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# COLOMBIA LAND AND RURAL DEVELOPMENT PROGRAM

## GRANTS MANAGEMENT PLAN

AUGUST 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech.



Prepared for the United States Agency for International Development, USAID Contract Number AID-514-TO-13-00015, Colombia Land and Rural Development Program, under the Strengthening Tenure and Resource Rights (STARR) Indefinite Quantity Contract.

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### **DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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# ACRONYMS AND ABBREVIATIONS

A&A	Acquisition and Assistance
AAPD	Acquisition and Assistance Policy Directive <sup>1</sup>
ADS	Automated Directives System
AEF	Application Evaluation Form
APS	Annual Program Statement
ATC	Anti-Terrorism Certificate
CIB	Contracts Information Bulletin
COP	Chief of Party
CSR	Cost Share Reporting Form
DCOP	Deputy Chief of Party
DG&C	Director of Grants and Contracts
DGM	Director of Grants Management (Home Office)
DUNS	Data Universal Numbering System (Dun and Bradstreet)
FOG	Fixed Obligation Grant
FTR	Federal Tax Reporting Form
GBAR	Grantee Bank Account Reconciliation
GGMG	Global Grants Management Guide
GMP	Grants Management Plan
GS	Grants Specialist (home office)
GOC	Government of Colombia
GUC	Grants Under Contract
HO	Home Office
IEE	Initial Environmental Examination
IKG	In-Kind Grants

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<sup>1</sup> AAPDs provide information of significance to contracting personnel including (but not limited to) advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information.

LRDP	Land and Rural Development Program
MARD	Ministry of Agriculture and Rural Development
MSP	Mandatory Standard Provisions
NGO	Nongovernmental Organization
NM	Negotiation Memorandum
NUPAS	Non-US Organization Pre-Award Survey
OFAC	Office of Foreign Assets Control
OMB	Office of Management and Budget
PARD	Pre-Award Responsibility Determination
RAASP	Required As Applicable Standard Provision
REC	Review and Evaluation Committee
RFA	Request for Applications
RU	Restitution Unit
SAC	Special Award Condition
SAM	System for Award Management (previously Excluded Parties List System)
SDNBP	Specifically Designated Nationals and Blocked Persons
SG	Standard Grant
SiG	Simplified Grant Agreement
SPAS	Simplified Pre-Award Survey
TO	Technical Officer
UN	United Nations
US	United States
USAID	United States Agency for International Development
USG	United States Government
VAT	Value-Added Tax

# INTRODUCTION

The Colombia Land and Rural Development Program (LRDP) is funded by the United States Agency for International Development (USAID). LRDP is a five-year program intended to assist the Government of Colombia (GOC) to strengthen its institutional capacity to develop tools, systems, and skills that will enable it to fulfill its mandate to resolve land issues at the heart of conflict.

LRDP has four integrated objectives:

- **Objective 1:** Increase capacity of the Restitution Unit (RU) of the Ministry of Agriculture and Rural Development (MARD) to restitute land to the victims of conflict;
- **Objective 2:** Increase capacity of the MARD to issue land titles, particularly in rural areas;
- **Objective 3:** Increase the opportunities for sustainable licit rural livelihoods in conflict-affected areas; and
- **Objective 4:** Strengthen the GOC's capacity to monitor and evaluate programs to restitute land, issue land titles, and promote sustainable rural development

The LRDP Grants Management Plan (GMP) provides the narrative framework for managing Grants under Contract (GUC) under USAID contract number AID-514-TO-13-00015. The GMP is intended to provide LRDP with consolidated resources for grants administration in accordance with USAID and Tetra Tech's procedures, policies, regulations, and the terms and conditions of the aforementioned prime contract.

The GMP is intended to be used along with the annexes that provide forms, applications, and procedural documentation required for an efficient and accountable grants management program. Some of the annexes provided may be updated or modified to best suit the diverse needs of the operating environment in Colombia. In addition, Tetra Tech maintains a Global Grants Management Guide (GGMG), which is an internal grants management handbook designed to serve as a guideline for LRDP staff, and as appropriate, grantees. LRDP may further tailor the GMP to ensure flexibility to programmatic needs while maintaining full compliance with USAID and Tetra Tech's rules, procedures, and regulations.



# GRANTS PROGRAM OBJECTIVES

LRDP seeks to catalyze the capacity development of GOC institutions to reconstitute land to victims, extend formalization to prioritized rural areas, and promote sustainable rural development. Under LRDP, Tetra Tech will administer a grants program that supports LRDP objectives and leverages funding from other non-US government (USG) resources.

The development and implementation of the LRDP grants program will be coordinated closely with USAID to establish the selection criteria and obtain approval for all grant awards. The grants program will be implemented in agreement with the LRDP contract terms and conditions and USAID's grants regulations, procedures, and policies (Automated Directives System [ADS] 303, Grants and Cooperative Agreements for Non-Governmental Organizations). In accordance with the contract, LRDP may award grants to US and non-US nongovernmental organizations (NGOs). For US NGOs, the grant limit is not to exceed US \$100,000. This limit does not apply to grant awards to non-US organizations.

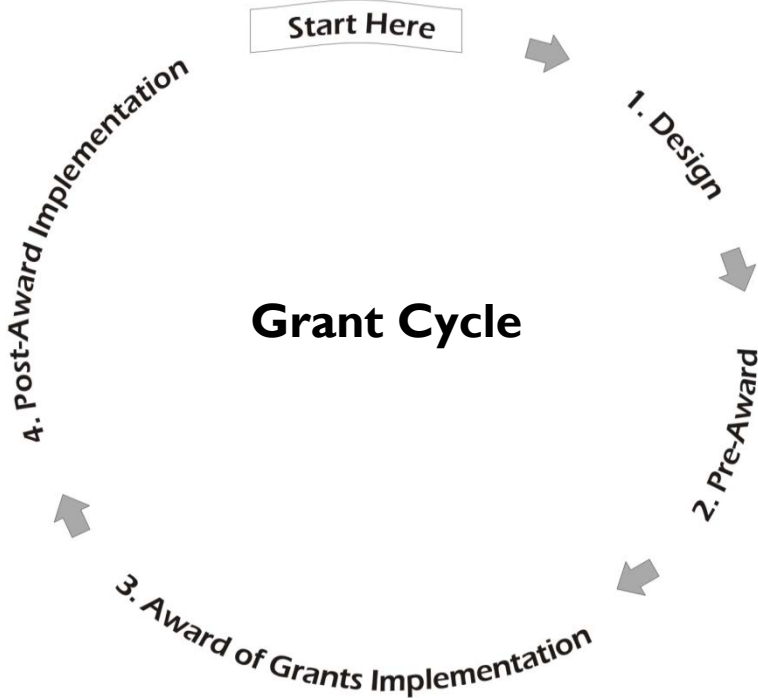
Tetra Tech adheres to USAID's competition regulations, where applicable, and encourages competition in the award of grants to ensure transparency, and identify and fund the best possible projects to achieve program objectives. As a guiding principle, Tetra Tech will seek to issue grants to non-US NGOs on a competitive basis which support and stimulate actions that will contribute to the achievement of the aforementioned objectives. Grants not awarded on a competitive basis will be justified as authorized in ADS 303.3.6.6.

Given the sensitivity of personal information of victims of conflict, LRDP in close consultation with USAID will ensure that the grantees will not release information related to those beneficiaries and/or any individuals working on restitution issues.



# GRANTS MANAGEMENT PLAN ORGANIZATION

Tetra Tech has established a flexible and creative approach in developing a GMP that responds to the needs and conditions at the local site of operation. At the same time, field operations must adhere to Tetra Tech’s systematic grant making process. Therefore, Tetra Tech’s Colombia LRDP GMP follows the four-phase grants cycle: 1) Design, 2) Pre-Award, 3) Award of Grants, and 4) Post-Award Implementation. Each phase consists of different activities that need to be accomplished in order to advance to the next phase. These activities are further described later in this plan.



In addition, a set of annexes incorporate specific processes and forms related to the GMP. The GMP is intended to be used along with these annexes since these provide the necessary forms, applications, and procedural documentations required for efficient and accountable grants management. These annexes should be updated or modified to best suit the diverse needs of the operating environment in Colombia. In addition, Tetra Tech maintains the Global Grants Management Guide (GGMG), which is an internal grants management manual designed to serve as a guideline for Tetra Tech home office and LRDP staff as appropriate.

Tetra Tech’s code of conduct stipulates that:

- Tetra Tech does not condone any action that could be considered to promote or give the appearance of conflict of interest or corruption. No ongoing or potential business is worth tolerating, condoning, or participating in any act considered unlawful in appearance or in fact.
- Tetra Tech employees must follow the company business ethics policies to ensure that no damage is done to the well-earned integrity, reputation, and business of the program, company, or its personnel. Any employee who knowingly participates in an unethical business act may face disciplinary measures from Tetra Tech, including possible termination of employment. When an employee discovers such a potentially unlawful activity, the employee must report it to the LRDP Chief of Party (COP).
- Tetra Tech employees must not solicit gifts, entertainment, personal discounts, travel and transportation, lodging, goods, cash, services, or other favors from current or potential business partners, suppliers, grantees, subcontractors, vendors, or other business acquaintances.
- Given the preceding, Tetra Tech, its employees, subcontractors, and grantees (and if applicable, lower-tier grantees) shall maintain the highest standards of ethical conduct governing the selection, award, implementation, and oversight of this grants program. Such ethical standards of conduct derive from, but are not limited to, federal and USAID laws and regulations, and Tetra Tech's corporate policies and procedures.
- If any officer, employee, agent of LRDP, grantee, or sub-grantee becomes aware of any allegations of unethical conduct and prohibited acts described below, the individual is obligated to immediately inform the LRDP COP of such alleged conduct, orally or in writing.
- The COP is authorized by Tetra Tech to investigate any such allegations and take appropriate action (including disciplinary action, which may be termination of employment or of the grant) to remedy, correct, mitigate, or otherwise resolve the unethical conduct or prohibited acts.
- Any individual, grantee, or subcontractor found guilty of such prohibited actions shall be subject to termination of employment, grant, or contract, and may be subject to criminal prosecution under the US Criminal Bribery and Illegal Gratuities statute and the Foreign Corrupt Practices Act.
- Ethical standards of conduct applicable to grants and grantees—and their officers, employees, consultants, sub-grantees, and agents—are described below:
  - **Organizational or Personal Conflict of Interest.** No employee, officer, agent of LRDP, grantee, or sub-grantee shall participate in the selection, award, or administration of a grant or sub-grant supported by USAID funds if a real or apparent conflict of interest would be involved. Such a conflict may arise when the employee, officer, or agent, any member of his or her immediate family, partner, or an organization that employs or is about to employ any of the parties indicated herein, has a real or perceived financial or other interest in the organization selected for award.
  - **Anti-Kickback and Bribery.** The officers, employees, and agents of LRDP, the grantee, or sub-grantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, grantees, sub-grantees, or third parties.
- Tetra Tech, its employees, subcontractors, and grantees will not release personal information of victims of conflict and/or any individuals working on restitution issues, without the prior approval of USAID.



