

BY [Signature]

COLLABORATIVE RESEARCH SUPPORT GRANT

AGENCY FOR INTERNATIONAL DEVELOPMENT

COLLABORATIVE RESEARCH SUPPORT PROGRAM (CRSP)

Grant No. AID/DSAN-XII-G-0261

PROJECT TITLE: Beans and Cowpeas

PROJECT NO. 931-1310

AWARDED PURSUANT TO Sec. 297 & 635 OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

GRANTOR

Agency for International Development
Office of Contract Management
Washington, D.C. 20523
Cognizant AID Scientific/Technical Office

Development Support Bureau
Office of Agriculture
Agricultural Production Division
(DS/AGR/AP)

EFFECTIVE DATE: September 30, 1980

EXPIRATION DATE: September 30, 1985

GRANTEE

Michigan State University

Name

Dept. of Crop and Soil Sciences

Street Address

East Lansing, Michigan 48824

City State Zip Code

MAIL VOUCHERS (original and 3 copies) TO

Agency for International Development
Office of Financial Management
Washington, D.C. 20523

ACCOUNTING AND APPROPRIATION DATA

Amount Obligated: \$715,000

Appropriation No: 72-1101021.3

Allotment No: 043-36-099-00-02-01

PID/T No: 3606952

The United States of America, hereinafter called the Government, represented by the AID Grant Officer issuing this Collaborative Research Support Grant, and the Grantee agree as follows: That the entire Collaborative Research Support Grant consists of: The Cover Page; the Schedule, consisting of 18 pages; Attachment A, Program Description and Attachment B, Standard Provisions.

GRANTEE Michigan State University	UNITED STATES OF AMERICA AGENCY FOR INTERNATIONAL DEVELOPMENT
BY: (Signature of Authorized Individual) <u>[Signature]</u>	BY: (Signature of AID Grant Officer) <u>[Signature]</u>
TYPED OR PRINTED NAME	TYPED OR PRINTED NAME Morton Darvin
TITLE	TITLE AID Grant Officer
DATE	DATE SEP. 25 1980

SCHEDULE

- ARTICLE I - Authority
- ARTICLE II - Grant Goal and Purpose
- ARTICLE III - Program
- ARTICLE IV - Organization and Procedures
- ARTICLE V - Review and Evaluation
- ARTICLE VI - Time-Phased Program Plan
- ARTICLE VII - Reports
- ARTICLE VIII - Grant Term
- ARTICLE XI - Funds Obligated and Estimated Cost
- ARTICLE X - Cost Sharing
- ARTICLE XI - Negotiated Overhead Rates
- ARTICLE XII - Standard Provisions
- ARTICLE XIII - Special Provisions
- ARTICLE XIV - Budget

SCHEDULE

ARTICLE I - Authority

This grant is issued pursuant to Title XII, Section 297 (a)(1) and 635 (c) of the Foreign Assistance Act of 1961, as amended, to provide assistance in supporting long-term collaborative university research on improving production, marketing and utilization of beans and cowpeas in less developed countries (LDC).

ARTICLE II - Grant Goal and Purpose

A. The goal of this grant is to make a significant contribution to improving the living conditions of small town producers in LDCs and increased availability of low cost nutritious foodstuffs in the marketplace for the rural and urban poor in LDCs.

B. The purpose of this grant is to have the Grantee organize and mobilize financial and human resources necessary for mounting a major multi-institutional U.S./LDC collaborative effort of research and training in Bean and Cowpea related areas.

ARTICLE III - Program

The Collaborative Research Support Program (CRSP) on beans and cowpeas is described in the following:

- (A) Program Description
- (B) A Proposal to Implement the Bean/Cowpea CRSP (dtd. 8/11/80)
- (C) Final Planning Report for the Bean/Cowpea Collaborative Research Support Program (dtd. 6/10/80)

(A) above is contained in Attachment A of this grant. (B) and (C) above are incorporated herein by reference. In the event of any inconsistency among them, (A) shall govern over (B) and (C), and (B) shall govern over (C). (C) was prepared by the grantee under Grant No. AID/DSAN-G-0066.

ARTICLE IV - Organization and Procedures

A. The Management Entity:

The grantee is the Management Entity for this CRSP. Program and fiscal responsibility for performance of this CRSP rests with the Management Entity. The Management Entity shall perform the following functions:

1. Accept total bean/cowpea funds and responsibility for same.
2. Work out with each sub-grantee institution the structure, process and procedures for the re-allocation of funds.

3. Negotiate with each sub-grantee institution the desired back-stopping to meet guidelines and regulations to meet performance objectives.
4. Develop detailed yearly budgets with the U.S. and developing country institutions.
5. Effect U.S. agency approvals.
6. Effect necessary approvals from participating host governments and participating U.S. Institutions. --
7. Continue "fine-tune" planning, assuring the integration of all bean/cowpea CRSP activities into a single total research effort.
8. Meet regularly with and provide staff support for the Board of Directors specified in paragraph B of this Article IV.
9. Meet regularly with and provide staff support for the Technical Committee specified in paragraph C of this Article IV.
10. In cooperation with appropriate groups, develop evaluation plans, highlighting critical points in the research and indicating appropriate criteria by which to measure progress.
11. Receive annual project summaries and other documentation as arranged.
12. Cooperate with External Review Panel specified in paragraph D of this Article IV.
13. Facilitate the auditing process.
14. Facilitate communication, information sharing and feedback among all appropriate parties, U.S. and developing countries, with attention to cross-cultural understandings, communications' translation, and national prerogatives.
15. Confer in advance with each U.S. subgrantee institution regarding travel procedures and regulations and other guidelines to avoid "disallowed" costs to any participating institution. Distribute amendment every six months or as issued. (See Standard Provision No. 2 for controlling regulation).
16. Receive required fiscal documents stipulated throughout this document and facilitate money flow.

To carry out these responsibilities the Management Entity will have an organizational structure composed of:

- Program Coordinator
- Assistant Program Soordinator
- Women-in-Development Specialist
- Administrative Aide
- Secretarial Staff

The Management Entity will work closely with the sub-grantee institutions. Communication among the research teams will be facilitated to insure maximum effectiveness of the Program. To this end, regular written communications, conferences, etc. will be sponsored by the Management Entity.

B. The Board of Directors:

The Board of Directors is the policy determining group of this CRSP. In developing policy the Board will work closely with the Management Entity establishing policies within the general USAID and JRC/BIFAD* guidelines. The goal of both groups is to facilitate the development of a CRSP in which:

1. The participating U.S. universities are working together as a coordinated entity.
2. The U.S. and LDC participants are interacting regularly, equitably and productively.
3. Both the capabilities of the participating countries to alleviate famine and malnutrition problems and the overall State-of-the-art in bean/cowpea research are advanced demonstrably.
4. Maximum use is made of available resources including multi-disciplinary contributions addressing the important production, distribution and consumption issues.
5. The women and small farmer perspective is maintained in the overall definition of research priorities, goals and procedures.

To accomplish the above it will be the charge of the Board of Directors to establish funding requirements of the CRSP and to develop policies insuring Program comprehensiveness and substantive LDC participation. All organizational components of the CRSP will function under these policies.

The Board shall consist of five U.S. members, one each from five of the 10 approved U.S. institutions. One of the five member positions shall be permanently assigned to the Management Entity Institution. The other four member positions will rotate regularly among the remaining nine U.S. institutions, the annual rotation schedule to be developed by the Board in consultation with the other five universities. Members will serve two year staggered terms.

The initial Board of Directors is comprised of administrators from the following five schools as chosen by secret ballot vote from the participating institutions:

Cornell University
University of Georgia
Michigan State University
University of Nebraska
University of Wisconsin

*JRC - Joint Research Committee
BIFAD - Board for International Food and Agricultural Development

At its first meeting the interim Board took official action to include LDC representation on the Board. Such representation is seen as highly desirable. Procedures for facilitating this important involvement will be addressed. Start up responsibilities also included the designation of an interim Technical Committee from those nominated by the participating U.S. universities.

