MANUAL

Armenia Social Protection Systems Strengthening Project (Armenia SPSS Project)

Table of Contents

I. Introduction

II. Definitions

III. Section A – Grant Beneficiary Handbook

1. What is the SPSS Project Grants Program?
2. Who is eligible for an SPSS Project Grant?
3. What are SPSS Project Grant Program Objectives?
4. What types of project is the program seeking to fund?
5. What is the description of grant available?
6. How can an Organization apply for a Grant?
7. Allowable and unallowable costs
8. How will the Applications be evaluated?
9. Grant Agreements and Responsibilities
10. Grant Requirements and Administration

IV. Section B - Internal SPSS Project Grants Program Processes

1. Solicitation and application
2. Proposals Evaluation Committee
3. USAID Approval
4. Execution of Grant Agreements
5. Modification of Agreements
6. Management of Grant Implementation
7. Payment Terms.
8. Beneficiary Financial Management
9. Monitoring and Evaluation
10. Grant Agreement Termination
11. Periodic Reporting and Grant Completion Reporting.

Annexes to Section A – Grant Beneficiary Handbook

Application Form Related Annexes

- | | |
|-----------|-------------------------|
| Annex A-1 | Organization Background |
| Annex A-2 | Project Proposal Format |
| Annex A-3 | Project Budget Format |

Evaluation Related Annexes

- | | |
|-----------|------------------------------|
| Annex A-4 | Grant Evaluation Score Sheet |
| Annex A-5 | Grant Agreement |

Annexes to Section B – Internal Process

Application Related Annexes

- | | |
|-----------|--|
| Annex B-1 | Application Non-Approval Letter |
| Annex B-2 | Concept Paper Acceptance/Non Acceptance Letter |

Evaluation & Approval Related Annexes

- | | |
|-----------|-------------------------------|
| Annex B-3 | Grant Funding Approval Sheet |
| Annex B-4 | Grant Funding Approval Letter |

Award Related Annexes

- | | |
|-----------|---------------------------------------|
| Annex B-5 | Agreement Transmittal Letter |
| Annex B-6 | Agreement Modification Approval Sheet |

(USAID ADS 303, available upon request)

Attachment 3 Mandatory and Optional Standard Provisions

I. Introduction

In Armenia social assistance programs are implemented primarily by specialized institutions and by NGOs many of which are largely supported by donor funding. The provision of social services is heavily funded by the international donor community. Ministry of Social Security and Labor Issues cooperates with NGOs in implementing social programs.

In 2007, first line item in the Armenian State budget was approved for the “Mission Armenia” NGO, which is the first step towards the outsourcing social services to a local NGO. While some progress has been achieved recently, much work still has to be done. MLSI have not yet to procure social services from NGOs when implementing social policy. The legal framework related to fees for services, licensing and procurement mechanisms needs to be clarified.

The United States Agency for International Development (USAID) through the Armenia Social Protection Systems Strengthening (SPSS) Project, aims to enhance the overall capacity of the MLSI to address these needs by the development and implementation of innovative mechanisms of social contracting with NGOs. The aim is to build public and private sector capacity to collaboratively design, implement and sustain social services that target the country’s most vulnerable groups.

This manual is intended as a guide to officers of the SPSS Project Grant Program, the proposal evaluation and selection committee, and grant applicants. The manual is divided into four parts:

- **This Introduction;**
- **Definitions of terms;**
- **The Grant Beneficiary Handbook** introducing potential applicants to the program, outlining its goals and objectives, describing the types of projects that will be considered for funding, and explaining the types of grants that will be executed; and
- **Internal SPSS Project Grants Procedures**, outlining the solicitation, application, and selection processes.

II. Definitions

Agent The individual authorized to sign grant agreements. The agent signing on behalf of a Beneficiary shall be hereinafter referred to as “Beneficiary’s Agent.” The agent signing on behalf of The Services Group, shall be hereinafter referred to as the “SPSS Project Agent.”

Armenia Social Protection Systems Strengthening Project (Armenia SPSS Project hereafter SPSS Project) A five-year project funded by the United States Agency for International Development, implemented by The Services Group Inc. (TSG).

Benchmarks The key programmatic and financial targets that must be met to qualify for initial or subsequent tranche disbursements of funds for grants.

Beneficiary Any organization that is awarded funding under a grant agreement.

Chief of Party (COP) The technical representative of The Service Group USAID’s implementing partner for the SPSS Project.

Cognizant Technical Officer (CTO) An employee of USAID/Armenia with responsibility for technical oversight of the SPSS Project.

Fixed Obligation Grant (or simply “grant”) A grant of a fixed amount having a term of up to two years and a grant amount of no more than the local currency equivalent of US\$50,000. Grants are more fully discussed in Section A, the Grant Beneficiary Handbook.

