



Chemonics International, Inc.  
1133 20<sup>th</sup> Street, NW  
Washington, DC 20036  
Telephone: (202) 955-3300  
Fax: (202) 955-7540

AMIR Program  
Access to Microfinance & Improved Implementation of Policy Reform

USAID Contract No. 278-C-00-98-0029-00

---

**Business Associations Incentive Grant Program (BAGP) Manual**

**Submitted to:**

United States Agency for International Development

**Submitted by:**

Chemonics International Inc.  
The Services Group

December 1998

---

**AMIR Jordan**

**Business Associations Incentive Grant  
Program (BAGP) Manual**

# TABLE OF CONTENTS

<b>I.</b>	<b>Introduction</b>		<b>1</b>
<b>II.</b>	<b>Roles and Definitions</b>	<b>2</b>	
<b>III.</b>	<b>Operational Parameters</b>	<b>4</b>	
<b>IV.</b>	<b>Grant Processing Forms and Processing Steps</b>		<b>8</b>
<b>V.</b>	<b>Grant Management</b>		<b>11</b>
<b>VI.</b>	<b>Monitoring and Evaluation</b>		<b>14</b>
<b>VII.</b>	<b>Modification or Termination of a Grant</b>	<b>15</b>	
	<b>Annex A: Grant Processing Forms and Instructions for Completion</b>		<b>16</b>
	<b>Annex A-1: BAGP Grant Concept Form</b>	<b>17</b>	
	<b>Annex A-2: BAGP Grant Application Form</b>	<b>19</b>	
	<b>Annex A-3: BAGP Grant Application Executive Summary Form</b>		<b>25</b>
	<b>Annex A-4: BAGP Grant Agreement</b>	<b>27</b>	
	<b>Annex A-5: BAGP Grant Activity Completion Form</b>	<b>32</b>	
	<b>Annex B: Grant Management</b>	<b>34</b>	
	<b>Annex B-1: Financial Management</b>	<b>35</b>	
	<b>Annex B-2: Disbursement Procedures</b>	<b>37</b>	
	<b>Annex B-3: Procurement</b>	<b>39</b>	
	<b>Annex B-4: Reporting Requirements</b>	<b>43</b>	
	<b>Annex B-5: Financial Report Form</b>		<b>44</b>
	<b>Annex B-6: Advance Request Form</b>	<b>46</b>	

**AMIR Jordan**  
**Business Associations Incentive Grant Program (BAGP) Manual**

**I. INTRODUCTION**

The Access to Microfinance and Improved Implementation of Policy Reform (AMIR Project) is funded by the United States Agency for International Development. The goal of the AMIR Project is to increase economic growth through sustainable micro and small enterprise (MSE) initiatives, to stimulate greater investment and to assist the Jordanian business environment to become more globally competitive. The Business Associations Incentive (BAI) Component of the project will provide targeted assistance to selected private sector business associations and professional organizations interested in effecting market-oriented economic policy change in Jordan and improving demand-driven, business-oriented services to their members.

The purpose of the Business Associations Incentive Grant Program (BAGP) is to strengthen the private sector by providing support for business associations to work more effectively with their members and government in order to improve the business and investment environment and to offer the support services that are demanded by a vibrant private sector. Business associations in Jordan can play an important role in identifying, analyzing the impact of and advocating for needed market-oriented policy, regulatory and implementation reforms. The associations can also deliver non-financial business services to private sector small and medium size enterprises (and, potentially, some micro enterprises). Assistance under this component will be provided to selected associations that are best able to fulfill this role.

## **II. ROLES AND DEFINITIONS**

### **Grants Administrator**

The Grants Administrator will support the Business Associations Incentive Component personnel in carrying out the following work: assessing needs, establishing program funding parameters and eligibility criteria, issuing solicitations, evaluating applications, making recommendations for approvals, and providing follow-up monitoring and evaluation. The Grants Administrator works out of the AMIR office and reports directly to the Chief of Party.

### **Senior Business Associations Specialist**

Senior Business Associations Specialist manages the Business Associations Component of the AMIR project and reports directly to the Chief of Party.

### **Chief of Party (COP)**

Chief of Party for the AMIR project. He/she is the legal representative of Chemonics in Jordan, and in this capacity signs all grant recommendations under the BAGP sub-component.

### **USAID AMIR Project Officer**

The USAID AMIR Project Officer oversees the grant fund activity for USAID. This person will coordinate the final grant decision and agreement signing process internal to USAID and will receive quarterly reports from the Grants Administrator detailing grants made, amounts disbursed and status.

### **Applicant**

An organization applying for a grant through the BAGP.

### **Grantee**

An organization which has been awarded a grant under the BAGP.

### **Grant Agreement**

The grant instrument may be either a grant or cooperative agreement, hereinafter referred to as the Grant or Grant Agreement.

### **Grant Advisors**

The Grant Advisors are a working group internal to AMIR who review formal grant applications and make recommendations to Grants Committee. There are normally three Grant Advisors: the Senior Business Association Specialist, the Grants Administrator and the Chief of Party. Other Specialists may be added, as necessary. This group meets periodically to consider grant applications and forward recommendations to USAID for final selection and agreement signing.

### **Grants Committee**

The Grants Committee, made up of appointed AMIR and USAID representatives, meets as necessary to consider grant applications and to approve those to be funded. Under certain conditions, modifications to existing grants must be approved by this committee as well.

## **USAID**

The Mission of the United States Agency for International Development in Jordan, which provides the funds for the AMIR Project.

## **Chemonics**

Chemonics International Inc. of Washington, D.C., the firm which holds the contract with USAID for the AMIR Project and which signs agreements on behalf of the AMIR Project.

## **GOJ**

Government of Jordan. For the AMIR Project, the Ministry of Planning is the cognizant ministry.

### **III. OPERATIONAL PARAMETERS**

#### **A. Eligibility Requirements for Grantees**

##### **A.1. Types of Organizations**

1. Private sector business associations.
2. Business-oriented private sector professional organizations.

##### **A.2. Conditions of Eligibility**

All proposals will be reviewed for eligibility against the criteria below. Applications that are submitted which do not, in AMIR's judgment, substantially comply with the contents and format required may not be considered in the review process.

1. The grantee organization must be legally recognized under Jordanian law or in the process of registration.
2. The proposed activity must respond to the BAGP grant fund purposes as defined in Section I above..
3. Applicants must be able to demonstrate the capacity to improve the business and investment environment and to offer the support services that are demanded by a vibrant private sector.
4. The activity should not duplicate those being implemented with other donor funds.
5. The organization should be financially solvent and well-managed with accurate and complete financial records and demonstrate the ability to work effectively with its members.
6. The organization must demonstrate an interest in:
  - a. generating and evaluating relevant economic policy data,
  - b. introducing the results of its policy analysis and other industry information and member feedback on the business environment into the policy decision-making process, and
  - c. using the media to augment direct lobbying efforts.

#### **B. Project Requirements**

All proposed grant projects must:

1. provide cost sharing in cash or in-kind contributions, from non-U.S. government sources. USAID practice is to usually request a amount equal to 25% of the total funding required for the activity. This can include, but is not limited to:
  - cost sharing
  - co-funding
  - office space
  - equipment
  - staff time

2. be for a period of one to three years;
3. total no more than the JD equivalent of \$100,000 of USAID funding per applicant request, which may be disbursed in tranches, and
4. agree to comply with the policies and institutional reporting requirements contained in the **Grant Agreement** as required.

