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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

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September 30, 1990

Dr. Faqir Hussain
Assistant Professor
Law College
Peshawar University
Peshawar

Subject: Grant No.: 398-0280-G-00-1185-00

Dear Dr. Hussain:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Dr. Faqir Hussain, Assistant Professor, Law College, Peshawar University, Peshawar (hereinafter referred to as the "Grantee"), the sum of Rs. 695,180 (Rupees Six Hundred and Ninety Five Thousand and One Hundred Eighty only) to provide support in funding Phase I of "Provision of Legal Aid to Women in Northwest Frontier Province (NWFP)", as more fully described in (1) the Grantee's Proposal, and (2) Attachment I entitled, "Schedule and Program Description."

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives through the estimated completion date of December 31, 1991. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is Rs. 695,180, NOT TO EXCEED US\$32,334 EQUIVALENT, all of which are hereby obligated. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

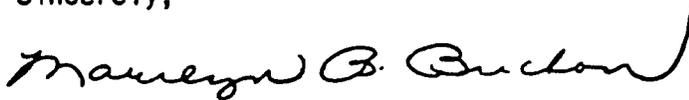
This grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment I, entitled "Schedule and Program Description", Attachment II entitled "Standard Provisions for Non-U.S. Nongovernmental Grantees", and Attachment III entitled "Required as Applicable Standard Provisions for Non-U.S. Nongovernmental Grantees", which have been agreed to by your organization.

GRANT AGREEMENT NO. 398-0280-G-00-1185-00

Please sign the original and four (4) copies of this letter to acknowledge your receipt of the grant. Retain one set for your files and return the remaining copies to this office.

By acknowledging this Grant the Grantee assures compliance with the laws and regulations governing nondiscrimination in A.I.D. assisted programs.

Sincerely,



Marilyn B. Buchan
Grant Officer

Attachments:

- Attachment I - Schedule & Program Description
- Attachment II - Standard Provisions for Non-U.S. Nongovernmental Grantees
- Attachment III - Required as Applicable Standard Provisions for Non-U.S. Nongovernmental Grantees.

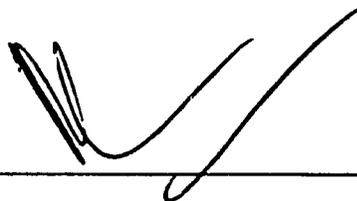
ACKNOWLEDGED:

BY:

NAME:

TITLE:

DATE:



Dr. Faqir Hussain

Assistant Professor
Law College, Peshawar University

Oct 2, 1990

FISCAL DATA

PIO/T No.:	398-0280-3-00051
Appropriation No.:	72-1101021.5
Budget Plan Code:	QDEA-90-27391-KG12 (045-60-391-00-69-01)
Total Estimated Amount:	Rs. 695,180
Total Obligation Amount:	Rs. 695,180
	NOT TO EXCEED THE EQUIVALENT OF: US Dollars: 32,334
Technical Office:	Office of Regional Legal Advisor
Cognizant Project Manager:	Basharat Qadir
Project Number:	398-0280

SCHEDULE & PROGRAM DESCRIPTION

A. Background

Discrimination against women in the Pushtoon Society of Pakistan's N.W.F.P. is an accepted fact. Discriminatory customs, laws and practices are legitimized by professed beliefs. This has resulted in gross violation of female rights and has retarded their advancement and development. There is a need, therefore, to tackle this problem on proper scientific lines.

Dr. Faqir Hussain, Assistant Law Professor, Law College, Peshawar University, submitted an unsolicited proposal entitled "Provision of Legal Aid to Women in NWFP" for funding by USAID. The proposal consisted of two phases i.e. Phase I - Carrying out a research study on the problems and issues confronting women in NWFP, together with the reasons behind these problems, and proposing remedies and solutions for improving the status of women. This Report will lead to a follow-on activity i.e. Phase II - Providing Legal Aid to Women in NWFP.

B. Purpose of Grant

The purpose of this Grant is to provide support to the Grantee in the production of a comprehensive report on the problems and issues confronting women, together with the reasons behind these problems, and shall propose remedies and solutions for improving the status of women.

