

UNITED STATES OF AMERICA

AFR/TR/HW  
110

UNITED STATES POSTAL SERVICE  
USAID MISSION SECTOR  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20503

ADRAAT 394  
15125 46124

81

September 27th, 1982

6500063

The Chairman of the Executive Board  
Sudan Fertility Association,  
Khartoum,  
Sudan.

Dear Dr. El Harith,

1. I am pleased to inform you that, pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Government of the United States of America, acting through the Agency for International Development (hereinafter referred to as A.I.D) hereby grants to the Sudan Fertility Control Association (hereafter referred to as the Grantee) the sum of Five Hundred ninety-six thousand United States Dollars (\$596,000), which amount is hereby obligated, to be used for support of the SFCA Model Family Planning Clinic, as more fully described in Attachments A and B. It is anticipated that an additional \$324,000 will be made available to support the SFCA's program in the future subject to the availability of funds to A.I.D for this purpose and to the mutual agreement of the parties, at the time of additional funding to proceed with the program. In addition, contraceptives in the approximate value of \$760,000 will be made available through the A.I.D contraceptive supply program.

2. This Grant is effective as of the date of this letter and is applicable to commitments made by the Grantee in support of the program during the period commencing on the date of execution of this Grant through June 30, 1987. Funds disbursed by A.I.D but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D in accordance with A.I.D 1420-54(2-82) Standard Provisions, Attachment C, a part hereof.

3. It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against this grant shall be maintained in accordance with accounting procedures satisfactory to Grantee and A.I.D, which shall follow generally accepted accounting practices. All such financial records shall be maintained for at least 3 years final disbursement of funds under this Grant.

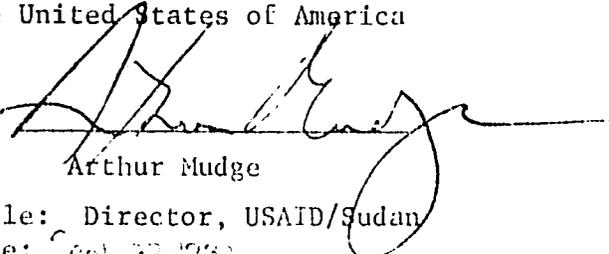
4. The Grantee agrees to make available to A.I.D for the Controller General of the United States all records and documents which support expenditures under this program.

5. It is understood that the funds granted hereunder shall be disbursed as set forth in Attachment D hereto entitled Payment Provisions.
6. The parties agree that this Grant and the activities financed therewith, shall be managed by the Grantee in accordance with its established policies and procedures. The proposed budget for this Grant is provided in Attachment D.
7. The Grantee shall prepare and submit to A.I.D at least 5 copies of reports in accordance with the schedule set forth in Attachment D.
8. None of the funds provided hereunder may be used to finance any identifiable taxes or duties which may be imposed on commodities or services procured with Grant funds.
9. Procurement of commodities with funds provided hereunder shall be accomplished in accordance with existing A.I.D procedures and with the approval and, as appropriate, the assistance of A.I.D.
10. If at any time A.I.D concludes that the monies provided hereunder are not being used in accordance with the terms of this Grant, A.I.D after consultation with the Grantee, may cease further disbursements other than those required for the liquidation of outstanding legally binding obligations reimbursable under the terms of this Grant.
11. Unless otherwise specified, title to all property procured through financing by A.I.D pursuant to this Agreement shall be vested in SFCA.
12. SFCA warrants that in connection with obtaining the Grant or taking any action with respect to this Agreement, it will not pay commissions, fees, or other payments of any kind, except as regulation compensation for bona fide professional, technical, or comparable services.
13. This Agreement, in whole or in part, may be terminated by either party at any time upon 30 days written notice. This Agreement may be revised only by the written mutual consent of the parties hereto.
14. For all purposes relevant to this Agreement, A.I.D, will be represented by the individual holding or acting in the office of the Director, USAID/Sudan, hereafter also referred to the "Grant Officer", and SFCA will be represented by the individual holding or acting in the office of Executive Director or Chairman of the Executive Board.
15. Prior to the first disbursement under the Grant, or to the issuance by A.I.D of documentation pursuant to which disbursements will be made, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D in form and substance satisfactory to AID, (a) A letter from the Government of Sudan's Ministry of Health, which explicitly and in detail, sufficient to relate the letter to the SFCA proposal, endorses this program; and (b) evidence that competent staff will be hired and sound procedures established for adequate financial management of this program.

16. In addition to compliance with Standard Provisions, contained in No. 17 and 18 Annex C, the Grantee covenants that none of the funds made available under the Grant will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

17. Please indicate your acceptance of this Grant by signing the original and 4 copies of this letter in the space provided below and return the original and 2 copies to the Grant Officer. Two copies may be retained for your files.