### **C. Ineligible Activities**

The Business Associations Incentive Grant Program will not finance:

1. creation of endowments;
2. headquarters expenses that are not directly linked to field implementation;
3. training programs other than those integral to achievement of the targets established in the business plan
4. ceremonies, parties, and celebrations
5. purchases restricted and prohibited under AID regulations
6. surveillance equipment, military equipment or arms whether new or surplus, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods and gambling equipment
7. goods which have their origin in Cuba, Vietnam, North Korea, Cambodia/Kampuchea, the People's Republic of China and other countries or suppliers as may be identified by AID's consolidated list of debarred, suspended or ineligible sub-contractors, and
8. any purchases or activities unnecessary to accomplish grant purposes.

### **D. Unallowable Costs**

Include, but are not limited to:

1. previous obligations
1. bad debts
1. fines
1. penalties

### **E. Key Assumptions**

Organizations may receive training and technical assistance from the AMIR Project in upgrading their operations and/or organization in order to meet the grant requirements prior to or after receiving a BAGP grant. That assistance would not be part of the grant. All applicants interested in preparing a proposal must first



complete the **Grant Concept Form** and meet with AMIR staff to determine their willingness to consider a proposal. Based on the results of these discussions, a decision will be made as to what, if any, technical assistance or training is warranted.

## **F. Evaluation Criteria**

Approval of the **Grant Concept Form** will pre-qualify the applicant to complete and submit the **Grant Application Form**. An award will require that the applicant institution present a credible business plan as described in the Grant Application Form, which demonstrates how the organization will reach the specified programmatic and financial targets. The final award will be made based upon business plans that demonstrate a high probability of being successfully implemented and subject to availability of funds. Grant applications will be evaluated by the **Grant Advisors** and recommendations made to the **Grants Committee** using the following criteria.

### **F.1 Criteria for Business Associations Proposals**

#### **a. Scale and Outreach** **40** **points**

- Evidence that the organization shows the capacity to significantly improve its policy analysis work.
- Interest in providing improved, demand-driven, business-oriented services to its members.
- Ability of the organization to build a broader outreach and increase its membership, including women entrepreneurs and small-firm entrepreneurs.
- Ability of the organization to effectively interact with policy decision-makers.

#### **b. Operations** **30 points**

- Extent to which the proposed program is innovative.
- Strength of the current and projected level of self-sufficiency of the organization.
- The degree of financial independence from continuing donor funding and the potential to sustain operations.

#### **c. Management Capability:** **30 points**

- Experience and track record of leadership and management.
- Experience of the applicant organization staff responsible for the program.
- Track record of the applicant in implementing private sector support programs that have achieved scale, depth of outreach and financial viability.

**TOTAL:** **100 points**

A minimum score of 75 points from all **Grant Advisors** will be necessary to be considered by the **Grants Committee** to receive a grant.

## **G. Solicitation**

The AMIR office may from time to time request Expressions of Interest from business associations in accordance with a schedule which will be advertised and shared with all potential grantees. The procedure will include the submission of the **Grant Concept Form** in order to pre-qualify and the **Grant Application Form** for evaluation and grant award under the provisions of this manual.

## IV. GRANT PROCESSING FORMS AND PROCESSING STEPS

The following is a brief discussion of each form required for grant processing and a description of the internal processing at each step. Sample forms and detailed instructions for completion are in Annex A.

### A. *Grant Concept Form*

The **Grant Concept Form** serves as a "first screening test" for potential grantees. The form is designed to gather essential basic information about the applicant and what the organization is proposing to do. The form allows the Grant Administrator to present the concept to the Grant Advisors who determine:

1. If the organization is eligible for a grant.
1. If the stated objective is compatible with the BAGP's purpose.
1. If the grant concept is worth developing.

A review of the form, supplemented by discussions with the applicant, will provide the Grant Advisors with a solid insight as to whether or not the applicant's grant concept should be further developed via the more detailed **Grant Application Form**.

#### A.1 *Processing Step*

The form and the **BAGP Manual** are available on request from the Grants Administrator. Whenever they are distributed, the Administrator will orally brief the interested party as to the purpose of the BAGP; highlight necessary processing steps; and establish a rapport with the recipient. A brief preliminary discussion session can eliminate wasted or misdirected efforts by the would-be applicant.

Completed **Grant Concept Forms** are submitted to the Administrator in order to ensure that they are logged-in, processed, and controlled properly. Forms are not accepted if they are not typed in a professional format or only partially completed.

Once a properly completed form is received, the Administrator circulates copies, along with his/her comments, to the Grant Advisors for initial review. When distributing the forms, the Administrator will establish a venue and time for a review meeting. The meeting should result in a consensus by the Advisors as to whether the Administrator should request the applicant to prepare a **Grant Application Form**. All applicants are advised in writing whether their submission has been accepted for further processing or rejected. The Administrator prepares and sends the written notification to the applicant.

### A. *Grant Application Form*

The **Grant Application Form** expands upon the basic information presented in the **Grant Concept Form** and provides a standardized format for review of the major elements of the proposed activity. Evaluation of the information presented on this form determines approval or disapproval of an activity.

#### B.1 *Processing Step*

Any applicant receiving a notice to proceed to the more comprehensive **Grant**

**Application Form** phase must schedule a meeting with the Grants Administrator and the Senior Business Associations Specialist. This serves as a briefing session and question-and-answer opportunity. The Administrator thoroughly reviews the form with the applicant. Emphasis is placed on the need to thoughtfully and carefully respond to all sections of the form. If appropriate, the services of a **Grant Development Specialist** can be made available to assist the applicant in developing its grant application. After the initial submission and review of a form with the Administrator, both the Administrator and Advisors must not enter into further substantive involvement in completion of the form. The applicant must demonstrate its capability to conceptualize the proposed activity, finalize the business plan, and define implementation schedule. If the applicant cannot do this, then it is unlikely that it can successfully manage a grant.

Once the applicant is satisfied with its Grant Application Form, it submits it to the Administrator. The Administrator circulates copies of the form to the Advisors for review. The Administrator sets a place and time for a second-step review meeting. At the second-step review meeting the Advisors determine if they will recommend the activity for funding. If the Grant Application Form is approved, the next step is to prepare a **Grant Application Executive Summary Form**.

### **C. Grant Application Executive Summary Form**

If the Grant Application Form has been well prepared, and the review of the form has been thorough and substantiated by reference checks or site visits, the **Grants Committee** can rely on what is presented in the **Grant Application Executive Summary Form** to come to its own conclusions and approve or disapprove a grant.

#### **C.1 Processing Step**

For each activity, the Administrator prepares a **Grant Application Executive Summary Form** in accordance with the Grant Advisors' recommendations. The Administrator then schedules a meeting with the Grants Committee to present the application. At the meeting the Administrator must be prepared to answer any questions the Committee might have. If necessary, the Administrator may call on other Advisors to participate in the discussion. After the Committee has had a chance to deliberate on the proposed grant activity, it may either approve, reject, or ask for additional information regarding the application. The Administrator keeps minutes of the meeting and advises the applicant in writing if the application has been approved or rejected.

### **D. Grant Agreement**

The **Grant Agreement** constitutes the agreement between Chemonics and the Grantee. The Grant Agreement is designed to clearly lay out the Grantee's obligations and to state what it may expect from AMIR in return. The Grant Agreement is divided into three main sections. The first, "Basic Information," presents all the variable information that pertains to a specific grant. in one place., thus eliminating the need to flip through pages to find data. The second section, "Terms and Conditions," presents the standard clauses and regulations governing all grants awarded under the BAGP. The third section, the "Statement of Agreement," declares the Grantee's acceptance of the Grant Agreement in its entirety and is entered into by joint signature of the Grantee and Chemonics.

#### **D.1 Processing Step**

For every approved application a **Grant Agreement** is prepared by the Administrator. All discussion of intent or interpretation of the terminology contained within the agreement must precede signature. The Grantee must fully understand and accept all aspects of the Grant Agreement if it is to serve as an effective document of agreement.

