

USAID LENS Supplement to the FHI 360 Grants Manual

Issued under the USAID Local Enterprise Support Activity (LENS)

Revised May 1, 2017

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This manual is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of FHI 360 and do not necessarily reflect the views of USAID or the United States Government.

Glossary of Terms

2 CFR 200

The US Government's Office of Management and Budget (OMB) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule," – or simply Uniform Guidance - is the US Government's (USG) administrative requirements for grants awarded by USG agencies. This guidance is used to enable the USG and non-Federal entities that pass through USG funds to ensure compliance, transparency and effective use of those funds. It establishes basic standards for procurement, property management, subaward monitoring, allowable costs and audit requirements. These standards are then used by FHI 360 to determine if a grantee has sufficient organizational and financial capacity to spend USG funds.

USAID requires non-US organizations entities to follow 2 CFR 200 Subpart E: Cost Principles. FHI 360, as a pass-through agency, uses the 2 CFR 200 to ensure its compliance with awarding and administrating the subgrants it executes with grantees.

Annual Program Statement (APS)

The purpose of an APS is to disseminate information to prospective applicants so they may develop and submit applications for a grant. An APS is generally open for a 12-month period, however shorter application periods can be used. The APS includes information such as a description of the types of projects for which applications will be considered; available funding; the process required to submit applications; criteria for evaluating applications and deadlines for submission. Applications are evaluated periodically over the 12-month period as defined in the APS (i.e. quarterly deadlines, rolling, etc) so long as there is funding available.

Chief of Party (COP)

The in-country director of the FHI 360 program implemented in Jordan.

Coalition

More than two groups or organizations that come together voluntarily to pursue shared purposes. These purposes may include exchanging resources, addressing common goals or expressing their identities.

Community Based Organization (CBO)

Non-profit organization that operate within a single local community

Cost Share

The allowable costs, including inkind, the grantee incurs as part of the direct project implementation. The funds are from either the grantee or other sources, excluding the US Government. NOTE: USG funds, USG-funded property or expenses cannot be used as cost share towards another USG grant.

Ratio of Private to public funds (PP Ratio)

The Ratio of Private to public funds represents a local Monitoring & Evaluation indicator defined by the USAID Jordan program office (and is thus a separate metric from “Cost Share” which is separately defined in the ADS). It is formally defined in project AMELP as the ratio of private sector to public sector funds (USG) in Public-Private Partnerships (PPPs) developed as a result of USG assistance, including in-kind or cash.

Public sector funds are defined as funds from the USG and not from the host government of Jordan. LENS also includes grants that are disbursed to private sector firms and leverage public sector funds. The private sector refers to the following: private for-profit entities such as a business, corporation, or private firm; private equity or private financial institutions, including private investment firms, mutual funds, or insurance companies; private investors (individuals or groups); private business or industry associations, including but not limited to chambers of commerce and related types of entities; private grant-making foundations or philanthropic entities; or private individuals and philanthropists

Data Universal Numbering System (DUNS)

Organizations that receive USAID-funded grant awards equivalent to JOD 17,700 (\$25,000) or more are required to obtain a DUNS prior to award issuance. FHI 360 will provide instructions and assistance to organizations to obtain a DUNS, as required. A DUNS can be requested at: <http://fedgov.dnb.com/webform>.

Deliverables

A set of pre-planned, structured products or accomplishments defined in a grant agreement.

Due Diligence

A review of a short-listed applicant organization that is undertaken before a grant is awarded to gauge whether the organization has the technical, administrative and financial capacity to manage the requirements of a grant award.

FHI 360 Biographical Data Form

A single-sheet form completed by staff and consultants proposed for positions on an FHI 360-funded grant. The candidate lists pertinent employee/consultant data for the past three years, including name and address, education, consulting experience, and salary history. FHI 360 uses this information to summarize establish salaries or consultant rates.

USAID LENS Grants Team

The USAID LENS Grants Team consists of FHI 360, ICMA and MEDA staff that provide financial and programmatic technical assistance to grant grantees and oversee grant performance.

Gender

Refers to the structural framework that socially and culturally constructs the relations, roles, and traits of men and women.

Grant Agreement

A legally binding document that establishes the legal, programmatic, financial, and administrative terms and conditions of the grant.

Grants Evaluation Committee

The Grants Evaluation Committee (GEC) consists of FHI 360 staff, ICMA and/or MEDA staff, as appropriate, and USAID representatives who are familiar with the goals of the LENS grant program for which proposals are being evaluated. Committee members are selected for their impartiality and relevant content expertise. The committee members review and score all grant applications that meet eligibility requirements and recommend organizations to receive grants.

Implementation Plan (or Work plan)

An element of grant proposals, often attached as an annex and includes or consists of a chart which shows the progression of the major phases of the proposed project, broken down by months or quarters.

In-Kind Grant

An in-kind grant (IKG) is award instrument through which FHI 360 will provide services or goods directly to grantees (both formal and informal groups); no funds are directly transferred to IKG grantees. This mechanism allows FHI 360 the flexibility to provide assistance to grantees within short time periods.

Inclusion

To be inclusive of all people and foster equality of women/men, boys/girls regardless of disability status, age, religion, ethnicity, socio-economic status, geographic area, migratory status, forced displacement or HIV/AIDS status. Inclusion refers to transforming the existing systems, taking measures and providing means to ensure full participation in all grant project phases and benefiting equally from the outcomes.

Informal Groups

Groups which emerge due to the common interests of the members to achieve a goal or conduct activities as a group. Informal groups are not registered as organizations or businesses and may only come together for a short period of time to accomplish immediate goals or activities.

Level of Effort (LOE)

The amount of time, measured in person-months or person-days, required to fulfill the objectives of the project. Level of effort may be described in terms of the overall project (“total level of effort”) or in terms of a specific component or set of activities (“subcontractor level of effort”).

Local Economic Development (LED)

Local economic development (LED) offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive.

Micro and Small Enterprises (MSEs)

Micro Enterprises is a type of small business, usually employs between 1 and 9 employees; small enterprises is a type of small business, usually employs 10 to 49 employees.

Milestones

The key programmatic and financial targets that must be met to qualify for initial or subsequent disbursements of funds for fixed obligation grants (FOGs). Milestones should be part of the implementation plan included in the grant agreement.

NICRA (Negotiated Indirect Cost Rate Agreement)

A formal agreement that establishes a rate negotiated individually between an organization and USAID (or another USG agency) to cover indirect costs which are required to implement a project but are not easily broken out or attributable to a specific project (<http://www.usaid.gov/ads/policy/300/300mah>).

Program Description

The specific activities to be carried out by an individual or an organization to meet project objectives.

Grantee

The entity which executes a grant agreement with FHI 360 and which is accountable to FHI 360 for the use of the funds provided.

Request for Applications (RFA)

An announcement (also known as a solicitation) by FHI 360 to invite potential grantees to submit proposals for funding in specific topic or program areas. An RFA contains details about the subjects FHI 360 is interested to fund, proposal review and evaluation criteria and application procedures.

Source and Nationality

USAID has source and nationality requirements (22 CFR 228) for procurement of goods and services. "Source" refers to the location from where an item is shipped/delivered once purchased. If the "source" is Jordan, it must be immediately available for purchase. "Nationality" refers to the place of legal organization, ownership, citizenship, or lawful permanent residence of the supplier of commodities and services.

Special Award Conditions

FHI 360 retains the right to provide input into a USAID-funded grant. This right usually includes the ability to approve work plans, budgets, key personnel, monitoring and evaluation plans, and sub-awards. The grant agreement will define the special award conditions which FHI 360 has placed on the grant activity.

Terms of Reference (TOR)

Describes the purpose and structure of a task or assignment. Terms of reference should document how the program description will be defined, developed, and verified. The TOR should include criteria, success factors/risks and restraints.

Direct and Indirect Cost

Indirect costs, known as "facilities and administrative" costs with the USG, are costs which have been incurred for joint or common objectives and cannot be directly allocated to a single activity or project managed by the organization, such as office space rent, utilities, clerical or managerial staff salaries and other general administrative and operational costs. The indirect costs are applied equitably across all of the business activities of the organization.

Direct costs are costs that are incurred for a specific project activity and are directly allocable to that achievement of objectives of the project. Examples are labor costs for individuals working on the project, program activity costs, workshops, materials, the proportion of office space rental directly used for the project, etc.

1. INTRODUCTION

This manual provides general information about the USAID LENS grants programs, including procedures to apply for a grant, record keeping and reporting requirements for grant management. The manual is organized into three sections: the first section (Chapters 1-5 focuses on the Grant Application, Evaluation and Award Cycle; the second section (Chapters 6-9) focuses on Grant Implementation, Administration and Close-Out; the third section (Chapter 10) focuses on Reporting Requirements, Financial Management and Internal Controls for cost-reimbursable grants.

This overview is intended for a general audience of potential applicants to any of the USAID LENS grant programs which are funded by USAID. This information is provided to make potential applicants aware of the responsibilities to which they are committing when applying for grant support. FHI 360 wants to make it very clear to applicants that they will be subjected to intense scrutiny as part of the application process, that the application process itself may require that they exert considerable effort, and that, if they are selected for support, they will have to comply with stringent management, as well as financial and narrative reporting requirements. Applying for a grant is not an endeavor that should be entered into lightly.