The United States of America

By: 

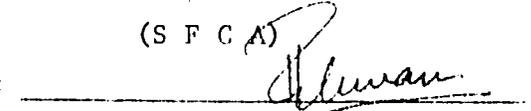
Arthur Mudge

Title: Director, USAID/Sudan

Date: Sept 27 1982

Sudan Fertility Control Association

(S F C A)

By: 

Dr. Hamid Rushwan

Title: Executive Director

Date: Sept 27 1982

Attachments:

- A. Project Description
- B. Implementation Plan.
- C. Financial Payment and Reporting Provisions
- D. Budget and Financial Plan.
- E. Logical Framework.
- F. Standard Provisions for Grant to Non-U.S. PVO

A. Project Implementation Plan

There are a number of key actions that must take place in the first 9-12 months after OPG approval for SFCA to open the clinic by month 11. Some of the actions, most notably commodity procurement, are not controlled by the Association. Procurement of equipment and commodities as well as the provisions of operational advances by USAID are critical to the establishment of the clinic. Thus, the following Project Implementation Schedule must be followed closely.

Date (by month)	<u>Project Implementation Schedule</u> A C T I O N	Responsible Agent
1	Grant Agreement signed between USAID and SFCA with MOH approval.	USAID, SFCA, MOH
1	USAID will send PIO/Cs for commodities to AID/W for procurement. AFR/DR/POP will urge SER/COM to give expeditious processing.	SFCA, USAID, REDSO and AFR/DR/POP
1	The SFCA will identify a professional administrator who will be hired as Director of the SFCA as soon as possible. USAID will act in an advisory role re criteria and qualifications appropriate to the requirements of the job.	SFCA, USAID
1-12	Recruitment begins for necessary personnel to be hired under the project. In view of expected delays in receiving office and clinic equipment from the United States, most staff should begin working in month 9. USAID acts in advisory capacity.	SFCA, USAID
1-3	The Director and the Executive Board seek an appropriate locale for headquarters and the model clinic.	SFCA
3	SFCA sets up a special account for AID project funds, and receives first quarterly advance for operation.	SFCA, USAID.
3	Clinic site is identified, contract signed	SFCA
4	SFCA receives visit of consultants from the Centers for Disease Control. The Consultants will assist in designing clinic floor plan, will set up basis for patient flow analysis study and will assist in designing client record systems and the clinic logistic system. SFCA, USAID	

Date (by months)	Action	Responsible Agent
5	Three nurses sent to US for FP clinical training	SFCA, USAID
5	Information officer begins work. Begin design and testing of IE&C materials.	SFCA, USAID
5	Remodelling of clinic begins, after proper bidding procedures have been followed	SFCA, USAID
6	FP commodities arrive.	USAID
6-9	IE&C materials produced are ready for dissemination. Radio, TV and newspapers announce the impending opening of the clinic. Public education campaign conducted.	SFCA
9-10	Model clinic staff receive intensive one-week training course from clinic Director and three US trained nurses.	SFCA
10	Office and clinic equipment arrive and are installed	USAID, SFCA
11	Model Clinic opens	SFCA
24	Interim Evaluation reviews results of model clinic's first year operation	SFCA, USAID, MOH
28-60	All programs operational and outputs achieved.	
54	Second and final external evaluation of SFCA's programmes	USAID, SFCA
60	End of Project Status achieved.	

## B. Procurement and Financing Arrangements

The authorized source of procurement per AID regulations is Geographic Code 000 (US only). This purchase will include one U.S. vehicle and spare parts. Because of the limited SFCA capacity to undertake foreign procurement, USAID/S will purchase commodities and vehicles directly. All procurement will be carried out in accordance with AID rules. Hiring procedures for new SFCA staff positions will be in accordance with Sudanese practices and generally, will seek as much competition as possible. See attachment D for description of financing arrangements.

## C. Project Monitoring

In accordance with AID's own guidelines for programme implementation under an Operational Programme Grant, the Association will monitor its own performance under the Grant, ensuring that time schedules are being met and other performance goals are being achieved. This internal project monitoring will be for each SFCA component. The Association will submit a series of three reports to AID on the status of project implementation - a quarterly financial status report, a quarterly performance report and an annual narrative report - as well as interim reports, when appropriate. The financial report will be the document which provide for the liquidation of the previous advance and defines the budget request for the next quarter. The performance report will be based upon the progress towards expected outputs and purposes of the project as described in the logical framework which follows in section E.

At AID's request, the Association's chartered accountants, will perform an annual audit to determine that SFCA has expended grant funds in accordance with terms and conditions of the grant. AID funds provided through the grant (included under the Administration components) will be used to cover the additional costs of the audits.

Project monitoring in the USAID Mission will be the responsibility of the Health/Population Office. The Population Assistant, under the supervision of the Health/Population Officer, will maintain regular contact with the Association, making frequent site visits to the headquarters and the clinic. During the site visits, the following activities will be conducted as frequently as necessary and practical:

- review programme accomplishments and management control systems, including review and approval of the financial status reports, and
- provide such technical assistance backstopping as may be required.

Of prime importance will be establishment of a relationship with the Association to assure coordination with on-going AID bilateral programme in Sudan, information exchange, guidance in AID reporting requirements and interpretation of AID grant terms and conditions.