C. The Technical Committee

The Technical Committee will serve as the principal advisory group to the Management Entity on operational matters. It will function as an internal project review and research coordination panel. Specific responsibilities will include the following:

1. Review applicants for the position of program coordinator and make recommendations to the Board of Directors and Management Entity.
2. Review collaborative research projects to assure that the work undertaken is within the policies and guidelines for the Program, focuses on the agreed upon objectives, and meets professional standards of quality.
3. Maintain a global overview of the CRSP activities to insure that overall Program research goals are being addressed, integration among relevant areas of work is practiced, and procedures for the exchange of information and materials are established and made operational.
4. Initiate, receive, review and recommend as appropriate, new research efforts as may be important to the achievement of CRSP goals.
5. Advise the Program Coordinator on technical matters pursuant to the discharge of the management responsibilities.

The Technical Committee will be composed of seven (7) members serving two year staggered terms as agreed to by members of the committee. Of the seven (7) members, at least four (4) will be selected from participating U.S. institutions, only one (1) on a rotating basis will represent the two International Centers, CIAT and IITA, and at least one (1) will be a representative of developing countries. The members serving on the Committee will be selected by the Board of Directors. The selection process will insure that four (4) of the seven (7) members represent agricultural production disciplines and the remaining three (3) represent other participating disciplines, together reflecting as near as possible the constraint areas addressed by this Program. Members would be expected to broadly represent their disciplinary perspectives in committee review activities.

The Board of Directors will receive nominees from each of the participating institutions with indications of each nominee's affiliation, discipline and qualifications. The Board will then select the seven (7) committee members with strict attention to academic disciplines, institutional distribution and sexual representation.

The Committee initially will be convened by the Management Entity for organizational purposes to select a chairperson, adopt operating rules and procedures, and agree on meeting schedules.

D. The External Review Panel

Recommendations of the Panel will be transmitted to the Management Entity, the Program Coordinator, the Board of Directors, the Technical Committee, JRC, the Board of International Food and Agricultural Development, and AID.

The function of the Panel will be to provide an independent external evaluation of the CRSP. It will review annually individual project contributions by participating institutions making use of the annual project summaries and other documentation to be submitted by each project and the Management Entity. This information will include data on the programmatic progress of each research project based on project objectives and the step-by-step project procedures enunciated. The Panel will be expected to make suggestions, as appropriate, regarding the progress-measuring devices developed by the Technical Committee and the Management Entity. Audit reports will also be made available to the Panel.

Additionally, the Panel will assess the overall Program progress in light of JRC/BIFAD/AID guidelines and the Policy Board decisions. The Management Entity will provide available documentation for this effort. The findings of the Panel will be included in the annual Beans/Cowpeas CRSP report to JRC/BIFAD/AID.

Throughout the CRSP process, attempts will be made to facilitate communication between the projects and the Panel and also between the Technical Committee and the Panel. Such interaction would support maximum Panel effectiveness.

The panel will be composed of no less than three (3) nor more than seven (7) individuals. Its members will be chosen broadly from the international community of leading scientists in the agricultural, socio-cultural, economic and related disciplines. With due attention to geographical, commodity and sexual representation, members will be recommended to JRC by the Board of Directors with advice and counsel from the Program Director and the Technical Committee.

The panel will convene at stipulated intervals at the request of the Board of Directors upon recommendation of the Technical Committee and Program Coordinator.

E. Technical Services

The Technical Services component is conceived as providing to requesting countries, bureaus and missions limited technical services for improving bean and cowpea related research. These services would be used predominately to design the adaptation of research developed under the CRSP to site specific situations and assist LDC staff in establishing CRSP related programs in their home countries. Up to thirty person days annually of consulting time (without charge to the requester) could be provided under CRSP funding to any country (LDC institution or USAID) requesting assistance on problems related to the CRSP. Any consulting in excess of 30 days per requester requires the approval of the Grant Officer. The missions and regional bureaus through DSB would request the Management Entity for these services. Longer term technical services required for project implementation are beyond the scope of this grant.

ARTICLE V - Review and Evaluation

A. Fiscal Evaluation:

Major fiscal evaluations of at least the U.S. subgrantee institutions will be done by the Management Entity Staff and the Michigan State University Contracts and Grants Office. These evaluations will be based on fiscal monitoring documentation to be required of each subgrantee, independent audits to be arranged by the MSU Contracts and Grants Office, and Management Entity reports developed from staff interaction with project teams. The above information will be shared with the External Review Panel, the Board of Directors, the Technical Review Committee and the appropriate principal investigators. Final reports and documents will be made available to AID for their evaluation process.

B. Programmatic Evaluations:

Programmatic evaluations will be initiated by the Management Entity Staff and the Technical Committee. Annual Project Summaries will be used along with other documentation developed by the Technical Committee and the reports from the Management Entity staff. Development of necessary documentation procedures will be among the first tasks of the Technical Committee. Reports will be submitted to the Board of Directors and the External Review Panel. Final programmatic evaluation reports will be made available to AID.

C. Overall Evaluations:

1. Annually, after submission of the grantee's Program Plan and Revisions thereto, this grant shall be reviewed jointly by the Grantee, the Board of International Food and Agricultural Development (BIFAD) and AID. Additional reviews and evaluations of this grant may be made by the Grantee, BIFAD and AID, as deemed appropriate.
2. AID with the BIFAD representatives and possibly other representatives of the university community will conduct an external review and evaluation of the Grantee's activities hereunder, at approximately two-year intervals at the discretion of AID. Procedures and criteria for this evaluation will be jointly developed by BIFAD and AID. As a result of these reviews AID may require adjustments to the program and/or its funding level.

ARTICLE VI - Time Phased Program Plan

A. Summer/Fall, 1980

1. Initiate follow-up communication with LDC institutions and AID mission persons.
2. Begin finalization of project agreements:
project lead universities -- LDC collaborating institutions
and governments.

3. Convene and establish operating procedures for:

Board Of Directors
Technical Committee

4. Begin Search and Selection process for Management Entity professional positions.
5. Establish interprogram communications procedures.
6. Identify candidates for External Review Panel.

B. Fall, 1980

1. Complete final discussions on project agreements with:

75% of U.S. institutions
50% of LDC institutions and governments.

2. Select and hire persons for Management Entity professional positions.
3. Hold Board of Directors and Technical Committee meetings as scheduled.
4. Present External Review Panel names to JRC for approval.
5. If funding received:
Begin implementation of finalized project (i.e., surveys, LDC students to U.S. institutions).
6. Provide Technical Service to other AID Missions as appropriate.

C. Winter, 1981

1. Complete final discussions of project agreements with:

90% of U.S. institutions
75% of LDC institutions and governments.

2. If funding received, implement projects as agreements finalized (i.e., begin spring planting trials with rains, install U.S. collaborators in the field).
3. Hold Board of Directors and Technical Committee meetings as scheduled.
4. Provide Technical Services to AID missions as appropriate.
5. Receive project monitoring documentation as arranged.
6. Facilitate project progress as appropriate.

D. Spring, 1981

1. Complete and implement remaining:
U.S. insitutional agreements
LDC agreements.
2. Receive project monitoring documentation as arranged.
3. Complete first year review and prepare report.
4. Facilitate project progress as appropriate.
5. Hold Board of Directors and Technical Committee meetings as scheduled.
6. Hold Principal Investigators meeting.
7. Prepare for summer conferences (i.e., ICD legume nutrition).
8. Provide Technical Services to AID missions as appropriate.