This manual is also intended to provide guidance to USAID LENS implementation teams on the responsible award and management of grants, consistent with USAID regulations and the overall FHI 360 Grants Manual, policies and procedures.

In the event of any conflict or issues of interpretation of any parts of this manual (including the Appendices) between the Arabic and English versions of the manual, the English text shall prevail.

2. ABOUT FHI 360 JORDAN

2.1. About FHI 360

FHI 360 is an international nonprofit human development organization dedicated to improving lives in lasting ways by advancing integrated, locally driven solutions. Our staff includes experts in health, education, nutrition, environment, economic development, civil society, gender equality, youth, research and technology — creating a unique mix of capabilities to address today's interrelated development challenges. FHI 360 serves more than 60 countries and all U.S. states and its territories.

FHI 360 implements the LENS Project.

2.2. USAID LENS Grants Programs

Annual Program Statements (APS) and Requests for Applications (RFAs) announcing each USAID LENS funding opportunity will be published on the respective FHI 360-implemented program's website and will be disseminated to targeted applicant groups. Applications will be judged on a competitive basis.

As applicable, APS' and RFAs will clearly describe all criteria, including any sub-criteria, under which submissions will be judged. If criteria vary in importance, the APS or RFA will

specify relative percentages, weights, or other means used to distinguish among them. The APS or RFA will specifically address how eligibility will be considered.

The APS or RFA will include a statement that issuance of the solicitation does not constitute an award commitment on part of FHI 360, nor does it commit FHI 360 to pay for costs incurred in the preparation and submission of an application. FHI 360 may cancel the solicitation and not award; or reject all responses received. Further, FHI 360 reserves the right to consider or reject late applications at its own discretion. Additionally, FHI 360 reserves the right to independently negotiate with any applicant.

3. ELIGIBILITY CRITERIA

Each APS or RFA will include "Eligibility Criteria" which address any factors affecting the eligibility of applications. Applications must be submitted in the format described in the APS or RFA and must include all required information and forms. Applications submitted in any other format or incomplete applications might be considered ineligible. Only eligible applications will be evaluated by the Grant Evaluation Committee (GEC).

In addition to the application submission requirements, each APS or RFA will include eligibility criteria relating to:

- Applicants that are eligible to apply for a grant
- Types of projects, activities and costs eligible for support

3.1. Organizations

Each APS or RFA will include information about the types of organizations eligible to apply based on the respective grant program's goals and objectives.

The following is a list of entities that are ineligible to receive a grant:

- Political parties
- Government institutions (this includes entities that the Government of Jordan owns at least 51% share of or receive at least 51% of their financial support from the Government of Jordan)
- Faith-based organizations whose objectives are discriminatory and/or serve religious purposes, and/or whose main objective of the grant is of a religious nature

3.2. Types of Projects, Activities and Costs

Only projects that contribute to the objectives of the USAID LENS grants program will be considered for funding. Activities and costs that are ineligible for grant funding include, but are not limited to:

- Creation of endowments (Note: financing of loan portfolios is not an endowment);
- Any previous obligations by USAID to the beneficiary;
- The bad debts of the beneficiary;

- Fines and penalties imposed on the beneficiary;
- Any expenses related to ceremonies, parties, and celebrations;
- The purchase of any goods restricted and prohibited under USAID regulations such as alcoholic beverages;
- The purchase of surveillance equipment, military equipment or arms whether new or surplus, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods and gambling equipment;
- The purchase of goods from prohibited sources;
- Expenses related to purchases or activities which are illegal under Jordanian or U.S. law;
- Promotion of political parties, religion, or commercial interests;
- Fundraising;
- Payments made to government employees;

Any profit. Profit is any amount in excess of allowable direct and indirect costs. FHI 360 may require projects to include a cost share contribution, to be defined in the respective APS or RFA. Most grant programs will require between five to fifteen percent (5-15%) of the total grant budget from the applicant or other sources. Applicants must explain the source of funds that will constitute their cost share contribution (membership fees, other products and services, in-kind contributions from volunteers, etc.) and identify other potential and/or committed sources of support for the proposed project.

Cost-share contribution may not be made with U.S. Government funding under another grant, cooperative agreement, or contract.

4. Grant Application Procedures

4.1. Main steps in grant application procedures

It is FHI 360 policy to require all grants to be awarded competitively unless an exception is authorized. The competition requirement is met when a notice of funding opportunity (NOFO), e.g. an RFA or APS, has been published according to the procedures outlined in this manual. An RFA or APS will generally be open for a period of 60 days, however the minimum period a notice of funding opportunity funding opportunity will be open is 30 days.

Recommendations for awards are made following an impartial evaluation of all applications (see Section 5). Establishing a two or more tiered level of competition (i.e., pre-qualification or concept note round) is aligned with this policy, provided the applications are reviewed in an impartial manner at each level.

Application Process: The application process USAID LENS will use to solicit, review and select Grantees will, typically as applicable, follow the steps described below:

Steps:
1. APS or RFA Issued
2. Conduct grants solicitation workshop(s), as specified in the RFA or APS
3. Respond to questions submitted during the Request for Clarification period
4. Applications due (as per the RFA or APS deadline)
5. Applications Evaluated for Eligibility and completeness
6. Eligible applications given to GEC members to review
7. Convene GEC to score proposals and recommend a shortlist of applicants
8. Work with short-listed applicants to address deficiencies, clarifications, budget questions.
9. Conduct pre-award assessment and request supporting documentation from Short-listed Applicants
10. Sign and Issue Award
11. Announce awards/non-awards

4.2. Applications Submitted in Partnership (Coalitions)

USAID LENS welcomes applications for coalitions, networks and partnership. However, one of the partner organizations must act as the lead and submit the application on behalf of the partners. If awarded a grant, the lead organization will be required to sign the grant agreement with FHI 360 and assume overall responsibility for management and reporting requirements described in the grant agreement. Unless otherwise stated in the RFA or APS the eligibility criteria apply to all partners.

4.3. Request for Clarifications

The USAID LENS Grants Team will respond to questions e-mailed to the email address specified in the APS or RFA within the time frame specified in each notice of funding. A consolidated list of questions and answers will be published on the website stated in the APS or RFA. Questions received after the deadline may not receive a response. Telephone calls or emails to FHI 360 Jordan or its staff members (other than to the e-mail address

stated in the RFA or APS), are not permitted, and may grounds for disqualification of an applicant.

4.4. Application Documentation

To apply for a grant, applicants must use USAID LENS' application and budget templates and submit applications in the format specified in the application instructions. The language requirements for applications will be clarified in each RFA or APS.

The application documentation typically includes:

- Technical Proposal (Concept paper and/or full proposal of 5-10 pages with language requirements outlined per the RFA/APS)
- Budget and Budget Narrative (English strongly preferred, however Arabic versions are permissible)
- Certificate of Registration or incorporation papers (Arabic originals or scanned Arabic photocopies and English translation)
- Optional Documentation such as brochures, research reports, samples of publications and results of past programs are welcome. Note: If a follow-on project is proposed, the final report from the previous project must be submitted; English translation desirable, but not required.

Applicants are encouraged to submit their application and all required documentation in electronic form to the e-mail address stated in the RFA or APS. Applicants are encouraged to compress files so that all required documentation can be sent in one e-mail. However, should the attachments be too large to fit in one e-mail, applicants can send the files in more than one e-mail. In this case, e-mails should be numbered and their total number should be clearly indicated.

Upon receiving the applications, the USAID LENS Grants Team will acknowledge receipt within 48-60 hours of submission. If confirmation is not received, applicants should e-mail the USAID LENS Grants team to confirm receipt.

4.5. Unsolicited Proposals

USAID LENS, through a competitive process, awards subgrants and subcontracts to fund activities that concentrate on pre-defined project objectives.

While USAID LENS can receive unsolicited applications and proposals, potential applicants should be aware that only in highly exceptional cases are such applications likely to be approved for funding as current resources focus on funding activities that fit within our project priorities.

Only exceptional unsolicited applications can be considered for funding on a noncompetitive basis. A valid unsolicited proposal or application must:

- Be independently originated and developed by the applicant;

- Be innovative, unique or proprietary program or approaches;
- Be prepared without any prior formal or informal solicitation by LENS Project or FHI 360, including its staff;
- Be prepared without any LENS Project supervision, guidance, recommendations, endorsement, direction, or involvement;
- Demonstrate an applicant's related experience and capabilities for achieving the objectives of the application;
- Represent appropriate use of our resources to support or stimulate a public purpose or support LENS project's implementation of its program objectives;
- Demonstrate sustainability and replicability of the project;
- Clearly define region or geographic area where project will be implemented;
- Not be an advance proposal for a known, or upcoming competitive solicitation. (Note: if an unsolicited application or proposals fits within the scope of a published and open RFA or APS, the application may be considered under these competitive solicitations);
- Not exceed a period of performance of six (6) months; and
- Not exceed a budget of 106,000 JD (\$150,000).