#### D. Evaluation Plan

The evaluation plan will include two special outside evaluation with the participation of AID and the MOH. The clinic administrator will establish a yearly project Component evaluation schedule and submit it to USAID/Sudan for review and approval. These evaluations will cover all aspects of the project and will be forwarded to USAID. Funding of \$24,000 for outside evaluation is provided within the budget. The first interim evaluation is scheduled for one year after the clinic has been in operation. The USAID/Sudan Evaluation Officer and Health /Population Officer will be in charge. A contract population specialist, REDSO/EA Population Officer and/or AID/W Population Officer will participate as members of the evaluation team. The evaluation will assess the following aspects of the Association and the Model Family Planning Programme:

1. Organization and management of SFCA and clinic operations.
2. Budget and financial systems.
3. Adequacy of record and data collection.
4. Validity of the original logical framework and assumptions
5. Extent of success in achieving logical framework output and objectives.

This evaluation will also review user charges in relationship to clinic services and determine whether and by how much services and charges needed to be modified.

Overall, the evaluation will determine the adequacy of the SFCA and AID inputs in quality and quantity to achieve the goal of the clinic to provide family planning services. If there have been deficiencies, the evaluation team will, in collaboration with the Association, recommend immediate action which can be undertaken within the remaining life of the project.

A final evaluation will be conducted in the last six months of the project and will evaluate SFCA success in achieving the logical framework objectives defined in attachment E.

FINANCIAL PAYMENT AND  
REPORTING PROVISIONS

Allowable AID - funded costs disbursed through SFCA

SFCA will periodically request an advance by U.S. Treasury check to meet its 90-day disbursing needs. Specific procedures for receiving advances, reporting disbursements, and maintaining a system of accountability will be provided in a Project Implementation Letter to be issued by AID prior to the advance of any AID funds to SFCA.

Allowable AID - funded costs disbursed directly by AID to other suppliers

Project costs under this grant not disbursed through SFCA will be disbursed by AID directly to suppliers.

Financial Reporting

A financial report by SFCA to AID shall be submitted not less than quarterly. The financial report shall contain the following information:

- a. AID funds received to date;
- b. expenditures, by budget category, for the reporting period and cumulative expenditures, by budget category, to date;
- c. a narrative of financial problems encountered by SFCA in implementing this project, as well as SFCA's recommended solutions; and
- d. any other financial information that AID may reasonably request.

The reporting format and procedures for the above will be provided in a Project Implementation Letter issued by AID.

Program Performance Reporting

SFCA shall submit a quarterly performance report (technical report) to AID that briefly presents the following information for the

- a. the progress under the Project during the quarter;
- b. problems encountered (also noting problems which are of a longer-term nature) during the quarter;
- c. SFCA's proposed solution (s) to the problem (s);
- d. comments on the entire Project in general including actual or potential factors, issues, etc. which could impinge on the future implementation of the Project; and
- e. any other information which AID may reasonably request.

BUDGET & FINANCIAL PLAN

Following is the total project funding required over a five year period.

Life of Project Summary Budget\*

(\$ 000)

<u>Item</u>	<u>AID-OPG</u> *	<u>Amounts</u>	
		<u>SFCA</u> (LC)	<u>Total</u>
1. Technical Assistance	48	-	48
2. Training	66	-	66
3. Commodities**	238	15	253
4. Commodity Shipping & Price Contingency	46	-	46
5. Personnel	217	500	717
6. Rent & Utilites	210	100	310
7. Media Costs	24	-	24
8. Misc. & FX Contingency	71	-	71
	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ 920	\$615	1,535

\* Inflation is included: 10% compounded annually for foreign exchange (FX)

\*\*Contraceptives in the approximate value of \$760,000 will be made available through the A.I.D. contraceptive supply program.

Grant funds for the first year will total \$596,000. Subsequent funding amounting to \$324,000 will be made available subject to the availability of funds to A.I.D for this purpose.

First Year Grant Funds

	<u>First Year</u>	<u>Balance</u>
Technical assistance	24	24
Training	42	24
Commodities	200	39
Commodities: shipping and Contingency	40	6
Personnel	126	91
Clinic: Rent, Utilities Remodelling	103	107
Media	11	13
Misc and contingency.	<u>50</u>	<u>21</u>
	596	324

The Operational Program Grant (OPG) will fund the costs of 920,000. The SFCA will contribute \$ 615,000 through the collection of clinic fees. These two sources provide for the LOP funding of \$1,535,000. Additional contributions to the project are as follows: AID/Washington through a Central programme for contraceptive supplies will provide an estimated \$760,000 worth of contraceptives to SFCA for distribution. Other support for the project will be provided by Centers for Disease Control for technical assistance (4 persons month, \$60,000) in the design and establishment of the procedures for the model clinic.

In-kind support for the project is varied. The ten member Executive Board and other SFCA professionals are expected to volunteer time.. It is difficult to place a value on this combination of volunteer services but the total time is approximately 60 hours a week, most of which is physician time. Additionally the Ministry of Internal Affairs has provided and is expected to continue to provide selected staff on secondment.