E. Summer, 1981

1. Complete and print final annual report.
2. Present annual repbrt to JRC/BIFAD with budget recommendations.
3. Assist projects to prepare for the coming year as appropriate.
4. Provide Technical Services to missions as appropriate.
(See below note)

ARTICLE VII - Reports

The grantee will provide reports as follows:

<u>Type of Report</u>	<u>Number of Copies</u>		
	<u>A.I.D.</u>	<u>BIFAD</u>	<u>Total</u>
Subgrant Reports	10	10	20
Technical Publications	200*	100	300
Program Plan and Revisions Thereto	10	10	20

*Upon specific request by A.I.D., the grantee will supply up to 200 additional copies of any technical publications resulting from this program if it can be done within existing grant program funds.

Minutes of Meetings of the Board of Directors	10	10	20
Summary of Discussions/Minutes of Meetings of Tech Committee	10	10	20
Annual Report from Management Entity	10	10	20
Monthly Report from Program Director	10	10	20
Trip Reports**	10	10	20

NOTE - Time phased Program Plans beyond Summer '81 will be developed during course of CRSP performance.

**After completion of each grant-funded trip, a report will be prepared giving details of the itinerary, discussions, people contacted, accomplishments, and suggestions resulting therefrom. Copies of the report should be sent through the Grantee to the Program Manager, DS/AGR/AP.

The above report for A.I.D.'s use should be submitted as follows:

1 copy listed as being a product of the grant (administrative, progress, final and technical reports) to the Documentation Coordinator, DS/DIU, Agency for International Development, Washington, D.C. 20523, or his designee. Such reports shall include a title page showing the title of the report project title, program designation, and Grant number. One copy of each report shall be clearly typed or printed on white paper so that it may be photographed to produce a microfilm master. Technical reports shall be accompanied by an author-prepared abstract;

The remaining copies for A.I.D. should be sent to: Program Manager, CRSP-Bean/Cowpea DS/AGR/AP, Agency for International Development, Washington, D.C. 20523; and

Project and progress reports stipulated above shall be submitted to USDA on appropriate CRIS forms (supplied by USDA) with copies to the Program Manager, DS/AGR/AP.

ARTICLE VIII - Grant Term

- A. The term of this grant is from September 30, 1980 through September 30, 1985 based on each annual review (See Article V, C) and subject to mutual agreement of the parties hereto, the term of this grant shall be extended in order to maintain a five year advance program plan.
- B. No subcontract or subgrant shall be made after the term of this grant has expired, nor may the term of any such subcontract or subgrant extend beyond the expiration date of this grant.

ARTICLE IX - Funds Obligated and Estimated Cost

- A. The total estimated cost of this grant for the period set forth in Article VIII above is \$21,097,452, of which \$16,700,000 represents AID's estimated contribution and \$4,397,452 represents the Grantee's and Subgrantee's estimated non-Federal contribution. The amount of AID funds obligated to this grant is \$715,000. Future obligation of AID funds for activities under this grant shall be in accordance with Standard Provision No. 10 of this grant entitled "Limitation of Funds." * *
- B. The amount obligated to this grant is intended to support grant activities through December 31, 1980.

ARTICLE X - Cost Sharing

A. For each year of performance hereunder from the effective date of this grant, the Grantee shall assure that expenditures from non-Federal funds (defined in Paragraph B below) equal or exceed 25% of that year's total expenditures for country research project costs, excluding obligations made to LDC institutions under subagreements in furtherance of grant objectives. Prior and subsequent year's non-Federal contributions in excess of the aforesaid 25%, if any, may be applied to compensate for any year's shortfall. It is understood and agreed that extended failure to comply with the sharing arrangement here stated shall be considered sufficient reason for termination of this grant for cause in accordance with Standard Provision 14 hereof entitled "Termination," paragraph (a) entitled "For Cause." Should there be any shortfall accumulated by the Grantee at the time of termination, or at the expiration of this grant, the Grantee shall refund to AID the amount of such shortfall, unless an alternative disposition is made by the Grant Officer.

B. To be considered a non-Federal contribution under this grant, the contribution shall be from the Grantee's or subgrantee's non-Federal funds, not chargeable at any time to any U.S. Government funded activity, and must be directly related to costs incurred in performance of that portion of this CRSP for which this grant or the subgrant was awarded.

C. The criteria and procedures for allowability of cash and in-kind contributions made by the Grantee or subgrantee as non-Federal contributions will be as set forth in the Standard Provision 2 entitled "Allowable Costs and Contributions."

D. The maximum Management Entity costs which AID will finance under this grant shall not exceed the Subtotals for the Management Entity Costs in Article XIV Budget. Subject to that limitation, Management Entity costs will be fully funded by AID; and are not subject to the 25 percent cost sharing requirement.

ARTICLE XI - Negotiated Overhead Rates

Pursuant to the standard provision of this grant entitled "Negotiated Overhead Rates - Educational Institutions" a rate or rates shall be established for each of the Grantee's accounting periods during the term of this grant. The provisional rates beginning on July 1, 1980 are:

on-campus	38%	*
off-campus	24%	**
Location	Rate	Base

*Total direct cost less items of equipment, major subcontracts, alterations, renovations, hospital and other expenses related to patient care.

**off-campus direct salaries and wages for periods exceeding 90 days.

Pending establishment of final overhead rates for the initial accounting period, the Grantee shall be reimbursed at the above rates.

ARTICLE XII - Standard Provisions

The attached Standard Provisions, unless amended below, are the Standard Provisions of this grant. They shall be included in subagreements made hereunder with U.S. institutions. Subagreements with non-U.S. institutions will contain those Standard Provisions which are specified to be applicable to non-U.S. institutions and such other terms and conditions as necessary to enable the Grantee to comply with the Standard Provisions of this primary grant.

The following changes are made to this grant:

- A. Delete paragraph (d) of Standard Provision No. 23 entitled "Title to, Use, and Care of Property." It is understood and agreed that the term "Grantee" wherever it appears in this Standard Provision may be construed to mean "Subgrantee" whenever property is purchased by Subgrantees from their project budgets.
- B. In Standard Provision No. 8 entitled "Refunds," delete paragraph (c) and substitute the following:

"(c) If, at any time during the life of this grant it is determined by AID that funds obligated by AID under this grant have been expended for purposes not in accordance with the terms of this grant, the Grantee shall restore an equivalent amount to the grant account; which shall be available for other allowable expenditures under this grant. Amounts of AID funds disallowed which cannot be allocated to allowable costs at the expiration or termination of this grant shall be refunded to AID.
- C. Throughout this grant and all amendments thereto the terms "contract," "contractor," and "Contracting Officer" are deleted and the terms "grant," "grantee" and "Grant Officer" are inserted in lieu thereof.
- D. The following Standard Provisions do not apply to this grant.
 - 4B. "Negotiated Overhead Rates - Predetermined"
 - 9B. Payment - Periodic Advance
- E. In the Standard Provision No. 2 entitled "Allowable Costs and Contributions" delete "FMC Circular 73-8" and substitute OMB Circular A-21, Cost Principles for Educational Institutions"

ARTICLE XIII - Special Provisions

A. International Travel

Clearances from USAID Directors/Representatives and AID Regional Bureaus concerned will be required prior to Grantee/Subgrantee personnel's commencement of international travel. All international travel funded under this grant must be approved by the AID Program Manager (DS/AGR/AP). After completing each international trip a report will be prepared giving details of the itinerary, discussions, people contacted, accomplishments and any resulting suggestions.

B. Voucher Identification

Whenever the Grantee submits a voucher for payment hereunder the following information shall be put on the face of the voucher:

Grant No.: AID/DSAN/XII-G-0261
CRSP Project No.: 931-1310.11
Program Office: DS/AGR/AP

Upon submitting each voucher to the Office of Financial Management the Grantee shall submit one copy to the Program Manager.

