

Understanding the Standard Provisions for Non-US Nongovernmental Organizations

WORKING TOGETHER...



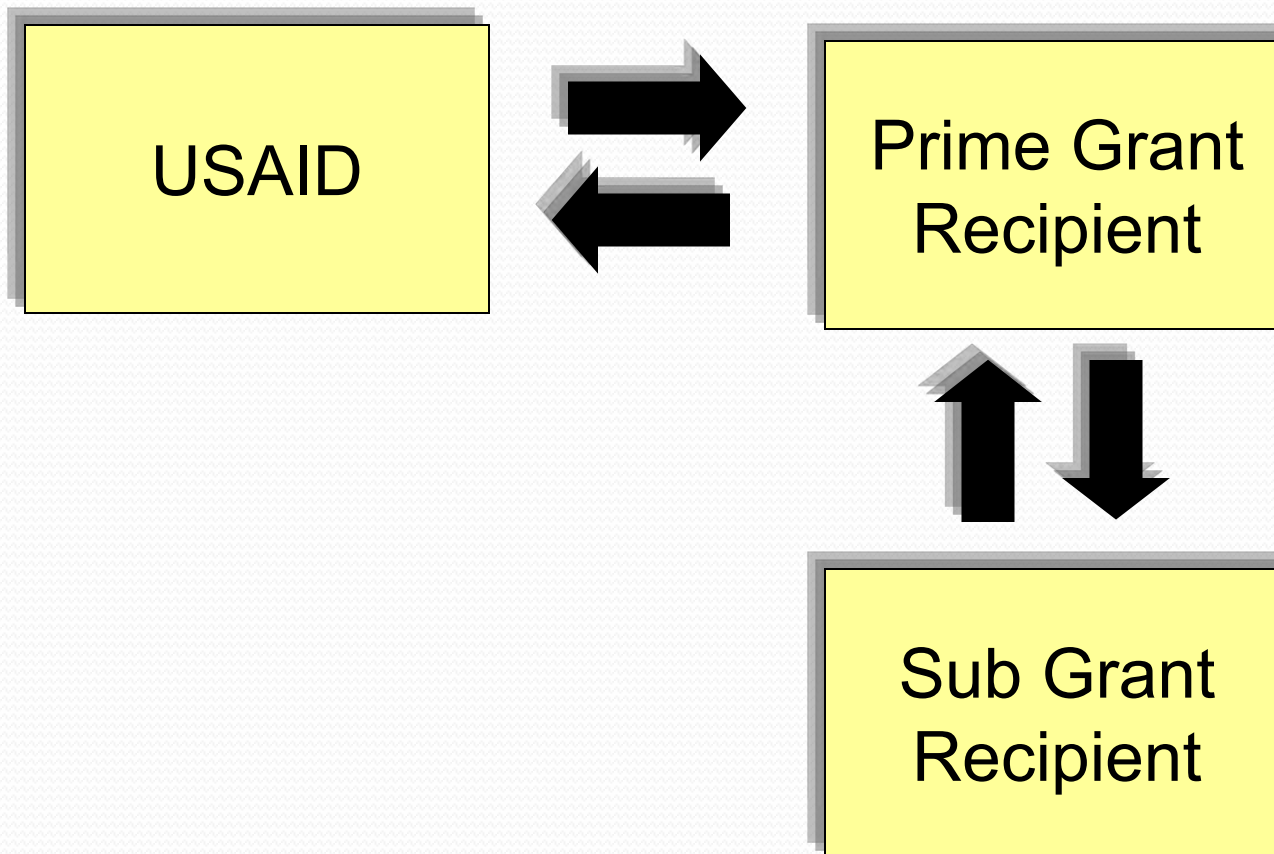
...where scientific research meets global
development changes