Government of Armenia (GOAM) Republic of Armenia’s Government.

Grant Applicant (or simply “Applicant”) An eligible organization applying for grant funding.

Grant Application (or simply “Application”). A written document, required to meet certain standards outlined in the manual, describing in detail the program being proposed by an Applicant for funding under a grant.

Grant Completion Report A Grant Completion Report is a full report of the activities and dispositions of funds under a grant. The precise content varies by grant type.

Grant Manager An SPSS Project staff member who acts as regular liaison between the SPSS Project and the beneficiaries.

Proposals Evaluation Committee (“Evaluation Committee” or simply the “PEC”) A committee made up of one voting member from the SPSS Project, international NGO, MLSI and one non-voting member from USAID.

Ministry of Labor and Social Issues (MLSI) A Republic of Armenia (RA) executive body, which develops and implements the RA Government policy in the spheres of social security.

Non-governmental organization (NGO) A civic or public organization, usually organized as a non-profit, with a remit to provide services or expertise to the public either directly or through the government.

Contracting Officer (CO) A USAID employee authorized to sign contracts on behalf of USAID/Armenia.

United States Agency for International Development (USAID) The United States Government Agency charged with funding and managing international development and humanitarian aid programs from the American People around the world.

USAID/Armenia The Mission of the United States Agency for International Development in Armenia.

A - Grant Beneficiary Handbook

1. What is the SPSS Project Grants Program?

The USAID Social Protection Systems Strengthening (SPSS) Project, implemented by The Services Group Inc. (TSG) from October 2006 through September 2011, aims to strengthen Armenia's social protection systems, to improve Government of Armenia institutional and human capacity, and to enhance the capacity of social service NGOs. The project offers international and Armenian technical assistance in four key social protection areas and aims to facilitate transition to self-reliance and sustainability, while reducing citizens' dependence on public support to meet their basic needs.

A matching grants program will be implemented under the SPSS Project to catalyze a process of outsourcing programs to NGOs. The SPSS Project will match, in an agreed-upon proportion, grants made by GOAM to NGOs for implementing such programs.

2. Who is Eligible for the SPSS Project Grant?

Armenian NGOs are potential recipients of funds under the program. Applicant organizations should demonstrate competence and sufficient technical and administrative capability to carry out the proposed projects and to achieve the program's objectives.

The Beneficiary organization is eligible for the award of a grant according to the following criteria:

- The applicant must be a legally registered non-governmental organization. Professional organizations, research institutions, and other institutions that have organizational objectives consistent with the broad objectives of SPSS Project and the specific objectives of the SPSS Project Grants Program will be considered.
- Applications from individuals, political organizations, foreign-owned organizations (including US NGOs) and government institutions and religious groups are not eligible for grants under the SPSS Project Grants Program. Also ineligible are private firms and non-governmental organizations whose objectives are not consistent with the broad objectives of the SPSS Project Grants Program.
- The applicant organization must be able to demonstrate its competence in the project field, and have sufficient technical and administrative capability to carry out the project. In addition, the applicant organization must be able to demonstrate a commitment to the SPSS Project. Applications from organizations with no demonstrable prior experience or interest in the mentioned fields will not be accepted. The proposed project objectives should be in harmony with the overall development vision and objectives of the SPSS Project. Applications should fall into one or more of the areas described in Section 4.

3. What are the objectives of the SPSS Project Grants Program?

The SPSS Project Grants Program is intended to establish transparent and effective mechanisms that enable the GOAM to provide budgetary support to NGOs that provide social services throughout the country. The SPSS Project grants should promote dialogue and partnership between non-governmental organizations and the GOAM in order to foster government outsourcing mechanism.

4. What Types of Projects is the Program Seeking to Fund

The proposed project objectives should be in harmony with the overall development vision and objectives of the SPSS Project. The overall priorities of the project are:

NGO capacity building: Assistance to NGOs to establish formal networks and sustainable mechanisms, such as public-private sector social contracting, for providing essential professional services to vulnerable populations.

Government contacting NGO's for social services development: Increasing the extent to which the government enables NGO's to deliver social services.

Applicants should outline the benefits of the proposed project and should demonstrate, where possible, how the project will improve social service provision in Armenia. Projects that involve a high degree of state government participation, community participation and partnership will receive favorable consideration.

5. What the description of grant available

Fixed Obligation Grants are available:

A Fixed Obligation Grant has a series of tangible and measurable deliverables, (benchmarks) against which fixed grant payments are made. A payment schedule is prepared outlining the amount of grant funds to be disbursed at the completion of each benchmark.