C. The method of payment under this grant is the Federal Reserve Letter of Credit Method. (See Standard Provision No. 9)

ARTICLE XIV - Budget

A. The overall budget for this grant is as follows:

(See next page)

	<u>OVERALL BUDGET</u>					<u>Total</u>
	Year 1	Year 2	Year 3	Year 4	Year 5	
	<u>FR:10-1-80</u> <u>TO:9-30-81</u>	<u>FR:10-1-81</u> <u>TO:9-30-82</u>	<u>FR:10-1-82</u> <u>TO:9-30-83</u>	<u>FR:10-1-83</u> <u>TO:9-30-84</u>	<u>FR:10-1-84</u> <u>TO:9-30-85</u>	
AID Contribution:						
Country Research Projects	\$1,736,592	\$1,931,275	\$2,788,462	\$3,134,615	\$3,298,077	\$12,888,021 (a)
Audit of Subgrants	69,464	77,210	111,538	125,385	131,923	515,520
Grantee Overhead on Subgrants	<u>178,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>178,500</u>
Total AID Project Contribution	\$1,984,556	\$2,007,485	\$2,900,000	\$3,260,000	\$3,430,000	\$13,582,041
Management Entity	<u>405,444</u>	<u>492,515</u>	<u>700,000</u>	<u>740,000</u>	<u>780,000</u>	<u>3,117,959</u>
Total AID Contribution	\$2,390,000	\$2,500,000	\$3,600,000	\$4,000,000	\$4,210,000	\$16,700,000
Non-Federal Contribution (Country Research Projects)	<u>680,310</u>	<u>643,425</u>	<u>929,487</u>	<u>1,044,871</u>	<u>1,099,359</u>	<u>4,397,452</u> *(b)
Total Estimated Cost	<u>\$3,070,310</u>	<u>\$3,143,425</u>	<u>\$4,529,487</u>	<u>\$5,044,871</u>	<u>\$5,309,359</u>	<u>\$21,097,452</u>

* This figure may exceed, but not be less than, 25% of the sum of the AID and the non-Federal contribution to the Country Research Projects, i.e. (a) & (b).

B. The AID Budget for Years 1 and 2 of this grant is as follows:

	Year 1 FR:10-1-80 TO:9-30-81	Year 2 FR:10-1-81 TO:9-30-82	TOTAL FR:10-1-80 TO:9-30-82
Country Research Projects:			
1. Personnel	\$ 682,283	\$ 730,275	\$1,412,558
2. Equipment and Facilities	201,183	190,000	391,183
3. Travel and Per Diem	226,096	205,000	431,096
4. Material and Supplies	190,190	190,000	380,190
5. Other Direct Cost	105,086	100,000	205,086
6. Overhead	331,754	515,000	846,754
Subtotal-Country Research Projects	\$1,736,592	\$1,930,275	\$3,666,867
Audit of Subgrants	69,464	77,210	146,674
Grantee Overhead on Subgrants	178,500	-0-	178,500
Total AID Project Contribution (a)	\$1,984,556	\$2,007,485	\$3,992,041
Management Entity (ME) Costs			
1. Personnel	112,048	104,070	216,118
2. Equipment and Facilities	37,377	30,000	67,377
3. Travel and Per Diem	106,504	124,665	231,169
4. Technical Assistance	20,765	83,280	104,045
5. Other Direct Costs	13,236	6,530	19,766
6. Overhead	115,514	143,970	259,484
Subtotal- ME (b)	\$ 405,444	\$ 492,515	\$ 897,959
Total AID Contribution (a) & (b)	\$2,390,000	\$2,500,000	\$4,890,000

As reasonably necessary, amounts may be switched among line items within Country Research Projects. As reasonably necessary amounts may be switched among line items within the Management Entity budget.

C. This budget sets forth the estimated non-Federal contribution by subgrantee for years 1 and 2.

<u>Subgrantee</u>	<u>Year 1</u> <u>FR:10-1-80</u> <u>TO:9-30-81</u>	<u>Year 2</u> <u>FR:10-1-81</u> <u>TO:9-30-82</u>	<u>TOTAL</u> <u>FR:10-1-80</u> <u>TO:9-30-82</u>
University of California	\$ 88,573	\$ 103,280	\$ 191,853
Colorado State University	37,334	22,073	59,407
Cornell University	76,711	65,265	141,976
University of Georgia	68,803	73,821	142,624
Michigan State University	104,430	84,907	189,337
Mississippi State University	38,734	22,300	61,034
Univeristy of Nebraska	30,710	30,780	61,490
University of Puerto Rico	52,110	49,640	101,750
Washington State University	112,891	99,839	212,730
University of Wisconsin	<u>70,014</u>	<u>91,520</u>	<u>161,534</u>
Total non-Federal Contributions (Years 1 and 2)	\$ 680,310	\$643,425	\$1,323,735

- D. This budget sets forth by location the estimated AID contribution to Country Research Projects and the minimum non-Federal contribution required from each subgrantee.

(See Next Page)

(See Page 17)

<u>Location</u>	Lead Institution	Contributing Institutions	Year 1			Year 2		
			AID Contrib.	Non-Fed. Contrib. (min)	Total	AID Contrib.	Non-Fed. Contrib. (min)	Total
CIAT	Mich. State		54,650	18,216	72,866	70,720	23,576	94,293
INCAP	Washington St.	Kansas State Colo. State, P.R. Mich. State	159,700	53,233	212,933	166,400	55,466	221,866
Honduras	Puerto Rico		50,500	16,833	67,333	49,920	16,640	66,560
Guatemala	Cornell		178,500	59,500	238,000	195,795	65,265	261,060
Ecuador								
Brazil	Wisconsin	Boyce Thompson	251,700	83,900	335,600	274,560	91,520	366,080
Guyana	Colo. State and	Mississippi St.	117,700	39,233	156,933	133,120	44,373	177,493
Dom. Republ.	Puerto Rico and	Nebraska	184,700	61,566	246,266	191,360	63,786	255,146
Senegal	UC/Riverside	UC/Davis & Arizona	134,400	44,800	179,200	160,080	55,360	213,440
Cameroon	Georgia	Boyce Thompson	126,000	42,000	168,000	141,440	47,146	188,586
Nigeria	Georgia and	Mich. State	134,400	44,800	179,200	149,760	49,920	199,680
Kenya	UC/Davis and	UC/Riverside	134,400	44,800	179,200	149,760	49,920	199,690
Tanzania	Washington St.	Illinois	117,460	39,153	156,613	133,120	44,373	177,493
Malawi	Mich. State	Va. State Univ.	92,482	30,831	123,313	114,240	38,080	152,320
TOTAL.			1,736,592	578,865	2,315,457	1,930,275	643,425	2,573,700

Bean/Cowpea CRSP

1. Program Framework and Strategy

This program is a long-term effort designed to bring together the research capabilities of participating universities, collaborating Title XII institutions including USDA and other federal research agencies, appropriate LDC institutions and international centers into a comprehensive and coordinated effort in research and training to generate and apply knowledge that can assist in alleviating principal constraints to improved production, marketing and utilization of beans and cowpeas in LDCs. It is based on the assumption that there are large areas of overlap between U.S. and developing country needs for research, marketing and utilization of these two crops. Substantial mutual advantages are expected to result from joint research program efforts which cut across national boundaries and different levels of agricultural development.