4.5.1. Concept Paper Phase

USAID LENS strongly encourages potential applicants to submit a concept paper for initial consideration in lieu of a lengthy proposal. An unsolicited concept paper, not to exceed five (5) pages, should contain:

1. Cover page, with introduction of the entity to include:
 - a. Name and address of organization or entity;
 - b. Type of organization (e.g., non-profit, university, etc.);
 - c. Contact point (phone and e-mail);
 - d. The names and phone numbers of any LENS personnel contacted regarding the proposal;
 - e. Names of other organizations where this project idea has been submitted for funding; and
 - f. Signature of authorized representative authorized to contractually obligate the applicant.
2. Technical Information:
 - a. Concise title and objective of the proposed activity;
 - b. Discussion of the objectives;
 - c. The method of approach, the amount of effort to be employed;
 - d. The anticipated results;
 - e. How the proposed activity will help accomplish USAID LENS' objectives; and
 - f. The type of support the applicant is requesting, e.g., funds, equipment, materials.
3. Supporting Information
 - a. Proposed estimated budget;
 - b. Brief cost breakdown, e.g. salaries, fringe, travel, etc. (NOTE: no indirect costs, overhead, facilities and administrative costs will be funded);
 - c. Facilities to be used for the work;
 - d. Type of award, e.g. subcontract or subgrant, contemplated.
 - e. The proposed duration of activity;
 - f. Validity period for the concept paper (concept papers should be submitted at least four months in advance of startup activities);

- g. Letter(s) of support;
- h. Any proposed "cost-sharing or matching;" and
- i. Brief description of applicant's previous work and experience, both functionally and geographically

4.5.2. Submission

The preferred method of receipt for concept papers is electronically to the following E-mail address: unsolicitedproposals@jordanlens.org. Unsolicited applications, concept papers and proposals submitted to any LENS staff will not be automatically rejected.

Any unsolicited concept paper, application or proposal may be rejected by USAID LENS. If so, the offeror will be notified by a letter with the reasons for the rejection. USAID LENS may not use any unique and innovative unsolicited proposal or application as the basis for, or as a portion of, negotiations with another party unless the original offeror is notified and agrees to the requested use.

4.5.3. Application Phase

Review of the concept paper by the USAID LENS project does not guarantee funding. The applicant will be notified usually within 30-60 days of any further interest – or lack thereof - in its application. LENS may request the applicant to submit a more detailed application. It is the applicant's decision, and at its discretion, to submit a more detailed application with the understanding that submission of the application does not guarantee funding or support for the proposed activities. Any associated costs related to the development of the concept paper and/or application or proposal are the responsibility of the applicant.

If LENS requests a detailed application or proposal, the applicant shall follow specific format instructions provided to them. In general, a more detailed application will involve greater elaboration of the following:

- a. Background/Introduction, Program Goals/Objectives and Program Description;
- b. Milestones/Results/Timeline;
- c. Monitoring/Evaluation Plan;
- d. Management Plan;
- e. Budget and detailed budget narrative supporting each proposed cost;
- f. Cost Share/Other Donor Support/Program Income;
- g. Past Performance (similar projects last 3 years); and
- h. Required certifications and assurances.

4.5.4. Evaluation

Decisions to proceed with an award of a noncompetitive subgrant or subcontract based on an unsolicited application or proposal will be made in accordance with the requirements of **USAID ADS 303.3.6.6** (for subgrant) or **FAR 15.6** (for subcontract) if LENS determines the proposed activities of an unsolicited application is acceptable for funding on a noncompetitive basis.

4.5.5. Award Consideration

The LENS Grants and Contracts Officer, upon receipt of an award recommendation with accompanying justification(s) from the technical team, will proceed to negotiate an award. The unsolicited application will serve as the basis for negotiation. **Note:** a recommendation does not guarantee an award. Any award that may result from an unsolicited proposal will need USAID prior approval.

The final negotiation will typically involve clarifications and/or discussions of any remaining cost issues, and a pre-award risk assessment that may or may not require additional information from the applicant. Such additional information may include, but is not limited to: (1) audited financial statements (last three years); (2) projected budget, cash flow and organization chart; (3) applicable policies and procedures (e.g., accounting, purchasing, property management); and (4) copies of business registration.

The type of award instrument and any special award conditions will be determined by the organization's experience and risk level to LENS in making an award.

5. Evaluation Procedures

5.1. Preliminary Evaluation

The USAID LENS Grants Team will perform a preliminary review of the submitted applications using the criteria described in the applicable RFA or APS. The Grants Team will evaluate applications according to the following criteria:

1. Administrative compliance – verification that the application is complete and that the application file includes all items required.
2. Eligibility – verification that the applicant and the proposed project are eligible according to the eligibility criteria described earlier (organizations, types of projects and activities).

Only applications that meet all preliminary evaluation criteria will be recommended by the USAID LENS Grants Team for review by the Grants Evaluation Committee.

Based on the volume of applications submitted, USAID LENS reserves the right to conduct an initial internal evaluation of applications, after which the GEC will review a sub-set of the highest scoring proposals.

5.2. Grant Evaluation Committee (GEC)

The GEC consists of representatives of FHI 360, ICMA and/or MEDA staff, as appropriate, and USAID and the donor community who are familiar with the goals of the USAID LENS grants programs. In addition, USAID LENS may invite additional non-voting members from other USAID technical offices, donors or key stakeholders, on a case-by-case basis and as deemed appropriate. Committee members are selected for their impartiality and their subject expertise in relation to the grants program. All GEC members are required to sign each score card which includes a declaration of impartiality and confidentiality. GEC members may not review an application if there is a potential conflict of interest.

GEC members are provided with copies of all applications that pass the preliminary evaluation. GEC members are requested to read all applications before the GEC meeting. During the meeting, members will discuss the applications and score them. Scores are then averaged and the GEC comes to an agreement on a short-list of applicants based on the results of the scoring. If this is not possible, voting will be used, with a simple majority necessary to give an outcome.

Possible outcomes include (*):

- Fully fund the project
- Partially fund the project
- Fully fund the project, with conditions
- Partially fund the project, with conditions
- Not fund the project

** Whether the GEC decides to partially or fully fund a project, the specified percentage cost share, or leverage, is still required.*

The GEC may take the following actions or make recommendations for the following:

1. Financial or programmatic grants management technical assistance before or during the period of the grant
2. Revisions to technical areas of the grant
3. Revisions or reductions to the budget
4. Additional information prior to the start of the grant period
5. Any other conditions deemed necessary by the GEC

Any application not funded under one RFA round may be resubmitted for consideration in other rounds, if relevant. Applicants that are not short-listed for a grant will be informed at this stage along with the reason.

5.3. Due Diligence

The USAID LENS Grants Team is responsible for evaluating short-listed applicants to ensure they have the capacity to comply with the terms and conditions of the grant before it is awarded. This part of the evaluation process (due diligence) is described here. (NOTE: Limited due diligence procedures are applied to in-kind grants.)

5.3.1. Phases (Tasks and Responsibilities)

Description	Tasks/Responsibilities
The USAID LENS Grants Team will contact the short-listed applicants to inform them that their applications have been short-listed. Notice of short-listing does not guarantee a funding commitment.	Inform short-listed applicants of their application status (USAID LENS)
The USAID LENS Grants Team may request geographic, technical, target, budget, or other changes to the proposal to better align it with the grant program's priorities and objectives. Short-listed applicants must review proposed changes and make sure the organization can still complete the project within the budget, targets, and time frame.	Negotiate and Finalize technical proposal and budget (USAID LENS and short-listed applicants)
Documentation to support budgeted salary, rent, utilities and shared costs must be submitted (Arabic documents must be translated into English)	Submit supporting documents for budget (short-listed applicant)
Applicants will be required to provide the name and contact information of at least three donor or institutional references which will be contacted by USAID LENS to verify the applicant's past performance. In case of newly-established institutions, a reference check on the background and experience of the organization's key individuals will be made or a request for a No-conviction certificate can be used.	Check donor or institutional references (USAID LENS)
The USAID LENS Grants Team will conduct a pre-award assessment with short-listed applicants to review the organization's systems, policies, and capabilities to	Complete pre-award assessment

determine whether it meets the minimum standards to successfully administer USAID funding.	(USAID LENS and short-listed applicant)
If the pre-award assessment results in any findings documentation to support that the applicant has the ability to comply with the award conditions may be requested, i.e. audit reports, revenue and expense statement, organizational chart, etc.	Provide supplemental documentation to support pre-award assessment (short-listed applicants)
Short-listed applicants must sign mandatory certifications and obtain a DUNS number (for awards of \$25,000 or more). USAID LENS conducts anti-terrorism verifications on short-listed applicants.	Execute mandatory certifications and DUNS (short-listed applicants and USAID LENS)
<i>NOTE: All steps listed above are required to complete the application package for final review and award.</i>	
USAID LENS will conduct a final review of its budget, priorities, and all the applicants short-listed for an award and make final decisions.	Final review and award decision (USAID LENS)
USAID/Jordan AOR must approve awards prior to issuance.	Request for approval of awards submitted to USAID/Jordan (USAID LENS)
Successful organizations are notified; agreements signed between grantee and FHI 360.	Announce Awards (USAID LENS)

NOTE: The timeline for completion is dependent on the ability of short-listed applicants to finalize technical proposals and budgets, and submit required documentation without delay.

5.3.2. Pre-Award Review

After the GEC short-lists applications, the USAID LENS Grants Team will notify short-listed applicants and begin the due diligence process. Due diligence is part of the evaluation process and the results must confirm that a potential Grantee can successfully comply with the financial, management and programmatic requirements of the grant. Note: The short-listing of an application in accordance with established procedures does not guarantee an award.