# 1.0 PUBLIC NOTICE/ IDENTIFY POTENTIAL GRANTEES

Tetra Tech relied on the specific contractual guidelines and United States Agency for International Development (USAID) regulations to establish eligibility requirements for grant applicants. Approval from USAID is required before issuing any Grants under Contract (GUC). Tetra Tech will ensure that each prospective grantee does not appear on either (1) the System for Award Management (SAM) List<sup>2</sup>, or (2) the List of Individuals or Entities that Commit or Pose a Significant Risk of Committing Terrorist Acts<sup>3</sup> (Specifically Designated Nationals and Blocked Persons [SDNBP]), (3) the UN Consolidated Sanctions List, or (4) is not otherwise debarred or suspended from the eligibility to receive funding from the US government (USG).

## 1.1 ELIGIBLE APPLICANTS

Tetra Tech may issue grants to United States (US) and non-US nongovernmental organizations (NGOs), provided that they are legally registered and recognized under the laws of Colombia and not prohibited from receiving USG funding by US federal regulations. Grantees may include<sup>4</sup>:

- National, regional, and local organizations,
- Non-US NGOs,
- US NGOs,
- Foundations and universities,
- Private enterprises or firms,
- Business associations, and
- Legally organized associations of the above organizations.

In addition, the grantees must demonstrate that they:

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<sup>2</sup> This list can be located at <https://www.sam.gov/portal/public/SAM/>. At this web address, there is an option to search records by entering a DUNS number, CAGE code, or business name.

<sup>3</sup> This list can be located at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

<sup>4</sup> In keeping with Tetra Tech LRDP's approach to local procurement of goods and services, we will first strive to work with grantees from Colombia, and will only work with international NGOs if/when they are able to implement a grant that cannot be procured locally.

- Possess sound managerial, technical, and institutional capacities to achieve project results;
- Possess and apply a system of internal controls to safeguard assets and to protect against fraud, waste, and conflicts of interest;
- Are in good standing with all civil and fiscal authorities;
- Possess financial accountability and maintain detailed records of all expenses;
- Are willing to sign applicable assurance certifications; and
- Are willing to certify in writing that personal information of victims of conflict and/or any individuals working on restitution issues will not be disclosed without prior approval from USAID.

## 1.2 INELIGIBLE APPLICANTS

The following organizations are *not* eligible for LRDP grant funding:

- Political parties, their subsidiaries, or affiliates;
- Organizations that appear on the SAM list and Non-procurement Programs or United Nations (UN) 1267 list;
- Organizations that promote or engage in illegal activities or anti-democratic activities;
- Faith-based organizations that are not in compliance with Automated Directives System (ADS) 303.3.6.4.m, which is in accordance with Executive Order 13279, Equal Protection for the Laws of Faith-based Community Organizations;
- Any entity affiliated with Tetra Tech, its officers, directors, or employees;
- Any governmental organization<sup>5</sup>; and
- Any public international organization.

## 1.3 ELIGIBLE ACTIVITIES

LRDP will use the grants program to fund and operationalize grants to NGOs in targeted areas. LRDP's grants program will fund innovative activities that are consistent with, supportive of, and strategic to the accomplishment of the established LRDP goals.

LRDP will also identify local institutions in Colombia that are well placed to work with USAID in the longer term, and will develop capacity-building programs, including training, to enable the institutions to successfully implement grant projects while building organizational capacity.

Examples of illustrative grant activities that will be funded include but are not limited to:

- Support for universities, think tanks, and NGOs with a strong regional presence to promote research and impact evaluations that enrich national and subnational policy debates on land and restitution in Colombia;
- Support of NGOs in restitution processes that reduce the cost of gathering evidence;

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<sup>5</sup> In exceptional cases, agreements to public sector institutions can be awarded only when USAID waiver per 22CFR228.13 and 22CFR228.31 has been obtained.

- Activities which promote the participation of women, girls, teenagers, Afro-Colombian, and indigenous populations in restitution reform;
- Support of women’s NGOs that seek to empower women, girls and teenagers to proactively pursue their rights and guard against reprisal;
- Legal and procedural awareness on land rights of Afro-Colombian and indigenous communities and mechanisms available to defend those rights;
- Activities that facilitate consultations with ethnic communities on the design of any new legislation that sets standards and builds the capacity of the GOC to amend legislation;
- Information and awareness campaigns and training of public officials on differential approaches to women, girls, and teenagers as it relates to land restitution;
- Activities which promote rural women and youth associations to empower and institutionalize legal reform and right to protection of their interests in family land;
- Activities which involve women’s organizations in formalization, community advocacy, and learning programs to increase women’s participation in demarcation, adjudication, and formalization;
- Policy review and training workshops to advocate women’s rights and provide feedback on lessons learned in the formalization of private rural property;
- Support for NGOs specialized in working with minority populations to organize trainings on land leasing and investment models to build partnerships between communities and investors;
- Structured consultations involving community and local officials to assess and improve existing local and regional development plans;
- Training in business skills that enable women to operate successfully in public and private sector spheres;
- Support for consultations and negotiations among investors, communities, and government to facilitate business planning; and
- Other activities as defined in the annual work plans.

## **1.4 INELIGIBLE ACTIVITIES**

Grant funds will not be used for the following activities:

- Activities which duplicate the activities of other USG-supported program or programs conducted by other organizations in Colombia (In the event that an application reveals such duplication, the applicant will be advised appropriately of other US program or other potential funding sources for such activities.);
- Activities that are inconsistent with international standards of human rights or with democratic goals of racial and ethnic tolerance and harmony;
- Ceremonies, parties, celebrations, or “representation” expenses except for those which are specified in the grant (for example, opening ceremonies) to promote the visibility of USAID in the eyes of the communities USAID is trying to serve;

- Involuntary sterilization programs<sup>6</sup>;
- Abortion-related activities and biomedical research relating to abortion;<sup>7</sup> and
- Activities not approved by USAID.

## 1.5 TARGET AREAS

LRDP will work in the regions of Uraba, Montes de María, Magdalena Medio, Meta, Nariño, Tolima, and north Huila.

## 1.6 PUBLIC NOTICE

LRDP will encourage competition in the award of grants to the maximum extent practicable to identify and fund grant projects that support LRDP's objectives. Public notice is intended to make the community-at-large aware of the available grant funding (see Annex A). The notice should:

- Present the objectives of the grant funds.
- Explain how potential applicants can access the grant funds.
- Describe any and all pre-requisites.
- Inform potential applicants of the procedures that will be followed in competing for the grant funds.

LRDP will use the following means to determine the most effective public notice/announcement:

- Advertising in local newspapers,
- Disseminating the notice to NGOs,
- Disseminating to radio stations,
- Disseminating to participants during LRDP-sponsored meetings, and
- Disseminating the notice to the appropriate government stakeholders.

## 1.7 ANNUAL PROGRAM STATEMENT OR A REQUEST FOR APPLICATIONS

The first step in the competitive process is the issuance of a public notice in the form of an Annual Program Statement (APS) or a Request for Applications (RFA) following ADS 303.3.5.4 and 303.3.5.2.

APSs will be published at least once a year, either with an open-ended response, or a closing date at least six months after issuance. APSs are appropriate when specific activities being funded are unknown upfront by LRDP. The APS shall be used to generate competition for new awards where LRDP intends to support a variety of creative approaches by the NGO to develop their own methodologies in assessing and/or implementing activities in keeping with LRDP's strategic objectives.

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<sup>6</sup> MSP16.a Requirements for Voluntary Sterilization Programs

<sup>7</sup> MSP16.b Prohibition on Abortion-Related Activities

**RFAs** will be published at least 30 days prior to receipt of proposals. RFAs are appropriate if the grant program is intended to support a specific type of activity and when the application and review process is done in cycles.

In either instance, Tetra Tech may opt to use a tiered competition process depending on the anticipated number of applications to be received, capacity of the applicants to submit full proposals, and time period allocated for implementation of the grants program. The tiered competition process will be conducted in accordance with ADS 303.6.2(d) and will use a concept paper for tier one and then a full application for tier two. When competition will not be tiered, applicants will be required to submit a complete application as outlined in Section 1.11.

**TABLE 1. MINIMUM CONTENTS FOR AN RFA AND AN APS**

<b>The RFA will contain:</b>	<b>The APS will contain:</b>
<ul style="list-style-type: none"> <li>• A statement that the program is authorized under the Foreign Assistance Act;</li> <li>• General description of the objectives of the proposed grant activities;</li> <li>• Eligibility requirements;</li> <li>• Evaluation criteria and detail on their importance;</li> <li>• Estimated funds available and number and type of awards if available;</li> <li>• Expected duration of support;</li> <li>• Suggested cost share, as applicable;</li> <li>• Mandatory references concerning grant administration;</li> <li>• Project point of contact information;</li> <li>• A statement that Tetra Tech reserves the right to fund any or none of the application submitted;</li> <li>• Deadline for submission;</li> <li>• Sample Grant Application form; and</li> <li>• Required certifications.</li> </ul>	<ul style="list-style-type: none"> <li>• A statement that the program is authorized under the Foreign Assistance Act;</li> <li>• Objectives of the proposed grant activities;</li> <li>• Eligibility requirements;</li> <li>• Evaluation criteria and detail on their importance;</li> <li>• Estimated funds available and number of awards if available;</li> <li>• Suggested cost share, as applicable;</li> <li>• Mandatory references concerning grant administration;</li> <li>• Project point of contact information;</li> <li>• A statement that Tetra Tech reserves the right to fund any or none of the application submitted;</li> <li>• Closing date;</li> <li>• Sample Grant Application form; and</li> <li>• Required certifications.</li> </ul>

**STAFFING ASSIGNMENTS**

LRDP’s Director of Grants and Contracts (DG&C), in close consultation with the DCOP of Administration and Finance, and DCOP of Technical Operations, is responsible for coordinating the development of the project’s public notice. The DG&C will provide administrative and financial portions of the public notice and the Technical Officer (TO), assigned by the DCOP of Technical Operations, will provide the technical portion, including the terms of reference for the public notice. Once the public notice has been assembled by using the checklist of public notice requirements in Annex A, the DG&C will submit the draft to the Tetra Tech home office Grants Specialist (HO GS) for compliance review and refinement as necessary. The COP approves the final version and then submits to the USAID Contracting Officer’s Representative for approval before it is published.