### **E.1 Grant Activity Completion Form**

The **Grant Activity Completion Form** serves two purposes. One, it officially summarizes and terminates AMIR's involvement in the grant activity. Two, it assesses whether or not AMIR should consider any future activities with the Grantee or involvement in similar activities. The Grant Activity Completion Form is prepared only after the **Grantee Completion Report** (Ref Grant Agreement Item No. 24) has been submitted by the Grantee and accepted by AMIR, and after the grant fiscal account has been reconciled by AMIR and the Grantee.

#### **E.1 Processing Step**

After the Administrator has received and accepted a **Grantee Completion Report**, he/she prepares the **Grant Activity Completion Form**. The Grantee Completion Report must be distributed to the Advisors for review and feed-back. Prior to the finalization of the Grant Activity Completion Form, the Administrator must ensure that all details related to the grant activity have been resolved.

Once the Completion Form has been prepared, copies are distributed to the Grants Committee and the Grants Advisors. A copy of the Completion Form is placed in the grant activity file to serve as a closure statement.

## **V. Grant Management**

### **A. Elements of the Administrative Management System**

For a BAGP grant activity to be successful, the Grantee must fully understand and respect:

- The essential relationship between the grant objective and the Business Associations Incentive Grant Program.
- The "Terms and Conditions" that control the grant.
- The limitation of available funding and the need to use grant funds responsibly.
- The importance of formulating in advance a cohesive and balanced Business Plan; adhering to it as much as possible; and requesting AMIR approval for revisions to the Business Plan when absolutely necessary.
- How the grant activity will be evaluated in terms of effectiveness (i.e., implementation, outputs, and achievement of objective).
- How the grant activity will be evaluated in terms of financial responsibility (transparency and accountability).

- The consequences (good or bad) resulting from these evaluations.

### **A.1. Grant Activity Objective**

Each grant applicant is required to develop and present a “Grant Activity Objective.” For each grant there must be a clear, easily perceived relationship between the purpose of the BAGP and the objectives and outcomes of the proposed grant. If the relationship is not there, then the activity does not contribute to the Business Associations Incentive Component of the AMIR Project, and cannot be funded.

(AMIR recognizes that good basic grant concepts are often difficult to present in application documents. Allowances will be made accordingly, and applicants will be counseled on how their applications might be improved.)

### **A.2. Terms and Conditions of Grant**

The “Terms and Conditions” that control the grant, and which are stipulated in the Grant Agreement signed by Chemonics and the Grantee, ensure that the Grantee’s implementation, and AMIR’s Grant Program management, are in full compliance with USAID and other U.S. Government policies and regulations. These “Terms and Conditions” are non-negotiable, and must be strictly adhered to by the Grantee. They will govern the resolution of any ambiguities, questions, or disputes that may arise in the course of grant activity implementation.

### **A.3. Budget**

The budget is the expression in financial terms of the activities the program proposes to undertake, and what it hopes to achieve. The standardized **Grant Application** budget format serves several purposes:

- First, it presents the projected grant-funded cash cost for an activity, by source.
- Second, because it is broken down into line items and descriptions, it provides an indication as to how funding will be allocated and used.
- Third, because each grantee must report usage of grant funds against this format, it ensures a uniformity of financial reporting across all grants.

It is important that the budget clearly indicate where specific project funds are to come from: i.e., from a BAGP grant, from co-funding by another donor, or from the applicant’s cost-sharing contribution. AMIR is aware of, and insists that grantees acknowledge the potential for deliberate or inadvertent double-billing, and redundant financing that can waste or tie up scarce funds.

## **B. Business Plan**

All pre-qualified applicants must present a **Business Plan** as part of the **Grant Application Form** (see Annex A-3) The Business Plan is essentially an implementation and sustainability plan, which demonstrates how the Grantee will reach specific

programmatic and financial targets. Key benchmarks delineated in the Business Plan will be incorporated into **Grant Agreement**. They will be used to monitor progress and to approve the releasing of funding tranches to the Grantee.

### **C. Financial Management and Reporting Requirements**

The Grants Administrator will determine what steps, if any, are necessary to bring the Grantee's administrative and financial systems into full compliance with USAID accountability and reporting requirements. The Grantee agrees to adopt and/or implement the systems and recommendations presented by AMIR in order to exercise effective control over, and accountability for, funds, property and other program assets.

The grantee will be required to submit interim performance reports (see Annex B) in accordance with deadlines stipulated in the Grant Agreement. Beyond the initial advance of funds by Chemonics, release of subsequent advances and tranches will be contingent on approval by AMIR of the Grantee's progress and financial performance reports.

### **D. Disbursement**

After the Grant Agreement has been signed between Chemonics and the Grantee, AMIR staff will meet with the Grantee to explain relevant BAGP procedures and to discuss mutual expectations during program implementation. They will also answer any queries on use of the Business Plan, program benchmarks, advance payment requests and reporting requirements.

During program implementation, the Grants Administrator will monitor quarterly financial and progress reports closely to ensure that funds are being used as agreed, and that program goals are being met. Problems or impediments will be discussed with the Grantee in order to resolve them.

#### **D.1. Advance Payments and Activity Benchmarks**

As described in Annex B-2, the Grantee, working closely with AMIR, will request its initial quarterly advance payment from Chemonics. Quarterly advances will continue until 30 days after the completion date of the each program benchmark funding tranche. Depending on the amount of the grant, three or four benchmarks will be written into the Grant Agreement along with the date at which they will be achieved. Once a benchmark has been reached, the Grants Administrator will review documentation presented by the Grantee which shows evidence that the benchmark has been achieved. If appropriate, the Grant Advisors will request Chemonics to approve the obligation of each program benchmark funding tranche and the continuation of scheduled advance payments. The approval of all major tranches of grant funds will require that a particular benchmark has been achieved. By linking tranche payments to program benchmarks, AMIR has a means of verifying that progress towards successful achievement of the grant objective is being made.

### **E. Procurement Policy**

As part of the Grant Application, applicants are required to submit a list of projected major for expenditures for material, equipment, or service contracts with a value of the JD equivalent of USD 500 or more. For these large procurements, the Grantee must obtain at least three quotations for the service or item to be purchased (see Annex B-3).

Relevant AID procurement regulations: For procurements with a value of the JD equivalent of USD 5,000, any items available "off-the-shelf" in Jordan may be purchased regardless of origin, provided that the buyer has sought the three proforma invoices. For procurements of a value greater than USD 5,000, items purchased must be of US origin, although they may be purchased locally in Jordan.

## **VI. MONITORING AND EVALUATION**

Each grant will be monitored and evaluated for meeting the terms of the Grant Agreement and for achievement of benchmarks and objectives. AMIR will have a close working relationship with all BAGP Grantees. AMIR will also likely be providing some services to those institutions in the form of training, workshops, tracking system development and support and other technical assistance. Therefore, AMIR will be monitoring program implementation from Grantees on a regular basis.

The quarterly and annual **Progress and Financial Reports** (see Annex B) submitted to AMIR are the keys to transparency, accountability and responsibility and should create a clear picture and record of the activity. These reports and the activity benchmarks of achievement are the chief management tools used by AMIR to monitor program performance. AMIR may arrange for outside evaluators to do assessments, as may be required, of grant activities and results achieved.

## **VII. MODIFICATION OR TERMINATION OF A GRANT**

### **A. Modification**

Modification of a Grant Agreement requires the mutual consent of AMIR.

1. A **Grant Agreement Modification Notice** must be issued when: the achievement of the grant objective is in jeopardy, but an agreed upon implementation schedule modification can put the activity back on track; there is a need to increase the budget above the approved total amount; or there is need to significantly modify the grant budget (more than 15% for a major line item).

2. All Modification Notices that require an increase in the total amount of the grant must be approved by the Grants Committee in advance of issuance.