Understanding Assistance versus Acquisition

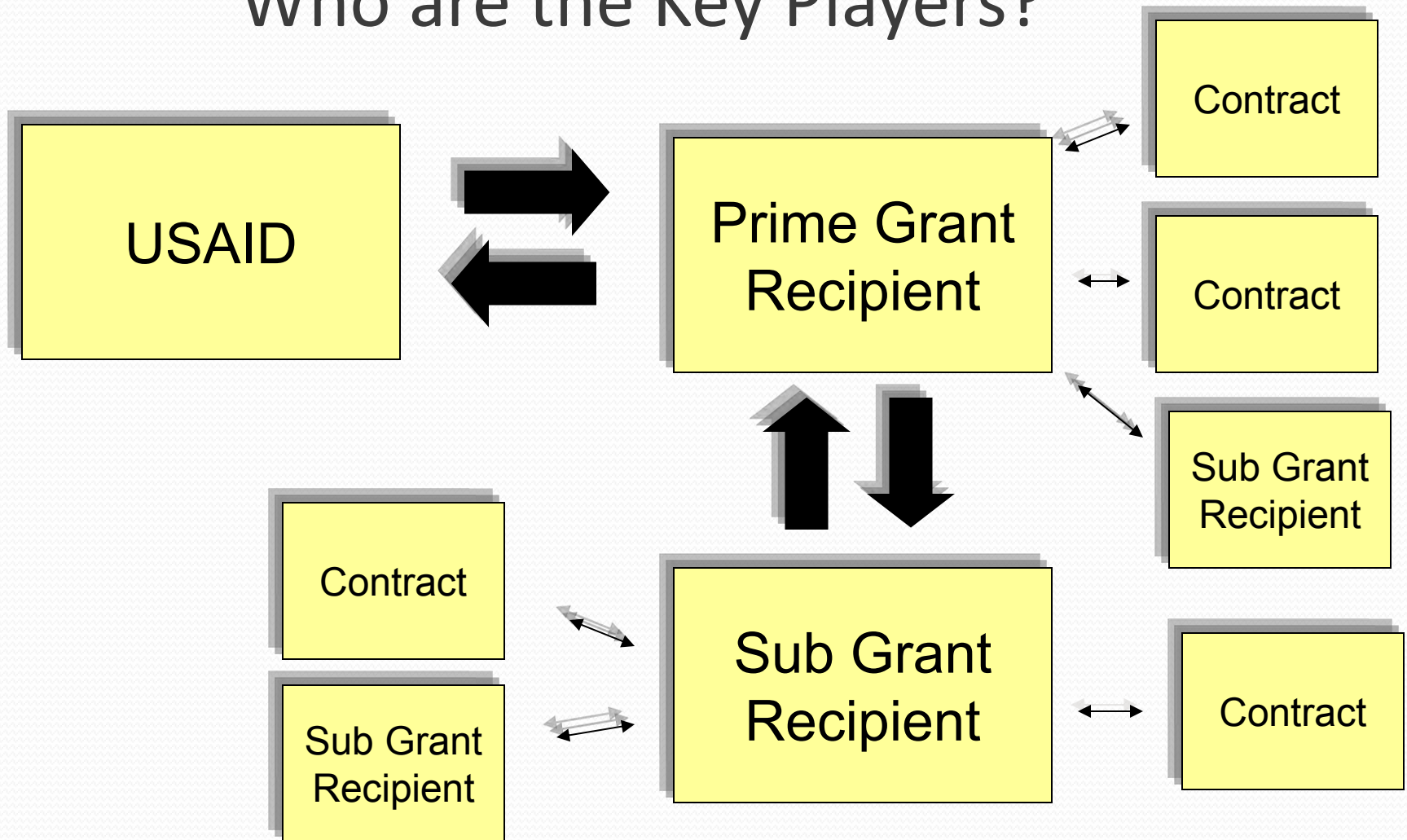
Assistance	Acquisition
To provide assistance and support	To acquire a specific deliverable
The benefit goes to the project & society	The benefit goes to the US government
Grants, Cooperative Agreements	Contracts, Purchase Orders
“Let’s partner together on this.”	“I’m your boss, so do it my way.”
Mandatory Provisions	Federal Acquisitions Regulations (F.A.R.)

What is the goal?
Who gets the benefit?
What are some examples?
What is the relationship like?
What are the governing rules?

Who are the Key Players?



Who are the Key Players?



Subagreement Relationships

“Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID”

What Rules and Regulations Do I Need to Be Aware of?