All applicants must demonstrate that they possess, or have the ability to obtain, the necessary management competence to practice mutually agreed upon methods of accountability for funds and other assets provided. USAID LENS generally relies on USAID's guidelines established in the ADS 303 regulation to determine whether potential non-U.S. grantees have sufficient financial and managerial strength to operate successfully and complete the work for which it has been awarded a grant from FHI 360.

During the due diligence process, the USAID LENS Grants Team will also work with the short-listed applicant to finalize the proposed budget and address any points in the proposal that were raised by the GEC. Applicants may be required to submit the following information in order for the grants team to make a determination of an applicant's financial and management responsibility:

(1) Completed Financial Pre-award Assessment (See Attachment II). USAID LENS conducts a Financial Pre-Award Assessment with short-listed applicants to determine that the applicant possesses the ability to perform successfully under the terms and conditions of a proposed award, taking into consideration the applicant's integrity, record of past performance, financial and technical resources, and accessibility to other necessary resources.

(2) Documentation that the applicant has the ability to comply with the award conditions, i.e. audit reports, supporting financial documentation, organizational chart.

(3) Documentation to support budgeted costs, i.e. payroll records, office lease, utility bills, etc.

(4) Demonstration of the applicant's ability to segregate advanced grant funds from other activities of the organization. A separate bank account may be required if the financial management systems do not meet the standards for fund control and accountability should the applicant receive advance payments.

(5) A NICRA (Negotiated Indirect Cost Rate Agreement) with a cognizant US Government awarding agency, e.g. USAID; or if no NICRA, an independent auditor's certification, on the audit firm's letterhead, attesting to the accuracy of the indirect costs rate, accuracy of how the rate was calculated and confirmation that the rate is consistently applied across all funding sources. In addition, three years of annual financial statements must be submitted. NOTE: local organizations are not eligible for indirect costs unless they are supported by a NICRA. Without a NICRA, all costs must be directly allocated in budgets.

(6) Required Certifications and Representations

The USAID LENS Grants Team will review the pre-award assessment, as well as other pertinent financial documents, to evaluate the applicant's capacity to comply with financial management requirements. The USAID LENS Grants Team may conduct a site visit to the applicant organization to review accounting procedures and determine whether they meet the stringent requirements to account for grant funds under a USAID-funded grants program.

If the USAID LENS Grants Team determines that an applicant organization demonstrates a weakness in its grants management capacity, s/he will note this and will recommend any necessary measures. The pre-award assessment together with the USAID LENS Grants Team notes and recommendations will be scrutinized as part of the overall evaluation process, along with the entire application file.

5.3.3. Debarment and Terrorist Financing Searches

To ensure that FHI 360 does not award grants to applicants that have been debarred, suspended or proposed for debarment, short-listed applicants will be checked against the US Government's Excluded Parties List which is part of the System for Awards Management (SAM). FHI 360 staff will perform a search for the applicant's name on the SAM List (<https://www.sam.gov/portal/public/SAM/>) and document the outcome.

In addition, to 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 US Treasury, the grants team will perform a search on the Treasury List (<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>) and document the outcome.

Moreover, to prevent against providing support to entities determined to have committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests, the grants team, on behalf of FHI 360, must conduct a search to verify that the short-listed applicant has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the “1267 Committee”). FHI 360 will perform a search for the applicant’s name on the UN website (http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml) and document the results.

5.4. Grant Negotiation

The cost analysis, pre-award determinations, and negotiation process will be documented internally by USAID LENS in a Memorandum of Negotiation. The written determination of the applicant’s responsibility should confirm that the applicant:

- Has the ability to meet the award conditions, taking into consideration all existing prospective grantee commitments, non-governmental and governmental;
- Has a satisfactory record of performance. Generally, relevant unsatisfactory performance in the past is enough to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance, or the applicant has taken adequate corrective measures to assure that they will be able to perform satisfactorily;
- Has a satisfactory record of business integrity; and
- Is otherwise qualified to receive an award under applicable laws and regulations.

The USAID LENS Grants Team will review the applicant’s proposal to ensure that costs, including cost share are in compliance with FHI 360 and USAID policies. The grant award will clearly define the activities that will be supported with grant funds. The program description will clearly state the purpose of the program and specifically identify each element of the program, as well as its duration.

Any funding restrictions, such as limitations on allowable activities for the particular program, or limitations on direct costs, such as purchase of equipment, will be included in the budget section. The payment schedule and monitoring plan for the grant will be established in accordance with the assessment of risk. Revisions to the activities, grant duration, or payment schedule will require a grant modification.

5.4.1. High Risk Organizations

If FHI 360 staff evaluate the financial capabilities of a potential Grantee and determine that they are limited or deficient, FHI 360 will classify them as high-risk organizations per ADS 303.5.9.2, which invokes the statutes of 22 CFR 226.14 to allow for closer monitoring requirements. Specific techniques to address this high risk include, but are not limited to:

(1) special award conditions, such as additional financial reporting detail or frequency; and
(2) providing technical assistance to the grantee. This option may be only used for a period of time until the potential grantee can correct any institutional deficiencies, but not for the life of the award.

5.5. Grant Approval Process

Upon successful submission of all requested documentation and negotiation of grant terms, a request for approval to issue a grant will be submitted to USAID/Jordan. Upon receiving approval from USAID/Jordan, the grant agreement is prepared in accordance with FHI 360's policies and procedures and will be signed between FHI 360 and the Grantee.

The full grant agreement document contains the following information:

1. Standard FHI 360 Terms and Conditions;
2. Payment Schedule, if applicable;
3. Reporting Requirements;
4. Equipment Purchase Guidelines (if applicable);
5. Grantee Program Description;
6. Grantee Budget (if applicable);
7. Mandatory Standard Provisions for Non-US Nongovernmental Grantees or Fixed Amount Awards;
8. As required, Applicable Standard Provisions for Non-US Nongovernmental Grantees;
9. Applicable Statutory and Regulatory Certifications

The USAID LENS Grants Team shall obtain the certifications, assurances and other statements from non-U.S. organizations before making an award. The applicants must sign the full text of the applicable certifications as indicated in the grant award.

If an application is not approved by either the GEC or USAID/Jordan, the applicant organization will be notified. An applicant may resubmit its application during the next grant cycle if it is an eligible organization and if the purpose for which the grant was submitted aligns with the objectives of USAID LENS respective grant program.

6. TYPES OF GRANTS AND APPLICABLE CONDITIONS

FHI 360 grants will be implemented using the following grant agreement instruments: Simplified Grant, Fixed Amount Award (FAA), Standard Grant, and In-Kind Grant. The criteria in the sections below permit the USAID LENS Grants Team to evaluate which instrument, given its associated requirements and parameters, is appropriate and practical for each grant activity.

6.1. Simplified Grants

6.1.1. Overview

The simplified format is used only when the grant meets the following conditions (per ADS 303.3.24):

1. The total value of the grant does not exceed JOD 106,000 (\$150,000);
2. All costs to be charged to the grant are identified in the grant budget;
3. No indirect expenses or international travel expenses included in the budget;
4. Any goods to be purchased by the grantee meet the rules governing local cost financing and geographic code and do not include ineligible or restricted goods, and no single item having a useful life of over one year and an acquisition cost of \$5,000 or more shall be purchased;
5. Sub-grants, if any, must meet the same conditions listed here for simplified format grants;
6. The grantee is required to sign the applicable certifications listed in ADS 303.3.8; and
7. The grantee must demonstrate adequate financial management capacity to be able to segregate all costs.

In exceptional cases, FHI 360 may modify the format for simplified grants to include support of international travel (#3) or the purchase of equipment (#3), as long as the applicable standard provisions for those types of activities are attached to the grant award. An additional requirement for inclusion of international travel in the grant agreement is that it may only be included after prior approval by USAID/Jordan.

6.1.2. Disbursement

Simplified grants are cost reimbursable agreements whereby FHI 360 will reimburse the grantee for allowable costs incurred. The grantee will not receive payment until after presenting receipts showing actual costs and USAID LENS approves the receipts and expenses. It will structure the payments so there is no possibility of the Grantee expending less than the amount received. Grantees may not receive more than 90% of the total budget amount prior to submission of the final financial report, and any required certifications. Upon submission of these documents, it will issue the final payment.

6.2. Fixed Amount Awards (FAAs)

6.2.1. Overview

If appropriate, FHI 360 has the option of utilizing the fixed amount award instrument which allows for the funding of very specific program elements without the requirement of monitoring the actual costs subsequently incurred. It is intended to support specific projects where costs are certain and where the accomplishment of grant "milestones" is readily discernible.

Partial payments may be made upon acceptance of achieved milestones; payments are tied to the milestones. Payment is always made upon acceptance of the completed activities related to specific milestones, i.e., no advances are allowed.

6.2.2. Fixed Amount Awards Requirements

The following criteria are required for FAAs::

1. The total value of the grant does not exceed JOD 106,000 (\$150,000);
2. The duration of the grant does not exceed three years, however, in the case of LENS, the period of performance shall not exceed twelve months;
3. Programmatic accomplishments or results are easily identified and quantified, and are established in grant milestones;
4. There is very limited risk that the project will undergo significant changes;
5. There is adequate cost information (historical or unit pricing) available to determine and negotiate the fixed price of the grant;
6. FHI 360 does not provide advance payments to the Grantee;

6.2.3. Required Provisions for a Fixed Amount Award:

- FHI 360 has the right to terminate the grant in whole or in part, or suspend payments should the Grantee become insolvent during performance of the award;
- At the end of the grant, the Grantee must certify in writing to FHI 360 that it completed the activity. If the Grantee cannot certify this, FHI 360 may require the Grantee to make appropriate refunds.

