



UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT
U.S.A.I.D. MISSION TO SOMALIA

PDBBQ 649

UNITED STATES ADDRESS
USAID
MOGADISHU (DOS)
Washington, D.C. 20520-2360

INTERNATIONAL POSTAL ADDRESS
USAID
C/O AMERICAN EMBASSY
POST OFFICE BOX 574
MOGADISHU, SOMALIA

Mr. John Marks
Field Office Director
Save the Children Federation/USA
Mogadishu, Somalia

Subject: Grant No.
649-0140-G-00-9024-00

Dear Mr. Marks:

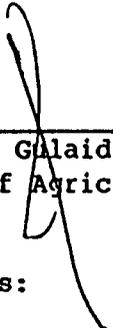
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID") hereby grants to Save the Children Federation/USA (hereinafter referred to as "SCF" or "Grantee") the sum of \$183,155 to provide for dollar costs of a program for development of an agricultural settlement in the Qorioley District as described in Attachment 1, entitled "Schedule" and in Attachment 2, entitled "Program Description."

This grant for the "Qorioley Refugee Settlement Rapid Impact Project" is effective as of the date of signature by the Grant Officer of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending approximately twelve months later.

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

Please sign the original and two copies of this letter to acknowledge your receipt of the grant, and return the original to AID and one copy to the Ministry of Agriculture Refugee Settlement Office (MOA/RSO).

Sincerely yours,


Bile Rafle Galaid
Minister of Agriculture


Lois Richards
Mission Director

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

BEST AVAILABLE DOCUMENT

Acknowledged:

John Marks
John Marks
Field Office Director
Save the Children Federation/USA

May 16, 1989
Date

Alvera Sweet
Alvera Sweet
Grant Officer

6-1-89
Date

FISCAL DATA

A. General

- A.1. Total Estimated Amount: 183,155
- A.2. Total Obligated Amount: 183,155
- A.3. Project No.: 649-0140
- A.4. A.I.D. Project Office: ARD
- A.5. Funding Source: AID/Somalia
- A.6. Employer I.D. Number: 06-0726487
- A.7. FRLC Number: 7200-1351

B. Specific

- B.1.(a) PIO/T No.: 649-0140
- B.1.(b) Appropriation: 72-11X1035
- B.1.(d) BPC: GFDX-87-21649-KG43 ECN: 900071
- B.1.(e) Amount \$183,155

Handwritten: 2/2

FUNDS AVAILABLE	
USMID/SOMALIA	
Date	05/17/1989

BEST AVAILABLE DOCUMENT

Attachment 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the Save the Children Federation/USA (SCF) Rapid Impact Project as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

The effective date of this Grant is the date of signature by the Grant Officer on the Cover Letter. The estimated completion date of the Grant is twelve months after the date of signature.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$183,155 for the purpose of this Grant. Funds obligated hereunder are authorized for program expenditures and are anticipated to be sufficient for such period.

2. Payment shall be made to the Grantee in accordance with procedures set forth in the section of Attachment 3 entitled "Payment - Letter of Credit."

3. The total estimated amount of this program described in Attachment 2 of this grant is \$390,505, of which A.I.D. may provide the amount specified in C.1. above, and the Grantee will provide \$47,750 in accordance with para 1 below. See para D below, footnotes (c) and (d) for portions contributed by GSDR and UNHCR.

D. Financial Plan

1. The following is the Financial Plan for this Grant. Except as specified in the Standard Provisions of this Grant entitled "Revision of Grant Budget" and "Cost Sharing (Matching)", the Grantee may adjust line item amounts within the grand total as may be reasonably necessary for the attainment of program objectives.