- Mandatory Provisions
- Provisions As Applicable
- Cost Principles:
 - OMB Circular A-122 (non-profit)
 - OMB Circular A-21 (educational institutions)
- 22 CFR 228: Source & Nationality Rules

Allowable Costs

It is the recipient's responsibility to ensure that costs incurred are in accordance with the Cost Principles:

- Reasonable
- Allocable
- Conform to limitations
- Not be included as a cost or used to meet cost sharing requirements of any other federally financed program.
- Be accorded consistent treatment
- Adequate documentation

Reasonable Costs

- Costs which are generally recognized as ordinary and necessary
- What would the reasonable person do?
- Reasonableness depends on the situation

Allocable Costs

The cost is allocable if it is:

- Incurred specifically for the award or project
- Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or
- Is necessary to the overall operation of the organization, although a direct relationship to any particular project cannot be shown.

Conforming to Limitations

- Conform to mandatory provisions, A-21 or A-122.
- Conform to internal policies and procedures.

Other Considerations for Allowability

- Not be included as a cost or used to meet cost sharing requirements of any other federally financed program.
- Be accorded consistent treatment
- Adequate documentation

Financial Records

- Must maintain financial records, supporting documents, statistical records and all other records, to support performance of, and charges to, this award.
- Must comply with generally accepted accounting principles in the US, the cooperating country, or by the International Accounting Standards Board
- Unless otherwise notified by USAID, the recipient records and subrecipient records that pertain to this award must be retained for a period of three years from the date of submission of the final expenditure report.

Audits and Financial Review

The recipient must have an annual audit conducted in accordance with the *Guidelines for Financial Audits Contracted by Foreign Recipients ...*, for any recipient fiscal year in which the recipient expends a combined total of \$300,000 or more in all USAID awards....

The recipient must make records pertaining to this award for that fiscal year available for review by USAID officials or their designees upon request.

USAID retains the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds, regardless of the audit requirement.

Prior Written Approval Required for the Following Changes

- Changing the scope/objective
- Revising the total award amount
- Revising the period of the award
- Receiving an additional obligation

Prior Written Approval Required for the Following Changes (cont.)

- Changing key personnel
- Absence of more than three months from, or a 25% reduction in time by the principal project leader
- Transfer funds from the indirect cost line item to absorb increases in direct costs, or vice versa

Prior Written Approval Required for the Following Changes (cont.)

- If specified in this award, transfer funds among direct cost categories, or programs, functions, and activities listed in the award budget, when the cumulative amount of such transfers exceeds or is expected to exceed 10% of the total award amount, as last approved by the AO.

Transferring Funds among Direct Cost Categories

Direct Charges

Personnel

Fringe Benefits

Travel

Equipment

Supplies

Contractual Services

Other Direct Costs

Indirect Charges

Transferring Funds among Direct Cost Categories cont.

You have a 3 year award for \$360,000
1 year funding has been obligated (\$138,000)

	Year 1	Year 2	Year 3	Total
Labor	\$62,000	\$64,000	\$60,000	\$186,000
Travel	\$30,000	\$18,000	\$12,000	\$60,000
Equipment	\$10,000	\$7,000	\$0	\$17,000
Other Direct Costs	\$16,000	\$19,000	\$24,000	\$59,000
Contracted Services	\$20,000	\$8,000	\$10,000	\$38,000
	\$138,000	\$116,000	\$106,000	\$360,000

	Year 1	Year 2	Year 3	Total
Labor	\$62,000	\$64,000	\$60,000	\$186,000
Travel	\$30,000	\$18,000	\$12,000	\$60,000
Equipment	\$10,000	\$7,000	\$0	\$17,000
Other Direct Costs	\$16,000	\$19,000	\$24,000	\$59,000
Contracted Services	\$20,000	\$8,000	\$10,000	\$38,000
	<u>\$138,000</u>	<u>\$116,000</u>	<u>\$106,000</u>	<u>\$360,000</u>

	Year 1	Year 2	Year 3	Total
Labor	\$32,000	\$60,000	\$60,000	\$152,000
Travel	\$60,000	\$22,000	\$12,000	\$94,000
Equipment	\$12,000	\$7,000	\$0	\$19,000
Other Direct Costs	\$14,000	\$19,000	\$24,000	\$57,000
Contracted Services	\$20,000	\$8,000	\$10,000	\$38,000
	<u>\$138,000</u>	<u>\$116,000</u>	<u>\$106,000</u>	<u>\$360,000</u>

Understanding Procurement

- What is Procurement?
- Why are procurement policies important?
 - Protect your organization from inappropriate or unnecessary spending
 - Promote transparency and accountability
 - Promote open competition to obtain the best value for your money
 - Ensure that funds are used efficiently
 - Avoid purchasing dangerous or low-quality goods that could cause more harm than good
- Whose procurement guidelines should we use?



