

OTI Field Operations Resource Materials

Procedures & Best Practices in Priority Areas

These materials were prepared by OTI Senior Field Advisors, vetted by country teams, and approved by the OTI Front Office. They are not designed to deal comprehensively with all areas of field operations. Instead, they focus solely on those areas that have been identified across numerous country programs as posing the most significant programmatic, operational, and administrative challenges for OTI field staff. They are intended primarily as orientation and training resources, for field programs to share with implementing partner and/or foreign service national staff. They can be adopted and adapted as appropriate, with attribution to OTI.

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OVERVIEW OF OTI BASICS

To the extent that form (i.e. OTI's field operations, from strategies to staffing) ideally follows function, it is worth revisiting the origin of the office in order to understand OTI's primary function and our unique role within the DCHA Bureau and the Agency. Following is an overview of the OTI basics.

Mandate & Mission

While much has changed in the world since OTI's inception, the office's mission is arguably more relevant to successful U.S. foreign policy today than ten years ago. In 1994, OTI was a small office created to fill a gap in the Agency's capacity to respond quickly and flexibly to political transitions. Today, discussion of conflict, crises, security, and state fragility have become mainstream. USAID is now focused on how to operationalize, as an Agency, a common organizing framework and corporate approach to programming in transition (conflict, crisis and fragile) states.

Within this changing context, OTI's mission statement remains highly relevant:

“To help local partners advance peace and democracy in priority conflict-prone countries. Seizing critical windows of opportunity, OTI works on the ground to provide fast, flexible, short-term assistance targeted at key transition needs.”

Similarly, OTI's mandate from Congress (TI legislation) now appears well ahead of the curve:

“For necessary expenses for international disaster rehabilitation and reconstruction assistance...to support transition to democracy and to long-term development of countries in crisis: provided, that such support may include assistance to develop, strengthen or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict.”

Lastly, OTI's politically oriented Engagement Criteria served to reinforce the office's unique function as tactical political tool within the Agency:

- Is the country important to U.S. national interests?
- Is there a window of opportunity?
- Can OTI's involvement significantly increase the chances of success?
- Is the operating environment sufficiently stable?

These criteria help to remind staff—and key stakeholders—of the primacy of OTI's political analysis in programming decisions. For more background on OTI's role within USAID, see OTI's Ten Year Anniversary Report (http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/pubs/oti_ten_yr rpt_04Nov16_final.pdf)

Methods

OTI's value added has been demonstrated based on methods and approaches well adapted to working in fluid transitional environments. Three stand out and are elaborated here to illustrate the function that the form of OTI operations should follow.

First, our ability to place the right kinds of people in the field with a commitment to, and capacity for, political acumen (see Staffing, below).

- **Why:** OTI's mission is essentially political rather than humanitarian or developmental. Our mission is not to tackle long-term reconstruction and development challenges but rather to use our tools to advance positive political change in the midst of a transition in conflict, crises, or fragile states.

Second, our need for speed in order to successfully carry out our mission. At the 2004 OTI retreat, a speaker from the State Department's Office of the Coordinator for Reconstruction and Stability (CRS) noted that: *clearly OTI's niche is the ability to rapidly deliver*. The past decade of experience in crisis countries has shown that all the various donor agencies' contingency planning, coordination and strategies are meaningless without the capacity to rapidly—and tangibly—deliver.

- **Why:** OTI's response to states in transition (conflict, crisis and fragile states) is predicated on a shift in the political calculus (such as a peace agreement or election). These political transitions produce a window in which demonstrating forward momentum becomes critical to shoring up public opinion and political progress. These contexts are inherently fragile and windows of opportunity—the brief period in which either success or failure is possible—can be fleeting, therefore OTI's response must be rapid, catalytic and opportunistic.

Third, our need for flexibility on the ground in order to execute a wide range of projects that address *critical and often unanticipated* needs without being pigeonholed into any one technical sector or stove-piped into reporting against narrowly defined indicators.

- **Why:** OTI programs move quickly to promote positive changes in public perceptions by: addressing top priorities in targeted, tangible ways; supporting a preponderance of activities aimed at mitigating conflict and building confidence through a variety of innovative means; and employing effective media and public communications strategies. Whatever the sector or focus, activities frequently provide opportunities not only to demonstrate “new ways of doing business” that discredit the divisive and abusive practices of the past, but also provide opportunities to put democratic principles into practice.

Message

- OTI's success, particularly our ability to deliver, has been a double-edged sword because we continually run the risk of allowing the office to become defined in terms of *what* we're doing, not the political reasons *why* we're doing it. We need to be vigilant in avoiding the natural tendency for others (and sometimes ourselves) to typecast OTI on the basis of *what*, e.g., “small grants,” “conflict resolution,” “civil society,” “media,” “DDR” or “community infrastructure,” to name a few.
- Every OTI program must determine how it can best respond to U.S. government political imperatives, capitalize on local political analysis, and identify opportunities to maximize the positive political impact of OTI's resources in the short-term. Staff must remain committed to designing—and explaining—our programs in terms of political analysis at both the macro and the micro level, e.g. *why* OTI decided to engage in the country in the first place and *why*, based on our ongoing process of political analysis, we may undertake certain types of activities, in certain target areas, at certain times. All OTI activities, whatever their nature or duration, are merely a means to achieve political ends. In order to be effective, all staff (including OTI's implementing partners and FSNs), need to be able to consistently and convincingly reinforce this message.

INTRODUCTION TO PROGRAM METHODOLOGY

SECTION ONE: GUIDING PRINCIPLES

Basic Theory:

OTI's response to states in transition (conflict, crisis and fragile states) is predicated on a shift in the political calculus at a critical juncture in a nation's history (e.g. a peace agreement or election). These 'political transitions' produce a fleeting opportunity to demonstrate forward momentum, which is critical to shoring up public opinion, political progress, and preventing a return to the status quo. Post-conflict contexts are frequently characterized by populations with high hopes and little confidence, or high expectations and little patience, and by little capacity to deliver on the part of the government. They are inherently fragile and windows of opportunity—the brief period in which either progress or backsliding is possible—can be fleeting.¹ As a result, OTI's response must be rapid and strategically opportunistic. Programs must move quickly to promote positive changes in public perceptions and/or support fragile governments to respond effectively by: addressing critical transition priorities in targeted, tangible ways; building confidence and mitigating conflict by supporting a preponderance of activities through a variety of innovative means; and employing effective media and public communications strategies to undermine rumors and help increase informed decision making. Regardless of the sector or focus, activities frequently provide opportunities to demonstrate “new ways of doing business” that discredit the divisive and abusive practices of the past and also put democratic principles into practice.

OTI helps local groups—and occasionally moderate government officials—with creativity and energy to develop quick and effective action plans and implement them through in-kind material support. This requires rapid immersion in the community by a group of talented individuals who are familiar with local politics and customs. OTI personnel, and the implementing partner staff they lead, are expected to seek out leading local “change agents”, ferret out opportunities to foster change and not wait to be approached for assistance. As such, the proposal process is highly abbreviated, but highly interactive, with OTI working with grantees to develop two to three-page project descriptions that allow them to undertake innovative activities. In most cases, funding decisions are made within days, not weeks or months. If successful, a project's scope and scale may be expanded through successive rounds of funding. In this way, OTI can award hundreds of small grants in each country every year. By keeping the projects small and simple, yet deploying them in ways that are strategic and catalytic, OTI strives to attain maximum impact from limited resources, with minimal bureaucratic obstacles.

Working Assumptions:

OTI's approach to transitional assistance is built upon assumptions implicitly expressed in its programming approach:

¹ The odds of success or failure are not equally likely during immediate post-conflict periods. See Paul Collier's analysis of “Economic Causes of Civil Conflict and Their Implications for Policy” (World Bank, 2000) for a statistical analysis of just how steeply the odds are stacked against success and just how fleeting these windows of opportunity can be.

- First, although successful transitions require a consistent commitment of time, resources and political fortitude over many years, the course and viability of the transition can be set early on. OTI's two to three year programming mandate reflects a belief that the direction, momentum and character of a transition are often shaped in the first few years. It also reflects the Agency's initial representation to Congress when the TI line item was first created: OTI's funds would not continue to be used once long-term USAID mission programs could respond.
- Second, transitions are dynamic environments in which opportunities exist to shift the balance of power and the center of political gravity towards forces favoring peace and democratic governance. Capitalizing on these opportunities can involve supporting politically significant, but often repressed or underrepresented, segments of society. In some countries, it involves supporting the "silent majority" to speak up and speak out.
- Third, even small amounts of *strategically placed* resources can, if not solidify a transition, then help to maintain positive direction and momentum by placing resources (in-kind assistance, experts, access) in the hands of creative local change agents.
- Fourth, to be effective, this type of support requires an unconventional approach to strategic planning and programming that continually identifies opportunities in chaos, embraces flexibility in tactics, and employs creative and responsive tools that can serve multiple functions when new opportunities present themselves. [See Strategic Planning and Program Performance, v1.1]

Operational Approach:

OTI's operating structures are designed with the following approach:

- **Field-driven programming** that puts the critical strategic and tactical decision-making in the hands of those working closest to the ground.
- **Operational OTI staff** that are actively involved with the implementing partner in managing program structures and directing resources towards opportunities in the appropriate form, whether grants to support: 'bricks and mortar' reconstruction; media development; activist NGOs; or national government entities.
- **Rolling political analysis** of the environment, *political significant* individuals, institutions and groups capable of contributing effectively to peaceful democratic change with particular attention to identifying *significant points of entry* into the political process or *fulcrum points* at the grassroots, national or local government, or some combination and *strategically important geographic areas or 'flash points'* for political change, such as contested regions, areas of community action/mobilization, resource rich areas.

Consideration of scope and scale of programming to determine how large and intensive a program must be in order to make a significant impact. Well conceived initiatives with insufficient scale or scope are not strategically or programmatically significant unless they are designed to specifically test or model a methodology (the "venture capitalist" approach).

SECTION TWO: USAID/OTI TACTICS

USAID/OTI Tactics

- **Short-Term** 2-3 years
- **Field-Focus** ground-truth
- **Transparent** reporting
- **Targeted** “make or break”
- **Rapid** urgency
- **Flexible** contingencies
- **Catalytic** results, political leverage
- **Complementary** coordinated
- **Community-Based** bottom up
- **Risk Taking** strategically opportunistic
- **Innovative** experimental
- **Tangible** dividends

Techniques and Tactics:

OTI programs require astute political analysis, strategic targeting and retargeting and an appropriate scope and scale of programming, guided by a number of principles and techniques, in order to have an impact. The following time-tested techniques and tactics represent “best practices”:

1. **Triangulate** – cultivate relations with local analysts, other donors, UN political advisors, and political officers, among others, who represent a range of perspectives. Ground truth conventional wisdom about the situation by getting out of the Capital. Conventional wisdom may not represent political reality on the ground in many parts of the country.