Estimated Program Costs

	<u>AID</u>	<u>GSDR</u>	<u>SCF</u>	<u>UNHCR</u>
1. Personnel		\$6,500	\$27,000	
2. Travel		\$500		
3. Procurement	\$126,900	\$18,900		
4. Inland Freight		\$2,700		
5. Land Clearing				\$128,000
6. Administration		\$3,000	\$20,750	
7. Conversions(15%)	\$19,035(a)			
8. SCF Overhead	\$37,220(b)			
TOTAL:	\$183,155	\$31,600(c)	\$47,750	\$128,000(d)

BEST AVAILABLE DOCUMENT

Financial Plan Notes:

~~(a) This budget line has been included in order to have funds available for conversion to Somali shillings should there be a shortfall in local currency funding from the GSDR due to the devaluation of the shilling or other budgetary constraints.~~

(b) A provisional overhead rate of 29.33 percent has been approved for grants to SCF which are jointly administered by SCF Field Offices and SCF Central Headquarters. This rate is effective from July 1, 1987 until amended. The base of application for this overhead rate is the modified total of direct costs excluding the cost of goods sold, fixed assets, freight, interest, grants to other organizations and currency conversion. (Ref: STATE 060579 and STATE 068098)

~~(c) This amount represents the U.S. dollar equivalent of local currency which is provided by the GSDR through PIL No. 9 as part of its contribution to activities supported under the Somalia Refugee Settlement Grant. The GSDR contribution shall be converted into the currency of Somalia and the rate providing the largest number of units of such currency per United States dollar, which is not unlawful in Somalia, at the date the GSDR provides the final formal approval of its annual development budget providing for that year's GSDR contribution to this project. The contribution, accordingly, shall be recalculated on an annual basis.~~

(d) UNHCR, while not a party to this Grant Agreement, has provided a separate grant to SCF to cover the cost of land clearing and site preparation for this refugee settlement activity.

2. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and ~~other terms and conditions of this grant, unless specifically stated in para K. below.~~

E. Reporting and Evaluation

For U.S. dollar expenditures the Grantee will submit a "Financial Status Report" (SF-269). The report will be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period. An original and one copy of the "Financial Status Report" will be sent to AID/PFM/FM/PAFD, Room 700, 5A-2, Washington, DC 20523-0209.

The Grantee's financial reports shall include expenditures of A.I.D. Grant Funds provided hereunder, as well as non-federal matching funds in accordance with para L. below.

~~For Somali Shilling expenditures, the Grantee will submit a report every six months. These reports will be completed on forms prepared by the Domestic Development Division of the Ministry of Finance and Revenue. Two copies of the report will be submitted to the Ministry of Agriculture Refugee Settlement Office (MOA/RSO) within five days after the end of the financial quarter.~~

H

The Grantee will submit quarterly progress reports to the Agriculture and Rural Development Office, USAID, Mogadishu, Somalia which will include but not be limited to the following:

A. Summary of project achievements and activities during the period.

B. Listing of the targets achieved in relationship to the annual workplan in Attachment 2.

C. Identification of problems or delays which may inhibit completion of targets and a strategy for solving these problems.

D. Listing of expatriate staff working for the project, their backgrounds, job descriptions and when they arrived in Somalia.

E. Listing of consultants hired by the project and the period of time they were employed. (The Grantee will attempt to notify A.I.D. prior to the arrival of the consultants for the project. This notification shall list the name of the consultant, his or her background and the purpose and length of the visit.)

F. Report on construction activities undertaken during the period in relationship to the annual workplan.

G. Assessment of the working relationship between the Grantee and the local government, any problems encountered etc.

H. Economic, social and technical impacts of the project for both direct project beneficiaries and for local communities. The report should take particular note of how these impacts may differ between male and female beneficiaries.

I. Major actions in the next period in relation to the annual workplan contained in Attachment 2..

J. List of commodities and equipment purchased outside Somalia and when the commodities and equipment arrived.

K. In project reports, SCF shall include sex-disaggregated data in all references to be beneficiaries and participants. In addition, SCF has to identify constraints (if they exist) to women's participation in their project and provide strategies to overcome these constraints. The sex-disaggregated data in all references must be clearly stated in the project final report.

These reports are due at the A.I.D. Agriculture and Rural Development Office (A.I.D./ARD) 30 days following the close of a reporting period.

S

The Grantee will provide A.I.D./ARD with an "Interim Problem Identification Report" ~~when any event occurs between reporting~~ periods which will have a significant effect on project implementation, e.g. major loss of materials, or key staff departure. Reports will describe the problems and proposals to resolve the problem, with any requests for A.I.D. or GSDR assistance.