What are the Minimum Procurement Guidelines?



Written Policies & Procedures

“The recipient must maintain and conduct all of its procurement according to written policies and procedures....”





Establishing a Reasonable Micro-Purchase Threshold

What is a micro-purchase threshold?

Is it required?

How many bidders do I need?



Additional Retention Rules for Awards above the Micro-Purchase Threshold

Retain the following documentation for awards exceeding the micro-purchase threshold:

- Basis for contractor selection
- Justification for lack of competition (sole source procurement)
- Documentation on terrorism search
- Basis for award cost or price



Ensure the Price is Fair and Reasonable





Use the Most Economical
and Practical means to
Accomplish the Goal



Ensure Goods and Services are
Provided in Accordance with the
Terms





Use a Procurement Agreement that Best Accomplishes the Program Objectives

Examples of agreements:

- fixed price contracts
- cost reimbursable contracts
- purchase orders
- incentive contracts

May not use an instrument that provides for a cost-plus-a-percentage method, because such arrangements encourage the contractor to increase costs to increase its fee.



Conflict of Interest

To promote the best decision making, you can't allow outside influences take you away from the program objectives.



Conflict of Interest: *Bias*

“The recipient must ensure that competitions are not biased in favor of one offeror over another.”

Ask yourself: Was there something that was outside of the best interest of the program objectives that influenced my decision?



Conflict of Interest: *Unfair Competitive Advantage*

“The recipient must ensure that no potential contractor has unequal access to information that may provide that contractor an unfair competitive advantage.”

Unfair Competitive Advantage cont.

To promote an open and fair competition, your solicitations should:

- provide detailed information on exactly what you seek to buy;
- contain clear instructions for vendors on what to include in their proposals or quotations, how to submit them and by when;
- and list how each proposal will be evaluated.

All information in the solicitation should be the same for all potential respondents.

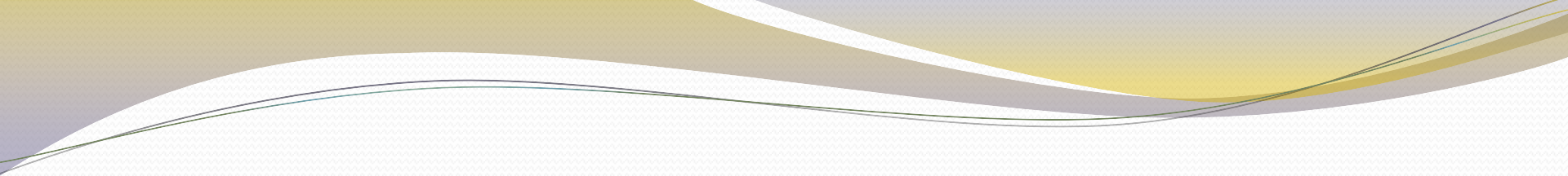


Conflict of Interest: *Violations*

“The recipient’s standards of conduct must provide for disciplinary actions for violations of such standard by officers, employees, or agents of the recipient.”



USAID ELIGIBILITY RULES FOR PROCUREMENT OF COMMODITIES AND SERVICES



The recipient must not, under any circumstances, procure any of the following under the award:

- Military equipment
- Surveillance equipment
- Commodities and services for support of police or other law enforcement activities
- Abortion equipment and services
- Luxury goods and gambling equipment
- Weather modification equipment

Ineligible Suppliers

Any firms or individuals that do not comply with the requirements in Standard Provision “Debarment and Suspension” and Standard Provision “Preventing Terrorist Financing” must not be used to provide any commodities or services funded under this award.