## 1.8 CONCEPT PAPER (USED FOR APS)

When using an APS process, LRDP will require the submission of a concept paper for initial consideration. This procedure will allow LRDP to review and screen concepts efficiently from a large number of applicants and minimize the financial burden for both LRDP and the applicants. Tetra Tech will develop a concept paper format, which will not exceed five pages (excluding budget and attachments) and will adhere to the following outline:

1. Cover Page/Introduction:
  1. Name and address of organization;
  2. Type of organization (e.g., non-profit, commercial, university, etc.);
  3. Contact point (phone and e-mail);
  4. Names of other organizations (federal and non-federal as well as any other USAID offices) to whom you are/have submitted the application and/or are funding the proposed activity; and
  5. Signature of authorized representative of the applicant, authorized to contractually obligate the applicant.
2. Technical Information:
  1. Concise title and objective of proposed activity;
  2. Discussion of the problem, objectives, method of approach, amount of effort to be employed, anticipated results, and how the work will help accomplish LRDP's mission as elaborated in the APS;
  3. Type of support the applicant requests from LRDP (e.g., funds, facilities, equipment, materials and/or personnel resources); and
  4. Gender considerations.
3. Organizational Capacity:
  1. Past performance on similar projects;
  2. Relevance of staff skills to the proposed program;
  3. Experience in geographic region;
  4. Soundness of accounting and procurement practices; and
  5. Capacity to adhere to USAID financial guidelines.
4. Supporting Information:
  1. Proposed duration of activity;
  2. Certificate of Legal Status; and
  3. Certification that the concept paper is current, complete, and represents the grantee's honest assessment of what is required to achieve project objectives.

## 1.9 CONCEPT PAPER EVALUATION

The concept paper review serves as a filter for concepts that are fundamentally flawed with little chance of making significant contributions to the overall project goals. This process is designed to prevent the Review and Evaluation Committee (REC) from spending time rating proposals that do not meet the minimum public notice standards. The Director of Grants and Contracts (DG&C) will receive, record, and

review the proposals for completeness and move the proposal to technical staff to complete the content review using the Concept Paper Evaluation Form (Annex C).

The reviewers will indicate on the Evaluation Checklist whether to “Decline to Fund” or to “Proceed in Cycle.” The reviewers will state the reasons for determining why a concept paper or proposal should not be part of the REC’s review. All decisions will be made in writing and kept on file. The reviewers will ask the following questions:

- Does the concept address the goals of the project?
- Is the proposed activity reasonable in its scope, approach, and/or expected results?
- Does the organization present proof of a minimum level of organization capability, especially as it relates to finances?
- Are items in the project budget reasonable, allowable, and allocable?
- Is the applicant barred from receiving grants from either the US or the host country government?

A concept paper will be marked “Decline to Fund” if the concept is:

- Incomplete;
- Submitted after the posted closing date;
- Non-compliant with technical objectives/thematic areas of the project;
- Non-compliant with priority geographic coverage of the project;
- Given a score of < 70 on the concept review; and/or
- From an organization that appears on the SAM, the Office of Foreign Assets Control (OFAC), UN 1267, or SDNBP List.

Subsequent to the evaluation of the concept papers, those proposals that achieve a minimum score will be requested to submit a completed Grant Application, which is outlined in Section 1.11. Those organizations not achieving a minimum score or determined to be ineligible according to the above criteria will be informed in writing within 30 days after the review.

The reviewers must certify in writing that they will not disclose any or part of the application to any unauthorized person(s) and that the reviewer has no real or apparent conflict of interest with the applicant or in reviewing the application.

## **1.10 NEXT STEPS CLINICS**

Following the issuance of the APS, LRDP may decide to conduct targeted Next Steps Clinics for those applicants marked to “proceed in cycle.” This clinic may also be held for RFAs prior to the release of the full request.

The objectives of these clinics would be to:

- 1) Fast-track orientation of potential grantees.
- 2) Identify and prioritize geographic areas and project objectives.
- 3) Provide step-by-step guidance on filling out the final application, which includes the full proposal and budget.
- 4) Distribute applications at the clinic or send it later on.

- 5) Identify those applicants which may need additional assistance to develop credible proposals for funding.

In considering whether to conduct Next Step Clinics, LRDP will consider if such clinics will significantly accelerate grant-making and more comprehensively engage vulnerable groups than by relying solely on conventional methods of public notices and awaiting applications, or if these clinics will result in higher-quality applications that in turn impact the efficiency of the review and evaluation process.

Another reason to consider holding Next Steps Clinics would be to serve as a capacity-building exercise for potential grantees. The clinics might assist those organizations that may be technically qualified but do not possess the grant writing or USAID experience necessary to produce sound proposals. The clinics might also provide an opportunity to inform applicants of the required commitment, rules and regulations, and level of effort required under USAID-funded projects.

The Next Steps Clinics can be used to help potential applicants better understand the requirements necessary before a grant award can be made. Some of the topics/events that might be covered during the clinic include:

- Summarization of LRDP program overview and the intended use of grants under the program;
- Discussion of and answers to questions on the technical terms of reference;
- Discussion of any additional assistance to move forward to the full application phase;
- Discussion of pre-award requirements;
- Discussion of grant formats;
- Discussion of regulatory and statutory certification requirements;
- Review of cost sharing and cost analysis;
- Review of reporting requirements; and
- Discussion of environmental requirements, if any.

## **STAFFING ASSIGNMENTS**

The concept paper review (Annex C) is carried out by the DG&C and technical staff to determine the applicants' eligibility and the applicability and cost-effectiveness of the budget. LRDP technical staff will assess the concepts for a strategic fit with the overall LRDP goals and objectives and assess the applicant's past performance. Administrative and technical evaluation of concept papers will be conducted independently and the DG&C will compile a summary sheet that combines both evaluations. The DG&C will submit the results of the concept paper review to the COP, or his/her designee, who will authorize written notification of the outcome to the applicant.

## **1.11 GRANT APPLICATION PROCEDURE**

If a RFA is issued rather than an APS, LRDP will move directly into the application process. However, if LRDP feels that the potential grantee pool may need assistance and/or require additional help to submit applications, a Next Steps Clinic can be held before issuing the RFAs. LRDP must open this session to all potential grantees to attend.

RFAs will be published at least 30 days prior to receipt of proposals. All applicants will be requested to submit one original hard copy of their full proposal and budget in English and include, when possible, an



electronic copy in Word and Excel file formats. All applications will be received by either hard copy in a sealed envelope or electronically to a designated e-mail account. LRDP will provide a receipt correspondence if the application is received within the time period prescribed. Application guidelines can be found in Annex D. Applications will be evaluated based on the strategic fit, technical approach, organizational capabilities, gender consideration, and cost-effectiveness.

The length and detail required of the full proposal shall depend on the nature of the activity proposed and responding organizations. For all applications, there will be a general limit of 25 double-spaced typed pages, not including the budget or attachments. Guidance on what level of detail will be considered acceptable for a particular size and type of proposal will be included in the RFA. There are no page limitations for the budgets, but applicants will be encouraged to be concise. Budgets should be fully supported by adequate cost data to establish the reasonableness of proposed program costs. At a minimum, budgets shall contain the following: a) a summary budget page of total costs, b) a detailed budget of cost inputs, and c) detailed budget notes and supporting justification of all proposed budget line items. A budget template and guidance will be provided in the RFA.

At the time of submission, the applicant's agent must certify the application as being current, complete, and accurate.

## **1.12 COST SHARING**

In keeping with USAID's policy (ADS 303.3.10), cost sharing is an important element of USAID-funded projects. Tetra Tech encourages a contribution from partners toward the total cost of the activity to support or contribute to the achievement of results. Among other things, cost sharing enables Tetra Tech to mobilize additional resources for a program where funding is limited. It also demonstrates the grantee's commitment to the project. To enhance the success of the grants component, and to demonstrate commitment, applicants will be encouraged to propose cost sharing to be considered for funding. Cost sharing includes contributions, both cash and in-kind, which are necessary and reasonable to achieve program objectives, and are verifiable from the recipient's records. Cost sharing contributions may include volunteer services provided by professional and technical personnel, and unrecovered indirect costs. Additionally, per ADS 303.3.10.4, USAID does not apply its source and nationality requirements or the restricted goods provision established in the Standard Provision USAID Eligibility Rules for Commodities and Services to cost share contributions.

Additionally, per ADS 303.3.10.4, USAID does not apply its source and nationality requirements or the restricted goods provision established in the Standard Provision USAID Eligibility Rules for Commodities and Services to cost share contributions. Indirect or overhead costs incurred by a grant project are also encouraged to be covered under cost share since a grant award cannot cover indirect costs without having provided a signed Negotiated Indirect Cost Agreement (NICRA). Cost share contributions cannot be paid for with USG money from another grant or agreement.

Grantees must account and report on cost share funding just as they would with the Tetra Tech-funded portions of the project, pursuant to and subject to the terms of Required as Applicable Standard Provision (RAASP) RAA14, Cost Share (June 2012) for Non-US Grantees; and RAASP RAA9, Cost Share (Matching) (February 2012) for US Grantees. Cost share is subject to audit and must be verifiable in the grantee's records.

The Cost Share Reporting (CSR) Form is contained in Annex V and must be used by grantees for reporting all shared costs under their grant with Tetra Tech. Unrealized cost share by the grantee may result in Tetra Tech reducing the ceiling of the grant award by a proportionate amount, pursuant to ADS 303.3.10.4. If the award has terminated and the full anticipated cost share was not realized, Tetra Tech may request the recipient to refund the balance of the unrealized cost share to Tetra Tech.

#### **STAFFING ASSIGNMENT**

Tetra Tech may offer assistance as necessary to the grantees with limited capabilities to develop a full application. Often, grantees require additional assistance in developing a detailed budget and implementation plans. Any assistance provided to the grantees will occur before issuance of the RFA and be provided to all interested applicants to ensure transparency and consistency.

# 2.0 EVALUATION AND SELECTION OF APPLICATIONS

LRDP will develop and follow a standard procedure for receiving and evaluating Grant Applications to ensure integrity and transparency of the competitive process. The LRDP DG&C will receive all applications in sealed envelopes and stamp them as “received” and issue a receipt to the submitting organization. If received electronically, the DG&C will send received e-mail to those applications meeting the deadline. After the closing date for the RFA, the DG&C will open the application envelopes in the presence of at least two committee members. The DG&C logs each application to ensure that requested information is complete and begins the application review process. The final applications will be forwarded to the REC and each application will go through a formal written evaluation utilizing the Application Evaluation Form ([AEF] in Annex E).

## 2.1 APPLICATION EVALUATION

Applications will be reviewed by the REC, which is composed of Tetra Tech’s DG&C (non-voting member) and at least three people from among the individuals listed below:

- LRDP COP;
- LRDP DCOP of Administration and Finance;
- LRDP DCOP of Technical Operations;
- LRDP TOs, those not involved directly in the application development;
- LRDP Procurement or Financial Manager;
- Other LRDP sector experts; and
- USAID Contracting Officer’s Representative or his/her designee (this will be non-voting review since USAID has to approval all final grants before award).