The program presented in this Grant is responsive to the long-term nature of collaborative research authorized under Title XII. Although for programming purposes, a five year planning horizon is used it is recognized that the type of research undertakings to be initiated in the Bean and Cowpea CRSP require considerably more than five years to achieve many of their objectives. Nevertheless, this CRSP has been designed to begin to generate useful outputs in the short and medium term.

a. Program Goal. The goal to which this program is to make a significant contribution is improvement in living conditions of small farm producers in LDCs and increased availability of low cost nutritious foodstuffs in the marketplace for the rural and urban poor in LDCs.

b. Program Purpose. The purpose of this program is to organize and mobilize financial and human resources necessary for mounting a major multi-institutional U.S.-LDC collaborative effort in research and training. This effort is expected to provide the knowledge base necessary to achieve significant advances in alleviating the principal constraints to improved production, marketing and utilization of beans and cowpeas in LDCs. A subpurpose is to improve the capabilities of appropriate LDC institutions to generate, adopt and apply improved knowledge to local conditions

c. Program Constraints. (See Final Planning Report for the Bean/Cowpea CRSP, pgs. 31, 107-125) The principal constraints to improved production, marketing and utilization of beans and cowpeas in LDCs are:

- (1.) Limitations due to pests and diseases
- (2.) Plant response limitations
- (3.) Limitations of the physical environment
- (4.) Farming practices limitations
- (5.) Storage problems
- (6.) Production-consumption economics
- (7.) Nutrition, food preparation and health
- (8.) Sociocultural factors
- (9.) Education, training and research capability

d. Program Beneficiaries. Ultimate program beneficiaries are producers and consumers of beans and cowpeas in LDCs. Producers are expected to benefit through improved production possibilities including reductions of the possibilities of crop failure and decreased costs per unit of production, resulting in improved subsistence and incomes. Consumers are expected to benefit through 1) more reliable supplies of these food grains at stable prices in the marketplace, and 2) availability of food grains that are more nutritious and with desirable taste, color and digestibility characteristics.

2. Program Strategy and Relationship to Constraints.

The strategy for achieving program purpose includes the following elements:

a. Join interested universities and LDC institutions together in comprehensive, multi-disciplinary, coordinated research effort attacking major constraints limiting improved and expanded bean and cowpea production, marketing and utilization in LDCs.

b. Provide training to LDC students and professionals through (1) formal academic training at U.S. universities with recognized capability in bean and cowpea research and training, (2) special programs of study, short courses, seminars,

workshops and (3) on-the-job research experience in beans and cowpeas through graduate research assistantships in the U.S. and at collaborating LDC institutions, as well as LDC scientists participating in research activities with U.S. scientist collaboration both in the U.S. and at collaborating LDC institutions. This portion of the training program will expand the cadre of scientists working in these crops and provide them with experience with LDC problems and conditions. U.S. scientists will work also with LDC problems and in LDC locations and become effective in working with problems relevant to LDC conditions. Hence the cadre of U.S. research personnel will grow also.

c. Rely on joint funding by (1) U.S. institutions and A.I.D. for financing research activities that are designed to achieve mutually beneficial results; and (2) A.I.D. and LDC governments for financing mutually agreed research activities in LDC locations.

d. Provide technical services to LDCs, USAIDs and regional bureaus in (1) LDC problems identification, (2) project and program design and implementation, and (3) evaluation of results in bean/cowpea related development efforts.

e. Establish a jointly sponsored administrative entity (1) to receive and manage A.I.D. funds allocated to the program, and (2) to coordinate the various activities of all participating universities in the implementation of the program. This is expected to assure achievement of the synergistic effects described above, and to provide a convenient mechanism by which A.I.D. can interact in a meaningful way throughout program implementation.

3. A more detailed description of the activities to be performed under this grant is contained in the grantee's "Proposal to Implement the Bean/Cowpea CRSP" (dtd. 8/11/80), and the "Final Planning Report for the Bean/Cowpea Collaborative Research Support Program" (dtd. 6/10/80).
4. In addition to activities described elsewhere in this grant the grantee will set up an economic evaluative component which will establish: (a) a standardized socioeconomic evaluative framework for consumption-production studies, and (b) assist on production research experimental design to insure data adequacy for economic analyses.

Attachment B

Index of
Standard Provisions

- | | |
|---|---|
| 1. Definitions | 14. Termination |
| 2. Allowable Costs and Contributions | 15. Subordinate Agreements |
| 3. Accounting, Audit and Records | 16. Publications |
| 4A. Negotiated Overhead Rates - Educational Institutions | 17. Patents |
| 4B. Negotiated Overhead Rates - Predetermined | 18. Ineligible Countries |
| 5. Salaries | 19. Equal Opportunity in Employment |
| 6. Travel and Transportation | 20. U.S. Officials Not to Benefit |
| 7. Procurement of Goods and Services Under \$250,000 | 21. Covenant Against Contingent Fees |
| 8. Refunds | 22. Nonliability |
| 9. Payment - Federal Reserve Letter of Credit (FRLC) Advance - Periodic Advance | 23. Title to, Use, and Care of Property |
| 10. Limitation of Funds | 24. Audit and Records - Non-U.S. Subgrantees and Contractors |
| 11. Use of Foreign Currency | 25. Regulations Governing Employees Outside the United States |
| 12. Grant Amendments | 26. Notices |
| 13. Disputes | |

STANDARD PROVISIONS

1. DEFINITIONS

- (a) "Administrator" means the Administrator or the Deputy Administrator of the Agency for International Development.
- (b) "AID" means the Agency for International Development.
- (c) "Consultant" means any especially well qualified person who is engaged on a temporary or intermittent basis to advise the Grantee and who is not an officer or employee of the Grantee who performs other duties for the Grantee.
- (d) "AID Grant Officer" means the person executing this Grant on behalf of the United States Government, and any other Government employee who is a properly designated AID Grant Officer; and the term includes, except as otherwise provided in this Grant, the authorized representative of an AID Grant Officer acting within the limits of his authority.
- (e) "Grantee Employee" means a person in the employ of the Grantee assigned to work under this Grant.
- (f) "Cooperating Country or Countries" means the foreign country or countries in or for which assistance is to be provided hereunder.
- (g) "Cooperating Government" means the government of the Cooperating Country.
- (h) "Economy Class" air travel (also known as jet economy, air coach, tourist class, etc.) means a class of air travel which is less than first class.
- (i) "Grantee" means the institution entering into this Grant with the Government.
- (j) "Government" means the United States Government.
- (k) "Mission" means the United States Mission to, or principal AID office in, the Cooperating Country.
- (l) "Mission Director" means the principal AID officer of the Mission in the Cooperating Country, or his designated representative.
- (m) "OMB Circular No. A-110" means the Office of Management and Budget Circular entitled Grants and Agreements With Institutions of Higher Education, Hospitals and Other Nonprofit Organizations: Uniform Administrative Requirements (41 CFR 32016; July 30, 1976), including any amendments thereto.
- (n) "FMC Circular 73-8" means Federal Management Circular 73-8 entitled Cost Principles for Educational Institutions.
- (o) "Handbook 13" means AID Handbook 13, entitled Grants.
- (p) "Assistance Instruments" means either grants or cooperative agreements.
- (q) "Subgrantee" means an eligible Title XII institution who receives a subgrant hereunder.
- (r) "Subordinate agreement" or "subagreement" means any subgrant or contract executed under this Grant.
- (s) "Contractor" means any institution or entity having a

contractual relationship with the Grantee.

(t) "AID Project Officer" means a designated representative of the cognizant AID Scientific/Technical Office named on the Cover Page.

2. ALLOWABLE COSTS AND CONTRIBUTIONS

(a) Allowable costs under this Grant shall be limited to those costs which are reasonable, allocable, and allowable in accordance with the terms of (1) this Grant, (2) any negotiated advance understanding on particular cost items, and (3) FMC Circular 73-2, in effect on the date of this Grant.

(b) With regard to the allowability of non-Federal cost sharing contributions under this Grant, Attachment E, "Cost Sharing and Matching", to OMB Circular No. A-110 (as set out in paragraph 1K of Handbook 13) shall also apply.

3. ACCOUNTING, AUDIT, AND RECORDS

(a) The Grantee shall maintain a financial management system in accordance with the requirements set forth in OMB Circular A-110 (as implemented in Paragraph 1L of Handbook 13). A copy of reports of audits resulting from this system as they concern this Grant will be furnished to the Grant Officer.