Debarment & Suspension

- The recipient must not transact or conduct business under this award with any individual or entity listed on the Excluded Parties List System (www.sam.gov)
- Exceptions can be granted if prior approval is received



USER NAME

[Forgot Username?](#)

PASSWORD

[Forgot Password?](#)[LOG IN](#)[Create an Account](#)[HOME](#)[SEARCH RECORDS](#)[DATA ACCESS](#)[GENERAL INFO](#)[HELP](#)

CREATE USER ACCOUNT

Your CCR username will not work in SAM. You will need a new SAM User Account to register or update your entity records. You will also need to create a SAM User Account if you are a government official and need to create Exclusions or search for FOUO information.

[Create User Account](#)

REGISTER/UPDATE ENTITY

You can register your Entity (business, individual, or government agency) to do business with the Federal Government. If you are interested in registering or updating your Entity, you must first create a user account.

[Register/Update Entity](#)

SEARCH RECORDS

All entity records from CCR/FedReg and ORCA and exclusion records from EPLS, active or expired, were moved to SAM. You can search these records and new ones created in SAM. If you are a government user logged in with your SAM user account, you will automatically have access to FOUO information.

[Search Records](#)

WHAT IS SAM?

[Need Help?](#)

The **System for Award Management (SAM)** is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. There is NO fee to register for this site. Entities may register at no cost directly from this page. User guides and webinars are available under the Help tab.

NEWS AND ANNOUNCEMENTS

FREE SAM WEBINAR: Encore for Grantees - Registration Available

USER GUIDES/HELPFUL HINTS

Additional information, such as a full User Guide, Quick Start Guides, Helpful Hints,

FORMER CCR REGISTRANTS

If you had an active record in CCR, you have an active record in SAM. You do not need to do anything in SAM at this time, unless a change in your business

Search Records

You can enter a DUNS number, CAGE code or Business Name to search for the entities that you are interested in reviewing. The top search bar allows you to enter any search term. You can also enter exclusion search terms to search for exclusion records. If you want to search for only a CAGE code or a DUNS number you can use the bottom two search bars. Once a search has returned results, use the filters provided to narrow results.

Government employees must create a SAM user account with their government email address. Log in before searching in order to see FOUO information and those registrants who selected to opt out of the public search.

You can only use one search bar at a time

Enter your specific search term

(Example of search term includes the entity's name, etc.)

DUNS Number Search:

Enter DUNS number ONLY

CAGE Code Search:

Enter CAGE code ONLY

SEARCH

Need Help?

SAM | System for Award Management 1.0

IBM v1.970.20130522-1640
WWW3

Note to all Users: This is a Federal Government computer system.
Use of this system constitutes consent to monitoring at all times.



Search Results

Please be advised that some entities have chosen to opt out of public display. If you are performing a public search, you will not see such entities here. You must log in with a Federal Government user account to see such records.

If you wish to perform a new search use the Clear Search button. Using the Save Search button will allow you to run this search at a later time.

[Important message regarding exclusion searches.](#)

Current Search Terms: banihashemi*

Clear Search

TOTAL RECORDS: 0

Save PDF

Export Results

Print

Result page 0 of 0

Sort by Modified Date



Order by Ascending



FILTER RESULTS

No records found for current search.

By Record Status

☒ Active

☐ Inactive

By Functional Area

☐ Entity Management

☐ Performance Information

Apply Filters

Note: Filters are case sensitive

Result page 0 of 0

Save PDF

Export Results

Print

Search Results

Please be advised that some entities have chosen to opt out of public display. If you are performing a public search, you will not see such entities here. You must log in with a Federal Government user account to see such records.

If you wish to perform a new search use the Clear Search button. Using the Save Search button will allow you to run this search at a later time.

[Important message regarding exclusion searches.](#)

Current Search Terms: gerald* hilley*

[Clear Search](#)

TOTAL RECORDS: 1

Result page 1 of 1

[Save PDF](#)[Export Results](#)[Print](#)Sort by **Modified Date**Order by **Ascending**

FILTER RESULTS

By Record Status

☒ Active☐ Inactive

By Functional Area

☐ Entity Management☐ Performance Information[Apply Filters](#)

Note: Filters are case sensitive

Your search for "gerald* hilley*" returned the following results...