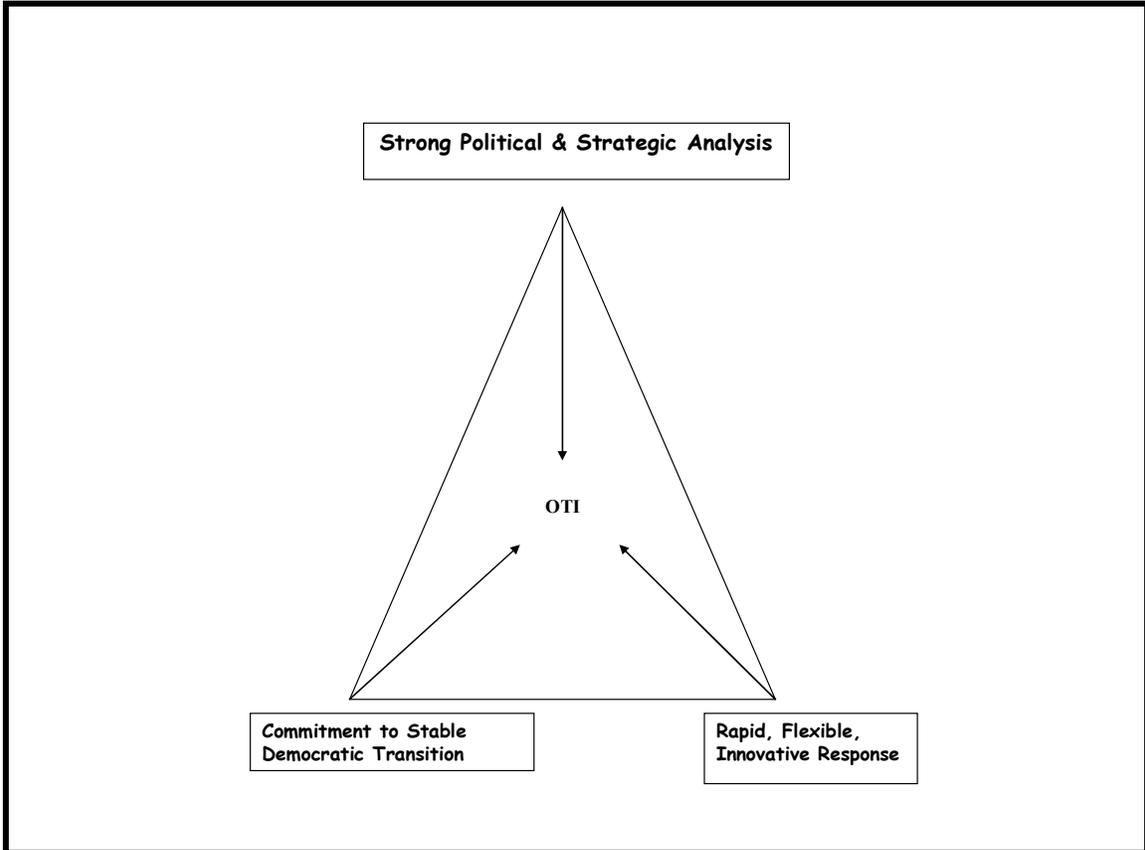
2. **Consider “Comparative Advantage”** - Avoid activities that don’t optimize OTI’s flexibility or for which other parts of the USG are better suited. OTI is a tactical political tool.
3. **Encourage Astute Analysis**– Empower the field (and field offices) to make core decisions but demand from them logical, defensible strategic rationales for proposed actions. All country program activities must have clear political content.
4. **Support “Action Research”** – Don’t commit rigidly to a single strategic course. Be willing to constantly re-visit initial assumptions, re-evaluate program objectives, and re-target when necessary.
5. **Focus on “Key People” Not “More People”** – Set objectives that are focused on moving the political agenda. Focus on specific groups and don’t presume to reach “the general population” with your projects. Consider ways of using programs to link and connect multiple strata of society a la Anderson.² Avoid being an inch deep and a mile wide.
6. **Take a “Venture Capitalist” Approach Where Appropriate** – Start small and take risks but grow good ideas. Use successive grants to build upon successful experiments, based on performance and impact. Be strategically opportunistic. Building synergy across grants and regions can produce catalytic results.
7. **Consider “Preponderance of Activity”**--Focus on the cumulative impact of small grants. Build a critical mass of activity through multiple but linked activities. A series of small successful grants can have a cumulative effect on a community or key individuals if they are capitalized upon and not treated as discrete ends in themselves. Even if perfect, small individual projects will always have limited impact. The challenge is to link larger political processes and debates with activities on the ground or at the grass-roots.
8. **Demonstrate “Tangible Benefits” Where Appropriate**-- Build trust by initially funding obvious needs or “low hanging fruit.” High expectations and low trust can be managed by focusing on early successes and tangible outputs. Deliver on commitment early and avoid over assessment with little action.
9. **Strive for a “Multiplier Effect”**-- Get two for one out of each activity. Accept that most of OTI’s work is “cross cutting” and can achieve multiple objectives concurrently i.e. reconstruction, community mobilization, increased citizen and government cooperation. Don’t let your program or projects be defined too narrowly.
10. **Include resources (human, financial etc.) to achieve the ‘magnification effect’** – In addition to focusing on ‘key people’, use media, town hall meetings, debates and other outreach techniques to reach secondary and tertiary target groups; spur broader public debate or understanding; or turn small projects into levers to move larger agendas.

² For an in-depth discussion of key people vs. more people, see “Confronting War: Critical Lessons for Peace Practitioners,” by Mary Anderson and Lara Olson, *Reflecting on Peace Practice Project*.

11. ***Model the “Art of the Possible”*** – Use small, significant and well executed projects to demonstrate the feasibility of alternative approaches to problems solving. Successful, process intensive projects can engage decision-makers and the public in trying new ways of doing business, which can serve to discredit the divisive or abusive practices of the past. Results must be magnified by local media in order to be effective.
12. ***Leverage Programming*** - Invest in developing linkages between your activities and other assistance efforts, particularly USAID Mission programs; promote buy-in from other donors. Providing platforms for other donors to support OTI’s model increases the impact of our relatively modest resources.
13. ***Evaluate All Activities in Terms of Impact on Conflict/Transition Dynamis*** – Accept the ‘do no harm principle’ but recognize OTI programming is inherently political and therefore frequently invasive.
14. ***Treat Procurement, Logistics, Management and Staffing as Program Activities*** – How money is spent, how staff is hired and the relationships with vendors can, at times, have more effect on the operating environment than the actual project design. Insure technical work, procurement and hiring decisions follow the same principles that guide the entire program. Wherever possible, local procurement should be considered part of good program process.
15. ***Beware of the “Usual Suspects”*** - Experience has shown that established NGOs, activist groups, etc. are not always the most engaged or creative at critical times in a transition. Spontaneous groups of active citizens can often be more energized and effective. Vet your groups carefully. Although it is necessary to move quickly, be cognizant that OTI funding can be exploited for a variety of agendas. Avoid private or partisan interest.

Conclusion: Challenge assumptions, continually re-evaluate strategy, and learn from mistakes or bad projects. Transitions are extremely fluid and take unexpected twists and turns. Strategic decisions and activities that made sense in the early days of a program may no longer be relevant, or may turn out to have been based on false assumptions, once greater information or access is available. It is important to be able to re-evalute, retarget and change strategies. Also, with so many projects, it is inevitable that some do not work out and some grantees, despite early promise or past accomplishments, may no longer deliver. (Every venture capitalist sometimes bets on the wrong start-up or stock.) These learning experiences should be documented so that OTI avoids making the same mistake again.

SECTION THREE: POLITICAL TRANSITION TRIANGLE



SECTION FOUR: PARTNERSHIPS IN THE FIELD



SECTION FIVE: PROJECTING WORK PLANS

Projecting work plans can be an effective way of managing time, money and expectations. The following outlines a hypothetical work plan to help illustrate strategic time management, i.e. the need for every program and every field office to strike a balance between different types of grants. The table is meant to be illustrative, not prescriptive. It demonstrates basic management principles that are sometimes helpful for field staff to visualize. The descriptions that follow are intended merely as a springboard for discussion among field staff about how to manage time and make strategic decisions (such as what do they want to have achieved at the end of the first six months? At the end of the first year? Where, why, how?) The intent of a real work plan is to keep field staff focused and motivated in difficult operating environments, to keep an end goal in sight, and to increase their level of confidence in the balance they choose, the time they spend, and the "investments" they pursue.

**SAMPLE WORK PLAN FOR A PROGRAM DEVELOPMENT OFFICER
(ESTIMATED NUMBER OF GRANTS)**

Time investment	Month A				Month B				Grants developed & approved
	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	
Low	[Blue bars]				[Blue bars]				4 low
Medium	[Green bars]				[Green bars]				1 med. In progress>
High	[Pink bars]				[Pink bars]				2 med. In progress>
Super High	[Yellow bars]				[Yellow bars]				1 high In progress>
# grants	5				6				

Note: Projections are for a single PDO during the first months of an average small grants program

Note: the descriptions and amounts, below, are for a “typical” small grants program and are illustrative only. It is important to keep in mind that there is actually no such thing as a “typical” small grants program. Small grants are simply a means to an end. They afford maximum flexibility in fluid environments and, over the past ten years, OTI programs have employed them in a wide variety of ways. Within the same program, the time invested in developing them can

vary dramatically, depending on the context and the political stakes involved. The following observations offer some common denominators that may be helpful to field staff.

Low cost, low process (under \$10,000)

These grants take no more than 1 day to 2 weeks to develop. They tend to have a relatively low number of direct beneficiaries. The goal of these quick and easy ("low-hanging fruit" or "entry-point") grants is usually to either establish credibility in a community or with key stakeholders. They may also provide an untested group with modest support to see what they're capable of (OTI's time-tested "venture capitalist" approach). They are not necessarily one-time activities (referred to as "one-offs"). If some activities prove particularly promising and successful, future grants can be developed to build on momentum they may have created. Think venture capitalist: is this idea worth a \$5,000 risk? a \$10,000 risk? \$500?

Medium cost, medium process (\$10,000-50,000)

These grants can take up to a month to develop because they tend to involve more than one group, myriad local actors and many people. The goal of these grants varies but they frequently aim to build confidence and demonstrate "new ways of doing business" by supporting participatory decision-making processes to address local priorities. They frequently provide an opportunity to put democratic principles (such as transparency) into practice. Empowering people to identify and draw upon resources in their own community ("community contribution") is an important part of this process. Think "cost/beneficiary" analysis: does the level of community participation and the number of direct beneficiaries justify the cost of the grant?

High cost, highly intensive process (\$50,000-\$99,000)

These grants are similar to the above but can take several months to develop in response to a community's (or region's) top public priority. They enjoy broad public support, may involve other donors and/or local government officials, and should have a symbolic value that stands to positively influence public perceptions about the country's political transition.

Super-high cost, highly intensive process (over \$100,000)

These grants are similar to the above, but can take even longer to develop because they move beyond simply demonstrating "new ways of doing business" to actually supporting the creation of structures necessary to ensure the long-term management of short-term projects in a fair and transparent manner (e.g. the creation of a market co-operative board to not only oversee the market rehabilitation but also to handle future financial management, security and public health issues). The increased time and cost must be justified by widespread support high-level buy in, the potential for nationwide impact (on public perceptions) and a large number of direct beneficiaries.

Note: In a mid-sized program, a PDO may work on an average of 4 to 5 grants per week and can therefore plan, for example, to organizing meetings surrounding a particular project in a particular target area every Tuesday.

As time goes on, the ratio of more proactive medium/high-process grants to the more reactive, quick, low-process grants should ideally increase over time. This should evolve naturally as the initial "low-hanging fruit" grants—or other initiatives aimed at or preparing the ground for

community participation in tangible projects (e.g. short-term conflict resolution training, people-to-people peace talks, etc.)—begin to pay off and pave the way for the more "process-intensive" grants, strategically designed to build synergy between actors or across regions.

There is no one-size fits all response or recipe for maximum impact. These rough correlations between time invested in a community, the complexity of the grant, the number of stakeholders involved and its potential impact are based on assumptions that frequently hold true but do not apply to every context. In programs where OTI has done short-term employment activities on a large scale to respond to immediate political priorities, these "low" (time and process) grants are intended to be high cost. High burn rates result as staff may devote the majority of their time each month to producing a high number of these high-cost/low-process grants. Yet staff still devote the balance of their time each month to pursue other types of grants that may be far more complex.