6.2.4. Disbursements

Since payments are based on the achievement of milestones, the structure of the payments is very important. FHI 360 pays Grantees a set amount when they accomplish a milestone. It is therefore essential that the USAID LENS Grants Team have sufficient cost information to allow for negotiation of the payments. *Grant closeout is accomplished by* FHI 360 acceptance of the final milestone and approval of payment.

Milestones are established for a verifiable product, task, deliverable, or goal of the Grantee. The milestones will generally have three parts: (1) a description of the product, task, deliverable, or goal to be accomplished; (2) a description of how the grantee will document the completion of the product, task, deliverable, or goal; and (3) the amount that FHI 360 will pay the grantee for the deliverable. Some milestones may also have dates indicating when the milestone is expected or required to be completed. However,

depending on the nature of the activities in the award, a milestone date may not be necessary or appropriate and/or milestone completion may or may not be sequential when dates are estimated. The specifics of the milestone timing (and whether or not there is flexibility) will be detailed in the Grant Agreement. A sample Milestone schedule follows:

Payment Amount	Documentation	Milestone
1,000 JOD	Implementation Plan approved by FHI 360	1. Implementation Plan
1,000 JOD	Survey Report	2. Survey in Governorate x
2,000 JOD	Training materials and attendance sign-in sheet	3. Training in Governorate x

6.3. Standard Grants

6.3.1. Overview

If a grant situation does not meet the above conditions for a simplified, fixed amount award or in-kind grant, FHI 360 may use the standard grant instrument and include all mandatory and required as applicable Standard Provisions for Non-U.S. Non-Governmental grantees in the grant agreement.

The standard grant format may allow for advances and requires detailed monitoring of actual costs incurred. As part of financial reporting, all receipts and invoices must be submitted to FHI 360 to reconcile advances. Under these procedures, successful organizations must demonstrate sufficient financial and management responsibility before FHI 360 can award the grant.

This type of award requires that the following provisions are included in the grant agreement:

- Mandatory Standard Provisions for Non-U.S., Non-Governmental Grantees; and
- Required as Applicable Standard Provisions for Non-U.S., Non-Governmental Grantees.

As with other types of grants (simplified and fixed obligation grants), overall guidance and requirements are contained in the following:

- Mandatory Standard Provisions for Non-U.S., Non-Governmental Grantees;
- Required as Applicable Standard Provisions for Non-U.S., Non-Governmental Grantees;
- ADS 303;
- 2 CFR 200 Subpart E: Cost Principles;
- 22 CFR 228 (Rules for Procurement of Commodities and Services Funded by USAID)
- ADS 591 Audit requirements for Financial Audits of USAID Contractors, Recipients, and Host Government Entities

6.3.2. Disbursement

With standard grants, FHI 360 may advance grant funds to cover the first two months of project costs. Beginning with Month Two, the grantee will be reimbursed for the previous month's actual expenses upon submission and approval of a monthly financial report. In no case will the grantee be reimbursed for greater than 90% of the total grant amount prior to submission of final financial and program closeout reports. The schedule of disbursements will be subject to negotiation with the grantee and will be related to the requirements of the grant activities and the type of grant in question.

6.4. In-Kind Grants

6.4.1. Overview

Often program objectives require expedited mobilization of resources to achieve an early positive relationship with community organizations or to support immediate/urgent needs, either case possibly in an administratively underdeveloped environment. In these instances, and even in high risk organization situations where weak procurement systems cause a negative risk determination, efficiencies and compliance can be achieved through FHI 360's direct procurement of goods/materials/services for delivery to the Grantee for implementation. In these cases, an "in-kind grant" is the preferred mechanism.

While these actions are characterized as grants because the items are intended to support a public purpose, they are more closely aligned with procurement regulations, especially those dealing with the use of government funds, title determination and disposition. FHI 360's in-kind grant activity is designed to provide immediate implementation through FHI 360 staff controlled procurement processes with immediate disposition of the procured items upon delivery to the in-kind grant Grantee. In the event FHI 360 purchases non-expendable equipment through the in-kind grant, FHI 360 will seek the required USAID approval, and simultaneously seek approval for final disposition of the item(s).

FHI 360 projects follow FHI 360's procurement policies and procedures which are patterned on USG regulations generally (FAR/CFR/OMB), and more specifically those regulations of individual USG departments and agencies. Therefore, "items" procured in support of an in-kind grant will be no different than any other program procurement. In addition, in-kind grant grantees that receive awards equivalent to JOD 17,700 (\$25,000) or more are required to obtain a DUNS prior to award issuance. FHI 360 will provide instructions and assistance to organizations to obtain a DUNS, as required. A DUNS can be requested at: <http://fedgov.dnb.com/webform>.

It is important to note that in-kind grants are the only type of grant that informal/non-registered groups are eligible to receive.

6.4.2. Disbursement

No disbursements are made directly to the grantee under an In-Kind Grant. Rather, FHI 360 procures all necessary commodities and services on behalf of the Grantee. This does not mean, however, that the Grantee is not an active partner in deciding how the funds are to be utilized. While FHI 360 will ensure the integrity of any procurement and make the final payment itself, the Grantee can provide input as to what is needed and gather

quotes from possible service-providers or vendors and determine specific scope of work, as required.

6.5. Sub-granting

Grants awarded by FHI 360 are governed by the regulations set out in 2CFR200 and the USAID Standard Provisions. Many of the regulations and mandatory provisions under the grant agreement must “flow-down” to any organization that a Grantee supports with USAID funds through sub-awards or sub-grant agreements. These regulatory flow-downs include those stated within the Mandatory Standard Provisions for Non-US Non-Governmental Grantees, Standard Provisions for Fixed Obligation Grants to Nongovernmental Organizations, and the Cost Principles found in 2CFR200 Subpart E. Sub-award parameters and requirements will be defined in individual grant agreements, as required.

6.6. Grant Formats/Parameters:

	In-Kind	Fixed Amount Award	Simplified	Standard
<ul style="list-style-type: none"> • Main Attributes 	<ul style="list-style-type: none"> • All procurement controlled by FHI 360; no funds received by the Grantee 	<ul style="list-style-type: none"> • Awards of JOD 106,000 or less for the duration of 12 months or less • Limited flexibility in activities • Programmatic activities can be easily broken into milestones 	<ul style="list-style-type: none"> • Awards of JOD 106,000 or less • Standard Provisions do not apply 	<ul style="list-style-type: none"> • Default grant type to be used for all types of cost reimbursable grants • Allows for some flexibility in activities
<ul style="list-style-type: none"> • Sub-granting 	<ul style="list-style-type: none"> • Unallowable 	<ul style="list-style-type: none"> • Unallowable 	<ul style="list-style-type: none"> • Allowable with prior approval from FHI 360 	<ul style="list-style-type: none"> • Allowable with prior approval from FHI 360
<ul style="list-style-type: none"> • Narrative Reporting Requirements 	<ul style="list-style-type: none"> • Evaluation 3-9 months after grant end date, as applicable 	<ul style="list-style-type: none"> • Deliverables as specified in the Grant Agreement • Milestone Certification form • M&E Reports • Annual Inventory Report for property procured above \$5,000. 	<ul style="list-style-type: none"> • Quarterly Reports • Final Report • M&E Reports • Annual Inventory Report 	<ul style="list-style-type: none"> • Quarterly Reports • Final Report • M&E Reports • Annual Inventory Report
<ul style="list-style-type: none"> • Financial Reporting Requirements 	<ul style="list-style-type: none"> • No financial reporting required 	<ul style="list-style-type: none"> • No financial reporting required 	<ul style="list-style-type: none"> • Financial Reports • Annual VAT Report 	<ul style="list-style-type: none"> • Financial Reports • Annual VAT Report
<ul style="list-style-type: none"> • Subject to \$300K¹ Annual Audit Requirement 	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • Yes, if applicable 	<ul style="list-style-type: none"> • Yes
<ul style="list-style-type: none"> • Payment Type 	<ul style="list-style-type: none"> • No payments 	<ul style="list-style-type: none"> • Fixed payment based on Milestone Deliverables 	<ul style="list-style-type: none"> • Cost reimbursable based on Financial Report 	<ul style="list-style-type: none"> • Cost reimbursable based on Financial Report

¹ Non-US entities that expend more than \$300,000 of USG funds, excluding fixed price awards, in their fiscal year are subject to the audit requirement.