Exclusion**A. Gerald Hilley**Status: **Active**

DUNS:

CAGE Code:

Classification: **Individual**[View Details](#)

Result page 1 of 1

[Save PDF](#)[Export Results](#)[Print](#)

Current Record Details

Exclusion Details:

Exclusion Program: NonProcurement
Classification Type: Individual
Exclusion Type: Prohibition/Restriction

Nature (Cause):

May be subject to sanctions pursuant to the conditions imposed by the U.S. Department of the Treasury (Treasury) Office of Foreign Assets Control (OFAC), or subject to a sanction, restriction or partial denial pursuant to the conditions imposed by the U.S. Department of State (STATE) or Federal agency of the U.S. Government.

Effect:

If you think you have a potential match with an OFAC listing, please visit the following section of OFAC's website for guidance: <http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/directions.aspx>. For all other prohibitions and restrictions, see the agency note in the Additional Comments field to ascertain the extent or limit on the sanction, restriction or partial denial. If there is no note, contact the agency taking the action for this information.

CT Code: Z

Active Date:

Termination Date: Indefinite

Excluding Agency : HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Status : Active

Create Date : 07/27/2012

Update Date : 07/27/2012

Additional Comments: Excluded by the Department of Health and Human Services from participation in all Federal health care programs pursuant to 42 U.S.C. § 1320a-7 or other sections of the Social Security Act, as amended and codified in Chapter 7 of Title 42 of the United States Code (the scope and effect of Federal health care program exclusions is described in 42 C.F.R. § 1001.1901).

Primary Address:

Verify Street Address

Street Address 1*

Help

[FAQs](#)[User Guides](#)[Demonstration Videos](#)[Exclusions Information](#)

User Help

Quick User Guides

Quick Start Guides for Updating/Renewing Registrations

Description: A short reference guide to help you renew or update your registration that was previously in CCR (and in some cases ORCA) and is now in SAM.

[DOWNLOAD PDF](#)**Quick Start Guides for Contract Registrations**

Description: A short reference guide on what you must know to register your entity for contracts in SAM.

[DOWNLOAD PDF](#)**Quick Start Guides for Grant Registrations**

Description: A short reference guide on what you must know to register your entity for grants and federal assistance in SAM.

[DOWNLOAD PDF](#)**Quick Start Guides for Exclusions**

Description: A short document to support your use of the SAM Exclusions Extract.

[DOWNLOAD PDF](#)

Description: A short reference guide on what you must know about exclusion changes SAM.

Debarment & Suspension cont.

Must notify upon learning that any of the organization's principals:

- Are presently excluded or disqualified from doing business with any U.S. Government entity
- Have been convicted or found liable within the preceding three years for committing any offense indicating a lack of business integrity or business honesty (fraud, embezzlement, theft, forgery, bribery or lying)
- Are presently indicted for or otherwise criminally or civilly charged by any governmental entity for an offense indicating a lack of business integrity or business honesty
- Have had one or more U.S.-funded agreements terminated for cause or default within the preceding three years.

Restricted Commodities

- Agricultural commodities
- Motor vehicles (not permitted on PEER Science grants)
- Pharmaceuticals
- Pesticides
- Used equipment
- US. Government-owned excess property
- Fertilizer

Source & Nationality: 22 CFR 28

- Source
- Nationality
- Geographic Code

Source & Nationality: 22 CFR 28

Source means the country from which a commodity is shipped to the cooperating/recipient country or the cooperating/recipient country itself if the commodity is located therein at the time of the purchase, irrespective of the place of manufacture or production, unless it is a prohibited source country.

Source & Nationality: 22 CFR 28

Nationality refers to the place of legal organization, ownership, citizenship, or lawful permanent residence (or equivalent immigration status to live and work on a continuing basis) of suppliers of commodities and services.

Source & Nationality: 22 CFR 28

Geographic code 937 is defined as the United States, the cooperating country/recipient country, and developing countries other than advanced developing countries, and excluding prohibited sources.

Geographic code 935 is defined as any area or country but excluding prohibited sources.

Geographic code 910 is defined as the Independent States of the Former Soviet Union

Source & Nationality

Except as may be specifically approved in advance by the AO, all commodities and services that will be reimbursed by USAID under this award must be from the authorized geographic code specified in the award.