(b) The AID Auditor General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 16, Chapter 1 of Handbook 13) reserve the right to conduct an audit of the Grantee's books and records to determine whether the Grantee has expended AID's funds in accordance with the terms and conditions of this Grant. The Grantee agrees both to make available any further information requested by AID with respect to any questions arising as a result of the audit and to include the requirements of this provision in any subordinate agreement, including subgrants, entered into with a U.S. institution.

4A. NEGOTIATED OVERHEAD RATES - EDUCATIONAL INSTITUTIONS

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

(a) Pursuant to this provision, an overhead rate(s) shall be established for each of the Grantee's fiscal years or other specified period during the term of this Grant. Pending establishment of a final rate(s), the parties have agreed that provisional payments on account of allowable costs shall be at the rate(s), on the base(s), and for the

period(s), shown in the Schedule of this Grant.

(b) The Grantee, as soon as possible but not later than ninety (90) days after the close of each of its fiscal years or other specified periods during the term of this Grant shall submit to the AID Grant Officer with copies to the Office of Contract Management, and to the Office of the Auditor General, AID, Washington, D.C. 20523, a proposed final rate or rates for the period together with supporting cost data. Negotiation of the final overhead rates by the Grantee and the AID Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with FMC Circular 73-8.

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

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

4B. NEGOTIATED OVERHEAD RATES - PREDETERMINED

(This provision is applicable to educational institutions that are on a predetermined overhead rate basis.)

(a) The allowable indirect costs under this Grant shall be obtained by applying predetermined overhead rates to bases agreed upon by the parties, as specified in the Schedule of this Grant.

(b) The Grantee, as soon as possible but not later than ninety (90) days after the close of each of its fiscal years or other specified period during the term of this Grant, shall submit to the AID Grant Officer with copies to the Office of Contract Management, and to the Office of the Auditor General, AID, Washington, D.C. 20523, a proposed predetermined overhead rate or rates based on the Grantee's actual experience during that period, together with

supporting cost data. Negotiation of predetermined overhead rates by the Grantee and the AID Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of FMC Circular 73-8, in effect on the effective date of this Grant.

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

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

(f) Any failure by the parties to agree on any predetermined overhead rate or rates under this provision shall be considered a dispute within the meaning of the DISPUTES provision of this Grant. If for any period specified in this Grant the parties fail to agree to a predetermined overhead rate or rates, it is agreed that the allowable overhead costs under this Grant shall be obtained by applying negotiated final overhead rates in accordance with the terms of the provision entitled NEGOTIATED OVERHEAD RATES - EDUCATIONAL INSTITUTIONS.

5. SALARIES

All salaries, wages, fees, and stipends, which will be reimbursable by AID under this Grant, shall be in accordance with both the Grantee's usual policy and practice and FMC Circular 73-8. To the extent that the Grantee's policy and practice conflict with FMC Circular 73-8, the latter shall prevail, unless the Schedule of this Grant expressly provides otherwise.

6. TRAVEL AND TRANSPORTATION

(This provision is applicable when air travel or air shipment (both domestic and international) costs are reimbursable by AID under this Grant.)

(a) Allowable costs of travel under this Grant shall be in accordance with both the policy and practice of the Grantee and FMC Circular 73-8. To the extent the Grantee's policy and practice conflict with FMC Circular 73-8, the latter shall prevail unless the Schedule of this Grant provides otherwise.

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

(c) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so notify the Grantee after receipt of advice of intent to travel required above. AID will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this Grant.

(d) All international air travel and all international air shipments under this Grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations, provided that the Grantee certifies to the facts in the voucher and other documents retained as part of the Grant records required by Standard Provision 3 above:

(1) where the traveler, while enroute, has to wait 6 hours or more to transfer to a U.S. flag air carrier to proceed to the intended destination, or

(2) where a flight by a U.S. flag air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc. and no other flight by a U.S. flag air carrier is available during the 6 hour period, or

(3) where by itself or in combination with other U.S. flag or non-U.S. flag air carriers (if U.S. flag air carriers are "unavailable") it takes 12 hours or longer from the original airport to the destination airport to accomplish the Grantee's program than would service by a non-U.S. flag air carrier or carriers, or

(4) when the elapsed travel time on a scheduled flight from origin to destination airports by non-U.S. flag air

carrier(s) is 3 hours or less, and services by U.S. flag air carrier(s) would involve twice such travel time.

NOTE: Where U.S. Government funds are used to reimburse 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 U.S. flag air carriers was unavailable for the following reason(s): (State appropriate reason(s) as set forth above; see 41 CFR 1-1.323-3 for further guidance).

(e) Travel allowances shall be reimbursed in accordance with FMC Circular 73-8 and the Federal Travel Regulations (FTR); however, if the Grantee's domestic and international travel allowance policies and procedures have been reviewed and approved by AID or another Federal department or agency pursuant to the applicable Federal cost principles, the Grantee may use its travel allowance system in lieu of the FTRs after it has furnished the AID Grant Officer with a copy of such approval.

(f) 50% of all international ocean shipment made by the Grantee, to be financed hereunder, shall be made on U.S. flag vessels. Where U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a release from this requirement from the Transportation Support Division, Office of Commodity Management, AID, Washington, D.C. 20523, giving the basis for the request.

(i) When the AID Transportation Support Division makes and issues a determination to the Grantee that U.S. flag vessels are not available, the ocean shipment costs on foreign flag vessels, as named in the determination, will be eligible for reimbursement under the Grant. In all instances Grantee vouchers submitted for reimbursement under the Grant which include ocean shipment costs will include a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bill(s) of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement, and indicate the applicable A.I.D. Grant Number."

(11) Shipments by voluntary non-profit relief agencies (i.e., PVO's) shall be governed by paragraphs (a) and (b) above and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Non-Profit Relief Agencies" (22 CFR 202).

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

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

(a) Ineligible Goods and Services

Under no circumstances shall the Grantee use AID funds to 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.

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement B, Chapter 4D.)

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

(b) Restricted Goods

The Grantee shall not use AID funds to procure any of the following goods or services from a non-U.S. source (i.e., other than AID Geographic Code 000) without the prior written authorization of the AID Grant Officer:

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

(In addition to the foregoing rule regarding source, to be eligible for procurement with AID funds, the above commodities must meet the requirements contained in AID Handbook 1, Supplement B, Chapter 4C.)

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

(c) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the AID Grant Officer under paragraph 7(b) above, all other goods (e.g., equipment, materials and supplies) and services, the costs of which are to be reimbursed under this Grant by AID and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

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

(d) Application of Order of Preference

When the Grantee uses AID funds to procure goods and services from other than U.S. sources under the order of preference in 7(c) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:

- (1) the procurement was of an emergency nature, which would not allow the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (3) impelling local political considerations precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under this Grant.

(e) The Grantee's Procurement System

- (1) The Grantee may use its own procurement policies and

procedures provided they conform to the geographic source and order of preference requirements of this provision and paragraphs 3 and 4, Attachment O of OMB Circular No. A-110 (as set forth in paragraphs 1U.3 and 1U.4 of Handbook 13).

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 3 and 4 of Attachment O to OMB Circular No. A-110, (as set forth in paragraphs 1U.3 and 1U.4 of Handbook 13) and have been approved by AID or another Federal department or agency, the Grantee shall furnish the AID Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See Handbook 13, Chapter 1, paragraph 1U.)

(f) Procurement Systems - Subgrantees and Contractors

(1) U.S. subgrantees and contractors may use their own procurement policies and procedures provided the Grantee determines that they comply with the intent of paragraph 3 and the requirements of paragraph 4 of Attachment O to OMB Circular A-110 (as set forth in paragraphs 1U.3 and 1U.4 of Handbook 13).