### **B. Termination**

The BAGP grant may be terminated for three reasons:

1. **For Cause:** if it becomes obvious that the stated objective will not be achieved, Chemonics may terminate the grant; or if there exists evidence to indicate that funds are not being used in accordance with any of the "Terms and Conditions" of the Grant Agreement. In both these cases, termination should only be invoked when all other corrective measures have failed. If a grant activity is well designed, then failure to achieve the objective will most likely result from either a wholly unanticipated event or condition, or gross negligence on behalf of the Grantee.

2. **For Convenience:** if for some reason the activities of the AMIR Project are



terminated or suspended.

**3. For Mutual Convenience:** in the case that both the Grantee and Chemonics decide to terminate the Grant Agreement.

USAID retains the right to instruct Chemonics to unilaterally terminate the grant under extraordinary circumstances.

If termination of a grant is considered, it should be only undertaken after a full discussion with the Grants Committee.

## **ANNEX A**

Grant Processing Forms and  
Instructions for Completion

**Annex A-1**

### **BAGP GRANT CONCEPT FORM**

1. Applicant's name:



## **6. Grant Activity Title**

The title given to the activity should relate to the grant activity objective.

## **7. Purpose of Proposed Activity and Expected Results**

This is the single most important section of the form. The purpose must be stated in unambiguous terms and must present an easy to understand link between the applicant's purposes and the BAGP's purpose. It should briefly describe the expected results

## **8. Description of Activity**

This should be a brief description of the activity, what the applicant hopes to accomplish, and how the applicant expects to go about it. A detailed plan with tasks and benchmarks is not necessary at this point. The purpose of this form is to enable the Grant Advisors to determine if the idea is worth developing.

## **9. Beneficiaries**

Must tell who will benefit and in what way.

## **10. Estimated Costs and Source of Funds**

The applicant will submit a rough estimate of the cost of the proposed activity and sources of funds: how much from the BAGP, the applicant's contribution, and any third party contributions. A detailed budget is not necessary at this point.

## **11. Feasibility of the Activity**

Given that BAGP grants are for new and innovative business association activities, the applicant should have already given some thought to the feasibility of the activity. A feasibility study may be attached, if one has been done. Otherwise, a comprehensive statement justifying the idea should be submitted.

## **12. Submitted By/Date**

Often the person submitting the form will be the designated agent, which is preferred since it indicates that the Grantee's key official is involved from the very start.

## **13. Grant Administrator Use Only**

Self-explanatory.

**Annex A-2**

**BAGP GRANT APPLICATION FORM**

1. Applicant's name:
2. Address:
3. Telephone: Fax:
4. Agent and Title:
5. Grant Activity Title:
6. Grant activity objective and relation to BAGP purpose:
7. Grant activity beneficiaries:
8. Background information including previous or ongoing experience with similar activities:
9. Grantee contribution:
10. Involvement and/or contributions of third parties to activity:
11. Desired contribution from the BAGP:
12. Key assumptions:
13. Feasibility of the Activity
14. Business Plan: Benchmark Descriptions

Tranche Amount Benchmark/Date

One:  
Two:  
Three:

Total:

15. Estimated Date of Start-Up/Completion:
16. Proposed grant budget by line item and description:\*

Category Cost (JD)

Personnel:  
Material and Equipment:  
Training:  
Services:  
Other Direct Costs:

Total:

\*List all material and equipment or service contracts with unit values of the JD equivalent of USD 500 or more on a separate expenditure schedule:

17. Submitted by: Date:

18. Grants Administrator use only:  
Date received: By:

Reviewed by: Date:

Recommended: ( ) yes ( ) no

---

----

## **INSTRUCTIONS BY SECTION**

### **1-4. Applicant's Name, Address, Telephone and Fax**

Self-explanatory.

### **5. Grant Activity Title**

Refer to Annex A-1.6.

### **6. Grant Activity Objective and Relation to BAGP Purpose**

Refer to Annex A-1.7. Any conceptual problems with the objective that were identified while reviewing the **Grant Concept Form** will have been addressed. The objective must be presented in tightly written text that shows the relationship between the activity and the achievement of the BAGP's goal and purpose.

### **7. Grant Activity Beneficiaries**

Refer to Annex A-1.7. Any ambiguity or imprecision as regards beneficiaries identified while reviewing the **Grant Concept Form** must be remedied for this final version.

### **8. Background Information Including Previous or Ongoing Experience With Similar Activities:**

The applicant should use this section to "set the stage" for the proposed activity. In addition, the applicant should inform the Grant Advisors of any previous experience or ongoing activities that would add to its credibility as a Grantee.

### **9. Grantee Contribution**

Details exactly what resources the applicant will contribute to the activity. This section should summarize the details contained in the Implementation Schedule described below. Resources must be listed by category and given a realistic monetary value in order to quantify the grantee's overall contribution.

### **10. Involvement and/or Contributions of Third Parties to the Activity**

The involvement of any outside parties with the activity is explained here. The Grants Administrator will personally contact all parties listed to verify exactly what the involvement entails. This contact also provides an early opportunity to coordinate inputs, and monitoring and evaluation roles.

### **11. Desired Contribution from the BAGP**

States what the applicant is asking from the BAGP for this activity. The sum total of Grantee Contribution, Third Party Contribution, and BAGP Contribution must cover all resources required for the activity

## **12. Key Assumptions**

Assumptions must be realistic and relative to the grant activity. For example, external assistance in the implementation of the grant or other assumptions having a significant impact on the outcome of the program should be identified.

## **13. Feasibility of the Activity**

If a feasibility study has not been done, this should be an expansion of the statement contained in the Grant Concept Form which describes how this activity is the most appropriate alternative to achieving the purpose of the BAGP.

## **14. Business Plan: Benchmark Descriptions**

In order to be considered for a BAGP grant, all applicants must submit a Business Plan. The Plan should discuss the feasibility of the activity and specify the program, financial and organizational benchmarks that will be reached during the life of the grant and upon which success will be judged. That includes the following:

- a. Organizational Objectives: Present the organization's vision. Where does the organization want to be in three to five years? How will BAGP funding contribute to the attainment of these goals? What are the strengths and weaknesses of the organization?
- b. Program Description and Expected Accomplishments: Describe the activity to be funded and what support is needed to establish the program. What is the experience and accomplishments of the key people responsible for achieving program targets? List and discuss program and financial targets to be achieved, as follows:
  - Program targets include current and proposed members. Describe member groups to be served by the organization. What percent of clientele will be female or small firm entrepreneurs? Discuss targets for initiation or expansion of services.
  - Financial targets refer principally to the health of the organization and include items such as cost-recovery and self-sufficiency levels. How will the program be financed after the grant has been fully disbursed?
  - Finally, how will the program objectives of (a) policy and industry analysis, (b) lobbying and advocacy for policy reform, and (c) public relations be accomplished? What technical inputs will be required?
- a. Activity Benchmarks: Key program and financial targets will be incorporated into the Grant Agreement as activity benchmarks. They will be used to monitor progress and are the mechanism whereby major

funding tranches are obligated to the Grantee. Tranche amounts over the life of the program and corresponding benchmarks to be met for disbursement must be included in the Implementation Schedule as discussed below.

d. Implementation Schedule:

The Implementation Schedule should include a Management Plan that includes a complete discussion of the steps the organization will take to achieve specified tasks, including items such as increased staffing, MIS and internal audit and control mechanisms, management and governance, new service development, and any other relevant actions to be taken to establish and improve the quality and outreach of services. The Plan should also discuss any external technical assistance that will be needed and be accompanied by the timing for key tasks to be accomplished.

The Implementation Schedule should also contain financial projections for the program and detail the steps to be taken to reach the financial self-sufficiency or cost recovery targets. All Grantees are expected to progress on the self-sufficiency scale, regardless of where they stand at the beginning of the grant.

e. Annexes:

1. Budget: Incorporate the budget required in Item 15 below.
1. Financial Statements: Provide balance sheets and income and expenditure statements, and other financial reports that help clarify historical and current operations of the organization. Also present estimates for this year and projections for each of the years of the proposed activity.