Funding contributions to the project, by amount and percentage, are shown in the following table. By adding the AID/Washington components, the total project cost becomes \$2,355,000.

Model Family Planning Clinic: Summary of Funding Sources.

<u>Funding Source</u>	Amounts in \$'000s	<u>Percentage of Total Budget</u>
1. AID-OPG	920	39.1%
2. SFCA-Clinic Fees	615	26.1%
3. AID-Contraceptive Supply Programme	760	32.3%
4. CDC-RSSA	60	2.5%
	<hr/>	<hr/>
Grant Total	2,355	100.0%

The illustrative detailed budget by year follows: The proposed staffing is also included.

SECA MODEL FAMILY PLANNING PROGRAMMESILLUSTRATIVE BUDGET (\$ 000)

<u>1 Khartoum Clinic*</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
A. Technical Assistance (provided by CDC)	-	-	-	-	-	-
B. Training						
1. Nurse training (3 mos x \$4,000 x3)	36	-	-	-	-	36
2. Short courses (2)	-	12	12	-	-	24
C. Commodities						
1. Clinic equipment and furniture	50	-	-	-	-	50
2. Lab and other supplies	12	4	4	4	4	28
3. Drugs	21	5	5	5	5	41
4. Local supplies	10	12	14	17	21	74
5. 1 Vehicles and spares	20	-	-	-	-	20
6. Commodity shipping & contingency	30	4	4	4	4	46
D. Clinic Personnel	70	80	89	98	107	444
E. Clinic						
1. Remodel Clinic	15	-	-	-	-	15
2. Rent (\$3,000x12)	36	40	44	48	53	221
3. Utilities	10	12	14	17	21	74
F. Misc. & Contingency	<u>6</u>	<u>6</u>	<u>10</u>	<u>10</u>	<u>15</u>	<u>46</u>
Total.....	316	175	196	203	230	1,119

\* Inflation is included: 10% compounded annually for foreign exchange

2. Information, Education  
and Communication Programme

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
A. Technical Assistance (2 mos short term)	12	12				24
B. Personnel						
1. Information Officer (part-time, 12x400)	5	5	6	6	7	29
C. Office furnishings (desk, chairs, type- writer file cabinet)	2					2
D. Audio-Visual Aids (projector, screen, films)	2					2
E. Mass Media	9	7	2	2	2	22
F. Other costs	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>9</u>
Total	33	26	9	9	10	87
3. Evaluation (2 mos short - term)			12		12	24

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
4. General Administration						
A. Study Tour	6					6
B. Commodities						
1. Office equipment and furniture	10					10
2. Misc supplies	2	2	2	3	3	12
C. Personnel	36	41	48	55	64	244
D. Vehicle Operation	2	3	3	4	4	16
E. Misc, other costs	4	3	3	3	3	16
Total	60	49	56	65	74	304
GRAND TOTAL	409	250	273	277	326	1,535
<u>Summary</u>						
I. OPG	354	174	166	130	95	920
II. Clinic Income	55	76	107	147	231	615
III. Aid/Washington Contraceptive Supply Clinic	65	82	154	205	256	760
IV. CDC Technical Assistance (AID/W Central Contract)	30	30	-	-	-	60
GRAND TOTAL	504	362	427	482	482	2,355

SFCA Model Family Planning Programmes

## Proposal Staffing Pattern

A. <u>Clinic Personnel</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
1 M.D. Clinic Director (12 mos x \$1,670)	20,040	22,044	24,248	26,673	29,340	122,345
1 General Practitioners (12 mos x 1 x 860)	10,320	5,500	6,050	6,655	7,320	35,845
2 Nurses (2x12 mos x \$200)	4,800	5,280	5,080	6,389	7,028	29,305
2 Auxiliary Nurses (2 x 12 mos x \$150)	2,700	2,970	3,267	3,594	3,953	16,484
2 Counsellors (2 x 12 mos x \$200)	4,800	5,280	5,808	6,389	7,028	29,305
1 Receptionist (1 x 12 mos x \$200)	2,400	2,640	2,904	3,195	3,514	14,653
1 Storekeeper (12 mos x \$350)	4,200	4,620	5,082	5,590	6,149	25,641
1 Drug Dispenser Educator (1 x 12 mos X \$200)	2,400	2,640	2,904	3,195	3,514	14,653
2 Cleaning Personnel (1 x 12 mos x \$240)	5,760	6,336	6,970	7,667	8,434	35,167
1 Lab Technician (12 mos x \$330)	3,960	4,356	4,792	5,271	5,798	24,177
<u>Sterilization Service*</u>						
1 Ob.Gyn Physician (105 3-hr sessions x \$55)	2,888	6,353	6,988	7,687	8,456	32,372
1 Nurse (12 mos x \$ 380)	2,280	5,016	5,518	6,070	6,677	25,561
1 Aid (12 mos x \$200)	1,200	2,640	2,904	3,194	3,513	13,451
1 Anesthesia Technician (3 hrs x 3/wk x \$10/hrx50 wks)	2,250	4,950	5,445	5,990	6,589	25,224
Total	69,998	80,625	88,688	97,559	107,313	444,183
B Information, Education and Research						
1 Information Officer (part - time 12 x 400)	4,800	5,280	5,808	6,389	7,027	22,277