Grants have the following characteristics:

- *Maximum grant period:* 24 months
- *Maximum grant amount:* Local equivalent of US\$50,000
- *Allowable purpose:* Beneficiary activities which are consistent with both Beneficiary and SPSS Project Grants Program objectives.
- *Payments:* A Grant schedule of disbursements must be associated with one or more very specific program benchmarks where there is a certainty about the cost of achieving the each benchmarks cost and where accomplishment each benchmarks by the Beneficiary is readily discernible in fact and in time. The schedule of disbursements reflects both the timing and the amount of Beneficiary payments for the accomplishment of each benchmark, and it is therefore essential that the Proposals Evaluation Committee be satisfied that there is sufficient cost history to negotiate the schedule of disbursements.
- *Allowable costs:* apart from the generally unallowable costs specified in subsection 2, below, there are no requirements for monitoring the types and a magnitude of the costs of the actual costs of achieving the benchmarks.
- *Approval Required:* Approval by the USAID Cognizant Technical Officer (CTO) is required and is dependent upon criteria including:
 - The ability to easily identify and quantify programmatic accomplishments or results in establishing grant;
 - Limited risk that there will be changes to the program; and
 - Adequate cost (historical or unit pricing) available to determine and negotiate the schedule of disbursements.
- *Application type:* Full application as described in Annex A3
- *Payment type:* Payment made to beneficiary after presentation of accomplishment of milestones

6. How can an organization apply for a grant?

Applications for grants should follow the application guidelines, supplied below, and the relevant application format. Any application not submitted in the correct format is ineligible for evaluation under the SPSS Project - Grants Program and will be returned to the submitting organization. The acceptable format includes, but is not limited to, a proposal and other supporting documentation (strategic plan, annual report, etc) as may be necessary to clearly demonstrate that it meets the following conditions precedent to Application Evaluation:

- That the Applicant organization is an eligible organization legally constituted under Armenian law with legal status and personality in Armenia or is in the process of obtaining such legal status through formal registration;
- That the Beneficiary organization has the managerial commitment, as evidenced by written Board of Directors' resolutions, strategic plans or other documentation, indicating that it is, or will be, implementing the objectives described in 4.0 above;
- That the Applicant has no advances from USAID or a USAID contractor which have been outstanding and unliquidated for longer than 90 days, and that the Applicant has no grant completion report required under a grant from USAID or a USAID contractor which is more than 30 days past due;
- That at the time of application there exists no condition within the Applicant organization or with respect to the Applicant organization's management that renders the organization ineligible for a grant directly or indirectly funded by USAID;
- That the proposed period of funding requested in the application does not exceed the life of SPSS Project.

Competitions

The competition is the main grantmaking instrument for grant awards under the SPSS Project. Grant program activities are generally announced to the public and are open to any qualified applicant. Competitions are announced based on Request for Proposals (RFP). Proposals are submitted in response to an RFP which are reviewed and evaluated by PEC. The applications should be submitted in response to the requirements listed in the RFP and this manual. The project should address one or more of the areas described in 4. above.

Once the Project Proposal Applications are submitted, the evaluation committee will review them. Grants will be awarded or rejected on the basis of the Project Proposal Application. Further information regarding the submission of Project Proposal Application, the selection criteria, and the ongoing management and reporting of projects, including payment mechanisms, will be provided by ASPSS Project Grant Manager.

7. Allowable and unallowable costs

Grant funds are restricted in the goods and services they can be used to purchase. In order to be permitted as expenses under a grant, costs must be *reasonable*, *allocable*, and *allowable*.

Reasonable. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. To be reasonable, a cost must be:

- Of a type generally recognized as ordinary and necessary for the performance of the award;
- Be incurred using generally accepted sound business practices; and
- Be incurred with prudence concerning the circumstances.

Allocable. A cost is allocable to a particular grant in accordance with the relative benefits received. A cost is allocable to a grant if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it is incurred specifically for the award or benefits both the award and other work and can be distributed in reasonable proportion to the benefits received.

Allowable. Certain costs are explicitly unallowable under grants. These include but are not limited to:

- Creation of endowments (Note: financing of loan portfolios is not an endowment);
- Any commodity which does not comply with, or which is not procured in a manner that complies with, the USG/USAID commodity procurement procedures specified herein in annexes thereto.

- Any previous obligations by USAID to the Beneficiary;
- The bad debts of the Beneficiary;
- Fines imposed on the Beneficiary;
- Penalties imposed on the Beneficiary
- Any expenses related to ceremonies, parties, and celebrations;
- The purchase of any goods restricted and prohibited under USAID regulations;
- The purchase of surveillance equipment, military equipment or arms whether new or surplus, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods and gambling equipment;
- The purchase of goods which have their origin in Cuba, Vietnam, North Korea, Cambodia/Kampuchea, the People's Republic of China and other countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended or ineligible sub-contractors;
- Any expenses related to purchases or activities, which are illegal under Armenian or U.S. law.