The point is not how much money is spent, but how strategically opportunistic a program is in responding to rapidly evolving political situations in ways that will produce the desired result: positive changes in perceptions, attitudes and behaviors that tip the odds of transition, conflict, crises, or state fragility in favor of a successful outcome. For OTI, that is the real bottom line.

SECTION SIX: PROJECTING BURN RATES

Projecting burn rates is an important way of managing time, money and expectations. The number of small grants OTI develops, approves and implements each month is one measure of level of activity during a critical window of opportunity. The amount of money OTI commits each month—known as burn rates—is another measure. At best, both are about having the means to have an impact as quickly as possible. At worst—if not presented or managed properly—they may appear to have no relevance beyond responding to political and financial management imperatives. Since OTI incrementally funds implementing partners, projecting and tracking burn rates remains necessary for ensuring smooth field operations and a successful program. USAID’s Office of Assistance and Acquisition responds to incremental funding requests by determining whether a partner’s spending pattern to date (actual burn rate) justifies additional funding (projected burn rate).³

Knowing how to pro-actively project—and manage expectations in OTI/W around—burn rates are important for every Country Representative and implementing partner (see Table A). Helping to establish work plans for implementing partner staff (see Table B) that aim to help them analyze when, where and why they should invest their time in developing grants can be helpful in striking a balance between managing money and making strategic programmatic decisions, managing people and producing results. Striking a strategic balance between different approaches and types of grants is important.

Note 1: OTI staff tend to refer to use the word “burnrate” as short-hand for the total dollar amount of grant approval per month. Most people do not include monthly overhead costs when citing this figure. Both ways are correct. The latter is just more accurate. Country Reps should always have a handle on both.

Note 2: Burn rate projections—*estimated dollar amounts*—are internal financial management tools that are appropriate for helping to manage expectations and incremental funding (A&A requests) back in Washington, not staff productivity in the field. However, the *estimated number of grants* staff members may aim to develop in a one month period is slightly different. Such projections tend to be useful in making strategic, logistical and time-management decisions. It depends on the type and size of the program.

SAMPLE BURN RATE PROJECTIONS(ESTIMATED DOLLAR AMOUNTS)

Sample: First Quarter Burn rate Projections					
Line/Month	September	October	November	December	Totals
Overhead	\$174,047	\$174,047	\$174,047	\$174,047	\$696,188
Grants	\$567,433	\$931,124	\$667,009	\$432,920	\$2,598,486
Totals	\$741,480	\$1,105,171	\$841,056	\$606,967	\$3,294,674

³ This determination is made based on a “pipeline” analysis that must be submitted by the implementing partner with each incremental funding request. See the draft OTI/W Program Managers’ Manual for more details on best practices and procedures regarding pipelines and incremental funding requests.

In most OTI programs, it is a good practice for Country Representatives to provide OTI/W Program Managers with spreadsheets of projected “burn rates” in order to manage expectations regarding inevitable ebbs and flows (e.g. dry months when construction must begin or holidays when few staff may be working). This helps Program Managers to develop accurate A&A schedules for incremental funding. Burn rates are averages. Peaks and troughs are fine as long as they are predicted and pro-actively planned for as part of an overall implementation strategy.

It is good practice for Program Managers to try to ensure that the process for determining burn rates and incremental funding is as field-driven as possible. However, Country Representatives should realistically understand that U.S. foreign policy is Washington-driven. In both domestic and foreign politics, being “seen to respond” to political imperatives is often a matter of making more funds available to a particular issue or a crisis country. Therefore, if a high-profile country program receives increased funding, the Country Representative should make recommendations on the additional human resources, monitoring and logistical support required in order to spend it rapidly and responsibly. [If the country program is not high-profile, chances are that Country Representatives will have more leeway to determine the spending level most appropriate for maximizing impact in that particular country context.]

How-to: At the outset of a program, field staff may take the total estimated cost (TEC) of the contract or co-operative agreement and divide it by the number of months of the program to project an average monthly burn rate for the program. However, this is not an exact science, TECs are never assured, and this method of projecting burn rates may create undue or misplaced pressure during start-up, particularly since overhead costs are front-loaded while the volume of grants increases gradually. More accurate projections can be established after the first two quarters of a program. These calculations are based on four basic ingredients: (1) estimated overhead costs must come from the implementing partner. The Country Representative can estimate; (2) how many grants each staff member is likely to finish developing that month and, if possible, through the next quarter; (3) the average cost of a small grant for that program; and then (4) projects grant approval/burn rates by multiplying the two figures together. The Country Rep adds figure 1 and figure 4 to project the program’s overall cash flow needs for the next quarter.

INTRODUCTION TO OPERATIONS

SECTION ONE: MANAGING FIELD OPERATIONAL BUDGETS AND ICASS

Contents of this Section

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- ICASS

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- Miscellaneous Obligating Documents
- Direct Billing and Reciprocal Reimbursements
- Expenditure Documentation
- Phoenix and MACS Tracking Documents
- End of Year Funding Deobligations
- FMFIA – Management Accountability

Managing Country Budgets (Field Operations Component)

Emphasis is placed here on field office responsibilities for operational budget management, specifically estimating field office operating costs and tracking expenditures for field office operations.

Shared Responsibility

The Country Representative is responsible for assisting the Program Manager in developing and updating the Field Operations Component of the Country Budget.

Managing the Field Operations Component of the Country Budget is a shared responsibility between the Country Representative, the Program Manager and the Team Leader.

The Country Representative is responsible for tracking and oversight of field operations expenditures with the assistance (depending upon field office staffing) of the Deputy and/or FSN Admin Assistant.

Reference (Draft) Program Managers' Manual, Chapters 9 and 10; also Appendix IX, which is a list of Country Representative Sample Tasks and detailed instructions of required tasks.

Appendix IX outlines the Country Representative's responsibilities for working with the Program Manager in planning quarterly and yearly Operating Budget details and for reviewing the ICASS agreement and voucher.

Funds for Field Office Operations

Usually, there is a USAID Mission or Regional Controller's office to which the funds are transferred. Funds are transferred from OTI/W to USAID Missions to cover field office operating expenses normally in increments, with the initial funds transfer during the first month of operations and on an as-need basis after that. In some cases incremental funding is transferred for the first two quarters with funding in the third quarter to cover expenses through the end of the fiscal year.

In some cases, particularly when there is no USAID Mission, an arrangement may need to be made for funds transfers to an Embassy.

Note: When determined in OTI/W that it is essential or expedient for a SWIFT contractor to provide specific admin support services for OTI field office operations, OTI/W is responsible for coordinating actions for OAA contract documentation and funding.

The following is one example of the process and timing of FY-05 transfers of funds during the first two quarters (apparently for requirements in the first three quarters): The process involves a collaboration of the Country Representative, Program Manager and Financial Management Officials at post and in Washington, DC.

Early in the first quarter, the Program Manager prepared an Acquisition and Assistance Request for a fund cite cable for \$XX,XXX for (post) (accounting station) for OTI operations requirements in (post) for FSN staff, in-country travel and USPSC housing costs. Within a week after the request and after clearances and funds availability and approval signatures, funding cable No 1 was prepared by OTI/W and sent to post for the requested amount for the specified purposes.

Late in the first quarter, the Program Manager prepared a second Acquisition and Assistance Request for a fund cite cable for \$XX,XXX for same purposes as No 1 above. Within a week after the request with clearances and approvals, funding cable No 2 was sent to post. In mid second quarter, the Program Manager prepared a third Acquisition and Assistance Request for a fund cite cable for \$XX,XXX for the same purposes as No 1 and 2 above. Within a week funding cable No 3 was sent to post.

Note: The details of the use of this funding need to be carefully monitored by the Country Representative and Program Manager for future budgeting purposes since the total for these first three funds transfers in FY-05 exceed considerably the "field estimates" for field office operations for the first three quarters of the Country Budget Estimate for FY-2005.

Field Estimate Line Items

For the Field Estimate portion of a Country Budget, the following is a sample list of budget items for which funding is transferred to post. The Program Manager will determine the items and description details for specific country budget field estimates and will specify when cost estimates are required.

1. FSN Program Managers (name/grade/step)
2. FSN Program Assistants (name/grade/step)
3. FSN staff (e.g. Driver) (name/grade/step)
4. USPSC Travel (in-country) (# trips per mo)
5. FSN Travel (# trips per mo)
6. Admin Costs (office supplies, etc) (non-ICASS)
7. USPSC Housing (name/title)
8. Office Space (rent) (utilities)
9. Vehicles
 - procurement (vehicle) (parts)
 - operations and maintenance
10. Equipment
 - office furniture and equipment
 - residential furniture and appliances
 - computers and phones
11. FSN Training (name/course)
12. Other Misc (unexpected costs as well as for items such as subscriptions/publications, driver's uniforms, and other FSN costs not covered above)

ICASS

It depends upon the post as to the ICASS distributed costs for the OTI field office. ICASS support services and costs for OTI field offices vary from post to post.

Preliminary estimates for the first year start-up should be based on advice from USAID or the Embassy concerning potential costs pertaining to OTI's limited number of US and FSN PSCs and to the limited number of services to which OTI would subscribe. Potential costs for the OTI field office are calculated at post in relation to post-wide overall ICASS budget costs, which are distributed to participating agencies.

ICASS costs are listed on the Country Budget Estimate as a separate item from the above field estimate list because payments for ICASS costs are made at the Washington level – not the post.

Expenditure Sub-Items Details

The following is a more detailed breakdown of examples of budget items for field office operations, which may be useful for more precise tracking of expenditures, particularly recurring expenses, for field office operations in relation to cost estimates. Some of these examples may not be required at some field offices and there may be other country specific line items and sub-items not on this list of examples. If some of these sub-items are not charged separately but instead included in other charges, they still need to be accounted for in the tracking process.

A. Capital Expenses:	No of Units	Unit Cost
--Computer Equipment		
--desk top		
--laptops		
--printers		
--scanner		
--computer software/supplies		
--Office FF&E		
--Furniture		
--Furnishings		
--cubicles		
--desk lamps		
--Equipment		
--photocopier		
--FAX		
--cameras		
--Communications Equipment		
--Land-line Phones		
--Cell Phones		
--Vehicles		
--Residential FFA&E		
--Furniture		
--Furnishings		
--lamps		
--curtains		
--Appliances		
--Equipment		
--air conditioners		
--water filters		
B. Salaries		
--FSN PSC Salaries		
--(listed by position)		
--FSN PSC medical insurance		
--FSN PSC close-out incentive pay (retention incentive package)		
--FSN lump sum AL		
--any country specific FSN benefits		
--other FSN contract related costs		

C. Travel Costs

- USPSC (in-country)
- FSNPSC

D. Operations Costs

- Office Rent
 - space/rate (if USAID or the Embassy charges per sq ft)
 - make ready/maintenance
 - utilities
- Residential Rent
 - space/rate (if USAID or the Embassy charges per sq ft)
 - make ready/maintenance
 - utilities
- Equipment maintenance
- Generators
- Vehicle operations, maintenance, insurance, registration fees
- Official Use Phone bills
- Postage, Courier Service and Shipment, such as Materials to OTI/W
- Office Supplies
- Miscellaneous
 - drivers' uniforms
 - bulletproof vests
 - janitorial services
 - subscriptions and publications
 - petty cash for items not identified above
 - other FSN costs not covered above

A specific format for listing field office operating costs (“ops costs”) will be developed by the Program Manager, for expenditure tracking and the quarterly actual expenditures reports.