\* To begin 6 months after clinic opens

5

<u>Administrative Personnel</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Director (12 mos x \$1,500)	18,000	21,600	25,920	31,324	37,324	133,948
Accountant (12 mos x \$300) (part-time)	3,620	3,960	4,356	4,792	5,271	21,977
Bookkeeper (12 mos x \$500)	6,000	6,600	7,260	7,986	8,785	36,631
Secretary (12 mos x \$450)	5,400	5,940	6,534	7,188	7,907	32,969
Driver (12 mo, x \$222)	2,664	2,930	3,223	3,546	3,900	16,263
Janitor/Messenger (12 mos x \$250)	3,000	3,300	3,630	3,993	4,392	18,315
 Total	<u>38,664</u>	<u>44,330</u>	<u>50,923</u>	<u>58,609</u>	<u>67,579</u>	<u>260,103</u>

E. Logical Framework

SFCA MODEL FAMILY PLANNING PROGRAMMES

Logical Framework

Goal:

To establish a family planning system in Khartoum Province to provide contraceptive services to women of reproductive age.

Objectively Verifiable Indicators:

1. Existence of a functional system of family planning clinic in Khartoum Province.
2. Use of contraceptives by 20% of women of reproductive age
3. Knowledge of nearby family planning clinics and contraceptive methods found in 80% of women of reproductive age.

Means:

1. Surveys, census.
2. MOH and other clinic records

Assumption:

1. The model programme can be replicated on a national level.
2. The GOS supports national family planning programme.
3. Funding is available to establish a regional programme.

---

Purpose:

To establish a model family planning clinic in the KMA.

End of Project Status:

1. 165,000 women years of contraceptive protection.
2. The IE&C programme reaches 80% of women of reproductive age in the Khartoum Province.
3. Key, clinic staff are capable of evaluating clinic activities.

1. Project records.
2. IE&C records.
3. Major evaluations

1. Demand for family planning as great as studies indicate.
2. AID provides sufficient and timely funding.

2

Outputs:

Levels/Magnitude

- |   |  |   |   |
|---|--|---|---|
| <ol style="list-style-type: none"> <li>1. Fully equipped SFCA offices functioning adequately in the management of the model FP</li> <li>2. Develop clinic procedures and health information systems.</li> <li>3. Fully equipped FP clinic providing services.</li> <li>4. Functional IE&amp;C programme producing FP promotional material.</li> </ol> | <ol style="list-style-type: none"> <li>1. a. FP clinic is meeting 70% of local recurrent costs from user fees by 1988.</li> <li style="padding-left: 20px;">b. SFCA staff trained on the job and retained</li> <li>2. Presence of procedure manuals and record keeping system.</li> <li>3. Serving 44,000 active users by year five.</li> <li>4. Weekly newsletter, 1,000 posters; 100,000 pamphlets, presentations on FP radio 2/days; TV. 2/week.</li> </ol> | <ol style="list-style-type: none"> <li>1. Observations</li> <li>2. Project records and evaluations</li> <li>3. AID record and evaluations.</li> </ol> | <ol style="list-style-type: none"> <li>1. Trained individuals returned to assigned positions.</li> <li>2. SFCA finds individuals who can manage programme.</li> <li>3. Media accept FP campaigns.</li> <li>4. Media accept FP campaigns</li> <li>5. Petrol is available.</li> </ol> |
|---|--|---|---|

Inputs:

OPG

AID/W Contracts (\$ 000)

1. Short term TA	48	60
2. Training	66	
3. Personnel	117	
4. Commodities		
1 vehicle	20	
Furniture & supplies	218	
contraceptives		760
5. Clinic rent etc.	310	
6. Media costs	24	
7. Shipping & Contingency	<u>117</u>	
	\$920	<u>\$820</u>

Non U.S. Grantees and Non U.S. Subgrantees  
**NONPROFIT ORGANIZATIONS—OTHER THAN EDUCATIONAL INSTITUTIONS**  
**INDEX OF**  
**STANDARD PROVISIONS**