## **15. Estimated Date of Start-Up/Completion**

These dates should work in conjunction with the implementation schedule presented in the Business Plan.

## **16. Proposed Grant Budget by Line Item and Description**

Proposed cost items must be reasonable, allowable, and allocable. When reviewing cost data, it should be kept in mind that proposed amounts can be both unrealistically high and low. To be successful, a grant activity must be adequately funded -- not over-funded or under-funded.

a. Personnel

This will include salary, stipends, or any other form of direct payment of grant funds to any person who is not involved in a service contract arrangement.

b. Material and Equipment:

This covers expendable supplies (e.g. stationery), equipment (e.g. a computer or a bookshelf), or commodities such as construction/renovation related materials (e.g. paint, lumber, etc.).

c. Training



This covers any cost directly related to training with the exception of service contracting. Examples would be the rental of a training facility, printing of training documents, or the provision of a mid-day meal for trainees.

d. Services

Any sort of contractual arrangements for services (technical, consultative, training, or otherwise) would be listed here.

e. Other Direct Costs

All direct costs that are not for personnel, training, or material and equipment. This could be for rent of facilities, payment of transport fees, per diem, etc.

f. Totals: Self-explanatory

g. There are certain types of projected expenditures that must be fully justified:

- Any payment that will be made to either the Agent of the Grantee, an employee of the Agent, or anyone having a close relationship with the Agent. This includes salary, per diem, stipends, allowances, purchase of supplies or equipment, etc.
- Any expenditure to cover either partially or in full normal operating costs of the applicant.
- Any expenditure for materials that either upgrades or enhances the applicant's routine business capacity such as the purchase of equipment or the renovation of facilities. Any such expenditure must be justified by its necessity for the achievement of grant objectives.
- Any procurement of equipment that must be imported.

**17. Submitted By/Date**

Self-explanatory.

**18. Grants Administrator Use Only**

Self-explanatory.



## **6. Proposed Budget is Reasonable**

Same principle as Section 6.

## **7. Applicant's Assumptions are Realistic**

Same principle as Section 6.

## **8. Applicant is Capable and Competent**

Same principle as Section 6.

## **9. Special Considerations and/or Recommendations**

Anything that must be brought to the attention of the BAGP Grants Committee is addressed here.

## **10. Recommended Funding**

The amount is supplied by the Grant Advisors. The amount in most cases should reflect very closely the applicant's proposed budget for grant funding. However, the Grant Advisors can use their best judgement to recommend a decrease or increase in the grant budget depending on the circumstances.

## **11. BAGP Grants Committee's Approval**

Self-explanatory.

## Annex A-4

### Grant Agreement

The AMIR Project is supported by the Government of Jordan and financed the United States Agency for International Development (USAID). In accordance with the **Basic Information** and the **Terms and Conditions** detailed below, the Business Associations Incentive Grant Program (BAGP) and the designated Grantee enter into this **Grant Agreement**.

#### BASIC INFORMATION

1. Name of Grantee:
2. Address:
3. Telephone: Fax:
4. Agent of Grantee and Title:
5. Agent of BAGP and Title:
6. BAGP Address:
7. BAGP Telephone: Fax:
8. Grant Activity Title:
9. Approved on:
10. Duration of Grant:
11. Grant Beginning Date:
12. Grant Completion Date:
13. Grant Budget by Line Item (Jordanian Dinars):
  - a. Personnel
  - b. Material and Equipment
  - c. Training
  - d. Services
  - e. Loan Funds
  - f. Other Direct Costs
14. Approved Total of the Grant:
15. Grant Expenditure Schedule:  
  
Tranche 1: JD Per Benchmark:  
Tranche 2: JD Per Benchmark:  
Tranche 3: JD Per Benchmark:
16. Incorporated Documents:
  - a. BAGP Manual
  - b. Grant Application Form submitted by Grantee, and
  - c. Other (specify)
17. Special Provisions:

## **TERMS and CONDITIONS**

**18. AUTHORITY OF AGENTS:** It is agreed that the Agents on behalf of the Grantee and the AMIR Project will have unrestricted and sole authority to represent their respective organizations in all matters related to this Grant Agreement.

**19. OBJECTIVE OF GRANT:** It is agreed that with reference to Item No. 6 ("Grant Activity Objective and Relation to BAGP Purpose") of the Grant Application Form submitted by the Grantee and approved by the Grants Committee, that the exclusive use of the grant funding will be for the achievement of the stated objective. Furthermore, if at any time the Grantee should determine that achievement of the objective is no longer reasonably feasible, for any reason, the Grantee's Agent must notify AMIR in writing in a timely manner.

**20. INCORPORATION OF REFERENCED DOCUMENTS:** With reference to the documents listed under Item No. 16 above ("Incorporated Documents"), such documents are hereby incorporated as an integral part of this Grant Agreement unless specifically noted under Item 17 above (" Special Provisions ").

**21. ORDER OF PRECEDENCE:** In the event that AMIR should determine that there exists a conflict of intent or interpretation between any sections of this Grant Agreement and the "Incorporated Documents" listed under Item No. 16 above, the order of precedence shall be: First, the **Grant Agreement**; second, the **BAGP Manual**; third, the Grantee's **Grant Application Form**; and finally any documents listed under Item No. 16 above in order of presentation.

**22. EXPIRATION OF GRANT:** With reference to Item No. 12 above ("Grant Completion Date"), it is agreed that all activities financed with grant funds will be completed and cease on the specified date unless AMIR provides approval of extension in writing prior to the specified Completion Date.

**23. OFFICE/SITE VISITATION:** The Grantee hereby agrees to facilitate and assist with any Grant activity office or site visitations as requested by AMIR.

**24. GRANTEE COMPLETION REPORT:** Within 30 calendar days of the "Grant Completion Date", the Grantee will submit three typed written copies of a Grantee Completion Report which will include at minimum the following sections:

- a. Summary of Grant Activity Objective Achievements
- b. Summary of Grant Activity Implementation Process
- c. Lessons Learned and Recommendations
- d. Public Dissemination Process
- e. Final Grant Funds Reconciliation by Budget Line Items

**25. MATERIAL, EQUIPMENT, AND SERVICE CONTRACTS:** All procurement actions for material, equipment, and service contracts with a unit value of USD 500 (or the equivalent in Jordanian Dinars) or more must be procured by means of a Supply Schedule (technical specifications and/or performance standards) that clearly details what is to be purchased or provided. These procurements must be supported by at minimum three written quotations from recognized local vendors. In addition, with reference to Item No. 15 ("Proposed Grant Budget by Line Item and Description") of the Grantee's submitted Grant Application Form, it is agreed that any use of funds for

equipment, material, or services that are not listed and have a unit value of USD 500 (or the equivalent in Jordanian Dinars) or more must be approved in writing by the AMIR prior to procurement. If approval is not obtained, the amount paid for the equipment, material, and/or services is subject to disallowance at the discretion of AMIR.

**26. GRANT DISBURSEMENT MECHANISM:** The total value of this Grant shall not exceed the amount listed under Item No. 14 above ("Approved Total of Grant"). The Grantee will not be reimbursed for costs incurred in excess of the total amount obligated under the Grant. Disbursement of funds to the Grantee shall be in accordance with Item No. 15 above ("Grant Expenditure Schedule"). The Grantee will receive an initial advance of funds and quarterly replenishment advances from USAID for monies budgeted under the Grant according to the Expenditure Schedule as outlined in Section 15 of this agreement.

**27. GRANT CHECKING ACCOUNT:** It is agreed that all grant funds will be deposited into the Grantee Account Number at the Bank. The names and titles of those having signing authority over the account will be provided to AMIR.