<ul style="list-style-type: none"> • Advance Payments 	<ul style="list-style-type: none"> • No payments of any kind made to Grantee 	<ul style="list-style-type: none"> • Unallowable 	<ul style="list-style-type: none"> • Unallowable, except in limited cases 	<ul style="list-style-type: none"> • Allowable
<ul style="list-style-type: none"> • Non-Expendable Equipment (over JOD 3,500 / item) 	<ul style="list-style-type: none"> • May be purchased with prior approval from USAID/Jordan • Title to property vested in Grantee at time of acquisition 	<ul style="list-style-type: none"> • May be purchased with prior approval from USAID/Jordan • Title to property vested in Grantee at time of acquisition 	<ul style="list-style-type: none"> • May be purchased with prior approval from USAID/Jordan • Title to property vested in Grantee at time of acquisition 	<ul style="list-style-type: none"> • May be purchased with prior approval from USAID/Jordan • Title to property vested in FHI 360 and must be transferred to Grantee at time of final disposition
<ul style="list-style-type: none"> • International Travel 	<ul style="list-style-type: none"> • Unallowable 	<ul style="list-style-type: none"> • Allowable with prior approval from USAID LENS 	<ul style="list-style-type: none"> • Allowable if in approved workplan and budget? 	<ul style="list-style-type: none"> • Allowable, if in approved workplan and budget with prior approval from USAID/Jordan

7. Grant Administration Guidelines

7.1. Grants to Non-US Entities

7.1.1. Non-US Nongovernmental Organizations (NGOs)

The requirements for awards to non-US nongovernmental organizations (NGOs) are contained in several applicable federal regulations and USAID administrative standards. These regulations include:

- Mandatory Standard Provisions for Non-U.S., Nongovernmental Grantees and Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Grantees, <http://www.usaid.gov/sites/default/files/documents/1868/303mab.pdf>
- 2 CFR 200 Uniform Administrative Guidance, Subpart E, https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- ADS 591 Audit requirements for Financial Audits of USAID Contractors, Recipients, and Host Government Entities
- Standard Provisions for Fixed Obligation Grants to Nongovernmental Organizations, <http://www.usaid.gov/sites/default/files/documents/1868/303mat.pdf>

7.1.2. Non-US Commercial Organizations (For Profits)

Awards to commercial (for profit) organizations are subject to the cost principles applicable to commercial concerns contained in the following regulations:

- Mandatory Standard Provisions for Non-U.S., Nongovernmental Grantees and Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Grantees, <http://www.usaid.gov/sites/default/files/documents/1868/303mab.pdf>
- 2 CFR 200 Uniform Administrative Guidance, Subpart E (and FAR Part 31), https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

In accordance with 2 CFR 200, no funds shall be paid as profit to any Grantee under a grant instrument. Profit is any amount in excess of allowable direct and indirect costs.

7.2. Grants to US-registered Nongovernmental Organizations (NGOs)

If indicated in the RFA/APS, FHI 360 may issue awards to US Nongovernmental Organizations that are registered in Jordan and can use the four types of grant agreements described above. These grants are managed in the same way but cash disbursements usually will be made by the home-office backstopping team into the U.S. bank account of the NGO. FHI 360 will ensure adequate coordination with implementing partners and other donor-funded interventions to avoid duplication of effort.

7.3. Grantee Grant Management Workshop

USAID LENS is committed to providing the necessary support to ensure the success of Grantees in implementing their programs and complying with the grant regulations and

reporting requirements. Following the award of grants, it will organize a Grantee grant management workshop to provide new Grantees with training on the management of USAID-funded grants, except otherwise is determined in the RFA or APS.

This training is intended to ensure that the Grantee has complete understanding of the grant terms and conditions. FHI 360 Jordan program staff will discuss in detail all the various reports and obligations that are required of Grantees during project implementation, including facilitating USAID LENS' right to inspect the work in progress, and the Grantee's management systems. The USAID LENS Grants Team will also confirm the scope of the activity, implementation plan and timetable (milestones and schedule of disbursement) with the Grantee.

Grantees will also be invited to benefit from capacity building and other types of activities being organized by USAID LENS. In addition, the USAID LENS Grants Team will be available during regular business hours to answer any questions of an administrative or programmatic nature that may arise.

7.4. Cost Share

Cost share (also known as matching funds) requires the Grantee to provide a contribution of a specified amount or percentage to match USAID funds. Cost share can refer to funds or resources from other donors or the private sector to pay for program related activities, or payments from the Grantee's own funds or the fair value of contributions in-kind, such as space, equipment, the value of volunteers or staff time, etc. Grantees are encouraged to actively seek ways to engage the private sector in the achievement of the objectives and goals of their grant projects and to obtain cost share from private sector sources.

Grantees are contractually obligated to contribute cost share from sources stated in the Proposal and Budget and described in the Grant Agreement. This cost share must be carefully documented and reported to USAID LENS in quarterly reports and must meet the type of cost share described in the program description. Any change in amount or type of cost share requires prior approval from FHI 360.

To be accepted and allowable, all cost share contributions must be:

- Verifiable in the Grantees records;
- Incurred or earned during the period of the award;
- Not used to meet cost share requirements of any other U.S. federal program;
- Necessary and reasonable for proper and efficient accomplishment of the program;
- Allowable under the applicable cost principles; and
- Non-U.S. federal funds (expenses, activities funded with US Government funds are not allowable as cost share)

In addition, in-kind contributions may only be recognized at their "fair market value" – the amount that a reasonable, prudent person would be willing to pay for the goods or services

if they had to be purchased. In principle, if use of a building or service is normally free in a community, it cannot be counted as cost share. For example:

- Volunteer services and donated personnel may be valued at rates consistent to those paid by the Grantee to its employees or contractors performing similar functions;
- Donated supplies are valued at the retail price at the time of donation;
- Loaned space, for which the donor retains title, is valued at the prevailing rental rates for similar space.

7.5. Ratio of private sector to public sector funds in USG-supported Public Private Partnerships

In order to capture the PP contribution, we will follow up with large grantees that implement technical assistance and other activities on behalf of LENS such as BSP's And MFI grantees, thus they will be required to report on cash and in-kind contributions.

The ratio will be calculated by dividing private sector funds contributed to grant implementation (numerator) with public sector (USG) funds in those grants (denominator). The numerator and denominator are both in US dollars (USD), and the ratio will be measured as a percentage. The denominator for the leverage ratio will be the total amount of all grants awarded by LENS that include some leverage component. Those that have no leverage contribution are excluded from the denominator. The numerator will be the total cash and in-kind contributions reported by the grantees for those grants

LENS has created a template to capture common categories of cash and in-kind contributions and will seek to gather this information from relevant grantees. This data will be collected from grantees using a simple excel template that will be provided by the project and verified through an email from the grantee. No further documentation will be required, such as receipts. LENS will follow up on an annual basis to verify that these costs are still valid or to capture any changes

Furthermore, Reporting and follow up on that will be under the monitoring and evaluation team responsibility as part of their standard data collection efforts, and requirements and definitions on the metric are defined in the USAID LENS AMELP.

7.6. Project Monitoring and Evaluation Plan

The Grantee will be required to finalize a Monitoring and Evaluation (M&E) Plan within 30 days of the launch of the project to plan and manage the collection of project performance data. FHI 360 will provide guidance and assistance to the Grantee to ensure that the Plan contains the following:

- measurable performance indicators;
- a definition of each performance indicator;
- the unit of measurement;
- the sources of data collection;
- data collection methods;
- frequency and schedule of data collection;

- the project team member responsible for ensuring data is available on time;
- baseline, benchmarks and targets.

In addition, FHI 360 will share relevant indicators from its own performance monitoring plan against which grantees are required to report (i.e. USAID mandatory indicators related to gender, capacity building, etc.)

FHI 360 will conduct periodic meetings and site visits to Grantee offices and project sites and participate in Grantee events, etc. to assess performance. The Grantee will participate fully in these activities and make available all information required to make this assessment. FHI 360 may suggest changes in implementation methodology and/or approach based on the assessment in order to assist the Grantee in better achieving results and objectives.

Grantee is required to report progress using the USAID LENS progress-reporting template during the life of the project. Grantee must report to USAID LENS as requested over the life of the LENS project and/or participate in any survey or data collection tool used by USAID LENS.

Grantee is required to report on M&E indicators using the USAID LENS M&E-reporting template and for at least twelve months after the start date of the grant agreement and for the life of the USAID LENS project if requested.

7.7. Branding and Communications Requirements

Grantees shall not issue any grant-funded or grant-related publications or media products without prior written approval from USAID LENS. To obtain written approval for any publication, the Grantee should submit to USAID LENS a request for approval of the publication or media product and the final draft of the product (brochure, poster, radio show concept, etc.) at least one work week in advance of anticipated release date.

7.7.1. Communications Products

All publications, videos, agendas, sign-in sheets, invitation letters, certificates or other communication products produced with grant funds must make proper reference to the funding source and include both USAID and FHI 360 logos. Communication products should also be dated and state that the views expressed do not necessarily reflect those of USAID as follows:

“This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert grantee name] and do not necessarily reflect the views of USAID or the United States Government.”

تم إنتاج هذا (التقرير/ الفيلم/ الدراسة/ حدد غير ذلك) بدعم من الشعب الأمريكي من خلال الوكالة الأمريكية للتنمية . إن المحتوى هو مسؤولية (إسم المستفيد) ولا يعكس بالضرورة آراء الوكالة الأمريكية للتنمية الدولية (USAID) الدولية أو آراء الحكومة الأمريكية. (USAID)

The following language will be included in the Grant Agreement governing relations between FHI 360 and each grant grantee:

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

7.7.2. Short Publications

Short publications such as posters, brochures and bulletins should include the following text along with the FHI 360 and USAID logos:

“This program was made possible by (or with) the generous support of the American people”.

تم إنتاج هذا (التقرير/ الفيلم/ الدراسة/ حدد غير ذلك) بدعم من الشعب الأمريكي من خلال الوكالة الأمريكية للتنمية الدولية (USAID) .