The selected REC may individually or collectively evaluate the applications against the pre-established, transparent, and objective criteria list as per the AEF (Annex E). The COP may choose to hold a REC meeting with all members present to discuss the results of the individual evaluations, or to evaluate the

application as a group. Minutes to all review sessions and records of all correspondence must be kept on file for audit purposes.

The time required for the evaluation period should be specified in the public notice, but it should, in all cases, be kept to the necessary minimum. The DG&C will establish a timeline for the evaluation stage, which will be shared with all evaluators.

At the onset of the final review, all of the evaluators will convene and the DG&C will provide them with an overview regarding the number of applications, incomplete and late submissions, submissions by geographic area, submissions by organizational type, and submissions by thematic area. The DG&C will then discuss the review and evaluation process including the AEF and application files will be distributed to respective members for their objective evaluation.

The REC will formally evaluate and rank all proposals independently and uniformly in writing, using the AEF (Annex E).

Grant proposals will be scored and ranked according to the criteria and points listed below, based on a maximum score of 100 points:

- **Strategic fit: 30 points**
  - a) Contribution toward LRDP success indicators (per contract),
  - b) Sustainability of project results, and
  - c) Anticipated benefits to the beneficiaries.
- **Technical approach: 30 points**
  - a) Clearly defined problem statement,
  - b) Clearly outlined goals,
  - c) Innovative technical approach, and
  - d) Potential obstacles identified and solutions provided.
- **Organizational capabilities: 20 points**
  - a) Past performance on similar projects,
  - b) Relevance of staff skills to the proposed program,
  - c) Experience in geographic region,
  - d) Soundness of accounting and procurement practices, and
  - e) Capacity to adhere to USAID financial guidelines.
- **Gender consideration: 10 points**
  - a) Focus on women's issues, and
  - b) Impact on women's participation.
- **Cost effectiveness: 10 points**

Total proposed costs will not be scored. Costs will be evaluated in terms of their feasibility, cost realism, reasonableness, completeness, allocability, and cost-effectiveness for undertaking activities outlined in the planning matrix. *Proposals that maximize direct activity costs, including cost sharing*

*and leveraging, and that minimize administrative costs will be more favorably considered, if all other factors are equal.* The cost selection criteria, expressed in the form of questions below, will guide the evaluation of applicants' cost proposals:

- Is the proposed budget reasonable and cost-effective?
- Does the proposal minimize headquarters costs for managing the project to maximize the funds available for field-based activities?
- Does the proposal have a high percentage of cost share funds? Are there other leveraged funds or submitted funding proposals that could complement program activities?

The LRDP team will conduct a site visit to confirm or add to the information in the Grant Application as needed and if required. Proceedings from these meetings must be written and maintained in the grant file for inclusion into the Negotiation Memorandum (NM).

Tetra Tech recognizes the importance of a fair, objective, and transparent review and evaluation process. To this end, Tetra Tech will take measures to ensure each evaluator fully understands his/her responsibilities, that each member has a consistent understanding of the evaluation criteria through use of the AEF, and that no conflicts of interest exist. Once evaluators understand the process, including a thorough review of the AEF, the DG&C will assign applications to each member to review and evaluate objectively. Each application will be reviewed by at least three evaluators. As applications are evaluated, the AEF will be completed and submitted to the DG&C to ensure that the results of each evaluator remain confidential until the evaluation phase is complete. All applications must be returned to the DG&C on or before the established deadline. (The DG&C will impose a timely deadline for the review process.)

Additionally, the COP and the DG&C will take steps to ensure that each evaluator does not have any conflicts of interest with regard to the applications they will be reviewing. The evaluation checklist requires the signature of each evaluator. The following certification language is included above the signature line in both the concept paper and application evaluation checklist forms:

“By affixing my signature below, I hereby certify that I have no real or apparent conflict of interest concerning this application, the applicant, or any other consultant or businesses that may be involved in the referenced project. In addition, I will not disclose any or part of this application to any unauthorized person(s).”

The review and evaluation process is designed to be transparent, objective, and measurable. Once the DG&C receives the completed evaluation forms, he/she will calculate scores and notify the DG&C. Applications will be ranked by scores and based on the estimated available funding; a corresponding amount of applications will be labeled “Proceed in Cycle.”

## **2.2 NOTIFICATION OF APPLICANTS**

Upon the completion of the application evaluation, the DG&C will notify each applicant on the status of their proposals; either designated as Proceed in Cycle or as rejected (tagged “Decline to Fund”). The DG&C will provide the notification of approval or disapproval to all applicants in accordance with ADS 303.3.7.1.

For those applications tagged Decline to Fund, the applicant will be informed in writing by the DG&C and to the extent practicable, the applicant will be provided a brief explanation as to why the application was rejected.

## **2.3 UNSOLICITED CONCEPT PAPERS AND APPLICATIONS**

There may be instances where unsolicited applications are received, in which the applicant submits an application solely on his or her own initiative and without prior formal or informal solicitation from USAID, LRDP, or Tetra Tech. Although grant awards for these unsolicited applications are not the rule, if the applicant demonstrates unique, innovative, or proprietary capacity, and represents appropriate use of USAID funds (consistent with the USAID contract), they may be considered. However, these unsolicited Grant Applications must receive USAID approval prior to award. The request for approval must include the justifications mentioned above for awarding an unsolicited application, pursuant to ADS 303.3.6.6. The unsolicited application exception to competition cannot be used for non-competitive extensions to existing awards.

## **2.4 NON-COMPETITIVE AWARDS**

In certain instances, the LRDP team, in coordination with its implementing partners, may identify discreet projects that will contribute to the overall project objectives. These projects may result from technical studies identifying specific activities and partners. In other instances, USAID may have pre-identified grantees that are needed to achieve time-sensitive tasks. In these cases, LRDP may decide to pursue a sole source award, and will work with the potential grantee to develop the project proposal to provide a more tailored project intervention. Sole source awards or other grants awarded on a non-competitive basis will be executed in accordance with ADS 303.3.6.5.

## **2.5 EXCEPTIONS TO COMPETITION**

As stated above, there are circumstances where exceptions to competition may be warranted. In addition to unsolicited applications, the below-listed circumstances are also considered to be justification for exception from the competitive process:

- Amendments and follow-on (no follow-on for grants awarded under the small grant exemption);<sup>8</sup>
- Unsolicited applications;<sup>9</sup>

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<sup>8</sup> Follow-on Awards and Extensions: This exception can be used 1) when a new grant is being awarded for activities that are the same as or substantially similar to those included in a recently expired previous grant with the same entity, or 2) to modify an existing grant to increase the total estimated amount (usually to provide additional activities within the program description), to extend the period of the grant, or both. Also included in the definition of “follow-on” are new grants or extensions that include new activities that are clearly logical expansions of or derived from activities previously performed by the same grantee. Furthermore, per ADS 303.3.6.6(h), as long as the follow-on or extension is less than the value of the original grant, no justification for an exception to competition is required for grants less than \$5 million. Please also note that the follow-on award or extension cannot be used when the original grant was awarded with the small grants exception.

<sup>9</sup> Unsolicited Applications: Note that the grant must demonstrate a unique, innovative, or proprietary program when using this exception. This exception cannot be used for non-competitive extensions to existing grants. To use this exception, Tetra Tech must document in the memorandum of negotiation that Tetra Tech did not solicit the application and that it was submitted by the

- Exclusive or Predominant Capability;<sup>10</sup>
- Small Awards: estimated total amount of \$150,000 or less and with a term of no more than one year; these awards may not be amended neither to add funds beyond \$150,000 nor extend the date beyond one year from the original date of the award;
- Critical objectives of the Foreign Assistance Program (as determined by the USAID Assistant Administrator);
- USAID-determined critical science and innovation awards; and
- Congressionally mandated programs (e.g., earmarked programs).

The Competition Record Form, in Annex K, must be completed for all grants proposed for funding and includes specific information on the lack of competition, if applicable.

All noncompetitive awards must be justified, in writing, to the satisfaction of the Contracting Officer.

Pursuant to ADS 303.3.6.6(a), exceptions to competition cannot be justified on the basis of mobilization costs, demobilization costs, continuing relationship (except when sections 303.3.6.6 a.(2)(a) or (h) apply), a lack of planning, or concerns about amount of funds available, such as expiring funds.

#### **STAFFING ASSIGNMENTS**

The DG&C, in close consultation with the technical staff and with guidance from Tetra Tech's HO grants team, will facilitate the application review process. The DG&C is responsible for documenting exceptions to competition and maintaining the official grant file.

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applicant solely on his/her own initiative. Please also note that, in all cases, a project should see if the unsolicited application fits within the scope of a published and open APS, which would alleviate the need to use this exception to competition.

<sup>10</sup> Exclusive or Predominant Capability: Note that ADS 303 states that this exception may not be used to continue an ongoing relationship when the grantee developed the exclusive or predominant capability during a previous grant.

# 3.0 PRE-AWARD AND NEGOTIATION

Tetra Tech must be fully satisfied that an applicant is capable and qualified to manage the grant. Therefore, all applicants with applications tagged Proceed in Cycle will be subject to Tetra Tech’s pre-award survey and determination processes. The DG&C and the relevant TO will review the application, budget, and supporting documentation during the negotiation phase. Key applicant personnel will be expected to participate in the pre-award and negotiation phase with Tetra Tech.

Some LRDP grants may be in-kind grants (IKGs) to qualified Colombian organizations. IKGs are used to provide non-cash assistance (such as supplies, equipment, and services) directly to the grantees. LRDP assumes all procurement and payment responsibilities; therefore, aside from property standards, a review of the grantee’s financial and program management standards, procurement standards, reports, and records are not considered necessary apart from a simplified pre-award survey ([SPAS] Annex F and G). Questions related to inventory control will be added.

## 3.1 PRE-AWARD RESPONSIBILITY DETERMINATION AND SIMPLIFIED PRE-AWARD SURVEY

For grants without advances, simplified grants (SiGs), fixed obligation grants (FOGs), and IKGs, Tetra Tech will use the SPAS (Annex F and G) augmented with questions regarding inventory control. If Tetra Tech determines the use of a standard grant (SG) and/or advanced-type of grants are in the best interest of the project and the grantee is eligible, then pre-award responsibility determination ([PARD] Annex H) will be used to determine grantee eligibility. The pre-award process serves to assess the organizational capacity to determine whether the applicant is capable and qualified to manage the grant.

The SPAS will be used in cases where it is anticipated that grants are valued at less than US \$150,000 and would utilize a SiG or FOG that uses reimbursement methods of payment. For IKGs, SPAS that have been further simplified will be used, as LRDP will be responsible for all procurement of goods and services on behalf of the grantee. The SPAS consists of a simplified method of review of financial and program management, procurement standards, reporting, and recordkeeping of an organization. Reimbursement types of payment require the use of payment reimbursement methods, which reduce financial risks; a review of the aforementioned policies or systems is considered adequate.