C. Program Description

The Grantee shall be responsible for preparing and providing USAID/Pakistan with the comprehensive report on the problems and issues confronting women in the NWFP, together with the reasons behind these problems, and shall propose remedies and solutions for improving the status of women. The Report, to be designed for easy reading, is intended to serve as a reference resource for consultants, the donor community, the Government of Pakistan (GOP), the Provincial Government, and other interested individuals. The Grantee shall:

1. Carry out a detailed study of the status of women in the NWFP society with a view to:
 - a. analyze the legal, political social, cultural and religious dimensions of the issue;
 - b. examine the present discriminatory measures sanctioned by the prevalent legal, social and religious norms; and
 - c. examine the rights and protections provided by the law, and investigate the reasons and factors for their ineffectuality.

2. Suggest remedies and measures for ameliorating the conditions of women so as to be integrated into national life, and to establish forums/centers whereby a systematic and comprehensive program for providing them legal aid and protection may be launched. Specific areas:
 - a. Legal Aid by way of advice/consultation, and arrangements for conduct of litigation on behalf of the indigent;
 - b. Lectures/Seminars, brochures/bulletins, and short courses for paralegals as well as sections of the female population, to motivate the public and make the women conscious of their rights;
3. Identify lacunae and contradictions in the existing laws and customs relating to women with suggestions as to suitable amendments of the law and formulation of the new reforms/policies; and
4. In light of the findings/observations of this study, delineate other measures for the effective protection of women's rights.

D. Period of Grant

The effective date of this Grant is September 30, 1990.
The expiration date of this Grant is December 31, 1991.

E. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$32,334 for the purposes of this Grant. The conversion of this amount to a local currency equivalent is hereby authorized.
2. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision entitled "Payment-Cost Reimbursement."
3. The ceiling of this Grant is \$32,334. In no event, shall the Grantee exceed this amount unless authorized by the Grant Officer in writing.

F. Grant Budget

The following is the Budget for this Grant. Revisions to this Budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget." Without the prior written approval of the Grant Officer, the Grantee may not exceed the estimated dollar cost for any individual line item of cost shown below by more than 15% of such line item. Any variation in excess of 15 percent among budget line items category will require written approval of the Grant Officer.

BUDGET (in Rupees)

<u>Line Items</u>	<u>Amount</u>
Salaries	396,000
Travel & Transportation	150,000
Publication/Books/Literature	80,000
Other Direct Costs	<u>69,180</u>
TOTAL	Rs. <u>695,180</u>

EQUIVALENT IN DOLLARS: \$32,334

Rate of Exchange \$1.00 = Rs. 21.50

The Grantee agrees to furnish data which the Grant Officer may request on costs expended or accrued under this Grant Agreement in support of the budget information provided herein.

G. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision entitled "Payment - Cost Reimbursement."

b. The original and two copies of all financial reports required in paragraph (a) above shall be submitted to the Controller, Office of Financial Management (O/FM), USAID/Islamabad and three copies shall be submitted to the cognizant A.I.D. Technical Office, USAID/Islamabad.

c. Billings should be submitted on a monthly basis in the following format:

<u>Itemized Budget</u>	<u>Claimed Previously</u>	<u>Claimed This Period</u>	<u>Total Claimed</u>
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2. Program Performance Reporting

a. Progress Reports: Progress reports are required quarterly. The Grantee will submit progress reports stating what has been accomplished to date, as follows:

<u>Quarter</u>	<u>Due Date</u>
Oct. 1, 1990 to Dec. 31, 1990	January 31, 1991
January 1, 1991 to March 31, 1991	April 30, 1991
April 1, 1991 to June 30, 1991	July 31, 1991
July 1, 1991 to Sept. 30, 1991	Oct. 31, 1991
October 1, 1991 to Dec. 31, 1991	January 31, 1992

Three copies of the progress report should be submitted to the A.I.D. technical office, and two copies to the Agency for International Development, ANE/TR/HR, Room 4725NS, 2201 C. Street, N.W., Washington, DC 20523.

b. Periodic Reports: Events may occur that have significant impact upon the program. In such instances, the Grantee, in a written report, shall inform the cognizant A.I.D. technical office, as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives prevent the meeting of time schedules, goals and the timely submission of any reports. This report shall be accompanied by a statement of the action taken, or contemplated.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated.