7.7.3. Events

Events funded under a grant will be marked as follows:

Marking materials used, placement and timing	Program Deliverables
<ul style="list-style-type: none"> • A banner with the USAID identity located at the front of the sites for the duration of the meeting • USAID identity printed on materials, manuals, folders as produced • USAID identity contained on header of power point slides and other presentation materials as produced • Welcome comments by USAID representative, as appropriate 	Events, seminars, workshops and conferences
<ul style="list-style-type: none"> • Co-branding and positioning with the USAID logo and identity in accordance with Mandatory Standard Provision for Marking and Public Communication under USAID-Funded Assistance 	Co-funded events with other donors or organization (public, private, etc.)
<ul style="list-style-type: none"> • USAID identity printed on all materials • USAID public communications disclaimer included • Timing: as materials are produced 	All printed materials (agendas, invitation letters, sign-in sheets, certificates) produced specifically for USAID LENS direct- and supported-activities as well as original materials produced on behalf of USAID LENS

7.8. Copyright and Ownership

The Grantee may copyright any book, publication or other material developed under an FHI 360 grant agreement provided that the Grantee prominently acknowledges FHI 360 and USAID and with the understanding that FHI 360 and USAID have royalty-free, non-exclusive and irrevocable rights to reproduce, publish, or otherwise use, and to authorize others to use the work.

All approved grants are considered to be in the public domain. Any information resulting from FHI 360-funded projects should be available to the public.

7.9. Use and Disposition of Project Income

Project income is defined as income earned by the Grantee that is directly generated by a supported grant activity or earned as a result of the grant award. It may result from activities integrally related to the grant, or from activities which are incidental to the main purpose of the grant. Program income may be earned both from Grantee activities and from services provided by an individual performing a role in the grant activity. The time-frame for earning program income is any income earned by a grantee during the grant period. "During the grant period" means between the effective date of the grant agreement and the end date of the grant as reflected in the final financial report. Examples of program income include:

1. Fees for services performed and for the sales of services, e.g., sale of computer time
2. Use or rental of real or personal property acquired with grant funds
3. Sale of commodities or items fabricated under the grant, e.g. publications
4. Payments of principal and interest on loans made with grant funds
5. Any donations that are solicited by the Grantee during a grant activity if the purpose of the grant is to obtain donations.

The Grantee will inform FHI 360 of any program income generated under the grant and agrees to USAID's disposition of such program income which is in accordance with Standard Provisions for Program Income. Program income earned under an FHI 360 grant agreement shall be applied and used in the following descending order:

1. Added to total program amount for non-commercial entities;
2. Used to finance the non-Federal share of the project or program (cost-share); and
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

Grantees shall have no obligation to the US government regarding program income earned after the end of the project/grant period.

Costs incidental to the generation of program income may be deducted from gross income to determine program income, provided that these costs have been charged to the award and they comply with the applicable rules for allowable costs under grants.

Unless terms and conditions of the award provide otherwise, Grantees shall have no obligation to the US government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

7.10. Procurement Procedures

Expenses incurred under the grants program must meet the following criteria in order to be eligible for reimbursement:

- **Reasonable** in that they are generally recognized as ordinary and necessary;
- **Allocable** in that they must be incurred specifically for the award;
- **Allowable** in that they conform to limitations in the award and;
- **Accountable** in that they are based on legal transactions and supported with appropriate documentation.

It is FHI 360’s goal to ensure that costs incurred are in accordance with the applicable set of Cost Principles under the Mandatory Standard Provision for Non-U.S., Non-Governmental Grantees (Allowable Costs). FHI 360 will determine which costs are allowable, allowable with prior approval, or unallowable, for Non-U.S. Non-Governmental Grantees.

The following guidelines will be used during the budget review stage of grant proposal evaluation, before the grant agreement is approved, to determine if a questionable cost is allowable:

1. Review 2 CFR 200, Subpart E: Cost Principles which describes what is and is not allowable, or allowable under what circumstances (for example, “alcoholic beverages: Costs of alcoholic beverages are unallowable”).
2. Review ADS 312 “Eligibility of Commodities” for more information if an item to be procured is a restricted good or service.
3. Determine whether the costs are reasonable, allocable, and allowable.
4. Contact the LENS Grants and Contracts Officer for review and decision when appropriate.
5. Prior to incurring a questionable cost, FHI 360 will obtain USAID/Jordan’s written determination on whether the cost will be allowable.

7.10.1. Recommended Procurement Procedures by Dollar Amount

Note: If the Grantee does not have established written procurement procedures, then the Grantee must utilize FHI 360 procedures as follows for the purchase of commercial goods and services:

COMMERCIAL GOODS/SERVICES \$140 - \$500 (if ≤ \$140 to be paid from Petty Cash upon submitting a receipt)	
<input type="checkbox"/> Completed Procurement Checklist	<input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No
<input type="checkbox"/> Purchase Request Form approved by Finance & COP or DCOP	<input type="checkbox"/> Registration Certificate and Vocational License
COMMERCIAL GOODS/SERVICES \$501 - \$2,999	

<input type="checkbox"/> Completed Procurement Checklist <input type="checkbox"/> Purchase Request Form approved by Finance & COP or DCOP <input type="checkbox"/> Quotes, Verbal Quotation Form, published prices or other recent purchase demonstrations made less than 1 year old	<input type="checkbox"/> Lowest Price Matrix or <input type="checkbox"/> Best Value Matrix <input type="checkbox"/> Signed Purchase Order or Service Agreement <input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No <input type="checkbox"/> Registration Certificate and Vocational License
COMMERCIAL GOODS/SERVICES \$3,000 - \$30,000	
<input type="checkbox"/> Completed Procurement Checklist <input type="checkbox"/> Purchase Request Form approved by Finance & COP <input type="checkbox"/> Solicitation for a minimum of 5 business days <input type="checkbox"/> Targeted Dissemination List or Advertisement <input type="checkbox"/> Written Quotes <input type="checkbox"/> Lowest Price Matrix or <input type="checkbox"/> Best Value Matrix	<input type="checkbox"/> Procurement Summary Memo <input type="checkbox"/> Signed Purchase Order or Service Agreement <input type="checkbox"/> Terrorism Check: <input type="checkbox"/> SAM <input type="checkbox"/> US Treasury <input type="checkbox"/> UN list <input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No <input type="checkbox"/> Registration Certificate and Vocational License
COMMERCIAL GOODS/SERVICES \$30,001- \$150,000	
<input type="checkbox"/> Completed Procurement Checklist <input type="checkbox"/> Purchase Request Form approved by Finance & COP <input type="checkbox"/> Solicitation for a minimum of 5 business days from the date that responses to questions are posted <input type="checkbox"/> Targeted Dissemination List or Advertisement <input type="checkbox"/> Official offers <input type="checkbox"/> Lowest Price Matrix or <input type="checkbox"/> Best Value Matrix <input type="checkbox"/> Source Selection Memo <input type="checkbox"/> No Conflict of Interest Certification	<input type="checkbox"/> Signed Purchase Order or Service Agreement <input type="checkbox"/> Notification to HQ Purchasing (if amount exceeds \$50,000 but less than \$100,000) <input type="checkbox"/> HQ Purchasing Approval and one-time DOA increase (if amount exceeds \$100,000) <input type="checkbox"/> Terrorism Check: <input type="checkbox"/> SAM <input type="checkbox"/> US Treasury <input type="checkbox"/> UN list <input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No <input type="checkbox"/> Registration Certificate and Vocational License
COMMERCIAL GOODS/SERVICES Above \$150,000	
<input type="checkbox"/> Completed Procurement Checklist <input type="checkbox"/> Purchase Request Form approved by Finance & COP <input type="checkbox"/> Solicitation for a minimum of 10 business days from the date that responses to questions are posted <input type="checkbox"/> Advertisement <input type="checkbox"/> Official offers <input type="checkbox"/> Lowest Price Matrix or <input type="checkbox"/> Best Value Matrix	<input type="checkbox"/> Source Selection Memo <input type="checkbox"/> No Conflict of Interest Certification <input type="checkbox"/> Signed Purchase Order or Service Agreement <input type="checkbox"/> HQ Purchasing Approval and one-time DOA increase <input type="checkbox"/> Terrorism Check: <input type="checkbox"/> SAM <input type="checkbox"/> US Treasury <input type="checkbox"/> UN list <input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No <input type="checkbox"/> Registration Certificate and Vocational License
OTHER THAN FULL AND OPEN COMPETITION (SOLE-SOURCE PROCUREMENT)	
<input type="checkbox"/> Completed Procurement Checklist <input type="checkbox"/> Purchase Request Form approved by Finance & COP or DCOP <input type="checkbox"/> Actual Written Quote(s)/Proposal(s) <input type="checkbox"/> Signed Sole Source Selection Memo <input type="checkbox"/> Terrorism Check: <input type="checkbox"/> SAM <input type="checkbox"/> US Treasury <input type="checkbox"/> UN list	<input type="checkbox"/> Signed purchase order, service agreement, or subcontract <input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No <input type="checkbox"/> Registration Certificate and Vocational License
PROCUREMENTS VIA MASTER AGREEMENT (MSA)	

<input type="checkbox"/> Completed Procurement Checklist <input type="checkbox"/> Purchase Request Form approved by Finance & COP or DCOP <input type="checkbox"/> Competition Process Documentation for Master Agreement <input type="checkbox"/> Signed Master Agreement <input type="checkbox"/> Signed Purchase Order or Service Agreement	<input type="checkbox"/> Terrorism Check at time of issuing MSA: <input type="checkbox"/> SAM <input type="checkbox"/> US Treasury <input type="checkbox"/> UN list <input type="checkbox"/> Terrorism Check for any transaction \$3,000 and above: <input type="checkbox"/> SAM <input type="checkbox"/> US Treasury <input type="checkbox"/> UN list <input type="checkbox"/> Restricted Item <input type="checkbox"/> YES <input type="checkbox"/> No <input type="checkbox"/> Registration Certificate and Vocational License
PROCUREMENT IS EVENT: <input type="checkbox"/> YES, PLEASE FILL OUT BELOW <input type="checkbox"/> NO	
<input type="checkbox"/> Signed business meal approval by COP <input type="checkbox"/> Invitees list <input type="checkbox"/> Signed attendees list <input type="checkbox"/> Agenda	

7.11. Source and Nationality

“Source” refers to the location from where an item is shipped/delivered once purchased. If the “source” is Jordan, it must be immediately available for purchase.. “Nationality” refers to the place of legal organization, ownership, citizenship, or lawful permanent residence of supplier of commodities and services.