For organizations that do not have prior experience with USG awards, organizations that have deficiencies as noted in their most recent audit, or when the DG&C cannot arrive at a responsibility determination, Tetra Tech will follow ADS 303.3.9.1(b). This requires that a detailed analysis be conducted to the applicant’s system to determine adequate internal controls and managements systems are in place to receive USAID funds.



Tetra Tech developed a PARD tool using suggested guidelines from both the Standard Provisions for Non-US NGOs and the Non-US Organization Pre-Award Survey (NUPAS) format. When grants to non-US NGOs are valued at more than US \$150,000, or a SG, SiG, or FOG with advance payment methods are anticipated, Tetra Tech will rely on the PARD to make the eligibility determination. The PARD serves as a complete guide to making pre-award responsibility determinations by conducting pre-award surveys and identifying steps to follow during negotiation (including reviewing costs, project objectives, and reporting requirements). The PARD adheres to USAID regulations concerning the determination of each grantee's adequacy in terms of internal controls and practices.

### **3.1.1 ELIGIBILITY TO RECEIVE ADVANCES**

Upon completion of the pre-award surveys, Tetra Tech will determine a grantees' ability to receive and manage advance-based funds for the life of the grant. Advanced funding is authorized under SG grants. Advances are not authorized under IKGs. Tetra Tech will make exceptions for advances under SiGs and FOGs, on a case-by-case basis, taking into account the financial management capability of the grantee, the nature of project being implemented, and timeline. First, however, the eligibility of all advance-based grants (including SiGs and FOGs) must be determined through the PARD.

### **3.1.2 SPECIAL AWARD CONDITIONS**

If an applicant submitted an excellent application but has a history of poor performance, is not financially stable, has insufficient management systems, has not conformed to the terms and conditions of a previous award, or is not otherwise responsible, the DG&C may impose additional requirements as needed, provided that the applicant is notified in writing as to:

- The nature of the additional requirements,
- The reason(s) the additional requirements are being imposed,
- The nature of the corrective action needed,
- The time allowed for completing the corrective actions, and
- The method for requesting reconsideration of the additional requirements imposed.

Pursuant to ADS 303.3.9.2, Special Award Conditions (SACs), all SACs must be included in grants and memoranda of negotiation when a persistent deficiency or weakness is identified in the PARD or SPAS. SACs seek to mitigate the risk of disallowed costs and are an important part of Tetra Tech's pre-award due diligence.

Some illustrative examples of SACs are:

- If the grantee's internal controls are deemed weak, Tetra Tech may consider requiring the grantee to gain prior approval for all purchases above a reduced threshold.
- Regular management meetings with a grantee's senior management or board of directors are a common SAC to mitigate any concerns surrounding organizational governance.
- If a grantee's payroll has been deemed non-compliant with local tax or other statutory requirements, Tetra Tech may consider directly paying grantee staff covered by the grant activity.
- In extreme cases, Tetra Tech could consider seconding a staff member to be based at the grantee's work location to monitor/approve expenditures and assist with the preparation of monthly financial reports.

## 3.2 COST AND BUDGET ANALYSIS

The DG&C and/or the relevant TO, along with finance staff, will undertake budget negotiations with potential grantees prior to an award. The purpose of the cost analysis is to assist in determining:

- The extent of the prospective applicant's understanding of the financial aspects of the project, and the applicant's ability to perform the activities with the funds requested; and
- The extent to which the applicant's plans will accomplish the project objectives with reasonable economy and efficiency.

A comprehensive cost analysis consists of 1) obtaining cost breakdowns; 2) verifying cost data; 3) evaluating specific elements of costs; and 4) examining data to determine the necessity, reasonableness, and allocability of the costs reflected in the budget and their allowability pursuant to applicable cost principles.

Under no circumstances will Tetra Tech grant funds be used to fund any unallowable costs, including, but not limited to:

- Purchases of restricted goods, such as agricultural commodities, motor vehicles, pharmaceuticals, contraceptive products, pesticides, used equipment, and fertilizers without the previous approval by the USAID Contracting Officer, which Tetra Tech will obtain as needed;
- Prohibited goods under USAID regulations, including, but not limited to, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods, and gambling equipment;
- Purchases of goods or services restricted or prohibited under the prevailing USAID source, origin, nationality, and other regulations; or from countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended, or ineligible subcontractors;
- Any purchases or activities unnecessary to accomplish grant purposes as determined by the LRDP project, including any grantee headquarters expenses that are not directly linked to the implementation of the proposed project;
- Previous obligations and/or bad debts;
- Fines and/or penalties;
- Creation of endowments; and
- Other costs unallowable under USAID and/or federal regulations.

The extent of the cost analysis necessary will vary and shall be determined by the DG&C and/or TO based on the amount and type of costs involved, the nature of the project, past experience with the applicant, and/or availability of market prices.

### STAFFING ASSIGNMENTS

The DG&C and/or technical staff will conduct a cost and price analysis of budget items and will document the outcome in the applicant's file. The DG&C or TO must certify, in writing, the validity, accuracy, and reasonableness of the cost and price analysis. This documentation is maintained in the official grant file.

### 3.3 ENVIRONMENTAL ASSESSMENT AND REVIEW

Grants funds will not be disbursed until USAID environmental guidelines have been completed and the USAID Mission Environmental Officer has approved the environmental review of the proposed project. In the event it is determined that the grant's component will have a significant impact on the environment, the DG&C will provide guidance to grantees to ensure compliance with the environmental procedures outlined in 22 CFR 216.3, or a preexisting environmental mitigation plan and the Initial Environmental Examination Threshold Decision. It is imperative that grantees understand and budget for the required environmental processes that may accompany their projects as environmental reviews and assessments can be costly. Tetra Tech will work closely with the Mission's Environmental Officer to ensure that the environmental assessments, reviews, and evaluations take place and are approved as required.

Annex GG contains the Environmental Review Form, which will be completed for all proposed grant activities. This form should be submitted to USAID only when a proposed grant activity falls outside the scope of the project's approved Initial Environmental Examination (IEE), or when the proposed activity is determined to have a potential environmental impact.

### 3.4 NEGOTIATION MEMORANDUM

Following the pre-award process, including cost and price analyses, the DG&C, in coordination and collaboration with the assigned TO(s), will prepare a Negotiation Memorandum (NM) and keep a copy on file. The NM documents Tetra Tech's pre-award process, describing the issues, concerns, discussions, and determinations that make up the eligibility determination. For basic IKGs, LRDP will use the NM template found in Annex I; for all other types of agreements, LRDP will use the NM template found in Annex J.

#### STAFFING ASSIGNMENTS

The DG&C and TO will share pre-award and negotiation activity responsibilities. The DG&C will be tasked with gathering the relevant documentation, carrying out desk audits, and completing the PARD and/or SPAS. The DG&C will conduct a cost analysis, complete NMs, and submit the pre-award/negotiation package to Tetra Tech's HO Director of Grants Management (DGM) for review before submitting to USAID for approval.

### 3.5 CERTIFICATION, ASSURANCES, AND OTHER STATEMENTS

Prior to signing grant agreements with NGOs, LRDP must obtain a signed copy of the following certifications and assurances (Annex EE, Table of Certification and Mandatory Standard Provision Required, and Annex DD, Required Certifications, list all applicable certifications for LRDP grants program):

- Assurance of Compliance with Laws and Regulations Governing Non-discrimination in Federally Assisted Programs (Applicable to Non-US organizations if any part of the program will be undertaken in the US);
- Certification on Lobbying (22 CFR 227);
- Certification Regarding Terrorist Financing (Anti-Terrorism Certificate [ATC]);
- Certification of Recipient;

- Self-Certification; and
- Other statements:
  - When applicable, a signed copy of Key Individual Certification Narcotics Offenses and Drug Trafficking (ADS206.3.10),
  - When applicable, a signed copy of Participant Certification Narcotics Offenses and Drug Trafficking (ADS 206.3.10),
  - The Survey on Ensuring Equal Opportunity for Applicants (when applicable), and
  - Other statements of recipients.

### **3.6 DUNS NUMBER REGISTRATION**

All Tetra Tech grantees are required to register for a DUNS number unless the grant is for less than \$25,000. Tetra Tech must ask all new grant awards (other than those less than \$25,000) to obtain a DUNS number and submit the number to the LRDP DG&C before the grant is issued. The DG&C may assist the grantee to obtain a DUNS number by accessing <http://fedgov.com/webform>.

### **3.7 SYSTEM FOR AWARD MANAGEMENT AND OFAC/SDNBP**

Prior to signing grant agreements with grantees, LRDP will check the SAM website for the name of the organization receiving funds and at least three key personnel to ensure they are not prohibited from receiving federal funds. LRDP will also check and keep on file the findings from OFAC's SDNBP List. A copy of the search report for both reports will be kept on file.

#### **STAFFING ASSIGNMENTS**

The DG&C is responsible for obtaining original signed ATCs and other certifications, which must be placed in the official grants file prior to grant award. The DG&C will also conduct the SAM and OFAC check and results will be copied and filed.

# 4.0 GRANT AWARD PROCESS

## 4.1 GRANT TYPES

Determining what types of grants to use are dependent on the following factors: 1) dollar value of the grant, 2) duration of the grant activity, 3) nature of the grant activity, 4) anticipated payment method (cash advance, cash reimbursement, or an in-kind assistance), 5) grantee's capabilities, and 6) classification of the grantee (non-US, US). The DG&C will determine the type of grant to be used, taking into account the outcome of the pre-award surveys (SPAS and PARD).

The following grant formats may be issued under the LRDP project:

- In-kind grants,
- Simplified format grants,
- Fixed obligation grants, and
- Standard grants.

Templates for grant agreements for the above-mentioned grants can be found in Annexes L, M, N, and O, respectively.

The LRDP team may use IKGs for specific and limited activities. IKGs are used to provide in-kind (i.e., non-cash) gifts such as supplies, equipment, and/or services to grantees. Tetra Tech assumes procurement responsibility for all IKGs, and therefore a review of the grantee's financial and program management standards, property standards, procurement standards, reports, and records are not considered necessary. Rather, Tetra Tech should establish that the grant activity is deemed an effective and efficient way to achieve the overall objectives of the grants program within the country of operation.

In addition to the factors mentioned in the paragraph above, the particular task order or contract and the requirements of the country combine to dictate the grant type and format. The population of possibilities is presented in Table 2 with requirements for each grant type outlined in Table 3.