More details on unallowable costs are available from the Grant Manager. Costs not envisioned in a project proposal must be approved in writing by the Grant Manager.

8. How will applications be evaluated?

Upon receipt of applications, eligible applications will be scored as follows, see Annex 4a. In summary, an application will be recommended for funding if the Proposals Evaluation Committee (PEC) approves it.

USAID/Armenia will examine all applications approved by the PEC, and will approve those it finds to be eligible and providing good value.

Applicants will be notified in writing of the success or failure of their application. Rejected applicants will be notified of the reasons for the rejection.

9. Grant agreements and responsibilities

A grant agreement is the primary written document that specifies the terms and conditions that a Beneficiary must comply with in order to receive grant funding. Sample Grant Agreements for grants (Annex A-5a) is attached. Specific responsibilities that are specified in AID regulations form part of the various Grant Agreements for Grants (Annex A-5a).

10. Grant Requirements and Administration

The frequency and content of reporting requirements are dependent on the type of grant your organization is awarded. For all grants, a grant completion report is required. Interim reports may be required as well. The format of these reports will be provided to the recipient organization upon award of the grant.

Application Form

Grant Manager

USAID/Armenia Social Protection Systems Strengthening Project
Implemented by The Services Group
18 Baghramian Ave. (entrance from Zarubyan)
Yerevan 0019 Armenia

Subject: Grant Application

Date of this application:

I. ORGANIZATION BACKGROUND

1. Contact information about organization:

a. Organization Name _____

b. Legal Address _____

c. Mailing Address (if different from Legal Address) _____

d. Phone _____ Fax _____ E-Mail _____

e. Organization Contact Person _____

2. Organizational Information Related to Eligibility:

a. Year Established _____ b. Type of Organization: For Profit Not for Profit

c. Legal Status of the Organization: _____

d. In order to demonstrate our organization's eligibility, we have attached:

- A copy of Organization's Charter
- A copy of the Registration Certificate as evidence of the above selected legal status;
- One or more copies of board of directors resolutions, strategic plans or other documentation indicating our organization's managerial commitment to implementing objectives that are consistent with the broad objectives of SPSS Project Program and the specific objectives of the SPSS Project Grants Program component recommending the application for approval.
- A memo signed by the Chairman of our board certifying all of the following:
 - That our organization has no advances from USAID or its contractors which have been outstanding and unliquidated for longer than 90 days, and that our organization has no grant completion report required under a grant from USAID or a USAID contractor which is more than 30 days past due.

- That there exists no condition within our organization or with respect to our organization's management which renders the organization ineligible for a grant directly or indirectly funded by USAID.

3. Statistical and other Information:

a. Number of employees:

Full time _____ Part time _____ Other (specify) _____

b. Fiscal Year end: _____ (for your accounting purposes)

c. Total budget for most recent fiscal year: _____

d. We have an operation accounting system in place? Yes No

e. Our accounting system is computerized: Yes No

f. Our total membership (if applicable) is: _____ members

g. As of the above date of application, the number of our members (if applicable) who have fully paid their annual dues for this year is: _____ members

h. Our organization chart is attached? Yes No

i. Briefly describe the organization's previous work and experience with donor agencies. Please provide information on name of the donor agency, funding amount, project title, and funding period.

We would appreciate your timely consideration of our application.

Sincerely,

(Signed by Managing Director or person in similar position within the Applicant organization and stamped)

III. PROJECT BUDGET FORMAT

The title of Organization:	Project Director: _____ <i style="text-align: center;">signature</i>
Project period:	Project Accountant: _____ <i style="text-align: center;">signature</i>
Total amount requested from SPSS Project:	Stamp
Total project cost:	

BUDGET ITEMS	Unit	Number of units	Cost per unit AMD	Amount requested from SPSSP	Organization's contribution AMD	Other Contributions AMD	Total AMD
1. Gross Salaries of the Project Staff							
1.1.							
1.2.							
<i>Subtotal</i>							
2. Consultant Fees							
2.1.							
2.2.							
<i>Subtotal</i>							
3. Transportation							
3.1.							
<i>Subtotal</i>							
4. Administrative Expenses							
4.1.							
4.2.							
<i>Subtotal</i>							
5. Equipment and Furniture							
5.1							
5.2							
<i>Subtotal</i>							
6. Other Direct Costs							
6.1							
6.2							
<i>Subtotal</i>							
7. Total costs:							

Note #1 - The SPSS Project Grants Program will carefully review the assumptions and associated costs related to your proposed activity so please take time to prepare a thorough and complete budget. A well-prepared budget should clearly support and complement the work plan you described above. Sufficient detail should be provided so that someone who is not familiar with your organization can easily understand how you arrived at the budgeted amounts. Keep in mind that proposals will be judged in terms of cost effectiveness so be careful not to inflate your costs nor include items that are not necessary for the success of your project. If possible, please use the general and detailed categories listed below. All costs should be budgeted in Armenian Drams (AMD). For the US dollar equivalent on page one, you should translate the AMD total into the US dollar value using the average exchange rate existing when you submit your proposal.)