(3) If the Grantee identifies the need for a change in the budget estimates in accordance with the criteria established, the Grantee shall submit a request for a budget revision for approval to the Grant Officer as well as the A.I.D. Technical Officer.

c. Final Report: The Grantee will submit two copies of the final report on activities funded under this Grant to the cognizant A.I.D. technical office, one to the Grant Officer, and three copies to Agency for International Development, ANE/TR/HR, Room 4725NS, 2201 C Street, N.W. Washington, DC 20523 within 60 calendar days after the expiration date of this Grant. The grantee is encouraged to share a draft of the final report with the cognizant A.I.D. technical office for comments prior to the formal submission.

H. Special Provisions:

1. Technical Office: The cognizant A.I.D. technical office is the Office of the Regional Legal Advisor, USAID/Islamabad.

2. Order of Precedence: Any inconsistencies in this Grant shall be resolved by giving precedence in the following order: (a) Grant Cover Letter, (b) Schedule & Program Description, Attachment I, (c) Standard Provisions for Non-U.S. Nongovernmental Grantees, Attachment II, (d) Required as Applicable Standard Provisions for Non-US, Nongovernmental Grantees, Attachment III; and (f) the Grantee's Proposal, which is hereby included by reference.

I. Title to Property

Title to all property purchases under this Grant shall be vested in the Grantee in accordance with the Attachment IV Standard Provision entitled, "Title To and Use of Property (Grantee Title)."

J. Source of Origin of Goods and Services

The authorized geographic codes for procurement of goods and services under this Grant are 000 (U.S.) and Pakistan.

K. Close-out Procedures

This section prescribes uniform closeout procedures.

1. The following definitions shall apply for the purpose of this section.

a. Closeout: The closeout of a grant or agreement is the process by which AID determines that all applicable administrative actions and all required work of the grant or agreement have been completed by the recipient and AID.

b. Date of Completion: The date of completion is the date on which all work under grants and agreements is completed or the date on the award documents, or any supplement or amendment thereto, on which AID sponsorship ends.

c. Disallowed Costs: Disallowed costs are those charges to a grant or agreement that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant or agreement.

2. AID closeout procedures include the following requirements:

a. Upon request, AID shall make prompt payments to a recipient for allowable reimbursable costs under the grant or agreement being closed out.

b. The recipient shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the recipient for use in other grants or agreements.

c. AID shall obtain from the recipient within 90 calendar days after the agreement all financial, performance, and other reports required as a condition of the grant or agreement. AID may grant extensions when requested by the recipient.

d. The recipient shall account for any property acquired with AID funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards."

e. In the event a final audit has not been performed prior to the closeout of the grant or agreement, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

L. Restrictions on Lobbying

(a) Definitions. As used in this clause,

"Agency," as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal action" means any of the following Federal actions:

- (1) The awarding of any Federal contract;
- (2) The making of any Federal grant;
- (3) The making of any Federal loan;
- (4) The entering into of any cooperative agreement; and
- (5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (1) An individual who is appointed to a position in the Government under title 5, U.S. Code, including a position under a temporary appointment;
- (2) A member of the uniformed services as defined in section 101(3), title 37, U.S. Code;
- (3) A special Government employee as defined in section 202, title 18, U.S. code; and
- (4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, U.S. Code, appendix 2.

"Person" means an individual, cooperation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation" means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment" means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient" includes all contractors and subcontractors at any tier in connection with a Federal contract. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed" means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

(1) Section 1352 of title 31, U.S. code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement.

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(2) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of paragraph (A) of this section, providing any information specifically requested by an agency or Congress is allowable at any time.