**TABLE 2. GRANT TYPE BY RECIPIENT CLASSIFICATION AND DOLLAR THRESHOLD**

<b>Recipient Classification</b>	<b>Dollar Threshold</b>	<b>Grant Type</b>	<b>Applicable ADS Regulation</b>
US	Limited to \$100,000	Simplified (FOG or SiG)	ADS 303
US	Limited to \$100,000	Standard (for US)	ADS 303
Non-US	<\$150,000	SiG	ADS 303
Non-US	<\$500,000	FOG	ADS 303
Non-US	No limit unless specified in contract	SG	ADS 303

*Note: Simplified grants consist of two formats: FOG formats and SiG formats. The DG&C will guide the team to understand when a FOG versus a SiG should be selected. Table 3 serves to summarize the historical updates and modifications that have impacted grant managers decisions regarding which type of grant agreement format to use.*

**TABLE 3. REQUIREMENTS SG VS. SIG VS. FOG**

	<b>Standard</b>	<b>Simplified</b>	<b>FOG</b>
<b>Maximum amount per grant to non-US organizations</b>	No maximum amount in the regulations	\$150,000 per grant	\$500,000 per year for up to three years (\$1.5 million total)
<b>Maximum amount per grant to US organizations</b>	Maximum of \$100,000 per grant	Maximum of \$100,000 per grant	Maximum of \$100,000 per grant
<b>Advances</b>	Allowed, provided grantee meets the financial requirements to receive an advance; Thresholds apply	Allowed on an exceptional basis only; Thresholds apply	Allowed on an exceptional basis only; No advances over the cost of one milestone; Use of an initial milestone payment permitted; Thresholds apply
<b>Indirect costs</b>	Allowed, provided grantee has audited financial statements to support the indirect rate	Not allowed	Allowed, provided grantee has audited financial statements to support the indirect rate; (NICRA)
<b>Certainty of costs</b>	No, there is a ceiling price for the grant and grantee is reimbursed based on incurred costs and receipts	No, there is a ceiling price for the grant and grantee is reimbursed based on incurred costs and receipts	Yes, a fixed cost is set for each milestone; Adequate cost information must be available to determine and negotiate fixed price
<b>Payment</b>	Cost reimbursement and/or advances and liquidation	Generally, cost reimbursement.	Fixed amount based on completion of milestones.
<b>Sub-grants</b>	Allowed, though generally discouraged	Not allowed	Not allowed
<b>Construction and infrastructure projects</b>	Allowed; Pre-approval requirements apply	Allowed; Pre-approval requirements apply	Allowed

	<b>Standard</b>	<b>Simplified</b>	<b>FOG</b>
<b>International airfare</b>	Allowed	Not allowed	Allowed only when international airfare is listed as a milestone; Must follow RAA5 – Fly America Act Restrictions
<b>Procurement of a single item over \$5,000</b>	Allowed	Not allowed	Not allowed and real property may not be purchased
<b>Pre-award responsibility determination</b>	PARD is required; If advances are allowed, a more extensive pre-award responsibility determination must be conducted	SPAS-SiG is required; If advances are allowed, a more extensive pre-award responsibility determination must be conducted	SPAS-FOG is required; If advances are allowed, a more extensive pre-award responsibility determination must be conducted
<b>Mandatory and Required As Applicable Standard Provisions</b>	Required	Required	Required; There are special Mandatory and Required As Applicable Standard Provisions for FOGs
<b>Certifications</b>	Required	Required	Required
<b>Audit for non US organizations</b>	Required if grantee expends more than \$300,000 per year in USAID funds; All grantees must allow USAID access to its records for up to three years after end of grant (ADS 303.3.24.e)	Required if grantee expends more than \$300,000 per year in USAID funds; All grantees must allow USAID access to its records for up to three years after end of grant (ADS 303.3.24.e)	Not required; However, all grantees must allow USAID access to its records for up to three years after end of grant (ADS 303.3.24.e)
<b>Audit for US organizations</b>	Grantee must provide their Office of Management and Budget (OMB) Circular A-133 audit if they expend \$500,000 or more in year in US federal awards	Grantee must provide their OMB Circular A-133 audit if grantee expends \$500,000 or more in year in US federal awards	Grantee must provide their OMB Circular A-133 audit if grantee expends \$500,000 or more in year in US federal awards
<b>Incrementally obligated</b>	Allowed	Allowed	Allowed
<b>Cost Share</b>	Recommended	Recommended	Recommended

The DG&C will prepare the appropriate implementation instrument in accordance with Tables 2 and 3 above. Copies of the grant agreement formats that are referenced in Table 2 above are provided as annexes.

## 4.2 TERMS AND CONDITIONS OF GRANT AGREEMENT

The terms and conditions that will control the grant are set forth in the grant agreement signed by the Tetra Tech COP and the grantee’s authorized representative. The terms and conditions ensure that grant implementation and management are in full compliance with USAID policies, rules, and regulations. All grant agreements will contain at a minimum the following items, clauses, and provisions.

#### 4.2.1 TERMINATION RIGHTS

In accordance with ADS 302.3.5.6, the following clause will be included in all grant agreements:

“Tetra Tech may unilaterally terminate the grant in whole or part, or suspend payments, if there is reasonable cause to believe that the Grantee is or will be insolvent during grant performance, if funding under USAID contract AID-514-TO-13-00015 is no longer available or under extraordinary circumstances.”

In addition, Tetra Tech will also include the following in all grant agreements:

“USAID may unilaterally terminate or suspend this award in whole or part on an immediate basis because such assistance is deemed not in U.S. national interest, in violation of an applicable law or other extreme circumstance.”

#### 4.2.2 DISPUTE RESOLUTION LANGUAGE

Tetra Tech will include the following clause in cases where disputes regarding the grant agreement occur:

“In the event that any dispute arises concerning any aspect of this grant agreement that is not specifically addressed in these terms & conditions, it is hereby agreed that the matter will be presented to the *Land and Rural Development Program* COP, who will consult the home office Project Management Team and determine the final course of action.”

#### 4.2.3 OFFICIAL LANGUAGE

In case of inconsistency between any terms of the implementation instruments and any translation into another language, the English language meaning shall take precedent. The following clause will be included in all agreements:

“For the convenience of both parties involved, the signed document is in both English and [insert additional languages that may be used per project]. In the event of inconsistency between the terms of this grant and any translation into another language, the English language meaning shall control and shall be the one referred to in the case of any dispute.”

#### 4.2.4 BRANDING AND MARKING

All grantees under LRDP are required to comply with the requirements of the USAID “Graphics Standards Manual” available at [www.usaid.gov/branding](http://www.usaid.gov/branding), or any successor branding policy.

All grantees under the LRDP are exempted from USAID marking requirements as per ADS 320.2.2.5(a) entitled “Exceptions to Contract Marking Requirements.”

#### 4.2.5 TAX REPORTING

Tetra Tech must collect information on any taxes or value-added taxes paid by itself and its grantees (pursuant to ADS 303 and the RAASPs, see details below) and submit a report to USAID by April 16 of each year. The period covering the report is USG’s fiscal year cycle (October–September). The following information will be included in the report:

- (i) Contractor/recipient name;
- (ii) Contact name with phone, fax, and e-mail;



- (iii) Agreement number(s);
- (iv) The total amount of value-added taxes and customs duties (but not sales taxes) assessed by the host government (or any entity thereof) on purchases in excess of \$500 per transaction of supplies, materials, goods, or equipment, during the 12 months ending on the preceding September 30, using funds provided under this contract/agreement;
- (v) Any reimbursements received by April 1 of the current year on value-added taxes and customs duties reported in (iv);
- (vi) Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period (report to show a value of \$0.00); and
- (vii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.

Host government taxes are not allowable where the Agreement Officer provides the necessary means to the recipient to obtain an exemption or refund of such taxes, and the recipient fails to take reasonable steps to obtain such exemption or refund. Otherwise, taxes are allowable in accordance with the Standard Provision “Allowable Costs” and must be reported as required in this provision.

This reporting requirement is not applicable to FOGs.

#### **4.2.6 PROHIBITION AGAINST TERRORIST FINANCING**

US Executive Orders and US law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. All NGOs will be required to sign the ATC, in accordance with ADS 303.3.8.a and every grant agreement will include the following clause as taken from the Mandatory Standard Provision (MSP) entitled Preventing Terrorist Financing (June 2012):

“The recipient must not engage in transactions with, or provide resources or support to, individuals and organizations associated with terrorism. In addition, the recipient must verify that no support or resources are provided to individuals or entities that appear on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Treasury (online at: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>) or the United Nations Security designation list (online at: [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml)). This provision must be included in all subagreements, including contracts and subawards, issued under this award.”

#### **4.2.7 MANDATORY STANDARD PROVISIONS AND REQUIRED AS APPLICABLE STANDARD PROVISIONS**

It is required to use and attach MSPs and RAASPs to all simplified and standard grants, in accordance with ADS 303mab and ADS 303maa. Grantees are required to use these in all assistance agreements with non-US and US organizations.

Additionally, the Standard Provisions for FOGs must be attached to all FOGs issued to non-US and US organizations.

The LRDP DG&C will provide an orientation/review of the applicable provisions with the grantees prior to the execution of the grant agreement.

#### 4.2.8 NON-DISCLOSURE STATEMENT

Given the sensitivity of personal information of victims of conflict, USAID, LRDP nor the grantee may release information related to the beneficiaries and/or any individuals working on restitution issues, without the prior approval of USAID.

### 4.3 TETRA TECH HOME OFFICE APPROVAL

Following the completion of the negotiation phase and responsibility determination, the LRDP DG&C will forward the draft copies of the following documentations to the Tetra Tech home office (for grants over \$100,000, the HO DGM must provide formal written approval. For all grants below \$100,000, the HO GS will provide review and approval):

- Negotiation Memorandum that includes the project description and the budget,
- Pre-award survey,
- Competition Record Form,
- Environmental requirements,
- Signed certifications and SAM search results, and
- Draft Grant Agreement (this can be sent to HO after a grants package is submitted to USAID for approval).

### 4.4 USAID APPROVAL

USAID shall be significantly involved in establishing selection criteria (per ADS 302.3.4.8), and shall provide approval of the selection of actual grant recipients and the activities proposed. As directed by the Contracting Officer, USAID approvals will be as follows:

- Grant Awards below US \$100,000: The Contracting Officer's Representative provides written approval.
- Grant Awards above US \$100,000: The Contracting Officer's Representative shall provide technical concurrence and the Contracting Officer provides written approval.

The DG&C will forward the grants package to the USAID Contracting Officer's Representative for approval and the USAID Mission Environmental Officer must approve all Environmental Reviews, if determined necessary. Before signing grant agreements, LRDP must receive the prior written approval of the USAID Contracting Officer's Representative including approval as to 1) the identity of the proposed grantee, 2) the amount of the proposed grant, and 3) the nature of the grant activities. The grants package consists of:

- Request for Approval – Cover Letter;
- Negotiation Memorandum, including project description and budget;
- Competition Record Form (if necessary); and
- Environmental Review Form (if activity was not previously reviewed during the project's IEE or if the proposed activity is determined to have an impact on the environment).