**28. AUTHORIZED GRANT DISBURSEMENTS:** Grant funds may only be used to pay for expenses presented under Item No. 15 "Proposed Grant Budget by Line Item and Description" of the Grant Application Form.

**29. FINANCIAL RECORD KEEPING AND REPORTING:** The Grantee hereby agrees to record and report all disbursements of grant funds under a separate and segregated financial tracking system. For purposes of control and review this may be a simple dual entry ledger and journal system that meets generally accepted accounting standards. Reports must be submitted in accordance with the requirements contained in the BAGP Manual.

**30. SUBSTANTIAL INVOLVEMENT:** It is agreed that AMIR will have substantial involvement in collaboration and participation with the Grantee in the implementation of the activity. This will include, but not be limited to, the approval of the Grantee's annual work plan and the approval of a limited number of key personnel managing the activity.

**31. RIGHT OF INSPECTION:** The Grantee agrees that AMIR (or its designated auditor) will have unrestricted access to all financial records, reports and supporting documentation related to grant funds. AMIR will also have direct and unrestricted access to the Grantee's financial records, reports, supporting documentation, etc.

**32. LIABILITY:** Neither Chemonics International nor the AMIR Project assume any liability for any third-party claims for damages arising from the implementation of the grant activity. The Grantee assumes full responsibility for compliance with the laws and regulations of the Government of Jordan.

**33. ARBITRATION:** In the event that any dispute arises concerning any aspect of this Grant Agreement that is not specifically addressed in these Terms and Conditions, it is hereby agreed that an *ad hoc* committee comprising a representative of USAID, the AMIR Chief of Party (or his/her designee) and the Grantee will serve as the final and binding arbiter of such dispute. The AMIR representative will chair the committee, and will have final authority in resolving any disputes.

**34. MODIFICATION:** This Grant Agreement may only be modified by issuance of a formal written Grant Agreement Modification Notice jointly endorsed by Chemonics and

the Grantee's Agent.

**35. GRANT TERMINATION AND SUSPENSION:** The Grantee agrees that this Instrument may be terminated or suspended for an indefinite period within 30 days after the mailing of a registered letter by Chemonics canceling the Agreement under the following conditions:

a. **For Cause.** Should AMIR determine that:

1. with reference to Item No. 19 above, it is unlikely that the "Objective of Grant" will be achieved, and/or
2. if any of the Terms and Conditions of this Instrument are broken by the Grantee.

b. **For Convenience.** In the event the U.S. Government or the Government of Jordan stops, delays, or transfers the services of the AMIR Project, for any reason. The AMIR Project and Chemonics International Inc. serve at the convenience of the U.S. Government, and may be impeded from executing this Grant Agreement. The Grantee agrees to hold the AMIR Project and Chemonics International blameless for termination or suspension based on the terms of the contract between the U.S. Government and Chemonics International.

c. **For Mutual Convenience.** The Grantee may withdraw from this agreement by mutual consent affirmed in writing.

USAID retains the right to unilaterally terminate the grant in extraordinary circumstances.

#### **STATEMENT OF AGREEMENT:**

If after having carefully studied all of the **Basic Information** and the **Terms and Conditions** of this Grant Agreement, you in your capacity as your organization's designated Agent fully and unconditionally agree with all of the above you may enter into this Grant Agreement with Chemonics by initialing each page and affixing your signature and your organization's official stamp below.



**ON BEHALF OF THE GRANTEE: ON BEHALF OF CHEMONICS INTERNATIONAL,  
INC. AND THE AMIR PROJECT**

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Grant Reference Number:

DISTRIBUTION:

1. One Original Copy to the Grantee
  2. One Original Copy to USAID
  3. One Original Copy to the AMIR Project
- 

## **Instructions by Section**

### **1. Basic Information**

Items nos. (1) through (15) are self-explanatory based on preceding discussion of the **Grant Concept, Grant Application, and Executive Summary Forms**. Regarding Item No. (16) "Incorporated Documents," it is important that the Grantee realize that both the BAGP Manual and its final approved version Grant Application Form are considered to be part of the Grant Agreement. Both are supporting reference documents. Item No. 17 "Special Provisions" is where any situation or circumstances that are not addressed in the "Terms and Conditions" or the "Incorporated Documents" may be presented and agreed to in writing. If Item No. 17 is left blank, the word "NIL" must be inserted.

### **2. Terms and Conditions**

The Terms and Conditions are presented in specific, detailed language. However, it is very important that all Grantees fully understand each item and its implications regarding the Grantee's acceptance of an award, implementation of an activity, and all obligations regarding accountability and reporting as prescribed by USAID. Amir will not assume that a Grantee understands the Terms and Conditions because it has perused them. Therefore AMIR will take the time to review the Grant Agreement on an item-by-item basis with each Grantee prior to signature.

### **3. Statement of Acceptance**

As emphasized above, the Grantee must only sign after it has fully reviewed and understood all aspects of the Grant Agreement.

## Annex A-5

### BAGP GRANT ACTIVITY COMPLETION FORM

Grantee's name:

Address:

Phone:

Fax:

Agent:

Title:

Grant Reference Number:

Activity Title:

1. Grant Achievements and Relevance to BAGP's Purpose:
2. Assessment of Implementation Process and Lessons Learned
3. Final Budget Reconciliation:

Approved Amount of Grant:

Amount Disbursed:

(copy of Expense Report)

4. Action to ensure that Deliverables are available to the public:
5. Follow-on Activities under consideration:

6. Signature:

Date:

---

### Instructions by Section

#### 1. Grant Achievements and Relevance to the BAGP's Purpose

What was accomplished and how this contributes to the achievement of the BAGP's goals.

#### 2. Assessment of the Implementation Process and Lessons Learned

An assessment of the relative efficiency and effectiveness of the way the grant was implemented. In addition, any "Lessons Learned" should be presented.

#### 3. Final Grant Budget Reconciliation

a. Approved Amount of Grant: Must agree with Item No. 14 of the Grant Agreement.

b. Amount Disbursed to Grantee: This may equal the approved amount or may be something less.

c. Grantee's Final Reconciliation: The "Grantee's Completion Report" (Ref Item No. 24 of the Grant Agreement requires the Grantee to submit a "Final Grant Funds Reconciliation by Grant Activity Budget Line Item." The figure provided by the Grantee is for the total amount of grant- related

expenditures. This reconciliation must be approved by the BAGP.

#### **4. Follow-on Activities Under Consideration**

A determination as to whether or not AMIR should continue to support activities similar or even identical in nature to the completed grant activity.

## **ANNEX B**

### **GRANT MANAGEMENT**

When an organization is awarded a BAGP grant, it assumes a great responsibility: namely, effective and proper administration of grant funds. Your organization must accurately account for all moneys received according to stringent guidelines established by USAID, which is the ultimate source of these grant funds. If your organization fails to competently execute this responsibility, Chemonics or USAID could terminate the grant award and your organization could be denied further funding. In such an event, your organization could injure its reputation and endanger its chances of receiving assistance from other donor organizations.

AMIR is prepared to provide your organization with the resources and the opportunity to learn how to effectively manage your grant funds. AMIR wants to ensure that you understand the serious responsibilities inherent in accepting BAGP grant funds.

The quarterly and final narrative (program) and financial reports submitted to AMIR are the keys to transparency, accountability, and responsibility, and should create a clear picture and record of your project. These reports are the chief management tool used by AMIR to monitor activity performance.

Following are the key policies and reporting requirements that must be adhered to in your management of these funds.