Estimating Field Office Operating Costs

Reference the (Draft) Program Managers’ Manual, Chapter nine (Developing Country Budgets), Step two (Estimate OTI Field Operating Costs), which has several paragraphs on the requirement for Ops Costs estimates.

The Program Managers’ Manual gives guidance on sources of information at post to assist in estimating FSN personnel costs and suggests that for administration issues estimates should be obtained by consulting with USAID and the Embassy on supplies, communications, housing, ICASS. Also, USAID should be helpful in providing information to estimate field-based travel costs (transportation and accommodation prices for US and FSN PSC staff). It also footnotes a link to the “What is ICASS document,” which is useful orientation information on the ICASS system.

There are three other sections in these guidelines with information particularly relevant to estimating field office operating costs. These are Country Budget Field Estimates Line Items, Expenditure Sub-item Details, and Tracking Expenditures.

The task of estimating field office operating costs is a collaboration between the Program Manager and the Country Representative. Requirements and specifications for cost estimates vary from field office to field office. However, without variation the CR should be thorough in searching for information that will enhance the accuracy of estimates furnished to OTI/W.

In addition to the effort necessary for the Country Representative to assist the Program Manager in estimating implementing partner program costs, the Country Representative should find the time and the help necessary to obtain good cost estimate information for the admin operations part of the country budget.

Monitoring ICASS Costs

In addition to tracking operations expenditures and reporting them quarterly to OTI/W, the OTI field office is responsible for monitoring anticipated costs of ICASS admin support services it receives by reviewing carefully the ICASS documents, listed below, which relate to the system for distributing costs among ICASS participants.

The costs of shared administrative support are distributed to cost centers representing the services being offered. The ICASS system takes into account the differences between large posts and small. Large posts and medium-sized posts distribute costs to 32 different cost centers. Smaller posts (where most OTI field office operations are located) generally use a system called ICASS Lite, which distributes the cost of the same services to 16 cost centers for ease of administration.

A. ICASS Subscription Agreement for FY XXXX document should be completed and signed by the OTI Country Representative. This form charts ICASS cost centers and budget distribution factors by functional code and identifies full or partial participation (by the number one for full participation or a percentage 0.6 or 0.3 for partial participation) for the current FY and for the coming FY.

This ICASS subscription agreement needs to be completed, in coordination among USAID, OTI Country Representative and in OTI/W the Team Leader, Program Manager and appropriate Administrative Management Officer. After coordination and approval, it should be signed (by the OTI Country Representative) upon start-up and in the fourth quarter of the FY for the coming FY.

Services costs are distributed according to subscription commitments and charged according to use, based on full or partial service participation and on workload factors that vary by service. Some workload factors are based on number of transactions, others based on head count, number of square meters or number of items. These workload factors are calculated showing each

agency by cost center. These should be reviewed by OTI for each FY and efforts made to correct the workload factors if appropriate.

Any changes which OTI might wish to make to the commitments made in a current Subscription Agreement requires six months advance notification in writing. Such notification is also required no less than six months in advance, non-negotiable, to terminate ICASS services when OTI is closing out its operation.

Below are the cost centers for an ICASS Lite post:

Function Code	Cost Centers	Current FY	Coming FY
5449	IVG Lines-DTSPO (Diplomatic Telecommunications Service – Program Office)		
5458	Information Management Technical Support		
5624	Health Services		
5826	Non-Residential Local Guard Program		
5827	Security Supplemental		
6150	Basic Package		
6443	Community Liaison Office		
8790	Overhead		
6145	General Services		
6196	Information Management		
6225	Financial Management Services		
6445	Personnel Services		
7810	Residential Bldg Ops GO/LTL (long term lease)		
7820	Non Residential Bldg Ops GO/LTL		
7850	Residential Bldg Operations STL (short term lease)		
7860	Non Residential Bldg Operations STL		

B. The following ICASS documents should be reviewed by the Country Representative and in OTI/W (the Team Leader, Program Manager and appropriate Administrative Management Officer) and signed by the Country Representative:

1. ICASS Specific Expenses Invoice by Agency (TARGET BUDGET), normally prepared in the first quarter of the FY. This will show estimated costs for the OTI field office for the fiscal year broken down by cost centers used at that post.
2. ICASS Specific Expenses Invoice by Agency (MID-YEAR BUDGET), normally ready to be signed by April each year. There should be a mid year review with the possibility of adjustments. However, this is the basis for a partial (80%) payment by OTI/W. In FY-05 an exception was made to the timing and amount of this initial payment. A 70% advance partial payment was requested and paid in the FY second quarter, apparently based on the original Target Budget.

The OTI field office can be very helpful by carefully reviewing the Target and Mid-Year Budgets and making suggestions to OTI/W, as appropriate. The final invoice, based on a final budget adjustment, is issued in the fourth quarter. The final payment for the FY is made by OTI/W in the fourth quarter.

NOTE: See the paragraph above on ICASS under the Country Budget section for the statement on preliminary ICASS cost estimates for first year start-up.

Tracking Expenditures

Expenditure documentation concerning OTI field office operations, both recurring and one-time obligations, should be available from the USAID Controller's Office or Embassy B&F Office for the Country Representative, Deputy and/or Admin Assistant to review on a regular basis (monthly or quarterly). This documentation will probably not be the same at different posts. There are variables regarding how admin support services are provided, who provides them and how expenditures and payments are recorded. Costs for services provided through ICASS are reviewed based on special ICASS documents covered above in the section on "Monitoring ICASS Costs".

Miscellaneous Obligor Documents

Examples of USAID Controller MODs (Miscellaneous Obligor Documents), are given below as guidance not only for tracking expenditures from USAID records but also as a guide for reference in efforts to obtain relevant data for tracking expenditures when the Embassy provides financial management support in the absence of a USAID.

These are examples of Miscellaneous Obligor Documents (MODs), which USAID Controllers "might" use to record funding obligations for administrative support type expenditures. These may vary from post to post. Such MOD information and copies of obligor documents, payment records, and other financial transaction documents should be kept by the OTI field office and referred to in working with the USAID Controller's Office or Embassy B&F Office to obtain reliable and complete funds disbursement information to track expenditures for field office operations.

<u>MOD Number</u>	<u>Description</u>
<u>XXX-XX-XXXXX</u>	FSN Salary
<u>XXX-XX-XXXXX</u>	Office Utilities
<u>XXX-XX-XXXXX</u>	Residential Utilities
<u>XXX-XX-XXXXX</u>	Communications - Telephone
<u>XXX-XX-XXXXX</u>	Communications - Courier
<u>XXX-XX-XXXXX</u>	Subscriptions and Publications
<u>XXX-XX-XXXXX</u>	Office Security Guards
<u>XXX-XX-XXXXX</u>	Residential Security Guards
<u>XXX-XX-XXXXX</u>	Other Miscellaneous Services

<u>XXX-XX-XXXXX</u>	ICASS
<u>XXX-XX-XXXXX</u>	FSN Medical Insurance
<u>XXX-XX-XXXXX</u>	Office Supplies and Materials
<u>XXX-XX-XXXXX</u>	Vehicles Supplies and Materials
<u>XXX-XX-XXXXX</u>	Residential Supplies and Materials
<u>XXX-XX-XXXXX</u>	Insurance and Vehicle Reg Fees

Some of the above would be appropriate for the field office to request accounting be made, if possible, as separate categories of expenses. For example, “Communications – Telephone” should be tracked separately if there are problems with billings and repayments for personal use of phones. Vehicle related expenses need to be tracked separately for vehicle usage and any personal vehicle use billings/repayments and for required vehicle reports. There may be others that need to be used in order to monitor expenses for specific purposes.

Direct Billing and Reciprocal Reimbursements:

The OTI field office needs to obtain documentation/information to track costs for services which are paid based on direct billings. These billings could be from USAID for costs, such as rent or procurements (not charged against MODs mentioned above). Direct billings also could be from the Embassy for services provided but not charged under the system for distributing costs among ICASS participants.

Costs also need to be tracked for reciprocal reimbursements for services, such as payment of salary and related costs for an employee in another agency, which provides certain admin support services to the OTI field office.

Expenditure Documentation:

Documentation for procurements and other expenditures for field office operations is needed in hard copy field office files, not only for tracking expenditures but also for follow-up on delivery of items or services. Examples of such documentation that would be useful are: copies of a) purchase orders or payment vouchers for recurring expenses sent to the OTI field office for the Country Representatives’s approval clearance, b) receipts for authorized miscellaneous expenditures for such items as supplies, materials, subscriptions and publications obtained by or requested by OTI staff, which were submitted for payment or reimbursement, c) telephone bills and vehicles usage records including personal use billing/payment documentation, d) staff travel documentation and e) FSN contracts.

Phoenix and MACS Tracking Documents

USAID is normally the financial management support provider. Some USAID Controllers use the new Phoenix accounting system. Some USAID Controllers have not converted to the new system and are using the MACS accounting system. Under both systems, the Country

Representative may obtain periodic or quarterly print outs of OTI's field office operations' obligations and disbursements for tracking purposes.

The Country Representative, with the assistance of a Deputy and/or Admin Assistant, in tracking expenditures should need to refer to some of the above referenced documentation in reviewing USAID Phoenix or MACS accounting system print-outs of obligations and disbursements.

The Phoenix Accounting System: An example of a Phoenix print-out is for "Detailed Obligations Sorted by Accounting Dimension." The following major columns are in the spread sheet for this example print-out:

Document Id - Under this Phoenix system the description of the expenditure is a number (such as a Miscellaneous Obligor Document, Purchase Order or other number).

Transaction Date

Vendor Name

Performance End Date

Obligated Amount

Advanced Amount

Disbursed Amount

Outstanding Amount

Having copies of documents showing the "numbers" is necessary to track expenditures using the Phoenix print-outs.

The MACS Accounting System: Print-outs of obligations and disbursements under the MACS system includes the information above except MACS gives better information on items procured or services provided instead of just the Document Id. Also MACS also has a column for funds reserved (committed) but not yet obligated or disbursed.

End Of Year Funding Deobligations

A careful review in the FY fourth quarter of expenditures to determine if there are funds that have been reserved, committed or obligated but not disbursed. Remaining reserved or committed funds will show on MACS accounting system print-outs but will not show on Phoenix accounting system print-outs.

Funds may be reserved or committed for something such as a blanket procurement arrangement but not yet obligated and disbursed until a specific action is taken under that arrangement. The obligations category may have some remaining undisbursed funds, such as when an obligated amount for an estimated transport cost for something procured exceeds the actual transport disbursement cost.

In coordination with the Program Manager, the Country Representative should work with the USAID Controller or Embassy B&F Officer concerning deobligation and reobligation of funds. All reserved, committed or obligated funds which have not yet (during the fiscal year) been

disbursed and are not expected to be needed in the remaining part of the fiscal year are to be deobligated. These funds should be subsequently reobligated since OTI at post has “no year end” funding.

REMINDER: a) The OTI Country Representative is required to send reports of actual expenditures to the Program Manager at the end of each quarter.

b) OTI/W should inform the USAID Mission Director and the Regional Bureau, or in the absence of a USAID inform the Embassy Admin Counselor, that the Country Representative signs all OTI Field Office operations funding documents.

FMFIA – Management Accountability

This is an FYI: USAID’s management accountability and control program is statutorily based on the Federal Managers’ Financial Integrity Act (FMFIA). FMFIA relates to the management of field operational budgets, including ICASS.