#### STAFFING ASSIGNMENTS

The DG&C will determine which grant format is the most appropriate for any given grant. Upon making the determination, the DG&C will include the steps in the NM, draft a grant agreement using templates approved. The HO GS will provide support and guidance to LRDP DG&C to ensure grants compliance and accountability. The grant agreement can be drafted while waiting for USAID approval and as applicable. The HO GS will review and provide support.



# 5.0 GRANT ADMINISTRATION

LRDP will administer the grants in accordance with the prime contract between USAID and Tetra Tech for awards to US and non-US NGOs. Grants will be managed in accordance with ADS 303 and 22 CFR 226, applicable OMB Circulars (i.e., A-110 for universities or higher learning institutions, or A-122 for non-profit organizations, and A-133), and Standard Provisions for US and non-US Non-governmental Organizations.

## 5.1 GRANTEE CODE OF CONDUCT

The grantee shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by LRDP funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the grantee shall neither solicit nor accept gratuities, favors, or anything of monetary value from the grantees, contractors, or parties to sub-agreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the grantee.

## 5.2 FINANCIAL MANAGEMENT

Grantees are expected to manage grant funds in accordance with 22 CFR 226, the MSP included in the grant agreement, and generally accepted accounting principles. The following section provides key concepts and policies for the financial management of grants under Tetra Tech.

### 5.2.1 GRANTEE BANK ACCOUNT AND INTEREST EARNED ON ADVANCES

The grantee must provide Tetra Tech with the name and address of the bank, account number, and account name which must be the official name of the organization.

Each grantee shall establish appropriate accounting and financial control systems for the grant, including but not limited to, the establishment of a separate and segregated financial accounting and recordkeeping system.

It is important to note that while the Standard Provisions no longer require USAID funds to be segregated into a separate bank account, Tetra Tech, out of financial prudence and recordkeeping, does require all grantees to maintain a separate bank account at a reputable bank to be used exclusively for Tetra Tech funding.

Additionally, all grantees will be required to maintain advances of USAID funds in interest-bearing accounts, unless:

- The recipient receives less than \$100,000 in USG awards per year;
- The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$250 in a 12-month period on USG cash balances; or
- The bank would require an average or minimum balance so high, it would not be practical to maintain the advance in an interest-bearing account.

According to RAASP – Advance Payment and Refund, the grantees may retain up to \$250 of interest earned in a 12-month period on USG cash balances for administrative expenses. Any additional interest earned on advances must be remitted to Tetra Tech who is responsible for crediting the contract with the interest refunded, or otherwise returning the funds to USAID.

### **5.2.2 GRANTEE ACCOUNTING**

The grantee shall maintain financial records, supporting documents, statistical records, and all other records pertinent to the grant in accordance with generally accepted accounting principles formally prescribed by the US, the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to substantiate charges to a grant sufficiently. Accounting records with supporting documentation should show all costs incurred under the award, receipts, use of goods and services acquired under the award, costs of the program supplied from other sources, and the overall progress of the program.

### **5.2.3 DISBURSEMENT ADVANCE AND REIMBURSEMENT**

Advanced funding is authorized under SG grants. Advances are not authorized under IKGs. Tetra Tech will make exceptions for advances under SiGs and FOGs on a case-by-case basis, taking into account the financial management capability of the grantee, the nature of project being implemented, and timeline.

For IKGs, LRDP will make direct procurement of all goods and services and payments.

For SiGs, all requests for reimbursement will be made for actual costs incurred on a monthly basis, when accompanied by supporting documentation for costs such as copies of receipts and employee timesheets. On a monthly basis, the grantee will submit an Expense Reporting and Request for Reimbursement form and supporting documentation to the DG&C.

When a FOG is used, all requests for reimbursement must correspond to a tranche payment specified in the FOG Agreement. After achievement of an agreed-upon “trigger” milestone, the grantee initiates the reimbursement by attaching a Request for Reimbursement-Fixed Obligation Grants Form to the technical deliverables and submitting the package to the DG&C for review, comments, and approval. The DG&C will verify with TOs on program deliverables and the payment amount and availability of funding, and subsequently forward the package to the finance office for processing payments. Tetra Tech reserves the right to verify the milestone independently. In some cases, it may do so by means of verification by a third party of its choice.

Grantees operating under a SG may receive advance payments for grant expenditures. Tetra Tech will issue an initial advance not to exceed 30 days’ worth of anticipated expenses. Subsequent advances will not exceed 30 days at a time, in accordance with the approved budget. When advances are contemplated,

the applicant will be required to maintain advanced funds in a separate interest-bearing account to ensure Tetra Tech funding is not commingled with non-Tetra Tech funds. Interest earned on advanced funds will be handled in accordance with the required as applicable standard provision “Advance Payments and Refunds (June 2012).” Grantees can request advances utilizing the Cash Transaction Report and Advance Request form. Cash advances to a grantee shall be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the grantee in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the grantee for direct project costs and the proportionate share of any allowable indirect costs (if applicable to the grants).

#### **5.2.4 DIRECT PAYMENT TO VENDOR**

In some instances, Tetra Tech may procure goods or services on behalf of the grantee to ensure that full and open competition is achieved or that purchases are compliant with specific procurement regulations. All direct vendor payments must be specified in the signed grant agreement. Procurement actions that are executed by Tetra Tech will be done so in accordance with its policies and procedures, including price negotiation. Tetra Tech may request a grantee to participate in the procurement process in accordance with its instructions. A grantee may not negotiate with a vendor for alternate equipment, commodities, and/or services for those handled directly by Tetra Tech. Grantee questions and/or special requests must be submitted to Tetra Tech, not to the vendor.

#### **5.2.5 FINANCIAL REPORTING FORMS**

To facilitate grantee requests for payment, financial tracking, and reporting, Tetra Tech has developed the following set of forms, which are referenced in this section and can be found in Section 7:

- Annex Q. Financial Reporting Forms and Instructions for SiG, FOG, and SG;
- Annex R. Request for Reimbursement-FOG (RFR-FOG) and Financial Report-FOG (FR-GOF);
- Annex S. Request for Reimbursement-SiG (RFR-SiG) and Financial Report-SiG (FR-SiG);
- Annex T. Request for Advance/Reimbursement-SG (RFA/R-SG) and Financial Report-SG (FR-SG);
- Annex U. Grantee Bank Account Reconciliation (GBAR);
- Annex V. Cost Share Reporting Form (CSR); and
- Annex W. Federal Tax Reporting Form (FTR).

### **5.3 TITLE TO AND USE OF PROPERTY**

All property purchased by or provided to the grantees shall be subject to the Standard Provision “Title to and Use of Property (June 2012).” It is important that if property is included in the grant agreement that the DG&C reviews this provision in its entirety with the grantee.

Title to all property financed under the grant agreement is vested in the recipient upon acquisition unless otherwise specified in this award, though LRDP or USAID may change title to the property at any time during the grant.

Prior to completion of the grant, LRDP will provide disposition instructions to the grantee for any property required by the Standard Provision. Final disposition of the property may include 1) disposition to the grantee with no further obligation to LRDP or USAID; 2) the agreement for grantee to retain title,

but compensation must be paid to USAID for the current fair market value; or 3) the direction by LRDP to transfer title to USAID or a third party.

In addition to the other requirements outlined in the Standard Provision, the grantee must maintain an accurate description and inventory of all grant-funded property, including serial number, model number, or other identifying number; acquisition date and cost; location and condition; and data on the disposition of any property, if applicable. The grantee must also have an inventory control system in place to maintain the property and ensure adequate safeguards to prevent loss, damage, or theft. Should loss, damage, or theft of property financed under the grant occur, the grantee must inform LRDP immediately, in writing.

## **5.4 PROGRAM INCOME**

Program income is the gross income earned by the grantee that is directly generated by a grant activity or earned because of the grant. Exceptions are program income earned after the end of the project period and program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under a grant, unless the terms and conditions of the award provide otherwise. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Program income will be handled in accordance with the RAASP “Program Income (June 2012).”

## **5.5 REPORTING**

The grantee will submit the following reports to the DG&C:

- Quarterly/Monthly (frequency of reports will be determined during the grant agreement signing stage) Technical Reports, including details of activity implementation, interim data on performance indicators as available, and implementation challenges encountered during the reporting period (LRDP may choose to require more frequent monitoring reports as necessary);
- All Financial Reports as agreed upon in the grant agreement document;
- Final Report, to be submitted to Tetra Tech within 30 days of the expiration of the agreement;
- Cost Sharing Report (In accordance with ADS 303.5.10, cost sharing will be encouraged but not required. The inclusion of cost sharing by an applicant will require reporting along with the required financial report, pursuant to RAASP RAA14 – Cost Share [June 2012], which will be incorporated into all grants to non-US NGOs requiring cost share or matching. Alternatively, Required as Applicable Provision RAA9 – Cost Sharing [Matching] [February 2012] will be incorporated into all grants to US NGOs that require cost share or matching.), which should be used for all cost share reported by the grantee; and
- Reporting on Taxation of US Foreign Assistance (In accordance with ADS 303, LRDP will ensure that the aforementioned tax reporting requirement is included in all new awards as considered applicable and within the guidance prescribed. Note that this reporting requirement is not considered applicable in FOGs.).

## 5.6 PERFORMANCE MONITORING

Site visits will be conducted by Tetra Tech personnel or designated counterparts. Technical personnel will be responsible for ensuring the objectives of each grant are completed in a timely manner and will report on site visits to document grantee monitoring. The DG&C will review grantee financial reports to ensure they are allowable, allocable, and reasonable, and verify that the expenses are within the budget scope.

Self-monitoring and assessment by the applicant will be required, and outcomes from this will be included in the Project Performance Reports (Annex X). In addition, grantees will be responsible for verifying and reporting on benchmark achievements. Verification methods include, but are not limited to, documentation from workshops, training attendance records, photo journals documenting project implementation period, Tetra Tech staff attendance at ribbon cutting or other ceremonies, and submission of deliverables, among others.

## 5.7 MONITORING GRANTS UNDER CONTRACT (GUC)

The LRDP DG&C, DCOP of Finance and Administration, and COP—under guidance from the Tetra Tech HO GS and DGM—are responsible for ensuring that the grants program is in compliance with USAID regulations and the prime contract terms and conditions. Tetra Tech’s HO GS will periodically monitor the grants documentation, review for compliance, and apprise the field of USG regulation changes and updates. The HO GS will also provide field-based support as requested by the project.

Independent evaluations by outside monitoring and evaluation specialists may be conducted, especially upon request from USAID. These evaluations may be used to 1) provide institutional assessment of the implementing organization, 2) determine extent of the achievement of objectives under the grant, 3) determine impact of the activity on the community and Tetra Tech’s overall mandate, and 4) extract lessons learned.