F. Overhead Rate

A provisional overhead rate of 29.33 percent has been approved for grants to SCF which are jointly administered by SCF Field Offices and SCF Central Headquarters. This rate is effective from July 1, 1987 until amended. The base of application for this overhead rate is the modified total of direct costs excluding the cost of goods sold, fixed assets, freight, interest, grants to other organizations and currency conversion. (Ref: STATE 060579 and STATE 068098)

G. Title to Property

Title to all property financed under this Grant shall vest in the Grantee for as long as the Grantee is working in Somalia with AID financing. After that time, the Grantee shall transfer title to any remaining property to the GSDR Ministry of Agriculture.

H. Authorized Geographic Code

The authorized source/origin and nationality for procurement of goods and services under this Grant is the order of preference specified in the Standard Provision entitled "AID Eligibility Rules for Goods and Services," Section (b) (1).

I. Special Provisions

For the purposes of this Grant, references herein to the cost principles of OMB Circular A-122 shall include the A.I.D. implementation of such cost principles, as set forth in subpart 731.3 of the A.I.D. Acquisition Regulation (48 CFR Chapter 7).

J. Precedence

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

1. Schedule 1 (Attachment 1)
2. Standard Provisions (Attachment 3)
3. Program Description (Attachment 2)

K. Approvals

In accordance with Attachment B, para 13 of OMB Circular A-122, which requires prior A.I.D. approval of certain equipment and other capital expenditures, the Grant Officer does hereby provide approval for the following purchases:

4

- Diesel maize sheller (1) and spare parts
- Diesel seed oil press (1) and spare parts

The "Grantee shall comply with the Standard Provisions entitled "Procurement of Goods and Services" and "A.I.D. Eligibility Rules for Goods and Services." excluding paragraph b (2) of the latter provision.

I.. Cost Sharing

1. The Grantee agrees to expend from nonfederal funds an amount (a) not less than the amount shown in the budget of this Grant for financing by the Grantee.

2. The Standard Provision of this Grant entitled "Cost Sharing (Matching)" makes reference to project costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable costs principles [see the Standard Provision of this Grant entitled "Allowable Costs"]) incurred by a Grantee and the value of in-kind contributions made by the Grantee or third parties in accomplishing the objectives of this Grant during the program period.

Attachment 2

PROGRAM DESCRIPTION

Project Purpose and Objectives:

The project will assist two groups of 50 refugee families become economically self-sufficient and independent of further international donor support. This will be done by developing 350 hectares of bush land owned by the refugees into a rainfed farm. Additionally, the refugees will be given equipment for small business activities in order to provide them with a source of income during dry years. SCF will provide the project participants with both agricultural extension services and business training.

Project Goal:

A self-reliant agricultural settlement of 100 refugee families will be established by the end of the project.

Specific Objectives:

1. 350 hectares of bushland cleared and prepared for rainfed farming.
2. Improved rainfed farming practices adopted by the settlers.
3. Each family involved in a non-farm economic activity which will supplement their agricultural income during dry years.
4. Each group of 50 refugee families successfully managing a small maize milling or oilseed pressing business.

Project Description:

1. Land Clearing

The project site, which is approximately five kilometers north of the Qorioley refugee camps, has a dense bush cover. Because it would take the settlers three to five years to clear this land by hand, heavy equipment will be used to remove most of the bush. The refugees will manually cut the light pliable bush, small roots and light stumps after the bulldozers have passed. To a large extent, the refugees will make use of the wood and bush cleared from the site for firewood, charcoal, fencing and construction material. In clearing the land, approximately twenty percent of the bush will be left standing as windbreaks separating the fields.

The cost of land clearing will be met through a grant from UNHCR.

2. Agriculture

Each family will have its own plot of three or four hectares. For purposes of crop rotation, each family plot will be divided into three equal sections. In the cropping system to be followed, maize intercropped with local beans will be planted on two of the sections and cotton will be planted on the third during the Gu (main rain) season. During the Deyr (short rain) season, the two sections with maize will be planted to sesame, and the cotton will remain on the third section. The cotton will be rotated to the other sections in subsequent years.

Extension services to the refugees will train them in intercropping, crop rotation, use of improved seed varieties, non-chemical pest controls and proper grain and fodder storage.