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>1. Allowable Costs and Contributions (Nonprofit Organizations—Other Than Educational Institutions)</li> <li>2. Accounting, Audit and Records</li> <li>3. Refunds</li> <li>4. Revision of Financial Plans</li> <li>5. Termination</li> <li>6. Disputes</li> <li>7. Nondiscrimination in Federally Assisted Programs</li> <li>8A. Negotiated Overhead Rates—Predetermined</li> <li>8B. Negotiated Overhead Rates—Nonprofit Organizations Other Than Educational Institutions</li> <li>9A. Payment—Periodic Advance</li> <li>9B. Payment—Reimbursement</li> <li>10. Travel and Transportation</li> <li>11. Ocean Shipment of Goods</li> <li>12A. Procurement of Goods and Services Under \$250,000</li> <li>12B. Procurement of Goods and Services Over \$250,000</li> <li>13. Local Cost Financing With U.S. Dollars</li> <li>14. Government Furnished Excess Personal Property</li> </ul> | <ul style="list-style-type: none"> <li>15A. Title To and Use of Property (Grantee Title)</li> <li>15B. Title To and Care of Property (U.S. Government Title)</li> <li>15C. Title To and Care of Property (Cooperating Country Title)</li> <li>16. Voluntary Participation</li> <li>17. Prohibition on Abortion-Related Activities</li> <li>18. Voluntary Participation Requirements for Sterilization Programs</li> <li>19. Publications</li> <li>20. Patents</li> <li>21. Regulations Governing Employees Outside the United States</li> <li>22. Subordinate Agreements</li> <li>23. Participant Training</li> <li>24. Health and Accident Coverage for AID Participant Trainees</li> <li>25. U.S. Officials Not to Benefit</li> <li>26. Covenant Against Contingent Fees</li> <li>27. Nonliability</li> <li>28. Amendment</li> <li>29. The Grant</li> <li>30. Notices</li> </ul> |
|---|--|

—SEE FOOTNOTES ON PAGE 20—

If the institution is not on a predetermined basis, omit 8A; otherwise use both provisions.

Select only 1 payment provision from Group 9.

Select only 1 procurement provision from Group 12.

Select only 1 title provision from Group 15, if title to all property is vested in one entity; however, if title is to be split by categories among two or more entities, select the appropriate provisions from Group 15 and identify the categories and entities in the Schedule of the Grant.

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

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

(a) The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the Grant Officer to be reasonable, allocable, and allowable in accordance with the terms of (1) this grant, (2) any negotiated advance understanding on particular cost items, and (3) cost principles contained in OMB Circular A-122 en-

titled "Cost Principles for Nonprofit Organizations" in effect on the date of this grant (hereinafter referred to as "applicable cost principles").

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

(c) The requirements set forth in this provision are only applicable to costs incurred with funds provided by AID under this grant. Except for paragraph (b) above, the requirements set forth in this provision are

not applicable to costs incurred by the Grantee from non-Federal funds. Such costs will be considered allowable to the extent they conform to the requirements of paragraph (b) above and are incurred for the purposes of the grant.

## 2. ACCOUNTING, AUDIT, AND RECORDS

(a) With respect to accounting, records and audit, the Grantee shall comply with the requirements set forth in paragraphs 11, 1J, and 1L, of Handbook 13.

(b) The AID Inspector General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 116 of Chapter 1 of Handbook 13) reserve the right to conduct an audit of the Grantee's books and records to determine whether the Grantee has expended AID's funds in accordance with the terms and conditions of this grant. The Grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

## 3. REFUNDS

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

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

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

## 4. REVISION OF FINANCIAL PLANS

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

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

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

2. Additional funding is needed.

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

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

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

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

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

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

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

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

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

notice an increased amount constituting the total amount then obligated under the grant.

## 5. TERMINATION

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

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

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

## 6. DISPUTES

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

(b) Decisions of the AID Grant Officer shall be final and conclusive unless, within 30 days of receipt

of the decision of the Grant Officer, the Grantee appeals the decision to the Administrator, AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523; a copy of any such appeal shall be concurrently furnished to the Grant Officer.

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

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

## 7. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

(This provision is applicable to non-U.S. Grantees and non-U.S. Subgrantees when any portion of the program being supported is to be undertaken in the United States.)

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

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 38-352, 42 U.S.C. 2000-d) which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance.

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

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 93-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds.

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

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

## **8A. NEGOTIATED OVERHEAD RATES--PREDETERMINED**

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

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

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

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

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

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

ment when the final rates for the fiscal year or other period are established.

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

## **8B. NEGOTIATED OVERHEAD RATES -- NONPROFIT ORGANIZATIONS--OTHER THAN EDUCATIONAL INSTITUTIONS**

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

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

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

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

(d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply.

The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

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

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

**9A. PAYMENT--PERIODIC ADVANCE**

(This provision is applicable when (1) the requirements of paragraph 1.0.6. of Chapter 1 of Handbook 13 have been met, and (2) the Grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (3) the Grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement entitled "Accounting, Audit and Records.")

a. Each month (or quarter, if the Grantee is on a quarterly basis) after the initial cash advance, the Grantee shall submit to the AID Controller voucher form SF 1034 (original) and SF 1034-A (three copies), "Public Voucher for Purchases and Services Other Than Personal."

b. Each voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

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

- A. Period covered by this report:  
FROM (Month, day, year) \_\_\_\_\_  
TO (Month, day, year) \_\_\_\_\_  
Period covered by the next report  
FROM (Month, day, year) \_\_\_\_\_  
TO (Month, day, year) \_\_\_\_\_
- B. Cash Advance Use and Needs
  - 1. Cash advance on hand at the beginning of this reporting period . . . . \$ \_\_\_\_\_