Note #2 - Matching or cost-share: All proposal budgets must include at a minimum a 10 percent match (co-funding) or cost-share. This means that the organization is also supporting the proposed activities with its own or another donor's resources. For example if the total activity will require \$30,000 of allowable costs, SPSS Project Grants Program will fund up to 90%, or \$27,000. The remaining \$3,000 should be met by the organization. Matching (co-funding) generally refers to funds used from other donors to pay for project related activities, whereas cost-share refers to either payments from the organization's own funds or the fair value of contributions in-kind, such as space, equipment, the value of volunteers or staff time, etc. Please provide details in the budget notes to support the amounts you have identified as matching or cost-share.

Note #3 - For Grants, there are no specific budget categories. Rather, grant disbursements are against the accomplishment of specific grant benchmarks that indicate and quantify specific accomplishments or results. It is the responsibility of the Applicant to design proposed benchmarks which have limited the risks associated with changes in the proposed activities, and are easily associated with adequate cost data (historical or unit pricing) to determine and negotiate the proposed schedule of grant disbursements.

Proposal Evaluation Score Sheet

Proposal ID # Y07-0

Applicant Organization

1. Organization and its Past Performance (30%):

1.1 Relevant status and activities

1	2	3	4	5
---	---	---	---	---

1.2 Compatibility of project goals and organizational experience

1	2	3	4	5
---	---	---	---	---

1.3 Experience in social service provision (describe).

1	2	3	4	5
---	---	---	---	---

Total _____

2. Quality of project design (35%):

2.1. Justification of the problem

1	2	3	4	5
---	---	---	---	---

2.2 Proposed activity implementation

1	2	3	4	5
---	---	---	---	---

2.3 Proposed number of beneficiaries

1	2	3	4	5
---	---	---	---	---

2.4 Logical connections and relevance of goal, objectives, activities, outputs and outcomes (logical framework)

1	2	3	4	5
---	---	---	---	---

Total _____

3. Staff capacity to implement the project (20%)

1	2	3	4	5
---	---	---	---	---

IV. B - Internal SPSS Project Grants Program Processes

1. Solicitation and Application

1.1. Liaison with Potential Grantees

SPSS Project Grant Program will liaise with potential grantees by meeting directly with them, either individually or collectively in a workshop environment. The following elements will be explained and introduced to the prospective Beneficiaries;

- The nature of the grants being sought
- The correct format of grant applications
- The criteria for award
- The award process

This information is set out in the Grant Program Manual and in a Request for proposal, which is to be distributed and explained to the prospective Applicants.

1.2. Application Process

1.2.1 Grant Application Formats.

To be eligible for evaluation, all grant Applications must be received in the relevant format included in the annex of this manual. Any application not in the required format shall be returned to the Applicant. The required contents for a full application to conform to the Application form are specified in Annex A-1.

1.2.2 Pre-Application Assistance

Prospective grant applicants may receive assistance in order to meet organizational or operational requirements for grants prior to their submission of an Application during Orientation Seminar.

1.2.3 Application Processing

On receipt of applications Grants Manager transfers application packages to the Proposal Evaluation Committee for evaluation.

2. Proposals Evaluation Committee

The purpose of the Proposals Evaluation Committee is to examine and assess the applications based on the agreed selection criteria, and to provide recommendations regarding the award of grants. The Committee may approve, reject, or seek an amendment to a project proposal. Applications approved by the Committee will be transmitted to USAID for final approval. The Committee may make recommendations regarding the implementation of the project, if it feels necessary. Once the Committee has made its recommendations, its responsibility ceases. The SPSS Project Grants Program will be responsible for the management and monitoring of the projects and grants.

2.1 PEC Composition

The PEC will consist of the following core voting members:

- The SPSS Project representative or his/her designee
- The MLSI representative or his/her designee
- Representative of international or local organization, which has an expertise in the field.

The presence of the first two voting members shall constitute a quorum for the purposes of voting for approval or non-approval of preliminary awards by the PEC. In addition to the above-mentioned voting members, a fourth voting member may be invited. Also in attendance will be:

- At least one USAID employee, usually the CTO, will be invited to attend all PEC meetings as a non-voting observer;
- The Grant Manager who evaluated the Application under consideration;
- The SPSS Project Administrative Assistant to act as secretary and keep minutes of each PEC meeting.