3. Small Business

In order to assure that the settlers have a source of income when their farm production is reduced by drought, one settler group will be given a diesel maize shelling machine and the other group will receive a diesel sesame oil pressing machine. The machines will be operated by salaried employees of each group. SCF will train the operators in the care and maintenance of the machines which will provide a service in great demand in the area. SCF's business advisor will assist each settler group in the management of the community machine. The Financial Committee of each group will be trained in record keeping. A bank account for each group will be opened in Qorioley. The profits from these small businesses will be used for group services and facilities, e.g. development of water points, construction of grain stores etc.

4. Donkey Carts

Each family will be given a donkey and cart to assist with the development of the farms and to provide non-farm income. Donkey carts will allow families to easily reach their fields, carrying food and water so that they can remain at the farm for several days at a time. The carts will haul back firewood for use or sale in the camps. Later the carts will transport harvests to the camps for storage or sale. When not needed at the farms, the carts will be used to generate income by hauling firewood, fodder, water, building ~~sticks etc.~~ The refugees will be trained in the proper care and use of donkeys and carts.

Project Workplan

UNHCR Grant:

Months 1 - 4:

Field layout designed with bush windbreaks; bush cleared and fields rough leveled in preparation for planting.

USAID Grant:

Months 3 - 5:

International procurement initiated; local purchase of axes and donkeys; settlers construct temporary shelters at the project site; extension training begins; land preparation and planting of maize and cotton begins.

Months 6 - 9:

Donkey carts, maize sheller and sesame oil press arrive; distribution of donkey carts; training of refugees in the care of donkeys and carts; training given in the operation and management of the maize sheller and the oil press; maize, beans and cotton harvested;

Months 10 - 12:

Maize sheller installed, tested and operational; sesame crop planted.

Months 13 - 15:

Sesame crop harvested; sesame oil press installed, tested and operational; second harvest of cotton; project evaluation conducted.

**MANDATORY STANDARD PROVISIONS FOR
U.S. NONGOVERNMENTAL GRANTEES**

**INDEX OF
MANDATORY STANDARD PROVISIONS**

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

1. ALLOWABLE COSTS (NOVEMBER 1985)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable and allowable in accordance with the terms of this grant, any negotiated advance understanding on particular cost items and the applicable* cost principles in effect on the date of this grant.

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

2. ACCOUNTING, AUDIT AND RECORDS (MARCH 1987)

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

- (1) Accurate, current and complete disclosure for each A.I.D.-sponsored project or program in accordance with the reporting requirements of this grant. While A.I.D. requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.
- (2) Records that identify adequately the source and application of funds for A.I.D.-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays and income.
- (3) Effective control over and accountability for all funds, property and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
- (4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

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

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

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

(8) Examinations in the form of audits or internal audits shall be made by qualified individuals that are sufficiently independent of those that authorize the expenditure of A.I.D. funds, to produce unbiased opinions, conclusions or judgements. They shall meet the independence criteria along the lines of Chapter IV, Part B of the U.S. General Accounting Office Publication Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant.

~~It is~~ not intended that each grant awarded to the grantee be examined. Generally, examinations should be conducted on an organization-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of the A.I.D. grant. Such tests would include an appropriate sampling of Federal grants and agreements. Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. A copy of the audit report shall be furnished to the A.I.D. Grant Office who shall submit it to A.I.D.'s Regional Inspector General for Audit. The frequency of these examinations shall depend upon the nature, size, and the complexity of the activity. These grantee self-examinations do not relieve A.I.D. of its audit responsibilities, but may affect the frequency and scope of such audits.

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

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

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

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

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

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

3. REFUNDS (MAY 1986)

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

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

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

4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

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

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

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

(2) The need for additional funding.

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

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

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

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

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

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

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

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this standard provision, A.I.D. determines not to provide additional funds, the A.I.D. grant officer will, upon written request of the grantee, terminate this grant pursuant to the standard provision of this grant, entitled "Termination and Suspension."

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

5. TERMINATION AND SUSPENSION (MAY 1986)

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

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both

14

parties shall agree upon termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the grant officer to the grantee.