OTI/W officials involved in the management of the field office operations and the Country Representative, are responsible for the integrity of field office operations and for ensuring that field operational budget costs are controlled and that the resources for field office operations are protected against waste, fraud and mismanagement. There is an annual requirement for a USAID-wide FMFIA review and report to the President and Congress.

SECTION TWO: PROPERTY ACCOUNTABILITY POLICIES AND PROCEDURES

Contents of this Section

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- Expendable Property (EXP)
- Accountable Property
- Custody and Title
- Fair Market Value
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 - NXP and EXP Property elements of ICASS with the Embassy
- Property acquisition/start-up, utilization, and inventory control
 - Pre-start OTI/W procurements and vehicle waivers
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 - Inventory tracking
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 - Utilization (OTI field office Property)

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- Property elements of the OTI Field Office Close-out Plan
- Disposal Order of Precedence/Guidance (ADS 534.5.8b) for Non-expendable Property

Property Custody and Title

Attachments

- 1 – Grant-in-Aid Memorandum
- 2 – Project Contribution Memorandum
- 3 – Donation Memorandum
- 4 – USAID General Notice – Use of Government Vehicles
- 5 – Sample Memorandum – Self Drive
- 6 – Sample MOU (USAID Support Services)

Definitions

Non-expendable Property (NXP):

An item of value that is not expected to be consumed during use and is subject to inventory control in accordance with Federal Property Management Regulations. Examples: furniture, computer and communications equipment, office machines, when the item is (1) complete in itself; (2) does not lose its identity or become a component part of another item when used; and (3) is of a durable nature with anticipated useful life of over 2 years.

Expendable Property (EXP):

Property which, when put in use, is consumed, loses identity, or becomes an integral part of another item of property. Examples: office supplies automobile tires, and machine parts.

Accountable Property:

- (1) all non-expendable office furniture, furnishings and equipment (FF&E), and non-expendable residential furniture, furnishings, appliances and equipment (FFA&E);
- (2) all other non-expendable property items costing \$100 or more exclusive of shipping, packing and storage costs;
- (3) any expendable property in a stock supply area and any non-expendable property in a warehouse;
- (4) any leased or borrowed non-expendable property regardless of cost

Custody and Title:

Custody is the physical possession of NXP, regardless of title. Title is the legal status of ownership of NXP. Title for program-funded NXP may be vested in the USG itself, in a contractor or in a grantee.

Fair Market Value:

The monetary value that an agency could reasonably expect to receive for an asset in a current sale between a willing buyer and willing seller other than in a forced or liquidation sale.

Methods of Disposal:**--Donations: (Sample memorandum is attached)**

If property cannot be disposed of by redistribution, transfer or sale, and has little commercial value, it may be considered for donation to a nonprofit educational, public health, welfare, charitable, scientific, literary institution and international bodies in which the U.S. participates, located in the country in which the property is situated. First consideration shall be given to those institutions which are organized under the laws of the U.S. or which are supported in whole or in part by taxes of the U.S. or which are exempt from taxation as a nonprofit organization. Donations should be seriously considered for OTI program activities upon handover at close-out.

--Grant-in-Aid: (Sample memorandum is attached)

Transfer of property under grant-in-aid must be requested by and designated to a ministry or agency of the host government and should clearly be defined for official purpose, such as carrying out the broad objectives of the country program. Written requests from the ministry or agency for transfer of property should state the requirements, purposes and objectives.

--Project contribution: (Sample memorandum is attached)

Transfer of program-funded property from one SO activity to the same SO, different activity, or to another SO. Normally this would be a transfer to a different SO with the USAID Mission.

Field Office Operations

General:

Emphasis in these guidelines is on field office responsibilities for managing accountable program funded property acquired by USAID/OTI for the field office operations.

Guidance for the management of program funded property acquired by USAID/OTI implementing partners is contained in the contract, grant or Cooperative Agreement and also is provided by the CTO and the Contracting, Grants or Agreements Officer, who have oversight and specific approval responsibilities for implementing partner property accountability actions.

Property accountability starts with the first property requirements estimate in a start-up country assessment and the property list in first year budget. The property requirements estimate in a start-up country assessment and the property listed in the first year budget should be the first property records in the OTI field office.

In the pre-entry phase, OTI/W would normally address some property management issues, setting the stage for field office operations. Examples are

--to determine if USAID and/or Embassy) can provide administrative support services, including property management and some property, for the OTI field office and/or for the USPSC residence or residences.

--if needed immediately upon start-up or shortly thereafter, procurement of vehicles at the pre-entry phase, processing of vehicle waivers if necessary, and procurement of other items such as computers.

Following the above considerations/actions, in-country property accountability at the OTI field office starts when the Country Representative arrives at post and continues from start-up to close-out.

-- Property requirements in assessment estimates and start-up budgets

Samples as follows:

<u>Assessment Estimate (first year)</u>		<u>200X Country Budget Estimate (Field)</u>	
Toyota Land Cruiser and parts	\$45,000	Toyota Land Cruiser/parts	\$41,051
Office Furniture (3 sets)	12,000	Office furniture, computers,	
Office Cubicles	13,000	and phones	\$55,576
Computers (desk top 3)	6,500		
Laptops (2)	4,000		
Printers (2)	6,000		
Computer supplies	750		
Scanner	1,000		
Office Phones (3)	450		
Cell Phones (2)	435		

--Property Funding Issues:

Unlike USAID, Embassy and OTI/W, which have some non-program funded property, for OTI field offices all non-expendable and expendable property is program funded.

OTI/W requests estimates for field operating costs (“ops costs”) from the senior OTI field representative. In countries with a USAID Executive Officer and perhaps a Controller, they will be able to help determine reasonably accurate item cost plus shipping cost estimates. However, it may be necessary to contact a dealer to find out how much something costs.

As needed soon after arrival of the OTI country representative and in consultation with the country representative to calculate how much funding needs to be transferred, OTI/W sends a funding transfer cable to cover start-up costs for procurement of non-expendable property and office supplies, in addition to other initial operating expenses.

--Property Elements of MOUs with USAID

If USAID has agreed to provide administrative support for the OTI field office, which should be comparable to that provided to other elements of USAID at post, the Executive Officer must be consulted by OTI’s senior country representative, as soon as possible after arrival, concerning the specific details of the support to be provided, a significant portion of which involves property management services.

During the life of OTI at post, to avoid having to renegotiate support services as personnel changes occur in the Executive Officer position or in Executive Office subordinate positions, such as the General Services Officer, it may be appropriate for the OTI field office to prepare and negotiate a Memorandum of Understanding (MOU) with the Executive Officer regarding USAID admin support. Sample MOU is attached.

The following are examples of property management elements of an MOU:

USAID EXECUTIVE OFFICE

Procurement Services: Handles/processes all OTI procurement such as procurement under Personal Service Contracts, Purchase Orders, and other related services. All procurement requests will be initiated by OTI using the Requisition Form. If OTI initiates any procurement source and pricing actions under authority from USAID, OTI will provide proper documentation including competition quotes to the EXO.

Non-expendable Property Management Services: Services will include receiving, warehousing, furnishing OTI office and residences, maintaining inventory records, preparing annual reports, and recommending NXP for disposal. The EXO will maintain separate property records for OTI’s NXP since all will be program funded.

Expendable Property: At the request of OTI, EXO will procure office supplies using OTI funding. This property will be stored with OTI and distributed at the discretion of the OTI staff. Requests for replenishment of stock will be the responsibility of the OTI staff.

Motor Pool: OTI will control and manage its own vehicle(s) and supervise the driver(s). OTI will complete all required vehicle forms (Daily Usage Report, Fuel/oil consumption record, etc) and distribute to EXO on a monthly basis. The following is optional: EXO will be responsible for other administrative vehicle requirements, year-end reporting, maintenance and repair.

Systems Support: EXO will provide ADP support and perform system administration functions

OFFICE OF TRANSITION INITIATIVES

Funding: OTI agrees to pay its share of administrative costs.

Procedures: OTI will comply with the same administrative procedures required of other USAID staff.

OTI requests for EXO services will follow established EXO policies and procedures.

Optional Field Support provision: OTI has entered into a SWIFT (Support Which Implements Fast Transition) contract with _____ for the provision of administrative, logistics, procurement and financial aspects of the OTI program, mainly for services for field operations outside of _____. Use of the SWIFT contract for field operations and, if necessary, to supplement services provided to the OTI field office by USAID or the Embassy would be done in close coordination with the USAID Executive Officer.

NOTE: In the absence of an MOU, similar services arrangements, as outlined above, need to be negotiated by the Country Representative with the USAID Executive Officer, with the assistance of OTI/W if necessary, to reach a suitable level of day-to-day support services without a signed paper to which to refer.

NXP AND EXP PROPERTY ELEMENTS OF ICASS WITH THE EMBASSY

An MOU will normally refer to an ICASS arrangement. The OTI field office needs to carefully monitor ICASS services provided to OTI and the costs.. The following are examples of property management elements of an ICASS arrangement. These ICASS services may or may not apply to OTI.

One example would be an “ICASS Lite Post” with 12 cost centers – of which Cost center No 7 is for General Services with the following property management sub-cost centers: Procurement, Vehicle Operations and Maintenance, Administrative Supply, Shipping and Customs and Non-expendable Property Management. However, normally the Embassy would not keep OTI’s property inventory, in which case the OTI field office should keep the inventory.

Property acquisition/start-up, utilization, and inventory control:

--Pre-start OTI/W procurements and vehicle waivers

See Sample Vehicle Waiver in the OTI Program Managers' Manual (Draft). Pre-start action is to be taken as soon as a new program is initiated in a country where rapid response is required and procuring the necessary vehicles will be problematic. Property accountability for pre-start procurements for field office operations is ultimately, upon receipt of the property at post, the responsibility of the OTI field office.

--With USAID/EXO and/or Embassy providing property management support

If there is a USAID Mission at post able to provide property management support services either directly or in part through an ICASS arrangement with the Embassy, the senior OTI field representative, as soon as possible after arrival at post, should work with the USAID Executive Officer (EXO) to develop a procurement list and plan for vehicles and office equipment.

If property management services are provided by USAID and/or Embassy, it is the responsibility of the OTI field office to monitor closely the actions taken for property procurement, customs clearance and receipt, proper program bar coding, inventory and disposal to ensure OTI's program funding is properly recorded and mix-ups in items or accountability errors are avoided. Copies of property procurement, receiving reports, and inventories should be kept in the OTI field office. It is important for the OTI field office to keep up-to-date inventories.

NOTE: One issue that has come up from time to time is to make sure that if OTI pays for a new item that a new item is received

--Inventory Tracking

The following is an example of an OTI inventory, which should contain the following information.

OTI Inventory FY-05

<u>Item#</u>	<u>Purchase Order#</u>	<u>VendorItem</u>	<u>NXP No</u> <u>Description</u>	<u>Acquisition</u> <u>Cost</u>	<u>Barscam#</u> <u>(needed for each item)</u>
FY-04					
1.	615-0071	Phonocare	CellPhone	115.04	211.40
2.	623-00004	Toyota	Land Cruiser	61.04	27,349.00

OTI Inventory FY-05 (cont'd)

<u>Item#</u>	<u>Purchase Order#</u>	<u>VendorItem</u>	<u>NXP No</u> <u>Description</u>	<u>Acquisition</u> <u>Cost</u>	<u>Barscam#</u> <u>(needed for each item)</u>
3	623-00019	Gov Connection	Fujitsu Laptop	50.04	2387.69

4	623-00110	Hago Co	Gas Stove	44.05	567.00
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Note: There should be a separate line item for each property item or the number of items shown with separate Barscam numbers for each item.