## Annex B-1

### FINANCIAL MANAGEMENT

It is critical that the Grantee establish financial management procedures that are consistent with generally accepted international accounting principles. If the Grantee needs additional assistance in this matter, it is urged to ask for that assistance. It is understood that some Grantees will not know how to set up accounting books without assistance. Nevertheless, it will be penalized, possibly by being required to repay money that has been advanced if funds are mismanaged. The Grantee is encouraged to use the resources that AMIR has made or will make available to ensure full compliance with all financial management requirements.

#### Controls

Briefly summarized, the financial management system the Grantee implements must contain adequate controls, books, and records to ensure the following:

- Approved budgets by line-item category are not oversubscribed
- The receipt and expenditure of BAGP funds is properly identified on a cumulative basis (this includes any non-budgetary expenditures such as advances, disallowances, interest, and so forth)
- Property and equipment purchased with BAGP funds is properly identified and accounted for
- Periodic internal reports are prepared showing budgetary expenditures, encumbrances, and balance remaining by category; projected budgetary expenditures; reconciliation of outstanding USAID advances; and cumulative receipts
- Correct preparation of the request for advance, included in Annex B-6.
- Correct preparation of periodic financial reports submitted to AMIR, which includes comparison of budget to actual expenditures.

To ensure the effective and accurate bookkeeping of all transactions, a minimum of two people should be trained to keep all financial records. This will generally solve potential problems created when staff are sick, on vacation, or leave the organization.

#### Accounting

It is expected that Grantees will use a cash accounting system. If you will be using an accrual accounting system, please contact AMIR for specific technical assistance.

**Bank Account**

The Grantee must deposit and maintain funds provided under the grant in a separate bank account that contains only grant funds originating from the BAGP before any grant funds will be advanced. If an initial deposit must be made to open the required separate bank account, the Grantee may use non-grant funds for this purpose, and withdraw the non-grant funds following receipt of the initial advance of grant funds. To the maximum extent practical, all financial transactions for approved grant expenditures, as shown in the grant budget, should be paid by check drawn on the separate bank account payable directly to the vendor or payee. Grant funds may not be transferred to other bank accounts owned by the grantee that contain funds from other sources.

**Bank Charges**

Charges from the bank and currency exchange fees are allowable under the terms of the grant.

**Submission of Reports**

The Grantee must submit all financial reports to AMIR in Jordanian Dinars.

## Annex B-2

### Disbursement Procedures

Disbursements will be made by Chemonics International, Inc. on behalf of the AMIR project. AMIR will request Chemonics make advance payments to the Grantee within the parameters defined in the grant budget and expenditure schedule contained in the Grant Agreement.

The Grantee requests its initial advance based on the grant budget and expenditure schedule, and using the **Advance Request Form** (see Annex B-6). This is sent to the Grants Administrator, who ensures that any special provisions have been met before requesting payment from AMIR.

After the initial request, the Grantee will substantiate all subsequent requests for advances by reference to its actual expenditure over the first two months of the quarter and its estimated expenditure for the final month of the quarter based on the agreed disbursement schedule. The disbursement schedule may be amended insofar as actual progress indicates a delay in drawing down the grant, provided that the total program budget is not exceeded. The Grantee sends the form to the Grants Administrator who notes any special conditions and/or problems and then forwards it to Chemonics for payment. AMIR requires advance requests at least two weeks before the end of the quarter

#### **Activity Benchmarks**

Quarterly advances will continue until 30 days after the completion date of the initial program benchmark funding tranche. Depending on the amount of the grant, three or four benchmarks will be written into the Grant Agreement along with the date at which they will be achieved. Once a benchmark has been reached, the Grants Administrator will review documentation presented by the Grantee which shows evidence that the benchmark has been achieved. If appropriate, the Grant Advisors will then request Chemonics to approve the obligation of each program benchmark funding tranche and the continuation of scheduled advance payments. The approval of all major tranches of grant funds to be used for advance payments will require that a particular benchmark has been achieved. By linking tranche payments to program benchmarks, AMIR has a means of verifying that progress towards successful achievement of the grant objective is being made.

#### **Reporting**

Grantees are required to report to AMIR on a quarterly basis, using the standard **Progress and Financial Reporting Forms** (see Annex B-4) within 30 days after the end of a quarter. The Grantee will maintain a separate and segregated financial tracking system for the grant activity. The Grant Administrator is responsible for verifying that reports are received on time, for reviewing them for completeness and for monitoring progress against the agreed Business Plan.

The Grant Advisors will review the report, and if it is complete and the program is proceeding smoothly, an acknowledgment will be sent. If there appears to be problems in program implementation, if the report is incomplete or if Activity Benchmarks have not been met, AMIR and Chemonics will decide the appropriate action to be taken.

Grantees are also required to submit an annual summary of activities every fourth quarter. This report will highlight major achievements in program implementation as compared to the Business Plan and Activity Benchmarks, and indicate annual goals for the following year. The Grant Advisors are responsible for reviewing the revised project goals, and the arrangements made for overcoming any implementation problems against the original Business Plan.

### **Annex B-3**

## **PROCUREMENT**

The Grantee is expected to establish and maintain a procurement system which is



simple and efficient, and which complies with the policies of the U.S. Agency for International Development. The following is a basic outline of the policies which govern procurement using BAGP grant funds. In particular, your system should avoid and eliminate the purchase of unnecessary or duplicative items, and should follow a procedure to ensure that purchases are not made without the approval of at least one person other than the individual who has identified the need or is making the purchase. We recommend that you establish a purchasing procedure whereby any purchase over \$100 requires a purchase order.

## **Procurement Plan**

Prior to activating your grant the Grantee must submit to AMIR a written list of the goods and services you plan to purchase with grant funds. This list is known as a procurement plan. In compiling this list, you will need to include:

- the criteria you will be using in making your selection of goods or services;
- the brand or model that would be preferred (if known);
- the source or origin of the goods or service (if known); and
- the approximate price you expect to pay.

AMIR will review the procurement plan, and will either approve it or recommend changes.

## **Competition**

Every time the Grantee purchases something with BAGP grant funds, it should use an appropriate level of cost comparison and analysis. Each time the Grantee requests an oral or written bid from two or more vendors, you must provide each vendor with identical information regarding the specification of the goods or services you are procuring. A sample form to keep track of your oral and written bids is attached to this handbook as Appendix 5.

- *When purchasing any good with a unit cost of less than the JD equivalent \$500, price quotes are preferred but not required. If possible, three oral quotes should be obtained. Selections should be made on the grounds of price, quality, dependability, timeliness, and other business considerations.*
- *When purchasing a good with a unit price greater than or equal to the JD equivalent of \$500, but less than \$5,000, three quotes must be sought. Oral quotes are acceptable but must be documented. Written quotes are preferred. Selection should be made based on the factors of price, assured timely deliveries, proven ability to deliver a quality product, reputation of vendor, and other criteria fitting to the specific procurement.*
- *When purchasing a good with a unit cost greater than or equal to the JD equivalent of \$5,000, bids in writing must be obtained from at least three vendors, and the Grantee must receive prior written approval of the AMIR Grants Administrator prior to making your purchase. Selection should be made based on the factors of price, assured timely deliveries, proven ability to deliver*

a quality product, reputation of vendor, and other criteria fitting to the specific procurement.

## **Equipment Purchases**

The Grantee may only purchase with funds from the BAGP equipment that has been included in your procurement plan, or in a ratified grant modification. If the grantee has any questions about the intended purchase, it is encouraged to contact the AMIR Grants Administrator prior to making the purchase, to avoid any possible disallowance.

## **Taxes**

The cost of installation, transportation, taxes, duty or protective in-transit insurance may be included or excluded from the cost of the Grantee's purchases in accordance with its regular accounting practices.

## **Inventory Records**

Once the Grantee has purchased the equipment, it must establish and maintain equipment inventory records which include the following points.