2.2 PEC Approval Process

The Grant Manager will provide the following to the PEC for each application under consideration:

- A copy of the Request of proposal for the competition;
- A copy of the Evaluation Score Sheet in the format specified in Annex A4;
- A copy of the project proposal and budget submitted by the applicant.

Based on the presented application, the voting members present shall vote to approve or not approve the Application for preliminary award, pending final approval from USAID. They shall signify their votes in the appropriate space provided on the Grant Funding Approval Sheet. Three “yes” votes are also required to approve a preliminary Grant award, and the voting members may, at their discretion, require that specific terms and conditions, if compatible with USAID requirements, be added to the Grant Agreement. If a preliminary award is approved, the Grant Manager is authorized to draft a Grant Agreement approximating those presented in the Grants Beneficiary Handbook Annexes A-5, but more specifically tailored to the specifics of the approved Application.

2.3 Grant Evaluations, Award and Approval Process

Grant Application Evaluation. Applications received in the proper format shall be referred for preliminary award approval by the PEC. Given the anticipated size of Grants, the PEC will normally convene specific meetings for this purpose. The PEC will consider the recommendation, together with all supporting documents, and either recommend or not recommend the Application as required on the Proposal Evaluation Score Sheet (Annex A-4). If the application is approved by the PEC, it will send with the Grant Funding Approval Letter specified in Annex B-4, together with all supporting documents, to the CTO for his/her approval. If the Application is not approved by the PEC, it will be returned to the Applicant with the letter specified in Annex B-1.

Grant Final Award. If the CTO approves the preliminary grant award, the Applicant will be informed by letter in the format specified in Annex B-5, and a Grant Agreement will be enclosed for Applicant review and signature. If the CTO does not approve the preliminary grant award, the Applicant will be informed by letter as specified in Annex B-1.

3. USAID Approval

Before any grant agreement can be signed with any Beneficiary, approval by USAID/Armenia is required. This approval is obtained using Grant Funding Approval Letter exhibited in Annex B-3.

4. Execution of Grant Agreements.

Upon receipt of the original Grant Funding Approval Letter bearing signature of the CTO signifying his/ her approval of the proposed Grant award, the Grant Agreement will be sent to the Applicant for signature. Copies of the signed Grant Agreement would then be sent to the CTO and the Applicant for their files. This would conclude the grant application, evaluation, approval and agreement process.

5. Modification of Agreements.

Understandably cases may arise in which a previously approved Grant Agreement requires modification. In this case, the process for such modification mirror that of the original approval in

that the recommended modification is presented to the PEC using the Agreement Modification Approval Sheet presented in Annex B-6. Using that form, the Grant Manager confirms that the new modified agreement will remain consistent with SPSS Project objectives, and they will attach the modified grant program, including the modified Grant Expenditure Schedule. As with the original approval, two of the voting members of the PEC must vote yes for the modification to be approved. The final approval of USAID is still required and is obtained in the same manner as the original approval was obtained, as described in paragraph 3 above.

6. Management of Grant Implementation

6.1 Upon the signing of a Grant Agreement, the Applicant, now understood to have become the Grant Beneficiary, will begin to carry out its prime responsibility, namely implementation of the activities for which the grant was awarded. SPSS Project will also begin to exercise its grant management responsibilities as follows:

- Provide training to the Beneficiary to enable proper management of the grant;
- In the case of Grants, there will be no payments made until presentation of agreed evidence that benchmarks have been achieved.
- Monitor the Beneficiary's performance with respect to implementation through a series of reports as agreed in the Grant Agreement;
- Report to USAID/Armenia on a periodic basis on the overall status of the grant with respect to funds disbursed, beneficiary performance, SPSS Project intermediate results and other measures; and,
- Install and maintain a monitoring and evaluation system that tracks overall grant activity and performance.

6.2 Grant Management Training: While this Grants Manual is a resource for Beneficiaries, its value is enhanced when used as a training manual. Shortly following the first wave of grant approvals, SPSS Project will conduct an in-depth training course taught by Grant Manager. This course will cover the financial management requirements of Grants and skills and tools for better Grant implementation.

6.3 Terms and Conditions of Grant Agreements: The "Terms and Conditions" stipulated in the Grant Agreement executed between the Beneficiary and SPSS Project are designed to ensure that the Beneficiary's implementation, and SPSS Project's grant management, are in full compliance with USAID and other U.S. Government policies and regulations. These "Terms and Conditions" generally are non-negotiable, particularly the Standard Provisions, and must be strictly adhered to by both the Beneficiary and by SPSS Project. They will govern the Beneficiary's implementation of the approved grant program, the funding of that program, and the resolution of any ambiguities, questions, or disputes that may arise in the course of that program. In short, the terms and conditions determine the process of implementation of the grant program.