- 2. U.S. Treasury check advance(s) received during this reporting period . . \$ \_\_\_\_\_
- 3. Interest earned on cash advance during this reporting period . . . . . \$ \_\_\_\_\_
- 4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3)<sup>5</sup> . . . . . \$ \_\_\_\_\_
- 5. LESS, interest remitted to AID during this reporting period . . . . . \$ \_\_\_\_\_
- 6. NET cash advance available during this reporting period (Line 4 minus Line 5) . . . . . \$ \_\_\_\_\_
- 7. Total disbursements during this reporting period, including subadvances (see footnote 1). . . . . \$ \_\_\_\_\_
- 8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7) . . . . . \$ \_\_\_\_\_
- 9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2) . . . . \$ \_\_\_\_\_
- 10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8) . . . . . \$ \_\_\_\_\_
- 11. Total interest earned on cash advance from the start of the Grant to the end of this reporting period, but not remitted to AID . . . . . \$ \_\_\_\_\_
- 12. Total cash advances to subgrantee, if any, as of the end of this reporting period. . . . . \$ \_\_\_\_\_

**FOOTNOTES:**

- 1. The Grantee shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly; the monthly cash advance status report does not require a detailed report of disbursements.
- 2. The Grantee shall attach to this summary a detailed projection by BUDGET line item, of its anticipated needs for the next reporting period.

**C. Certification**

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

DATE \_\_\_\_\_ BY \_\_\_\_\_  
TITLE \_\_\_\_\_

27

c. AID funds shall not be commingled with other Grantee owned or controlled funds. The Grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

#### **9B. PAYMENT—REIMBURSEMENT**

(This provision is applicable to grants for construction, or to grants which do not provide for a periodic advance.)

(a) Each month the Grantee shall submit to the AID Controller an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal"; each voucher shall be identified by the grant number and shall state the total amount of costs incurred for which reimbursement is being requested.

(b) In addition to the SF 1034, each nonconstruction voucher shall be supported by an original and 2 copies of SF 270, "Request for Advance or Reimbursement," and each construction voucher shall be supported by an original and 2 copies of SF 271, "Outlay Report and Request for Reimbursement for Construction Programs."

(c) Each quarterly voucher (or each third monthly voucher) shall also be supported by an original and 2 copies of a 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(s).

#### **10. TRAVEL AND TRANSPORTATION**

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

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

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so notify the Grantee after receipt of advice of intent to travel, required above. AID will issue a Government Transportation Request (GTR) which the Grantee

may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

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

The terms used in this provision have the following meanings:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS**

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth in (e) or (f) above; see 41 CFR 1-1.323-3 for further guidance.)

(h) *Travel Costs and Overseas Maintenance Allowances*

(1) *Travel Within the United States*

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

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

(2) *International Travel*

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

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

#### **11. OCEAN SHIPMENT OF GOODS**

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

(a) At least 80% of the gross tonnage of all goods purchased under this grant and transported to the Cooperating Country on ocean vessels shall be transported on privately owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for such vessels; and

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

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

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been

submitted to the Maritime Administration Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

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

#### **12A. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000**

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

##### **(a) Ineligible Goods and Services**

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

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

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

##### **(b) Restricted Goods**

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

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

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

##### **(c) Geographic Source and Order of Preference**

All goods (e.g., equipment, materials, and sup-

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

(1) the United States (AID Geographic Code 000),

(2) "Selected Free World" countries (AID Geographic Code 941),

(3) the cooperating country,

(4) "Special Free World" countries (AID Geographic Code 935).

##### **(d) Application of Order of Preference**

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph (c) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances <sup>surrounding</sup> 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 for the delay attendant to soliciting U.S. sources,

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

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

(4) the goods or 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 the 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 1U.3.a., b., and c. of Chapter 1, AID Handbook 13.

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 1U.3.a., b., and c. and have been approved by AID or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to those specified in paragraphs 1U.3.a., b., and c. of Chapter 1, AID Handbook 13.

##### **(f) Small Business**

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of

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

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

**(g) Ineligible Suppliers**

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

**(h) Ocean and Air Transportation**

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

**12B. PROCUREMENT OF GOODS AND SERVICES OVER \$250,000**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Eligibility of commodity-related services*

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

(2) *Ocean and air transportation*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) The corporation or partnership:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) *Ineligible Suppliers.* Funds provided under this grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208). The Grantee

agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this grant. AID will provide the Grantee with this list.

(k) *The Grantee's procurement system.* The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and nationality requirements of this provision and the standards set forth in paragraphs 1U.3.a.b. and c. of AID Handbook 13, "Grants."

(l) *The Grantee's Procurement System*

(1) The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and nationality requirements of this provision and paragraphs 1U.3.a., b., and c. of Chapter 1, AID Handbook 13.

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 1U.3.a., b., and c. and have been approved by AID or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to those specified in paragraphs 1U.3.a., b., and c. of Chapter 1, AID Handbook 13.

### 13. LOCAL COST FINANCING WITH U.S. DOLLARS

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

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

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

(1) *Ineligible goods and services*

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

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

If AID determines that the Grantee has procured any of the ineligible goods and services specified

above under this grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

**(2) Restricted goods**

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

- (i) agricultural commodities,
- (ii) motor vehicles,
- (iii) pharmaceuticals,
- (iv) pesticides,
- (v) rubber compounding chemicals and plasticizers,
- (vi) used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) fertilizer.