- A description of the equipment
- Manufacturer's serial number
- Model number
- Organizational assigned inventory number
- Source of the equipment, including your grant reference number
- Where title vests (your organization, unless you are advised otherwise)
- Acquisition date
- Location of the equipment
- Current use of the equipment
- Condition of the equipment
- The date the information was reported
- Unit acquisition cost

## **Title**

It is a condition of this grant that the Grantee will own and hold title to any equipment purchased with grant funds. The equipment acquired with BAGP funds under this grant may only be used for the purposes of the original activity under which it was purchased. In the event that equipment purchased under this grant no longer continues to be used for the same purpose as those of the grant, even if that happens after the termination of the grant, the Grantee must immediately notify AMIR and request instructions regarding disposition of the equipment. AMIR, or its designee, reserves the right for 12 months after receipt of final reports on this grant to require the Grantee to transfer title to equipment purchased thereunder or to a third party named by AMIR.

## **Physical Inventory**

At least once a year but preferably every six months, you must perform a physical inventory of all equipment purchased with BAGP funds by visually identifying each piece, and updating your equipment inventory record. These physical inventories should continue, as a policy of your organization, after the termination date of the BAGP grant.

## **Control System**

Loss from fire or theft, or irreparable damage to the equipment, are unfortunate possibilities. The Grantee should anticipate the possibility and obtain insurance where possible. The cost of this insurance is not an allowable cost under this grant, however. The Grantee should also protect its office space where the equipment is housed. This protection may include, but is not limited to, the installation of adequate locks on the doors or windows, and an electronic security system.

## **Maintenance**

In addition to the Grantee's control system, it must have in place adequate maintenance procedures to ensure its equipment and facilities are kept in maximum operating efficiency. These procedures may include having its equipment serviced and repaired regularly, and protecting it from extreme temperatures.

## **Services**

Purchase of professional services, such as translating, legal, or accounting services, follows the same guidelines as the purchase of equipment. The requirement to ensure competition remains the same.

## **Pre-Award Audit**

AMIR reserves the right to conduct a pre-award audit, if necessary.

## **Audits**

Depending on the size of the grant from the BAGP, together with any grants from other U.S. Government-funded agencies, it is possible that the grant or your organization will be audited. The audit may be interim, also known as a limited scope audit review, a final activity audit, or an organizational audit. *An audit may take place at any time up to three years after the submission of your final reports.* Under the terms of the grant, the Grantee is obligated to maintain all project records for at least that length of time, in such a way that they may be easily accessible to AMIR representatives, or any auditors commissioned for the purpose of examining those records. The purpose of an audit is to confirm that the Grantee is in substantial compliance with the terms of the grant agreement with Chemonics.

## **Interim Audits**

The limited scope review, or interim audit, is a modestly scaled audit conducted to verify that the Grantee has systems and procedures in place to properly process and record financial transactions, to ensure that the terms and conditions of the grant are met, and to detect any improper use of grant funds. This audit may properly be viewed as offering substantive technical assistance to your organization, to help the Grantee function in the most efficient and effective way possible.

## **Final Audits**

A final audit may be performed at the end of the activity term. This may be routine, or may be performed specifically to address issues of noncompliance that may have been noted during the course of an interim review, as well as any additional issues as determined by AMIR, or its designee.

## Annex B-4

### REPORTING REQUIREMENTS

Progress and financial reports are due no later than 30 days after the end of the quarter and on an annual basis. The importance of prompt reports simply cannot be overemphasized. Failure to submit narrative and financial reports on a timely basis will result in withholding of grant payments.

#### Progress Reports

Prior to signing the grant, the Grantee will have collaborated with AMIR to establish quantifiable indicators for activity objectives. The Grantee is encouraged to discuss any concerns about goals and objectives with the AMIR prior to signing the grant.

In completing the narrative reports, the Grantee must include the points listed on the narrative report cover sheet. These points are:

- A comparison of actual accomplishments with the goals and objectives established for the period. Particular achievements and obstacles to the success of the activity should be reported in specific terms.
- An evaluation or analysis of the degree to which the grant activities are achieving the activity objectives. Reasons why established goals were not met and a discussion of issues and problem areas, if appropriate.
- Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
- Two copies of any publication, including books, brochures, newsletters, bulletins, or video cassettes; and single copies of all other products such as newspaper clippings, activity announcements, and audited financial statements.
- On the first page of the report, please include a summary of the report (approximately 2 paragraphs for each 5 pages of report).

#### Financial Reports

It is extremely important that the Grantee submit financial reports indicating in Jordanian Dinars *actual, not anticipated, expenditures* on a timely basis, according to the reporting schedule indicated in the grant. The form the Grantee should use is included as Annex B-5.

**FINANCIAL REPORT FORM**  
**Jordanian Dinars**

Report #1 #2#3 #4 #5 #6 (circle one) Date submitted \_\_\_\_\_

Grantee  
 Name: \_\_\_\_\_

Grant Reference  
 Number: \_\_\_\_\_

Activity  
 Title: \_\_\_\_\_

Period Covered by the Report: From: \_\_\_\_\_ To:  
 \_\_\_\_\_

Date This Report is  
 Due: \_\_\_\_\_

Name and Title of Individual Preparing  
 Report: \_\_\_\_\_

Name and Signature of Authorized Agent Reviewing the  
 Report: \_\_\_\_\_

	BAGP Funds Budgeted	BAGP Funds Expended Prior to This Period	BAGP Funds Expended This Period	BAGP Funds- Total Expended	BAGP Funds Balance	Non-BAGP Funds- Total Expended to Date
<b>Expenditures</b>						
Salaries						
Benefits, Allowances & Taxes						
Space & Utilities						
Supplies						
Equipment						
Communication & Postage						
Consultants (fees & expenses)						
Contractual Services						
Other Direct Costs						
Indirect Costs						
<b>Total Estimated Costs</b>						

<b>Anticipated Income</b>	From All Sources	From All Sources	From All Sources	From All Sources	From All Sources	From All Sources
Amount from Members Feest						
Estimated Cash Donations						
In-kind Contributions						
Grants						
Other Funds to be Included						
<b>Total Anticipated Income</b>						

**Annex B-6**

**ADVANCE REQUEST FORM  
Jordanian Dinars**

**This request must be accompanied by the Financial Reports for all but the first request.**

Report #1 #2 #3 #4 #5 #6 (circle one) Date submitted

\_\_\_\_\_

Grantee Name:

\_\_\_\_\_

Grant Reference

Number: \_\_\_\_\_

Grant

Title: \_\_\_\_\_

Period Covered by the Report: From: \_\_\_\_\_ To:

\_\_\_\_\_

Date this Report is

Due: \_\_\_\_\_

Name and Title of Individual Preparing

Report: \_\_\_\_\_

Name and Signature of Authorized Agent Reviewing the

Report: \_\_\_\_\_

1. Total expenditures estimated for this project during this period:

\_\_\_\_\_

2. Anticipated sources of income for this project during this period:

a. Total BAGP funds requested for this  
period: \_\_\_\_\_

b. Balance of unspent BAGP funds on hand:

\_\_\_\_\_  
(This amount must be equal to the balance of BAGP funds as reported in the  
attached Financial Report Form.)

c. Total funds from non-BAGP sources anticipated during this period:

\_\_\_\_\_

d. Total of lines a, b, and c: \_\_\_\_\_ (Should be equal to line 1  
above.)

3. Payments:

a. Total grant awarded:

\_\_\_\_\_



b. Total previously received: \_\_\_\_\_

c. Current payment requested:  
\_\_\_\_\_

d. Remaining balance of BAGP funds to be received: \_\_\_\_\_

CERTIFICATION: I certify that to the best of my knowledge and belief the data reported above is correct and that all outlays were made in accordance with grant conditions.

\_\_\_\_\_  
Signature of authorized Agent

\_\_\_\_\_  
Title

\_\_\_\_\_  
Typed or printed name

\_\_\_\_\_