(C) For purposes of paragraph (A) of this section, the following agency and legislative liaison activities are allowable at any time only where they are not related to a specific solicitation for any covered Federal action:

(i) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(D) For purposes of paragraph (A) of this section, the following agency and legislative liaison activities are allowable only where they are prior to formal solicitation of any covered Federal action:

(i) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(ii) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(iii) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub. L. 95-507 and other subsequent amendments.

(E) Only those activities expressly authorized by paragraph (1) of this section are allowable under paragraph (1).

(1) Professional and technical services by Own Employees.

(A) The prohibition on the use of appropriated funds, in paragraph (1) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract or an extension, continuation, renewal, amendment, or modification of a Federal contract if payment is

for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal contract or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal contract.

(B) For purposes of paragraph (A) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal action include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(D) Only those services expressly authorized by paragraph (ii) of this section are allowable under paragraph (ii).

(iii) Reporting for Own Employees.

No reporting is requirements with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(iv) Professional and technical services by Other than Own Employees.

(A) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action, if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of by bid, proposal, or application for that covered Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that covered Federal action.

(B) For purposes of paragraph (A) of this section, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal action include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(D) Persons other than officer or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(E) Only those services expressly authorized by paragraph (iv) of this section are allowable under paragraph (iv).

(c) Disclosure.

(1) Each person who requests or receives from an agency a covered Federal action shall file with that agency a certification that to person has not made, and will not make, any payment prohibited by paragraph (b) of this provision.

(2) Each person who requests or receives from an agency a covered Federal action shall file with that agency a disclosure form, disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under paragraph (b) of this provision if paid for with appropriated funds.

(3) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (2) of this section. An event that materially affects the accuracy of the information reported includes:

(i) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(ii) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(iii) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(4) Any person who requests or receives from a person referred to in paragraph (1) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.

(5) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (1) of this section. That person shall forward all disclosure forms to the agency.

(d) Penalties.

(1) Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

(2) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

(3) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(f) Cost allowability.

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would otherwise be unallowable or unreasonable in accordance with Office of Management and Budget (OMB) Circular a-122, "Cost Principles for Non-Profit organizations" or if the Grantee or Recipient is a university or other educational institution, OMB Circular A-121 "Cost Principles for Educational Institutions." Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provision of the applicable OMB Circulars.

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**STANDARD PROVISIONS FOR
NON-U.S. GRANTEES**

TERMS

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

1. ALLOWABLE COSTS (MAY 1986)

(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 this grant and the applicable cost principles in effect on the date of this grant, which are attached.

(1) Reasonable. Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

(4) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved. Additionally, public information service costs are unallowable as indirect costs.

(b) Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer's written determination as to whether the cost will be allowable.

*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2. and AID Acquisition Regulation 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (MAY 1986)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives.

(b) The grantee agrees to have the funds provided under the grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to AID. AID will review the audit reports to determine the adequacy of audit coverage. If AID determines that the audit coverage is not sufficient to verify the source and

application of grant funds or that the audit does not meet the requirements of an independent audit, a second audit will be performed by AID.

(c) The following language shall be inserted in all subgrants valued in excess of \$10,000.

(1) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3. REFUNDS (MAY 1986)

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

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

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

4. REVISION OF GRANT BUDGET (MAY 1986)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

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

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

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

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

5. TERMINATION AND SUSPENSION (MAY 1986)

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

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

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

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

6. DISPUTES (NOVEMBER 1985)

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

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of 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 the appeal shall be concurrently furnished to the grant officer.

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

(d) A decision under this provision by the Administrator or an authorized representative shall be final unless overruled by a court of competent jurisdiction.

7. INELIGIBLE COUNTRIES (MAY 1986)

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

8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

(1) The grantee certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicated for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) The grantee agrees that, unless authorized by the Grant Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs". The grantee further agrees to include the following provision in any subagreements or contracts entered into under this grant:

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION **(MARCH 1989)**

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension and ineligibility under AID-FINANCED TRANSACTIONS ARE SET FORTH IN 22 CFR Part 208.

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

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

10. NONLIABILITY (NOVEMBER 1985)

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

11. AMENDMENT (NOVEMBER 1985)

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

12. NOTICES (NOVEMBER 1985)

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

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

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

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