A hard copy of the inventory should be maintained by the OTI field office and reviewed carefully by the FSN Admin Assistant, Deputy or Country Representative to ensure that it is accurate.

In reviewing the inventory, it will be necessary for the Admin Assistant or other OTI field office staff member to track receipt of property by referring to copies of purchase orders, other procurement documents, transfer (from another OTI post) records, and if applicable, documentation for items on loan from USAID or the Embassy as well as reviewing receiving reports.

Copies of such documents should be maintained by the OTI field office in order to verify that the inventory is complete and up-to-date. The inventory should be checked against financial information from USAID Controller or Embassy B&F (budget and finance) records to further verify that it is accurate, with differences in records to be reconciled by the OTI FSN Admin Assistant or other OTI field office staff member.

LOST OR STOLEN PROPERTY – In tracking the inventory, particular care must be given to accounting on a regular basis for all of the property. In the event, an item or items are missing, either lost or stolen, a report needs to be made by the Country Representative, immediately upon discovering the missing item or items, to either the USAID Executive Officer or Embassy Admin Officer and the Post Security Officer. Either the Executive Officer or Admin Officer can advise the Country Representative on post procedures for reporting and investigating missing property.

--With the implementing partner providing property management support

The following illustrates possible SWIFT property management support services, if OTI/W were to determine this SWIFT source of such services to be essential or expedient.

In consultation with the senior OTI field representative:

- Procure, rent or lease vehicles
- Purchase, rent or lease office furniture, equipment, safes, computers and supplies
- Lease or rent residential furniture and appliances
- Establish and maintain “audit ready” records pertaining to non-expendable property and vehicle use/maintenance

If this is the source of property management support, the OTI field office needs to be as careful in monitoring actions taken as it would be if support were provided by USAID or the Embassy, as described above.

--Utilization (OTI field office property)

Non-expendable property, including computers, land line phones, cell phones and vehicles as well as expendable property (particularly office supplies) are to be used normally only for official business and maintained in the custody of the OTI field office.

Personal use by OTI field office personnel of phones, FAX and vehicles may be authorized by the senior OTI field representative at post, (a) provided such authorization is in compliance with USAID and/or Embassy policies.

In coordination with the USAID Controller or Embassy B&F Office, the OTI field office or other office at the Mission should publish personal expense billing and collection procedures. The OTI field office should ensure that bills are issued and collections are made (preferably monthly or quarterly) for personal long distance and cell phone calls, unofficial use of the FAX, and personal use of official vehicles by OTI field office personnel. Personal use of office computers is not authorized.

See Attachment 4 – USAID General Notice – Use of Government Vehicles. This notice is a reminder that there are serious penalties for misuse of a government vehicle and it refers to the requirement that each Mission justify in a written policy any authorized unofficial use and provide for the collection of a charge in certain instances. Justification for personal use should be documented by the OTI field office indicating reasons such as why taxis, car rentals and/or a staff POV are not reasonable alternatives to personal use of official vehicles.

Self drive of official vehicles is normally not authorized, either for official use or for personal use, mainly for liability reasons, either by USAID or the Embassy as a Mission Policy. In the event self drive of official vehicles is considered necessary in a specific OTI field office situation, a memorandum must be prepared and submitted for approval to the USAID Director or appropriate Embassy official, with justification indicating the reasons why qualified Mission drivers are not available and why self drive is necessary. Sample memorandum attached.

VEHICLE PROPERTY RECORDS AND REPORTS: The following vehicle property records and reports are required, either a) to be prepared and maintained by the OTI field office staff (Admin Assistant and Driver or Drivers) and submitted as required, or b) to be prepared, maintained and submitted, as required, by authorized USAID motor pool personnel:

Motor Vehicle Record – USAID form 5-197 should be completed for all USAID titled vehicles upon arrival at post.

Daily Vehicle Usage Record – form OF-108, on which hours of vehicle operation and distances traveled are recorded for each vehicle and the passenger signs as official or personal use.

Monthly Record of Automobile Operating Expenses – USAID form 5-237, records fuel and oil consumption, parts installation and replacement and other vehicle operating expense.

Vehicle procurement documentation including info on optional equipment and purchase price must be on file.

Import documentation showing how and when the vehicle entered the country must be on file.

Agency Report of Motor Vehicle Data – form SF-82 should be prepared annually and sent to AID/W by October 15.

Maintenance Records for each vehicle should contain info on oil changes, lubrications, tune-ups, etc.

Close-out

--Property elements of the OTI Field Office Close-out Plan

Close-out procedures have a strong programmatic element, especially the plans for disposing of NXP property. Donations of office equipment and furnishings can be a significant form of capacity building for important local partners.

Close-out plans should be developed by the OTI field office six months prior to scheduled close-out.

The following is a sample Property Disposal component of an Operational Close-out Plan:

Property Disposal

Disposition of program funded property follows the order of precedence, listed in the section below. The following are the first two in that order of precedence:

First order of precedence: Transfer for other uses within the Strategic Objective (SO) for which it was originally purchased. This would include either transfer to USAID if OTI activities continue under a handover to a USAID SO or transfer to another OTI field office.

The following timetable for close-out actions is suggested using this first order of precedence disposition authority for NXP (motor vehicles have a separate timetable chart below):

<u>Item</u>	<u>Completion Date</u>	<u>Action/Tasks</u>	<u>Assigned to</u>
1. office	(about 3 months prior to close-out)	Decision made on what property, if any is to transferred to USAID	OTI field USPSC and EXO
2.	(a week later)	If no property is to go to USAID, provide list to OTI/W for redistribution	OTI field office USPSC and EXO
3.	(three weeks later)	Deadline for OTI/W response on redistribution	OTI/W

4. (one week later) Estimated cost to pack and ship OTI
field office items to other OTI field office.
USPSC and EXO
PDAs (Property Disposal
Authorization Forms) prepared.
5. (one week later) Fund cites provided by receiving receiving
office OTI field office
6. (one month later - Property packed and shipped OTI field office
a few days before USPSC and
EXO
final exit date)
7. (the last day) PDAs (Property Disposal EXO
Authorization Forms) completed
and copies sent to OTI/W

Note: Normally OTI's vehicle or vehicles would go to another OTI field office but most of OTI's office and residential property would go to USAID

Second order of precedence: -- Transfer by project contribution to a different Strategic Objective within the USAID Mission.

Using this second order of precedence disposition authority for NXP and EXP, the following timetable for close-out actions is suggested:

Item	Completion Date	Action/Tasks	Assigned to
1. office	(about six weeks prior to last day)	OTI field office to decide what property goes where	OTI field USPSC
2.	(a week later)	Transfer memoranda to have been completed for all property and sent to OTI/W for appropriate clearances and approval signature of OTI/DIR	OTI field office USPSC
3.	(two weeks later)	Transfer memoranda returned to OTI field office	OTI/W
4. EXO	(a day or two before the last day)	Property transferred & memoranda signed by receiving organization NOTE: Receiving organization is	OTI field office USPSC and

- responsible for pickup.
5. (a day or two before the last day) Copies of transfer memoranda sent to OTI/W and EXO OTI field office
USPSC
 6. (a day or two before the last day) Surplus EXP packed and either returned to EXO or shipped to another OTI field office OTI field office
US and FSN
 7. (the last day) Make sure all EXP and NXP out of the office and the office is cleaned by the USAID or other custodial staff OTI field office
USPSC
 8. (the last day) PDAs (Property Disposition Authorization Forms) completed and sent to OTI/W EXO
- Note: a few days before the last day Items on loan from USAID, Embassy or implementing partner are returned OTI field office
US or FSN PSC

Sample for the Motor Vehicle section of the Operational Close-out Plan

Item	Completion Date	Action/Tasks	Assigned to
<u>Vehicle or Vehicles (by name) – a different timetable may be needed for different vehicles</u>			
1.	(two & a half months prior to the last day)	OTI field office to decide how/where the vehicle(s) will be transferred	OTI field office USPSC
2.	(one month later)	If transfer by donation, etc., transfer memoranda to have been prepared (to include Make/Model, Year, VIN #, Color, and Plate #), and cleared by the EXO and then sent to OTI/W for Appropriate clearances/signatures	OTI field office USPSC
3.	(two weeks later)	Transfer memoranda returned to OTI field office	OTI/W
4.	(one week later)	Transfer memoranda sent to USAID for completion of Property Disposal	OTI field office USPSC

		Authorization (PDA)	
5.	(a few days before the last day)	Transfer completed	Receiving Organization
6.	(the last day)	If vehicle(s) are transferred to USAID, PDA (Property Disposal Authorization Form) completed with copy to OTI/W	EXO

TIMELINE SPREADSHEET: Separate from the Operational Close-out Plan, a Timeline spreadsheet should be prepared specifying the action/task, name of the person assigned responsibility and a specific completion date during the final months. This Timeline schedule should be monitored both in the OTI field office and in OTI/W to ensure necessary actions are completed prior to close-out.

--Disposal Order of Precedence/Guidance (ADS 534.5.8b) for Non-expendable Property (applicable to OTI Field Office Property):

The following order of precedence shall normally apply when the property is no longer needed for the immediate purpose it was procured to serve:

1. Transfer for other uses within the Strategic Objective for which it was originally purchased (this would be other OTI field offices or OTI/W)..
2. Transfer by project contribution to a different Strategic Objective within the USAID Mission.

3. Redistribution within USAID for administrative (OE) (non-program) uses when such uses are expected to last one year or more per Mandatory Reference 6 FAM 227.3-1.

4. Transfer to another U.S. Government Agency. In such cases the receiving agency will reimburse the USAID/OTI program account from which the property was purchased, if such account is active. The reimbursement will be an amount not to exceed the fair market value of the property item.

5. Sale by sealed bid or public auction, with the proceeds of sale being credited to the relevant programmatic account, if active. In the event the accounts are not active (e.g. a program has been closed), the proceeds shall be returned to the U.S. Treasury.

6. Abandonment or cannibalization. These methods shall be used when the Program Manager has determined that the property has reached condition of negligible value.

Property Custody and Title

For program funded NXP acquired for the OTI field office operations, Custody is retained by the OTI field office until close-out to support OTI program-funded personal services contractors, and Title is vested in the USG.

Attachment 1 - Grant-in-Aid Memorandum

GRANT-IN-AID

OFFICE OF TRANSITION INITIATIVES

_____ (City, Country)

BY MEANS OF THIS DOCUMENT AND IN ACCORDANCE WITH ADS 534.5.8 AND 6 FAM 227.3-4, THE OFFICE OF TRANSITION INITIATIVES, AGENCY FOR INTERNATIONAL DEVELOPMENT, AT THE REQUEST OF _____ HEREBY TRANSFER TO _____ THE PROPERTY LISTED BELOW. THIS PROPERTY SHALL BE USED FOR THE EXPRESS PURPOSE OF CARRYING OUT _____.

<u>ITEM NO.</u>	<u>BARCODE NO</u>	<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>VALUE</u>
-----------------	-------------------	--------------------	-----------------	--------------

The total estimated value of the items to be transferred is \$ _____

Accepted by: _____
(Signature)

Approved by _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Clearances:

Country Representative _____

OTI/W Team Leader _____

OTI Management Advisor _____

Attachment 2 - Project Contribution Memorandum

PROJECT CONTRIBUTION

OFFICE OF TRANSITION INITIATIVES

_____ (City, Country)

BY MEANS OF THIS DOCUMENT AND IN ACCORDANCE WITH ADS 534.5.8 AND 6 FAM 227.3-4, THE OFFICE OF TRANSITION INITIATIVES, AGENCY FOR INTERNATIONAL DEVELOPMENT, HEREBY TRANSFER TO _____ THE PROPERTY LISTED BELOW. THIS PROPERTY SHALL BE USED FOR THE EXPRESS PURPOSE OF ADVANCING THE OBJECTIVES OF _____.