Tetra Tech will report to USAID on the progress of grants awarded and implemented as part of its normal quarterly reporting submissions. The report will stress contributions to overall Tetra Tech project objectives. It should also include any problems encountered and describe attempts to correct them.

## 5.8 MODIFICATION OF GRANTS

Modification of an award requires the mutual agreement between Tetra Tech and the grantee. The grantee must request modifications in writing to Tetra Tech. The Award Modification Notice must be signed by both parties before any modifications are to move forward. Tetra Tech has the authority to make the following types of modifications to active grants *without* USAID approval:

- ***No-Cost Modification.*** A written modification will be issued when there is a need for material alteration of a programmatic aspect of an agreement without changing the original purpose of the grant and when there is no impact on cost.
- ***No-Cost Extension.*** A written modification to change the end date of a grant without impact on costs. Non-competitive grants justified by the small award exception (ADS 303.3.6.6.a(2)(b)) shall *not* be modified to extend the grant period beyond one year in *total* duration.
- ***Budget Realignment.*** When Tetra Tech exercises the option to restrict the grantee from transferring funds among cost categories, the grantee is required to obtain prior approval of the DG&C before



making budget shifts expected to exceed 10 percent of the total budget. The grantee may not exceed the total grant budget ceiling without prior written approval from Tetra Tech. Tetra Tech may not increase the grant ceiling without prior USAID approval.

The following type of modification will require prior approval from USAID's Contracting Officer's Representative when the total grant funding is less than \$100,000, but if the grant funding is greater than \$100,000, a Contracting Officer's approval is required:

- ***Cost Extensions (Follow-on Awards)***. Cost extensions shall be treated as a non-competitive award. Cost extensions shall not present a major shift in technical focus or content from the original grant. Concomitantly, it is expected that the grantee will have gained technical insight and built capacity by means of lessons learned during original grant implementation. As such, these lessons learned should be clearly evident in the renewal request and contribute to overall activity impact.

The grantee must submit a written request for the cost extension with clear justifications and revised budget. The technical staff and the DG&C shall review this request, and conduct an internal evaluation of the request to assess:

- The grantee's implementation performance with respect to technical work and planning;
- Whether project results address critical needs of beneficiaries;
- Whether project results further LRDP's overall objective;
- Current LRDP priorities and funding limitations;
- Whether the renewal would assist the grantee to come to closure on defined objectives, or transition to other funding source(s);
- The grantee's administrative and financial performance (accountability);
- The grantee's commitment to cost containment; and
- The grantee's responsiveness to Tetra Tech guidance and direction.

If LRDP determines that the renewal would be in the best interest of the program, the technical staff will forward the request for approval to the DG&C for facilitating the approval process internally and subsequent submission to the USAID Contracting Officer's Representative and/or Contracting Officer. Once LRDP receives a written approval from USAID, a formal grant amendment will be issued, signed by both parties, and implementation will begin.

# 6.0 GRANT CLOSE-OUT

Tetra Tech will adhere to Contract Information Bulletin (CIB) 90-12 with the subject header “Guidance for AID Missions – Closing out Contracts, Grants, and Cooperative Agreements;” as well as Guidance on Closeout Procedures for Acquisition & Assistance (A&A) Awards, an additional help document for ADS 302 and 303; and 22 CFR 226.70-73 to guide the grant project closure process.

The grantee must certify, in writing, to Tetra Tech that the activity (activities) was (were) completed in accordance with the terms of the grant agreement. If the grantee cannot provide this certification, the grantee will be expected to make appropriate reimbursements to Tetra Tech, as applicable. The DG&C will ensure this certificate is obtained and included in the grant file (Annex BB).

In addition to the grantee-generated close-out report, the DG&C or his/her designee will produce a final report for each grant that has been completed or terminated. This report should compare the final achievements with the original objectives, and describe the reasons for deviations as well as describe any project barriers that were overcome during the implementation of the project.

## 6.1 PREPARATION FOR GRANT COMPLETION

Three months prior to the end of the grant period, the DG&C will prepare and deliver a letter stating the end of the grant period and outlining the close-out requirements to be completed before the end of the grant period (Annex AA). This will assist the grantees to set final targets and prepare for the close-out phase.

The final disbursement of a grant (including advance-based grants) will be withheld pending a satisfactory close-out visit by LRDP staff and the submission of final programmatic and financial reports. Technical staff will gather impact evaluation information during this visit. The grantee may be subject to a final audit as part of close-out activities and adjustments may be required in the final disbursement.

## 6.2 FINAL SITE VISITS

The DG&C and technical staff responsible for programmatic management of the assigned grants will conduct the final site visit, including a desk audit if necessary, during the three months prior to the end of the project to determine if the established programmatic objectives and requirements have been achieved, and ensure that the final reports are prepared according to requirements. The financial status will also be reviewed to ensure that all amounts claimed as direct costs appear acceptable under the grant and applicable cost principles, that final amounts for indirect costs have been determined (if applicable), and that the amount of the grantees’ cumulative claim does not exceed the total amount of the funds obligated under the grant. All unused balance for the grant funds will be returned to Tetra Tech during the close-out phase.

## 6.3 GRANT EVALUATION

If deemed necessary, a final project evaluation will be conducted either by the grantee, the LRDP team, or a third party. LRDP will work with the grantee to develop detailed scope of work for the evaluation. The grantees will be encouraged to conduct an impact assessment based on the set objectives and accomplishments of the grant projects. The DG&C or his/her designee will work with the grantees and the monitoring and evaluation technical team to complete the final external grant evaluations.

## 6.4 AUDITS

The grantee shall assume full responsibility for effective and proper administration of the grant funds. Tetra Tech reserves the right to audit the grantee as described herein, and in the grant agreement.

Pursuant to the Standard Provision for Non-US Organizations entitled “Accounting, Audit, and Records (June 2012),” if the grantee expends *more* than \$300,000 in grants (including all USG-funded awards, not just those from Tetra Tech) in a fiscal year, the grantee shall conduct an external annual audit; the cost of which may be paid from the grant. This amount includes all federal award money the grantee has expended during that fiscal year; if the expenses from the LRDP grant place grantee expenses over the \$300,000 threshold, it is the responsibility of LRDP to ensure the grantee completes an audit. To comply with these guidelines, Tetra Tech will, when necessary, include “audit costs” in the approved grant budget. Tetra Tech may also retain the services of an auditing firm to conduct these audits. Grantees that expend *less* than \$300,000 in a fiscal year shall open all financial records to Tetra Tech and/or USAID upon request for review at any time during the performance of the grant and three years after the end of the grant.

The grantee shall maintain books, records, documents, and other evidence relating to the USAID grant in accordance with generally accepted accounting principles formally prescribed by the US and Colombia to sufficiently substantiate charges to the grant.

The grantee’s accounting records and all LRDP grant-related documents shall be made available to Tetra Tech and/or USAID or their designees for review for up to three years after the submission of the final reports, according to the terms of the grant agreement.

## 6.5 GRANTEE RECORD RETENTION

Per ADS 303, all records generated by grantees will be retained for a period of three years after the completion of the grant project and should be made available for review or external audits by Tetra Tech or USAID. Tetra Tech anticipates that originals of all receipts will be maintained by the grantees and copies submitted to the Tetra Tech project office. The MSP “Accounting, Audit, and Records (June 2012)” will be included in all grant agreements.

## 6.6 GRANT RECORDS

The LRDP office is required to keep the following records pertaining to the grants program, which shall be shipped to Tetra Tech home office upon completion of the prime contract:

1. RFAs/APSs;
2. Concept Paper Evaluations (for APS Only);

3. The Grant Application, proposal, and budget;
4. Grant Application Proposal Evaluations Form;
5. Pre-award surveys and supporting documentation;
6. Required certifications;
7. Negotiation Memorandums;
8. Environmental impact assessment, when applicable;
9. Competition Record Form;
10. Home office approval;
11. USAID approval of the grant (must be obtained before signing the grant);
12. Signed Grant Agreement;
13. Grant Agreement amendments or modifications
14. Monthly/Quarterly Technical & Monitoring Reports (copies of outputs, deliverables);
15. Monthly/Quarterly Financial Reports (Cost Share and Tax Reports);
16. LRDP's Monitoring/Field Visit Reports;
17. Internal Compliance Review (if applicable);
18. Final Technical/Monitoring Report;
19. Final Financial Report (Cost Share and Tax Reports);
20. Final Evaluation;
21. Audit Reports (if applicable);
22. Preparation for Grant Closure Letter
23. LRDP's Closeout Report;
24. Communications;
25. Certification of Completion signed by the grantee;
26. Final Inventory Disposition Instructions; and
27. Title Transfer Documents.

# 7.0 ANNEX LISTING

Annex A.	Public Notices (APS or RFA) Instructions
Annex B.	Concept Paper Format
Annex C.	Concept Paper Evaluation Form
Annex D.	Grant Application Form
Annex E.	Grant Application Evaluation Form (AEF)
Annex F.	Simplified Pre-Award Survey (SPAS) Form for SiG
Annex G.	Simplified Pre-Award Survey (SPAS) Form for FOGs without Advance
Annex H.	Pre-Award Responsibility Determination (PARD–Standard Pre-Award Survey) for Standard Grants and FOGs with Advance
Annex I.	In-Kind Grant Negotiation Memorandum Form
Annex J.	Negotiation Memorandum Form
Annex K.	Competition Record Form
Annex L.	In-Kind Grant (IKG) Agreement Form
Annex M.	Simplified Grant (SiG) Agreement Form
Annex N.	Fixed Obligation Grant (FOG) Agreement Form
Annex O.	Standard Grant Form (SG) Agreement Form
Annex P.	Grantee File Checklist Form
Annex Q.	Financial Reporting Forms and Instructions for SiG, FOG, and SG
Annex R.	Request for Reimbursement-FOG (RFR-FOG) and Financial Report-FOG (FR-FOG)
Annex S.	Request for Reimbursement-SiG (RFR-SiG) and Financial Report-SiG (FR-SiG)
Annex T.	Request for Advance/Reimbursement-SG (RFA/R-SG) and Financial Report-SG (FR-SG)
Annex U.	Grantee Bank Account Reconciliation (GBAR)
Annex V.	Cost Share Reporting Form (CSR)
Annex W.	Federal Tax Reporting Form (FTR)
Annex X.	Project Performance Reporting Form
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Annex Z.	Grant Agreement Amendment Form
Annex AA.	Preparation for Grant Closure Letter
Annex BB.	Grant Completion Certificate
Annex CC.	Title Transfer Document Form
Annex DD.	Required Certifications
Annex EE.	Certifications and Mandatory Standard Provisions Table
Annex FF.	Web Links
Annex GG.	Environmental Review Form



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