6.4 Agreement Filing and Tracking Number. The process of grant implementation will be tracked using a tracking system monitored and kept by the SPSS Project Grants Program, used by the Grant Manager and others to document and report on the steps taken in that process.

6.5 File Creation. Upon receipt of the signed Grant Agreement, the Grant Manager will create a file for the agreement and all other documents related to the grant. The Grant Manager will assign the unique grant tracking number to each agreement file. The originals of all agreements will be delivered to SPSS Project for safekeeping under file names and numbers that are identical to those of the Grant Manager.

7. Payment Terms. By linking payments to a task milestone, SPSS Project has a means of verifying that progress towards successful achievement of the grant objective is being made.

Depending on the duration, complexity, and value of the grant, tranche payments will be negotiated into the Grant Agreement. All payments must be supported by a grantee certification that the respective milestone has been successfully achieved. SPSS Project reserves the right to independently verify the milestone, and in some cases, it may do so by means of third-party verification of its choice. Upon verification and approval by the component leader that the tasks set forth in the Grant Agreement have been completed, the beneficiary will be paid.

8. Beneficiary Financial Management, Audits and Reporting Requirements. The Beneficiary must assume full responsibility for effective and proper administration of funds. SPSS Project reserves the right to audit the Beneficiary as part of the on-going monitoring to identify and resolve any grant implementation problems. It will also reinforce the collaborative approach and assure Beneficiaries that SPSS Project is there to help them succeed.

Per the provisions of the mandatory provisions for non-U.S. non-governmental Beneficiaries, all Beneficiaries which receive \$25,000 or more per year will be required to have an audit. Though the provisions allow for such audits to be performed by SPSS Project internal staff, whenever practical and cost effective, external professional audits will be contracted. The benefits of such audits do not only include assurances that program funds have been used properly. Perhaps a greater benefit is the inevitable strengthening of the Beneficiary's administrative and financial management systems and procedures as a result of the recommendations that are generated from the audit. The SPSS Project Grant Manager and Accountant will work closely with Beneficiaries to make sure that any external audit Scopes of Work will include appropriate language to ensure that such institutional strengthening benefits are included. SPSS Project will encourage Beneficiaries' implementation of auditors' recommendations/corrective actions as soon as possible after receipt of the final audit report. The Scope will also include language that will assure that Beneficiary's records will be reviewed to determine if the Beneficiary is in compliance with the terms and conditions of the grant.

The estimated audit costs will be included in grant award budgets. In the event that the Beneficiary has other donors or sources of funding, the sharing of the audit fee cost will be encouraged. Given the non-profit nature of Beneficiaries, audit firms will be encouraged to give as competitive rates as possible. Whenever possible audits will be scheduled to match the Beneficiary's fiscal year. In terms of developmental growth, annual audited financial statements may be a sign of organizational maturity and transparency.

9. Monitoring and Evaluation. Each Beneficiary's organizational development program will be monitored and evaluated for compliance with the terms and conditions of the Grant Agreement the Beneficiary signed with SPSS Project, including but not limited to the achievement of the benchmarks and objectives specified therein. In order to achieve this level of monitoring and evaluation, each Beneficiary will have to accord SPSS Project a close working relationship. Once Grants are disbursed, the Grant Manager will regularly monitor each Grant using SPSS Project monitoring and evaluation tracking system.

10. Grant Agreement Termination. Grants may be terminated as per terms described in the Grant Agreement if the achievement of the program objective is in jeopardy, but an agreed upon implementation schedule modification can put the activity back on track.

11. Periodic Reporting and Grant Completion Reporting. All Beneficiaries will submit periodic reports, at the frequency required in the Grant Agreement. All Beneficiaries will also prepare a Grant Completion Report in the same format at the completion of the grant within the timeframe specified in the Grant Agreement.

Annex B-1
Application Non-Approval Letter

(SPSS Project Letterhead)

Date *(date of letter)*

Mr./Ms. *(Name of Applicant's contact person)*

(Name of Applicant Organization)

(Address of Applicant Organization)

Dear Mr./Ms. *(family name of Applicant contract person)*

This letter is in response to the Project Proposal Application you submitted to SPSS Project Grants Program on _____ requesting consideration for funding.

After detailed review of your application, we regret to inform you that your application has not been approved for the following reasons:

- Application not in conformity with required format
- Failure to meet eligibility requirement
- Failure to meet conditions precedent
- Failure to meet minimum score required for approval

If you have any questions regarding this decision, please contact your Component Leader directly.

Thank you for your interest in SPSS Project s Grants Program.