<u>ITEM NO.</u>	<u>BARCODE NO</u>	<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>VALUE</u>
-----------------	-------------------	--------------------	-----------------	--------------

The total estimated value of the items to be transferred is \$ _____

Accepted by: _____
(Signature)

Approved by _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Clearances:

Country Representative _____

OTI/W Team Leader _____

OTI Management Advisor _____

Attachment 3 - Donation Memorandum

DONATION

OFFICE OF TRANSITION INITIATIVES

_____ (City, Country)

BY MEANS OF THIS DOCUMENT AND IN ACCORDANCE WITH ADS 534.5.8 AND 6 FAM 227.3-5, THE OFFICE OF TRANSITION INITIATIVES, AGENCY FOR INTERNATIONAL DEVELOPMENT, HEREBY DONATES TO _____ THE PROPERTY LISTED BELOW. THE _____ SHALL PAY FOR ALL TRANSPORTION AND ACCESORIAL COSTS TO MOVE AN INSTAL THE PROPERTY.

<u>ITEM NO.</u>	<u>BARCODE NO</u>	<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>VALUE</u>
-----------------	-------------------	--------------------	-----------------	--------------

The total estimated value of the items to be transferred is \$ _____

Accepted by: _____
(Signature)

Approved by _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Clearances:

Country Representative _____
OTI/W Team Leader _____
OTI Management Advisor _____

Attachment 4

INFORMATION

USAID/GENERAL NOTICE
M/AS/OMS

01/13/98

SUBJECT: Use of Government Vehicles

This is a reminder that there are serious penalties for misuse of a government vehicle (defined as both government owned and government leased). Federal statutory law mandates a MINIMUM one month suspension without pay for an employee who willfully uses or authorizes the use of a government vehicles for other-than-official purposes. Penalties may exceed this one month minimum, up to and including removal from office. Official purposes are those which are directly related to the transaction of official affairs of the U.S. Government.

Improper use of vehicles is obviously a serious concern; it costs the government money and it exposes the government to liability. Don't let it endanger your career. If you become aware of such unauthorized use, you should report it. There are various reporting channels, including your chain of command, your EXO, or a representative of the Office of the Inspector General, which includes the I.G. Hotline.

Use of official vehicle for business purposes is defined in 6 FAM 228. The Secretary of State also has statutory authority to authorize the use of government vehicles for transportation of government employees and their families when public transportation is unsafe or not available or when such use is advantageous to the government. 6 FAM 228 contains the State Department guidance which, in sum, requires written findings by the Chief of Mission justifying such use and the collection of a charge in certain instances. USAID EXOs and the USAID/W M/AS/OMS office are the point of contact for any questions concerning the use of government vehicles.

Each Mission will shortly be requested by the Assistant Administrator for Management to review its written vehicle use policy, and ensure that it is consistent with regulation and Chief of Mission policy.

Notice 0111

Attachment 5 – Sample Memorandum – Self Drive

(NOTE: SAMPLE MEMO TO BE OBTAINED OR CREATED FOR ATTACHMENT 5)

MEMORANDUM OF UNDERSTANDING

Dated as of December 12, 2000

BETWEEN

USAID SERBIA EXECUTIVE OFFICE

AND

OFFICE OF TRANSITION INITIATIVES, SERBIA AND MONTENEGRO

This Memorandum of Understanding will formally document agreements reached between USAID Serbia Executive Officer, _____, and the Office of Transition Initiatives (OTI) Senior Management Field Advisor, _____, regarding services that will be provided by USAID/Serbia/EXO to the Office of Transition Initiatives, Serbia and Montenegro. In view of the fact that the USAID Serbia Mission and OTI are part of the same USG Agency, it is reasonable and more cost effective to expect that some services not already charged through ICASS should be shared, thus achieving certain economies and eliminating unnecessary duplication.

The basic premise of this MOU is that USAID Serbia will provide OTI staff with the same administrative support services provided to other members of the USAID Serbia Mission which is provided directly or received from Embassy Belgrade or RSC/RFMO. OTI will comply with the same administrative procedures required of other USAID Serbia staff. OTI requests for EXO services will follow established EXO policies and procedures.

OTI has entered into a Support Which Implements Fast Transition (SWIFT) contract with Creative Associates International for the provision of administrative, logistics, procurement and financial aspects of the OTI program. In consultation with USAID Serbia Executive Office, OTI may be required to utilize the SWIFT contract for services outside of Belgrade and, if necessary, could be used to supplement services provided by the EXO in Belgrade. Use of the SWIFT contract in Belgrade will be done in close coordination with the Executive Office, USAID Serbia.

The duration of this MOU is indefinite until either party agrees to terminate.

EXECUTIVE OFFICE

1. Residential Leasing Services

--Identifies potential residential residences for OTI staff upon recommendation/approval of the Embassy Housing Board.

- Negotiates and finalizes residential lease agreements, including preparing requests for waivers for leases exceeding \$25,000 annual rent ceiling; preparing memorandum of negotiation, lease agreements and termination notices.

- Acts as liaison between landlord and OTI employees when needed.

- Maintains lease files and records consistent with Agency requirements.

2. Office Space

- EXO will include OTI in all space planning upon relocation to Belgrade and manage USAID Serbia and OTI space, working in close coordination with OTI management.

3. Procurement Services

- Handles/processes all OTI procurement such as procurement under Personal Service Contracts, Purchase Orders, and other related services. All procurement requests will be initiated by OTI using the Requisition Form or Purchase Order Form. For all appropriate procurement actions, OTI will provide competition documentation (i.e. quotes) to the EXO.

4. Personnel Management Services

- Provides personnel services for all FSN personnel including executing FSN contracts, notifying OTI that annual evaluations are due to Embassy Personnel and processing awards for FSN staff.

- Maintains FSN Official Personnel Files

5. Non-Expendable Property Management Services

- The EXO will begin to assume the role of controlling NXP management for OTI following the move to Belgrade but NLT February 15, 2001. OTI will provide EXO a complete inventory of all NXP NLY January 31, 2001.

- Services will include receiving, warehousing, furnishing OTI office and residences, maintaining inventory records, preparing annual reports, and recommending NXP for disposal.

- The EXO will maintain separate property records for OTI's NXP since all will be program funded.

6. Motor Pool

- OTI will control and manage its own vehicle fleet and supervise drivers. OTI will complete all required vehicle forms (Daily Usage Report, Fuel/Oil consumption record, etc.) and distribute to EXO on a monthly basis. EXO will be responsible for other administrative vehicle requirements, year end reporting, maintenance and repair.

7. Systems Support

- EXO will provide ADP support and perform system administration functions.

FUNDING: OTI agrees to pay their share of administrative costs.

OFFICE OF TRANSITION INITIATIVES

In consideration of the services described above, OTI agrees to fund one FSN Administrative Assistant position in the Executive Office, supervised by the Executive Officer, to work predominately in support of OTI. In addition, OTI will recruit for an FSN Administrative Assistant who, in addition to financial and grants functions, will serve as a liaison between OTI and USAID Serbia EXO staff.

With regards to travel, OTI will prepare BTAs at the beginning of each fiscal year for OTI staff, as appropriate, to include travel within Serbia and Montenegro and other countries in the region as appropriate. BTAs will be routed through EXO for clearance. International travel will require a Travel Order, routed through EXO and to RFMO for funding. Travel vouchers will be administratively approved by the OTI Country Representative or Executive Officer, as appropriate.

This agreement is entered into this 12th day of December, 2000 by the Officers signing below:

FOR OTI:

FOR USAID Serbia

Clearances:

SECTION THREE: INTRODUCTION TO RECORDS MANAGEMENT

What is a record?

Records are materials that an office creates or takes action on – i.e. paper, faxes, e-mails, video tapes, film, audio tapes and photographs.

How will I know what I am required to file and what can be destroyed?

The Agency requires its employees to retain materials that are important for financial, historical or legal purposes. If you create or take action on materials and those materials need to be preserved as evidence of the organization, functions, policies, decisions, procedures or operations of OTI, then the materials must be filed IN HARD COPY. Yellow labels identify record material.

How many types of records are we talking about? Should I be afraid?

No, there are ONLY three (3) types of records; permanent, temporary and non-records.

That's too many, how will I know which is what?

No worries - this is simple. Just think about the words: permanent (forever), temporary (short-term) and non-record (working file or just trash when you're done with it).

Please explain!

Permanent records are records that have sufficient historical or other value to warrant continued preservation by the Federal Government.

Temporary records are records that have a definite period, ranging from a few months to several years.

Non-records (working files) - kept for your convenience as reference only. They are discarded when no longer needed, i.e. - extra copies, reading files, library materials, and technical reference materials. Green labels identify non-record (working) files.

How do I file what I have?

There are two general types of files specifically related to OTI:

Case files – these files are referenced by number, name or date, i.e. PSC files (name); the CTO's activity file (number). Case files are not filed by fiscal year but have a beginning and ending date. In other words, the entire "case" is kept in a folder from its beginning to its end. An example is a PSC personnel file. Everything about the PSC is kept in one file from the date of entry until the PSC resigns no matter how many years! Another example - OTI field office files on individual motor vehicles. These files contain the make of the vehicle and the CD license plate number.

Subject files – these files are referenced by a common subject, including general correspondence, policy and procedural material. AID uses a coding series for these files, which can be found in ADS 502. Unlike case files, subject files are filed by fiscal year. There are two types of subject files: Administrative and Program.

Administrative subject files relate to housekeeping, staffing and managerial operations. In OTI field offices, these files are retained for the life of the OTI program, boxed and kept for an additional two years, then destroyed. In OTI/W, they are retained for two years and then destroyed.

Here are some examples of administrative subject codes used by OTI field offices as well as OTI/W:

ADM Administrative Management (various correspondences)
 BUD Budget (ICASS, all budget information)
 GRS General Services (space, equipment, supplies, property inventory, motor pool operations)
 PER Personnel (attendance, leave, award, incentives, training)
 PRC Procurement and Contracting. Note: In the field, copies of purchase orders would be kept in a purchase order file (case file), which is maintained by number of the PO.
 TRV Travel (policies and procedures relating to all travel and country clearances) *Note: each OTI employee should have a travel file.

Program subject files relate to OTI program activities – i.e. program background, support and development. In OTI Field offices, these files are retained until closeout, boxed and sent to AID/W for retirement. Program Subject files are eventually sent to National Archives and Records Administration for permanent retention.

Here are some examples of program subject headings that are appropriate to OTI Field offices and OTI/W:

INF Information and Mass Communications (briefing material written by OTI staff, press releases cleared by OTI staff, speeches drafted for senior agency officials by OTI staff)
 PRM Program Development, Evaluation and Research (all documentation relating to the specific OTI program including weekly reports sent to OTI/W by field staff.)
 DEM Democracy and Governance (materials regarding elections and political processes, civil society, governance, rules of law and human rights)
 HLS Health and Sanitation (if appropriate to specific OTI program)
 SOC Social and Institutional Development (materials relating to social structure and cultural patterns; and activities among local populations to initiate and implement self-help development programs - categories: community development, social services, women in development, disaster assistance, housing and urban development). Use this category only if specific to OTI program.

*Note: this is not a complete list of all agency file codes, just examples of those common to OTI. Also, each of the above codes have sub codes -- but we won't go there now!