(2) Non-U.S. subgrantees and contractors, who are located abroad and who do not perform in the U.S. under this Grant, may use their own procurement policies and procedures provided that the Grantee determines that they comply with the intent of paragraph 3 of Attachment O to FMC Circular No. 73-8 (as set forth in paragraph 1U.3 of Handbook 13); Paragraph 4 of Attachment O to OMB Circular No. A-110 (as set forth in paragraph 1U.4 of Handbook 13) does not apply to such non-U.S. institutions.

(g) Small Business

To permit AID, in accordance with the small business provision 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 Small Business Office, AID, Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

- (1) brief general description and quantity of goods or services,
- (2) closing date for receiving quotations, proposals, or bids, and
- (3) address where invitations or specifications can be obtained.

(h) Ineligible Suppliers

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

8. REFUNDS

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

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

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

9A. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

(This provision is applicable when the total advances under all the Grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum and AID has, or expects to have a continuing relationship with the Grantee of at least one year.)

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of this Grant against which the Grantee may present payment vouchers (i.e., Form TFS 5401). The payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$5,000 or more than \$5,000,000. Since the FRLC method enables the Grantee to obtain funds from the U.S. Treasury concurrently with and as frequently as disbursements are made by the Grantee, there need be no time lag between disbursements by the Grantee and drawdowns from the U.S. Treasury by FRLC. Therefore, there is no necessity for the

Grantee to maintain balances of Federal cash other than small balances.

(b) In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(c) If at any time, the AID Controller determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (a) and (b) above, the AID Controller shall advise the AID Grant Officer who may: (1) cause the FRLC to be suspended or revoked; (2) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgment of the AID Controller, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, and/or (3) request the Grantee to repay to AID the amount of such excess. Upon receipt of the AID Grant Officer's request for repayment of excess advance payments, the Grantee shall promptly contact the AID Controller to make suitable arrangements for the repayment of such excess funds. Advances made by primary Grantees (those which receive payments directly from the Government) to secondary recipients shall conform to the same standards applicable to advances made by the Government to the primary Grantee.

(d) Procedure for Grantee.

(1) After arranging with a commercial bank of its choice for operation under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving its commercial bank, the Grantee shall deliver to the AID Controller 3 originals of Standard Form 1194, Authorized Signature Card for Payment Vouchers on Letters of Credit, signed by those official(s) authorized to sign payment vouchers against the FRLC and by an official of the Grantee who has authorized them to sign.

(2) The Grantee shall subsequently receive one certified copy of the FRLC.

(3) The Grantee shall confirm with its commercial bank that the FRLC has been opened and is available when funds are needed.

(4) To receive payment, the Grantee shall:

(A) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TFS 5401) in an original and three copies.

(B) Have the original and two copies of the voucher signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.

(C) Present the original, duplicate and triplicate copy of the Form TFS 5401 to its commercial bank.

(D) Retain the quadruplicate copy of the voucher.

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

(6) In preparing the payment voucher, the Grantee assigns a

voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

(7) A report of expenditures (i.e., SF 269, Financial Status Report) shall be prepared and submitted not less than quarterly within 30 days of the end of the period to the AID Controller, AID, Washington, D.C. 20523. This SF 269 Report, submitted with Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal, shall be in an original and 2 copies.

(8) The SF 269 report is reviewed against this Grant's provisions, and any improper disbursement is disallowed. The Grantee is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the FRLC by the amount of the disallowance.

(9) In addition to the submission of the SF 269 and the SF 1034, the Grantee shall submit an original and 2 copies of SF 272, Federal Cash Transaction Report, as follows:

(A) For advances totaling less than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of the reporting quarter.

(B) For advances totaling more than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of each month, and

(C) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(e) Refund of Excess Funds.

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the AID Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts or assistance instruments held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess FRLC funds on a contract or an assistance instrument under which work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

(A) Provide within 30 days after requested to do so by the AID Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The AID Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

(B) Upon written request of the AID Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under this Grant; and

(C) If the Grantee fails to comply with the AID Grant

Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts or assistance instruments held with the Grantee, to withhold payment of FRLC or other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

9B. PAYMENT - PERIODIC ADVANCE

(This provision is applicable when total advances under all the Grantee's cost-reimbursement contracts and assistance instruments with AID do not exceed \$120,000 per annum or if total advances aggregate more than \$120,000 per annum but there is not a continuing relationship of at least one year.)

(a) Each month (or quarter, if the Grantee is on a quarterly basis) after the initial advance, the Grantee shall submit to the AID Controller an original and 2 copies of SF 272, Federal Cash Transaction Report, as follows:

(1) The Grantee shall submit the SF 272 within 15 working days after the end of the reporting period, and

(2) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(b) Along with each SF 272 submission, the Grantee shall submit an original and 3 copies of SF 1034, Public Voucher for Purchases and Services Other Than Personal, each voucher shall be identified by this Grant number and shall state the total actual expenditures for the reporting period.

(c) Each quarterly voucher (i.e., SF 1034) or third monthly voucher, if the Grantee is on a monthly basis, shall also be supported by an original and 2 copies of an SF 269, Financial Status Report. The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034 and the SF 272; however, the SF 269 shall cover the same period as the SF 1034(s) and the SF 272(s).

(d) Refund of Excess Funds.

(1) If all costs have been settled under this Grant and the Grantee fails to comply with the AID Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts or assistance instruments held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

2) If the Grantee is still holding excess advance funds on a contract or assistance instrument under which the work has been completed or terminated but all costs have not been settled, the Grantee agrees to;

(A) Provide within 30 days after requested to do so by the AID Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The AID Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.) .

(B) Upon written request of the AID Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under this Grant; and

(C) If the Grantee fails to comply with the AID Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts or assistance instruments held with the Grantee, to withhold payment of other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

10. LIMITATION OF FUNDS

(This provision is applicable to all incrementally or partially funded Grants.)

(a) It is estimated that the cost to the Government for the performance of this Grant will not exceed the estimated cost set forth in the Schedule of this Grant and the Grantee agrees to use its best efforts to carry out the program specified in the Schedule and all obligations under this Grant within such estimated cost.

(b) The amount presently available for payment and allotted to this Grant, the items covered thereby, and the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this Grant up to the full estimated cost set forth in the Schedule. The Grantee agrees to carry out, or have carried out, the program under this Grant up to the point at which the total amount paid and payable by the Government pursuant to the terms of this Grant approximates but does not exceed the total amount actually allotted to this Grant.

(c) (1) If at any time the Grantee has reason to believe that the costs which it expects to incur in carrying out the program of this Grant in the next succeeding 60 days, when added to all costs previously incurred, will exceed 75 percent of the total amount then allotted to this Grant, the Grantee shall notify the AID Grant Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue the program for the period set forth in the Schedule. (2) Sixty days prior to the end of the period specified in the Schedule, the Grantee will advise the AID Grant Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely carrying out of the program under this Grant or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. (3) If, after

notification, pursuant to (c)(1) or (c)(2), above additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the AID Grant Officer will, upon written request by the Grantee, terminate this Grant pursuant to the provisions of the TERMINATION provision on such date. If the Grantee, in the exercise of its reasonable judgment, estimates that the funds available will allow it to continue to discharge its obligation hereunder for a period extending beyond such date, it shall specify the later date in its request and the AID Grant Officer, in his discretion, may terminate this Grant on that later date.