(c) Suspension: Termination for Changed Circumstances. If at any time A.I.D. 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 A.I.D. 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 A.I.D. 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 A.I.D. 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 termination of this grant be insufficient to cover the Grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (MARCH 1987)

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

(b) Decisions of the A.I.D. grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to A.I.D.'s Associate Assistant to the Administrator for Management. Any appeal made under this provision shall be in writing and addressed to the Associate Assistant to the Administrator for Management, Agency for International Development, Washington, D.C. 20523-0051. A copy of this appeal shall be concurrently furnished to the grant officer.

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

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

7. INELIGIBLE COUNTRIES (MAY 1986)

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

8. NONDISCRIMINATION (MAY 1986)

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

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

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

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

10. NONLIABILITY (NOVEMBER 1985)

A.I.D. 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 A.I.D. or the grantee shall be sufficient only if in writing and delivered in person, mailed or cabled as follows:

To the A.I.D. grant officer, at the address specified in the grant.

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

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

(END OF MANDATORY STANDARD PROVISIONS)

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

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

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

19

Attachment 3

STANDARD PROVISIONS

1. Payment - Letter of Credit (November 1985).

(This provision is applicable only when the following conditions are met: (i) the total advances under all the Grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum, (ii) AID has, or expects to have, a continuing relationship with the grantee for at least one year; (iii) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof; (iv) the Grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit, and Records" and, either (v) the foreign currency portion of the total advance under this grant is less than 50% or (vi) the foreign currency portion of the total advance under this grant is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Personnel and Financial Management, Program Accounting and Finance Division (PFM/FM/PAFD).

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

(c) Reporting:

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies to AID/PFM/FM/PAFD, Washington, D.C. 20523-0209. If the Grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant to PFM/FM/PAFD. In cases where grants are Mission funded, the Grantee will forward an information copy to the A.I.D. Mission Accounting Station at the same time the original and one copy are mailed to PFM/FM/PAFD, A.I.D. Washington.

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

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

(END OF STANDARD PROVISION)

4. AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

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

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travellers and the dates and times of arrival.

(b) Travel to certain countries shall, at A.I.D.'s option, be funded from U.S.-owned local currency. When A.I.D. intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a U.S. Government SF-1169, Transportation Request (GTR) which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operation between the United States and/or its territories and one or more foreign countries.

(d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.

(e) U.S. flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier.

(2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

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

20

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

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

When a U.S. carrier voluntarily reroutes the traveler via a foreign air carrier, the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

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

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

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait 6 hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least 6 hours more than travel by foreign air carrier;

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

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

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

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

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

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

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

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS.
I hereby certify that the transportation service for personnel (and their personnel effects) or property by certified air carrier was unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(1) International Travel

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

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

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

(END OF STANDARD PROVISION)

22

5. OCEAN SHIPMENT OF GOODS (MAY 1986)

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

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

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

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Division, Office of Procurement, Washington, D.C. 20523-1419, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

"I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(e) Shipments by voluntary nonprofit relief agencies (i.e. PVOs) shall be governed by this standard provision and by A.I.D. Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22CFR Part 202).

(END OF STANDARD PROVISION)

6. PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1985)

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

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

(a) General Requirement:

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

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

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

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

74

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

(iii) Positive efforts shall be made by the recipients to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D.C. 20523-1414, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

(A) Brief general description and quantity of goods or services;

(B) Closing date for receiving quotations, proposals, or bids; and

(C) Address where solicitations or specifications can be obtained

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

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

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

25

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

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

- (A) Basis for contractor selection;
- (B) Justification for lack of competition when competitive bids or offers are not obtained;
- (C) Basis for award cost or price.

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

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

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

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

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

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

26

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

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

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

(8) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health,

safety or welfare; or contracts in significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters

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

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

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

(END OF STANDARD PROVISION)

7. AID ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

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

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

(1) Ineligible Goods and Services: Under no circumstances shall the grantee procure any of the following under this grant:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

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

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

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,

- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

(b) Source, Origin, and Nationality: All goods and services procured with funds under this Grant must be of Code 941 or Somali source, origin and nationality.

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to, and the

insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.

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

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

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

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

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

(END OF STANDARD PROVISION)

9. LOCAL COST FINANCING (NOVEMBER 1988)

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

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported items are eligible for financing under the following situations: (1) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the grant may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant agreement. (2) Imported items from Geographic Code 941 countries which are available in the cooperating country can be funded in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant. (3) Imported items from any Free World country which are available locally, or imported specifically for the grant, may be financed if the cost of the transaction, excluding the cost of the transportation, does not exceed the local currency equivalent of \$5,000.