Special Source Rules

- Agricultural commodities
- Motor vehicles
 - Motor vehicles must be manufactured in the United States to be eligible for USAID financing.
 - Any commodity obtained under a long-term lease agreement, including motor vehicles, is subject to the source and nationality requirements
 - This does not apply to transportation or driver services from an individual or commercial entity.
- Pharmaceuticals

Waivers for Source & Nationality Rules

- Waivers can be obtained on a case by case basis.
- Waivers must be in writing.
- For any waivers authorized, the principal geographic code shall be Code 935 (any area or country excluding the prohibited sources).

**Any individual transaction not exceeding \$25,000 (excluding those covered by special procurement rules in section 228.19 and excluding procurements from prohibited sources) does not require a waiver and is hereby authorized.*

Property

- Property vests in the recipient upon acquisition unless otherwise specified
- When property is no longer needed during the period of the award, use the property in the following order:
 - other activities funded by USAID
 - other activities funded by other US Govt agencies
 - As directed by the Agreement Officer
- Upon completion of the period of the award, the recipient must submit a property disposition report
- Disposition report will be adopted unless Agreement Officer responds within 60/days with a different plan.

Property cont.

- Maintain the Property in good condition
- Maintain an inventory of Property
- Conduct physical inventory every two years
- Maintain adequate safeguards to prevent loss, damage or theft.

Award Termination & Suspension

- Recipient or the Agreement Officer may terminate the award at any time
- The award can be terminated in whole or in part
- Termination requires written notice in accordance with the Standard Provision, “Notices.”

Notice

Any notice given by USAID or the recipient is sufficient only if in writing and delivered in person, mailed or e-mailed as follows:

- (1) To the USAID Agreement Officer, at the address specified in this award; or
- (2) To the recipient, at the recipient's address shown in this award, or to such other address specified in this award.



Award Termination & Suspense cont.

- Upon receipt of notice from USAID, the recipient must take immediate action to minimize all expenditures
- Within 30 calendar days after the effective date of such termination, the recipient must repay to the U.S. Government all unexpended USAID funds as of the effective date of termination
- Should the funds paid by USAID to the recipient prior to the effective date of the termination of this award be insufficient to cover legally binding obligations to third parties by the recipient, the recipient may submit to USAID within 90 calendar days after the effective date of a termination a written claim covering such recipient obligations.



Marking & the USAID Logo

What is Marking?

It is applying graphic identities or logos to program materials or project signage to visibly acknowledge contributors. It identifies organizations supporting the work.

Marking & the USAID Logo cont.



The official marking for USAID is located at:
transition.usaid.gov/branding

Marking & the USAID Logo cont.

The recipient must include the following marking provision in any subagreements entered into under this award:

“As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient’s, subrecipient’s, other donor’s, or third party’s is required. In the event the recipient chooses not to require marking with its own identity or logo by the subrecipient, USAID may, at its discretion, require marking by the subrecipient with the USAID Identity.”

Marking & the USAID Logo

Examples of program deliverables that may be marked with your donor's logo or identity elements:

- ***Project sites***
- ***Electronic and printed documents*** (informational and promotional materials, audio-visual presentations, public service announcements, websites)
- ***Events*** (training courses, workshops, press conferences)
- ***Commodities***—such as equipment, supplies and other materials.

Marking & the USAID Logo cont.

Exceptions:

- Compromise the independence or neutrality
- Diminish credibility of reports or recommendations
- Undercut host-country government “ownership”
- Impair the functionality of an item

Marking & the USAID Logo cont.

Exceptions:

- Incur substantial costs or be impractical
- Offend local cultural
- Conflict with international law
- Create an increased security risk

Advance Payments

- No longer required to maintain separate bank accounts (unless otherwise required)
- Must deposit funds in a reputable bank
- Must maintain funds in interest bearing accounts, unless you meet one of the exceptions
- May retain up to \$250 of interest earned on a 12-month period for administrative expenses

International Travel Approval

- Exceptions to the rule
 - Cost sharing
 - Program income
 - Indirect charges
- How to obtain travel
 - Travel approved in the budget
 - Travel not approved in the budget

Fly America Act

- Required to use U.S. Flag Air Carriers for all international air transportation
- Does not apply to cost sharing, program income or indirect charges
- Exceptions to the rule (for PEER Science, only the grant manager can make this determination)
- Documentation

Program Income.

- Default – program income is added to the total program amount
- Costs incident to generating program income may be deducted from the gross income to calculate program income if the costs were not charged to the award.