(d) Except as required by other provisions of this Grant, specifically citing and stated to be an exception from this provision, the Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount from time to time allotted to this Grant, and the Grantee shall not be obligated to continue carrying out the program under this Grant (including actions under the TERMINATION provision) or otherwise to incur costs in excess of the amount allotted to this Grant, unless and until the AID Grant Officer has notified the Grantee in writing that such allotted amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to this Grant. To the extent the amount allotted exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the AID Grant Officer shall affect the amount allotted to this Grant. In the absence of the specified notice, the Government shall not be obligated to reimburse the Grantee for any costs in excess of the total amount then allotted to this Grant, whether those excess costs were incurred during the course of this Grant or as result of termination. When and to the extent that the amount allotted to this Grant has been increased, any costs incurred by the Grantee in excess of the amount previously allotted shall be allowable to the same extent as if such costs had been incurred after such increase in the amount allotted, unless the AID Grant Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

11. USE OF FOREIGN CURRENCY

(a) Whenever the Grantee has a need to convert U.S. dollars into local currencies, such conversion shall be made through the U.S. Disbursing Officer. If the Disbursing Officer is unable to effect such conversion, the Grantee is free to use the facilities of any accredited financial institution.

(b) All expenditures of the Grantee in excess or near-excess currency countries, including per diem (subsistence) expenses, which will be reimbursable by AID under this Grant, shall be funded from U.S. owned foreign currencies, unless otherwise authorized in writing by the AID Grant Officer.

12. GRANT AMENDMENTS

This Grant may be amended by formal written modifications to the basic document. Amendments may be proposed by either party to this Grant; however, they must be acceptable to both parties before they become effective and binding.

13. DISPUTES

(a) Except as otherwise provided in this Grant, any dispute concerning a question of fact arising under this Grant which is not disposed of by agreement shall be decided by the AID Grant Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Grantee. The decision of the AID Grant Officer shall be final and conclusive unless within thirty (30) days from the date of receipt of such copy, the Grantee mails or otherwise furnishes to the AID Grant Officer a written appeal addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. The decision of the Administrator or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith or not supported by substantial evidence. In connection with any appeal proceeding under this provision, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

(b) This DISPUTES provision does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; provided that nothing in this Grant shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

14. TERMINATION

(a) For Cause. This Grant may be terminated for cause at any time, in whole or in part, by the AID 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 this Grant would not produce beneficial results commensurate with the further expenditures of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the AID Grant Officer to the Grantee.

(c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall, within 30 calendar days after the effective date of such termination, repay to the Government all unexpended portions of funds theretofore paid by the Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Government to the Grantee prior to the effective date of the termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transactions, the Grantee may submit to the Government within 90 calendar days after the effective date of such termination, a written claim covering such obligations, and subject to the limitations contained in this Grant, the AID Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

15. SUBORDINATE AGREEMENTS

The placement of subordinate agreements (e.g., leases, options, agreements, or contracts) with other organizations, firms or institutions and the provisions of such subordinate agreements are subject to prior written consent of the AID Grant Officer if they will be funded by AID hereunder, unless the Grantee's procurement system has been reviewed and approved pursuant to the appropriate section(s) of Paragraph 1U of Chapter 1, Handbook 13. In no event shall any such subordinate agreement be on a cost-plus-a-percentage-of-cost basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant.

16. PUBLICATIONS

(This provision is applicable to any agreement which

produces any book, publication, or other copyrightable material.)

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

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

(c) In the event these 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 this Grant.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under this Grant in accordance with paragraph 17B.b. of Chapter 1, Handbook 13; Provided, that the Grantee agrees to and does hereby grant to the Government a royalty-free, non-exclusive and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to authorize others to use the work for Government purposes.

17. PATENTS

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

(a) The Grantee agrees to notify the AID Grant Officer in writing of any invention or discovery conceived or first actually reduced to practice in the course of or under this Grant. The AID Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 17B.a. of Chapter 1, Handbook 13.

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

18. INELIGIBLE COUNTRIES

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

19. EQUAL OPPORTUNITY IN EMPLOYMENT

(This provision is applicable to all Grantees, subrecipients and contractors under this Grant who either perform work in the United States or who recruit personnel in the United States to do work abroad.)

(a) With respect to the employment of persons in the U.S. under this Grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or national origin of such persons and, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S., no person shall, on the grounds of race, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply, in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled Non-discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964.

(b) In addition, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to sex, religion, age, and handicap, in accordance with P.L. 92-261, P.L. 93-259, P.L. 93-112 and P.L. 93-508. When work funded by AID under this Grant is performed in either the U.S. or overseas, no person shall on the grounds of sex, religion, age, or handicap, be excluded from participation, be denied benefits, or be subjected to discrimination.

20. U.S. OFFICIALS NOT TO BENEFIT

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

21. COVENANT AGAINST CONTINGENT FEES

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

commission, percentage, brokerage, or contingent fee.

22. NONLIABILITY

AID assumes no liability with respect to any third party for any claims for damages arising out of the program supported by this Grant.

23. TITLE TO, USE, AND CARE OF PROPERTY

(a) The term "property" as used in this provision shall mean Grantee purchased property the cost of which is reimbursed by AID under this Grant. The term "non-expendable property" means property which is complete in itself; does not lose its identity or become a component part of another article when put into use; is durable, with an expected service life of two years or more.

(b) The Schedule of this Grant shall specify (or the AID Grant Officer may direct) that title to specific property shall be vested in the Grantee, or in the Cooperating Country. When title is to be vested in the Grantee, paragraph (c) of this provision is applicable. When title is to be vested in the Cooperating Country, paragraph (d) of this provision is applicable. If specific direction regarding placement of title is not provided either in the Schedule of this Grant, or by the AID Grant Officer, then title shall be vested in the Grantee, and paragraph (c) of this provision is applicable.

(c) Grantee Titled Property.

(1) The Grantee shall not charge for any depreciation, amortization, or use of property, title to which remains in the Grantee under this Grant, or any other U.S. Government agreement, subagreement, contract, or subcontract.

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

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

(1) To report such items to the AID 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) To transfer title to any such items in accordance with any written request therefor issued by the AID Grant Officer at any time prior to final payment under this Grant.

(d) Cooperating Country Titled Property.

(1) Property titled to the Cooperating Country shall be under the custody and control of the 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.

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

(3) Within 90 days after completion of this Grant, or at such other date as may be fixed by the AID Grant Officer, the Grantee shall submit an inventory schedule covering all items of property under its 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.

24. AUDIT AND RECORDS - NON U.S. SUBGRANTEES AND CONTRACTORS

(1) The Grantee shall require non U.S. subgrantees and non U.S. contractors (see paragraph L3, Chapter 1 of Handbook 13) to maintain books, records, documents and other evidence and accounting procedures and practices sufficient to reflect properly that funds provided by the Grantee were expended exclusively for the purposes of the subordinate agreement. Such records shall be maintained for three years following the expiration of the subordinate agreement.

(2) The Grantee shall ensure that, after each twelve months of a subordinate agreement with a non-U.S. institution, an audit is conducted on the subgrantees and/or contractors's records by an independent public accountant with a national certification similar or equivalent to a certified public accountant. If the Grantee determines that an audit is not possible or feasible it shall submit to the AID Grant Officer the reasons why such an audit is not possible or feasible, and present for the approval of the AID Grant Officer, alternatives which will achieve the objectives, set forth in this provision. The Grantee shall include in each subordinate agreement hereunder, a provision by which the Grantee asserts the right to audit if the independent audit does not take place or is unacceptable. The subordinate agreement shall also require that the subgrantees and contractors shall make available any further information as requested by the Grantee with respect to questions concerning the audit. The report of independent audit shall be submitted to the Grantee and retained by it in accordance with the standard provision entitled ACCOUNTING, AUDIT AND RECORDS.

(3) The purpose of the independent audit shall be to determine the propriety and necessity of the subrecipient's expenditures in terms of the purposes for which the funds were made available, and the adequacy of the subrecipient's financial management. Notwithstanding the requirement for an independent audit, the AID Auditor General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 16, Chapter 1 of Handbook 13) reserve the right to conduct an audit of the subrecipient's books and records to determine whether the subrecipient has expended AID's funds in accordance with the terms of this Grant. The terms of this Provision are applicable only to subordinate agreements with non-U.S. institutions.

25. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

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

(a) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government Offices or facilities for support while so engaged.

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

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

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

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