Sincerely yours,

Chief of Party

Cc Grant Manager : _____

Annex B-2
Project Proposal Application Acceptance/Non Acceptance Letter

(SPSS Project *Letterhead*)

Date (*date of letter*)

Mr./Ms. (*Name of Applicant's contact person*)

(*Name of Applicant Organization*)

(*Address of Applicant Organization*)

Dear Mr./Ms. (*family name of Applicant contract person*):

This letter is in response to the Project Proposal you submitted to SPSS Project Grants Program on _____ requesting consideration for funding.

We hereby inform you that your concept for support of your organizational development program:

- Has been accepted because it does meet the SPSS Project Grants Program objectives. You are hereby requested to submit a full application for grant funding in the format required by the Grant Beneficiary Handbook.
- Has **not** been accepted because it does not meet the SPSS Project Grants Program objectives. If you wish to resubmit your concept, please discuss it with your SPSS Project Grants Program Manager.

Thank you for your interest in the SPSS Project Grants Program.

Sincerely yours,

Chief of Party

Cc Grant Manager : _____

Annex B-4
Grant Funding Approval Letter

(SPSS Project Letterhead)

Date (date of letter)

Cognizant Technical Officer
Social Reform Office (SRO)
USAID/Armenia
U.S. Embassy
1 American Avenue
375082 Yerevan, Armenia

Subject: Contract No. No 111-C-00-06-00067-00
Grant No. *ABC-EFG-KLM-XYZ* for (*beneficiary name*)
Location _____
Grant Amount _____

Dear Sir/Madam:

- Enclosed is the following documentation supporting a grant award to the prospective beneficiary named above:
 - A completed SPSS Project Grants Program, Grant Funding Approval Sheet in the format specified in Annex B-3 hereto;
 - A completed Grant Funding Approval Request Letter in the format specified in Annex B-4 hereto;
 - The projected budget for the program proposed for grant funding in the successful Application;
 - The proposed Grant Agreement.

- The proposed award is for a Grant, which requires CTO approval. For administrative convenience, space has been provided below for the CTO to grant his/ her approval or non-approval.

To the best of my knowledge, all USAID and SPSS Project Grants Program, grant procedures were followed in arriving at the decision to award this grant. Thank you for your consideration and cooperation.

Sincerely,

Chief of Party

CTO Approval Granted: _____ Date: _____
Cognizant Technical Officer

CTO Approval Not Granted: _____ Date: _____
Cognizant Technical Officer

Annex B-5
Agreement Transmittal Letter

(SPSS Project Letterhead)

Date *(date of letter)*

Mr./Ms. *(Name of Applicant's contact person)*

(Name of Applicant Organization)

(Address of Applicant Organization)

Subject: Grant No.

Dear Mr./Ms. *(family name of Applicant contract person):*

This letter is in response to the Application you submitted to the SPSS Project on (date of application) requesting consideration for grant funding under the SPSS Project Grants Program

We are pleased to inform you that your Application for grant funding has been approved. The Grant Agreement that will govern SPSS Project support is attached for your consideration. If the Agreement meets your requirements, please sign and return all copies for counter signature by the SPSS Project. Please contact SPSS Project Grant Manager if you have any questions.

Thank you for your commitment to enhancing social services in Armenia. We look forward to working with you in the future.

Sincerely yours,

Chief of Party

Annex B-6
Agreement Modification Approval Sheet

Grant Evaluation Committee Meeting Date: ___/___/___
Month /day/yr

Meeting to approve/not approve modification of the Agreement for the following Grant:

Grant Being Modified: Grant No. *ABC-EFG-KLM-XYZ*

Grant Beneficiary: *(name of beneficiary organization)*

SPSS Project Grant Manager Confirmation

On the meeting date cited above, the SPSS Project Grant Manager recommend that the above mentioned Agreement be modified and hereby confirm to the Grant Evaluation Committee that:

- After modification, as recommended below, the referenced Grant Agreement will continue to be consistent with all SPSS Project Grants Objectives;
- The attached modified program description and modified Advance Disbursement Schedule (if applicable) accurately reflect the new modified program of the Beneficiary; and that
- The Grant Manager recommend that the Evaluation Committee approve that the referenced Grant Agreement amount be increased by Armenian Drams _____, (US\$ _____) to a new total amount of Armenian Drams _____ (US\$ _____).

Recommending Grant Manager signatures: _____

Grant Evaluation Committee decision on this Grant Application follows below. Note that the occurrence of two “Approved” votes signifies Grant Evaluation Committee approval of the recommended modification pending final approval from USAID:

SPSS Project Representative #1 Name:

Approved _____
SPSS Project #1 Representative

Not Approved _____
SPSS Project #1 Representative

MLSI Representative #2 Name:

Approved _____
MLSI #2 Representative

Not Approved _____
MLSI #2 Representative

Evaluation Committee Decision Recorded by:

Evaluation Committee Secretary