For some examples of "case" files in OTI/W:

1. CTO's maintain all records on contractors. The yellow label identifies the contract **number** and the name of the contractor.
2. PSC files. Yellow labels identify the contract employee by **name**.
3. Administrative and Program country files -- identified by yellow label with the name of the **country**.

For some examples of "case" files in field offices:

1. Grant Files - These files will be identified with yellow labels which will include the grant number, name of grantee and dates of grant. ALL correspondence dealing with specific grants will be placed in these files. As a note: at closeout, these files will be retained for 3 years either in OTI/W or the USAID.
2. Personnel Files - Each OTI staff member should have three files identified with a green label and last and first name of employee. There should be "personnel", "travel", "time and attendance" files for each staff member.
3. Contractor file - It's a good idea for the OTI field office to also maintain a copy of the Contract and amendments, correspondence and any other communication the field office has with the contractor. Keep in mind that the CTO in OTI/W is responsible for maintaining the official file. The field office contractor files will have green labels that identify the name of the contractor and the contract number. These files will be destroyed at closeout.

What about disposition of records?

Each series of records has a disposition authority. For example, administrative subject files are only kept two years; program files retained forever. However, there are numerous disposition authorities for USAID records that can be found in ADS 502. No need to go into a lot of detail on disposition authorities. You'll learn all about this in due time!!

When files are sent for disposition, where do they go?

Permanent records are sent to the National Archives and Records Administration (NARA).

Mental note: only 5% of all federal records are permanent. Please remember records belong to the U.S. Government, not an office or staff member, so don't hold on to stuff – file it appropriately, then retire it or trash it! Other records are kept for a period of time and then destroyed.

Whew! Is there anything else I should know about records?

Yes, the Agency has a Vital Records Program, which requires all Agency Offices/Missions to preserve certain records in case of an emergency or disaster. In OTI Field Offices, if there's an Executive Officer at post, he/she will guide you through this process. If not, you'll hear from OTI/W about mid March of every year!!

What do I do about records when I closeout a field program?

Hopefully, you'll have a bullpen management staff member come out about 6 months prior to close-out and determine what records will need to be sent to AID/W vs. which can be destroyed. To get some idea of the process, please refer to the Closeout section of the Guidelines document.

I have additional questions about records?

Please refer all questions about records to the OTI Human Resources Specialist, Cara Hagood – chagood@usaid.gov or 202-712-5309 or the OTI Senior Administrative Field Advisor, Jerry Jordan – jjindel@aol.com.

Can I get help setting up my files?

Absolutely! OTI/W will schedule a Senior Administrative Field Advisor shortly after the program opens to assist not only in record management but in other administrative areas as well. In OTI/W, Cara Hagood is there to assist.

PLEASE SEE ATTACHED LABEL EXAMPLE

INTER AGENCY STRUCTURES AND PROCESSES

Presentation by the Office of the Coordinator for Reconstruction and Stabilization (S/CRS)

**Office of the Coordinator for
Reconstruction and Stabilization
(S/CRS)**

Presentation to USAID – NEPs - BS 76

Susan Reichle
Deputy Coordinator
Col. William Fitz Lee
Sr. Military Adviser
U.S. Department of State

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- ▶ Operational Strategy
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U.S. Policy Interests

- ▶ Over the past 15 years, the U.S. has been involved in seven major post-conflict reconstruction and stabilization operations, and contributed significant resources to over 10 more.*
- ▶ Failed and failing states provide breeding grounds for terrorism, crime, trafficking, humanitarian catastrophes and other threats to U.S. interests.
- ▶ *Successful stabilization and reconstruction are essential to an achievable and sustainable exit strategy for military and peacekeeping forces.*

Operational Assumptions:

- ▶ Must address 1 major USG military intervention and 2 significant reconstruction and stabilization operational concurrently.
- ▶ Most reconstruction and stabilization operations require 5-10 years for success; 50% lapse into conflict in the first 5 years.
- ▶ Stronger reconstruction and stabilization capabilities require additional resources.

*The seven are Somalia, Haiti, Bosnia, Kosovo, Liberia, Afghanistan, and Iraq. During this period the USG also devoted significant capabilities and resources to a variety of other post-conflict stabilization and reconstruction efforts, including in Cambodia, Mozambique, El Salvador, Nicaragua, Guatemala, Rwanda, Sierra Leone, Colombia, and East Timor, among other places. (RAND, Center on International Cooperation)

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Combat Operations: The Challenges are Accentuated

Current gaps in civilian planning and operational capacity jeopardize the success and sustainability of stabilization and reconstruction and complicate the withdrawal of troops.

Key Gaps:

- Lack of joint civ-mil planning in pre-conflict stage;
- Limited civilian capacity to deploy with military units to support civilian stabilization ops during hostilities
- Unclear transfer from military to civilian responsibilities as security stabilizes.

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Developments since April Principals Meeting

- ▶ Office operational: 35 staff from State, USAID, OSD, JCS, CIA, Army Corps of Engineers, JFCOM, Treasury.
- ▶ PCC on Reconstruction and Stabilization with 8 working groups created.
- ▶ Strong contacts with and support from combatant commands: JFCOM, EUCOM, SOCOM, SOUTHCOM, CENTCOM thus far.
- ▶ Working relations established with NDU, FSI, Carlisle, Naval War College, and others to support training and exercises.
- ▶ Draft White House mandate circulated for interagency concurrence.
- ▶ Taking leadership with UN, EU, key countries to leverage similar capabilities
- ▶ Consultations with think tanks, NGOs, practitioners.

From Management to Action:

- ▶ ***S/CRS can improve the management of stabilization and reconstruction operations with existing resources.***
- ▶ ***If our goal is to build strong institutional capability to address one of today's major national security challenges – preparing for and managing conflict – we need to invest resources to allow civilian agencies to plan, train, exercise and deploy rapidly.***

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**Moving Forward
Operational Model: Five Functions**

- ▶ **Monitor and Plan:** Identify states and regions of greatest risk and importance, and lead U.S. planning focused on these priorities to avert crises, when possible, to prepare for them as necessary. Integrate planning and exercises with the military.
- ▶ **Prepare Skills and Resources:** Establish and manage an interagency capability to deploy personnel and resources in an immediate surge response and the capacity to sustain assistance until traditional support mechanisms can operate effectively. Civilian response corps and standby civilian capabilities will be developed.
- ▶ **Mobilize and Deploy:** Coordinate the deployment of U.S. resources and implementation of programs in cooperation with international and local partners to accelerate transitions from conflict to peace.
- ▶ **Coordinate Internationally:** Work with international organizations, international financial institutions, individual states and NGOs to harmonize approaches, coordinate planning, accelerate deployment of assets, and increase the interoperability of personnel and equipment in multilateral operations.
- ▶ **Learn from Experience:** Incorporate best practices and lessons learned into functional changes in training, planning, exercises, and operational capabilities that support improved performance.

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Skills and Resources: Requirements to Deliver and Implement

I. Global Skills and Resources Network: Rosters and contracts with Firms, Individuals, NGOs, and USG Specialists

Sector	Providers:	Programs (illustrative)
Transitional Security	State/INL: State/PM:	Intl. civilian police contracts International constabulary <i>Note: though not under S/CRS, military forces (e.g. MPs, Civil Affairs) play role in transitional security</i>
Rule of Law	DOJ: State/ INL: USAID:	Investigations, prosecution, justice, corrections programs Civilian police programs Development of legal systems
Infrastructure	USAID: USACE:	Development assistance; public services Reconstruction
Humanitarian/ Transition	USAID: USDA: State/PRM:	PSC Rosters, Food programs Food programs Refugee relief
Economic, Social, Private Sector	USAID: Treasury: Commercial Agencies	Economics, job creation, health services PSC rosters
Governance and Participation	USAID: State/DRL:	Civil society, governance, elections programs Elections assistance

II. Civilian Response Corps: Feasibility study to assess how government can quickly access people and skills in private sector, such as: constabulary, police, judicial, civil administration, city planning, public finance, etc.

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Mobilize and Deploy: Additional USG Requirements to Lead, Coordinate, Design and Manage

*Coordination is made or broken by whether we have a diplomatic presence on the ground...
...the Active Response and Technical Corps give us the ability to deploy quickly when the momentum of stabilization and reconstruction hangs in the balance*

S/CRS leadership and coordination: 80 people

- ▶ *Lead, plan, coordinate, mobilize civilian response.*

Diplomatic Operations: Active Response Corps: 100 people

- ▶ *Rapid deployment, participate/facilitate diplomatic operations, peace negotiations, on-ground coordination with transitional governments, IOs, NGOs.*

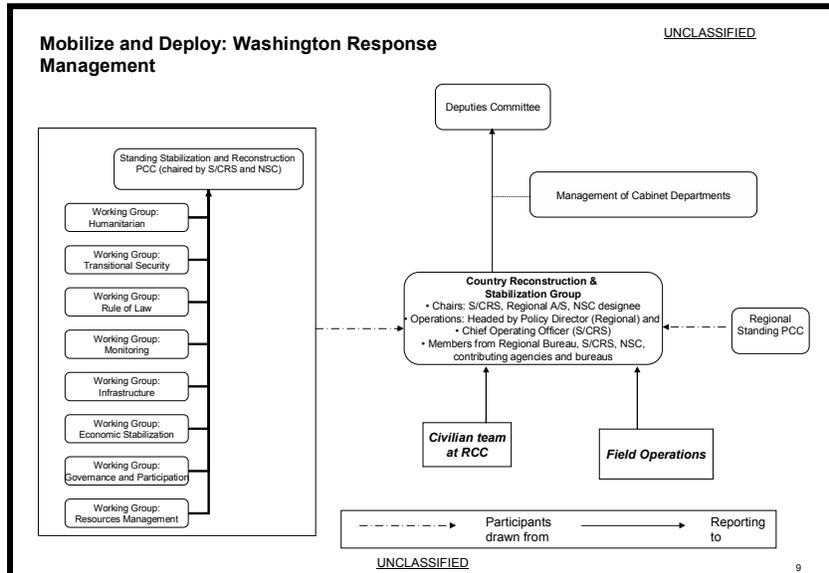
Technical Corps for Design and Management Skills: 132 people

- ▶ *Rapid design and management of transitional governance and civilian security programs, etc.*

Advance Civilian Teams: Drawn from S/CRS, Active Response and Technical Corps

- ▶ *Deploy with military at brigade or division level, foundation for PRTs*

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Coordinate with the International Community

- ▶ U.S. working with international partners to increase global capacity for peacekeeping and peace support activities.

<p><u>UN</u> Engaging DPKO, DPA, OCHA, UNDP, UNICEF to coordinate security, emergency, and developmental aid</p>	<p><u>EU</u> Coordinating on constabulary, policy, judges, civil administration, early warning; For 2007, €550m stability instrument; New European constabulary initiative</p>	<p><u>Bilateral Partners</u> UK: new post conflict unit and fund Germany: establishing skills reserve France: named S&R coordinator Nordics: building niche expertise Canada: Considering S&R office</p>
<p><u>IFIs</u> World Bank, IMF, Regional Banks creating vehicles to assess and respond to conflict</p>	<p><u>G-8</u> Enhancing international peacekeeping and constabulary capacity through train&equip; Deepening support for regional organizations</p>	<p><u>NATO</u> Engaging on stabilization and reconstruction planning and civ-mil coordination</p>
<p><u>Regional Organizations</u> Neighbors bear 50% of costs of conflict, but regional organizations weak; Priority: Strengthen AU</p>		

- ▶ Managing Relations on the Ground
 - Rapid deployment of civilian presence allows field-based coordination of civ-mil operations
 - Active Response and Technical Corps create a U.S. civilian base to coordinate with international partners, UN missions, and NGOs

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