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

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

**(4) Nationality**

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

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

eligibility pursuant to paragraph (d) of the provision, entitled "Procurement of Goods and Services over \$250,000."

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

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

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

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

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

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

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

#### **14. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY**

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

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

#### **15A. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)**

(This provision is applicable when the Government vests title in the Grantee only.)

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

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

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

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

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

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

#### **15B. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE)**

(This provision is applicable when title to property is vested in the U.S. Government.)

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

#### **(b) Use of Government Property**

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

#### **(c) Control, Maintenance and Repair of Government Property**

The Grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The Grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the Grant Officer may prescribe as reasonably necessary for the protection of the Government property.

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

#### **(1) Property Control**

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

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

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

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

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

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

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

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

**(2) Maintenance Program**

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

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

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

(iii) recording of work accomplished under the program.

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

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

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

**(d) Risk of Loss**

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

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

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

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

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

(iv) Which results from a risk expressly required to be insured under some other provision of

this grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

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

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

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

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

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

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

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

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

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

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

37

Government) in obtaining recovery.

**(e) Access**

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

**(f) Final Accounting and Disposition of Government Property**

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

**(g) Communications**

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

**15C. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)**

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

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

(b) The Grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The Grantee shall be guided by the requirements of paragraph 11 of Chapter 1, Handbook 13.

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

**16. VOLUNTARY PARTICIPATION**

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

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

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

**17. PROHIBITION ON ABORTION-RELATED ACTIVITIES**

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

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

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

341

118

## **18. VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS**

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

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

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

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

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

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

## **19. PUBLICATIONS**

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

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

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

(c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under the grant in accordance with paragraph 118.b. of Chapter 1, Handbook 13. Provided, the Grantee agrees to and does hereby grant to the Government a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

## **20. PATENTS**

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

(a) Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 118.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.

## 21. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

(This provision applies only to the Grantee's employees working outside their country of residence.)

(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/her own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which he/she is assigned, nor shall he/she make loans or investments to or in any business, profession or occupation in the foreign countries to which he/she is assigned.

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

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

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

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

## 22. SUBORDINATE AGREEMENTS

(a) The placement of subordinate agreements (i.e., grants or contracts) with other organizations, firms

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

(b) The use of the Standard Provisions of this grant is mandatory for subgrants to U.S. institutions. For subgrants to foreign institutions the Grantee shall use the Standard Provisions set forth in Appendix 4D of Handbook 13.

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

## 23. PARTICIPANT TRAINING

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

### (a) Definitions

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

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

### (b) Applicable regulations

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

### (c) Reporting requirement

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

2/3

## **24. HEALTH AND ACCIDENT COVERAGE FOR AID PARTICIPANT TRAINEES**

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

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

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

(c) The Grantee shall assure that enrollment shall begin immediately upon the participant's departure for the United States for the purpose of participating in a training program financed by AID and that enrollment shall continue in full force and effect until the participant returns to his/her country of origin, or is released from AID's responsibility, whichever is the sooner. The Grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the AID Project Manager and subject to the requirements of paragraph (d).

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

(1) Within thirty (30) days after enrollment, the Grantee shall send an enrollment fee computed on the basis of the fixed rate per participant per month\* (the minimum period for calculation of fee is one

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

month - that is, one participant month, 30 days, not one calendar month - premiums may not be prorated for fractional periods of less than 30 days), to: Agency for International Development, Office of Financial Management, Program Accounting Division, Nonproject Assistance, Washington, D.C. 20523.

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

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

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

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

costs that are not covered by the institution's student health service program shall be submitted to the HAC Administrator.

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

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

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

Trust Fund Administrators, Inc.  
1030 15th Street, NW, Suite 500  
Washington, D.C. 20005.

## 25. 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

## 26. 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 understand-

ing for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this grant without liability or, in its discretion, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

## 27. NONLIABILITY

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

## 28. AMENDMENT

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

## 29. THE GRANT

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

## 30. NOTICES

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

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

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

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

### FOOTNOTES:

1. Standard Provisions 1 through 6 are required and may not be omitted from any grant or cooperative agreement.
2. Standard Provisions 7 through 24 are required to be used *when applicable* and may not be omitted from any grant or cooperative agreement, *if they are applicable*.
3. Standard Provisions 25 through 30 are suggested, but not required, for any grant or cooperative agreement.
4. The omission of any "required" clause, referred to in 1. and 2. above, requires a deviation in accordance with paragraph 1E of Chapter 1 of Handbook 13.
5. When these Standard Provisions are used for Cooperative Agreements, the following terms apply:
  - "Grantee" means "Recipient,"
  - "Grant" means "Cooperative Agreement,"
  - "AID Grant Officer" means "AID Agreement Officer,"
  - "Subgrant" means "Subcooperative Agreement," and
  - "Subgrantee" means "Subrecipient."

58