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

(1) They must be paid for in local currency.

(2) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

(3) Any component from a country not included in AID Geographic Code 935 renders a commodity ineligible for financing.

(END OF STANDARD PROVISION)

11. PUBLICATIONS (NOVEMBER 1985)

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

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

(b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

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

(d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

12. NEGOTIATED INDIRECT COST RATES - PROVISIONAL (MAY 1986)

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

(a) A provisional indirect cost rate(s) shall be established for each of the Grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the periods shown in the schedule of this grant.

(b) Not later than 90 days after the close of the Grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 proposed final indirect cost rate(s) and supporting cost data. In the event AID is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the AID Inspector General, Washington, D.C. 20523-0060, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523-1417. The proposed rate(s) shall be based on the Grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the Grantee's proposal.

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

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

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

(f) Any failure by the parties to agree on final rate(s) under this standard provision shall be considered a dispute within the meaning of the standard provision of this grant entitled "Disputes" and shall be disposed of in accordance therewith.

(END OF STANDARD PROVISION)

14. REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

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

(a) The Grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.

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

(c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.

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

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

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

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

(END OF STANDARD PROVISION)

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

(This provision is applicable when the Government vests title to property in the grantee only.)

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

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

(b) The grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

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

(2) Use of Real Property:

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

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

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

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

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

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

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

(d) Non-expendable Property:

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

(2) Use of Non-expendable Personal Property:

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

(A) Activities sponsored by A.I.D.

(B) Activities sponsored by other Federal agencies.

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

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

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

(i) The grantee agrees to report such items to the grant officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

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

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

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

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

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

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than non-expendable property.

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

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on non-federally sponsored activities, or sell it, but must in either case, compensate the Federal Government for

its share. The amount of compensation shall be computed in the same manner as non-expendable personal property.

(f) The Grantee's property management standards for non-expendable personal property shall include the following procedural requirements:

(1) Property records shall be maintained accurately and shall include:

(i) A description of the property.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock, or other identification number.

(iii) Source of the property, including grant or other agreement number.

(iv) Whether title vests in the grantee or the Federal Government.

(v) Acquisition date and cost.

(vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.

(vii) Location, use, and condition of the property and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates A.I.D. for its share.

(2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."

(3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of non-expendable property shall be investigated and fully documented.

(4) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)

23. COST SHARING (MATCHING) (NOVEMBER 1985

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

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

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

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

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

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

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

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

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

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

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

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

(6) Are provided for in the approved budget when required by A.I.D.; and

(7) Conform to other provision of this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) If at the end of any year (or funding period) hereunder, the Grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of A.I.D. funding the following year (or funding period), or, if the Grant has expires or been terminated, the difference shall be refunded to A.I.D.

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

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

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

END OF STANDARD PROVISION

24. USE OF POUCH FACILITIES (NOVEMBER 1985)

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

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for A.I.D. grantees and their employees as a general policy, as detailed in items (1) through (6), below. However, the final decision regarding use of pouch facilities rest with the Embassy or A.I.D. Mission. In consideration of the use of pouch facilities, the grantee and its employee agree to indemnify and hold harmless, the Department of State and A.I.D. for loss or damage occurring in pouch transmission:

(1) Grantees and their employees are authorized use of the pouch for transmission on receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a) (3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

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

Name of individual or organization (followed by letter symbol "G")
Name of post (USAID/_____)
Agency for International Development
Washington, D.C. 20523-0001

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. postal laws and may not contain material ineligible for pouch transmission

(6) A.I.D. grantee personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and in using such for diplomatic pouch dispatch, may, however, accept the Grantee's official and personnel mail for pouch, provided of course, adequate postage is affixed.

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

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

END OF STANDARD PROVISION

44

25. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY

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

Upon arrival in the Cooperating Country, and from time to time as appropriate, the Grantee's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the Grantee and its employees shall follow in the conversion of United States dollars to local currency. This may included but is not limited to, the conversion through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

END OF STANDARD PROVISION