Grantees are authorized to purchase goods and services from geographic code 937 which refers to developing countries other than advanced developing countries, in addition to the United States and Jordan, as the grantee country, and excludes prohibited sources, which include Office-of-Foreign-Assets-Control (OFAC) and other restricted countries and individuals.

The lists of developing and advanced developing countries are listed on: <http://www.usaid.gov/sites/default/files/documents/1876/310.pdf>.

7.12. Property and Equipment

7.12.1. Inventory

If grant funds have been used to purchase property and equipment, a detailed inventory must be maintained in accordance with the Grantee’s policy (this currently relates to all items of 3,500 JOD (\$5,000)). The inventory should list the date that the item was purchased, the purchase price, description, serial and model number, and where the equipment is currently located. At least once a year or at the end of the grant period, the inventory list should be matched against the actual equipment and submitted to USAID LENS in accordance with the grant agreement reporting requirements. Any discrepancies should be resolved.

7.12.2. Title to Equipment and Property (Simplified Grants, Fixed Amount Awards and In-Kind Grants)

Written USAID approval is required prior to the purchase of any equipment or non-expendable property acquired with funds provided under the terms of this grant. Title to any equipment or personal property approved for purchase under an FHI 360 grant vests in

the grantee upon acquisition, with the condition that the grantee must use the equipment or property for the grant as long as it is needed for such. Grantee is responsible for the care, maintenance, and security of the equipment or property purchased under this grant. Grantee is required to immediately report theft, loss, or damage to grant-funded equipment or property to USAID LENS.

7.12.3. Title to Equipment and Property (Standard Grants)

Written FHI 360 approval is required prior to the purchase of any equipment or non-expendable property acquired with funds provided under the terms of this grant. Used equipment may not be purchased with grant funds. All equipment and non-expendable property, (including computers, printers, copiers, telephone systems, etc.) remains the property of FHI 360 until such time as a formal transfer to a follow on program or to the Grantee or other final disposition. The Grantee will immediately return property to FHI 360:

- (a) upon FHI 360's request;
- (b) when the Grantee has completed the Program Description; or
- (c) when this grant is terminated for any of the reasons contained in the FHI 360 General Terms and Conditions of the grant agreement

The Grantee is responsible for the care, maintenance, and security of any non-expendable property entrusted to the Grantee. The Grantee is required to immediately report theft, loss, or damage to any non-expendable property to FHI 360.

7.13. Gender Equality and Inclusion

FHI 360 and USAID are committed to advancing equality between females and males, and empowering women and girls to participate fully in social, political and economic aspects of their societies as well as benefit from the development of their societies. Gender equality will be addressed by FHI 360 through integration of gender considerations in all project aspects and phases including identification, design, planning, implementation, management and monitoring and evaluation.

All FHI 360 grants will support USAID's goals towards gender equality and inclusion of marginalized groups (such as persons with disabilities, youth, women, elderly, etc.). Grantees will be requested to pay special attention to gender and inclusion as a cross cutting theme and an integral part of their proposed project/intervention. Grant programs should address gender gaps and the constraints grounded in entrenched gender roles and power dynamics that impact both men and women, and hold women back. FHI 360 will work with all Grantees to ensure that grant projects and activities address gender issues in a manner consistent with USAID's gender guidelines (ADS 201 and 203).

FHI 360 encourages applicants to ensure the inclusion of persons with disabilities and provision of reasonable accommodation, i.e. Braille, sign language interpretation, etc. Costs for reasonable accommodation are allowable and FHI 360 can provide information to grant applicants on this.

7.14. **Environmental Compliance**

Attachment III includes the requirements for environmental compliance.

8. GRANT MODIFICATIONS

Once a grant has been awarded, no additional competition is required for amendments to the existing grant. The grant agreement and attachments may be altered, revised, or corrected only as an amendment to the agreement which requires the mutual written endorsement of the Grantee and FHI 360 in the form of a grant modification. Each modification requires the signature of each party and may be subject to AOR approval.

The Grantee must report to FHI 360 any deviations from the approved budget and program plans, and request prior written approval, for any of the following reasons (a formal grant modification may be needed for some of these revisions depending on the terms of the grant agreement):

- Change in the scope of the objectives of the project;
- Change in the key project staff (requires submission of a CV and bio-data form for proposed replacement staff);
- Reduction greater than 25% in their time devoted to the project;
- If the Grantee intends to contract any of the work in the award and this contracting was not included in the approved award budget;
- Transfer of funds allocated for training allowances to other budget lines (simplified and standard grants only);
- Transfer of funds among cost categories which exceed 10% of the budget line (excluding budget lines for salaries)

9. GRANT ACTIVITY COMPLETION AND TERMINATION

9.1. Grant Activity Completion

USAID reserves the right to conduct financial reviews or audits, and to otherwise ensure the adequate accountability of organizations expending USG funds. The grant files will contain the essential documents to demonstrate that the grant was successfully completed and that funds were spent prudently with costs justified. Close-out of grants awarded under the standard and simplified formats are conducted in accordance with 22 CFR 226.71. Within 30 days of completion of the entire activity or all milestones, the Grantee shall provide a written certification that the activity for which the grant was awarded has been fully completed.

Grant close-out for fixed obligations grants will be accomplished with acceptance of the final milestone, and the approval of final payment. Within 30 days of completion of the entire activity or all milestones, the Grantee shall provide a written certification that the activity for which the grant was awarded was completed.

The USAID LENS Grants Team is responsible for ensuring that the Grantee has completed all requirements for close-out and shall include information on grant close-outs in the monthly report of grant activities.

9.2. Termination or Suspension of Grants

Language will be included in the grant agreement giving FHI 360 and USAID the right to terminate a grant, in whole or part, or suspend payments, should the Grantee become insolvent during the performance of the award or should the Grantee not meet their responsibilities as set forth in the grant agreement. FHI 260 and USAID also have the right to terminate a grant for convenience, when the activities no longer align with program objectives, force majeure, etc. A termination letter will be prepared and include the following:

- The reasons for the termination;
- The effective date;
- The portion to be terminated; and
- The portion terminated (in case of partial termination).

10. REPORTING AND FINANCIAL MANAGEMENT PROCEDURES FOR COST REIMBURSABLE GRANTS

10.1. Programmatic Reporting Schedule

The Grantee will provide the following reports to FHI 360 as specified below and as applicable in the grant agreement reporting requirements. FHI 360 will provide all necessary reporting forms, as appropriate, that the Grantee shall use to prepare each.

10.1.1. Quarterly Progress Reports

The quarterly report (based on calendar quarters) must be submitted within 10 days of the month following the quarter for which the Grantee is reporting and should include:

- Description of the specific activities and how they have contributed toward progress against defined objectives and results per the approved Work Plan;
- Monitoring and Evaluation Plan and the benchmarks and targets set forth therein;
- Challenges faced and how they were met;
- Success stories

10.1.2. Annual VAT (Value Added Tax) Report

The annual VAT report should include the amount of taxes assessed by a government (if VAT paid on purchases made outside of Jordan, each government must be listed separately) on commodity purchase transactions valued at 350 JOD (\$500) or more financed with FHI 360 grant funds during the prior U.S. fiscal year (October 1, 20xx – September 30, 20xx). The report for the preceding year is due every January 31 or at the end of the grant duration. A report must be submitted even in no VAT paid.

10.1.3. Annual Inventory Report

If grant funds have been used to purchase property and equipment (this currently relates to all items of 3,500 JOD (\$5,000) or more), an annual inventory report shall be submitted which includes the date the item was purchased, purchase price, description, serial and model number, and current location of the equipment. The report is due on an annual basis and shall be submitted to FHI 360 with the fourth quarterly progress report or at the end of the grant duration.

10.1.4. Final Project Report

At the conclusion of the grant, the Grantee will prepare and submit to FHI 360 a final report that will summarize the accomplishments of the grant. The final report will document the results that were obtained, note particular successes as well as approaches that did not achieve the anticipated result(s). The final report will be submitted to FHI 360 on the completion date of this grant.

10.2. Financial Management

This document is meant to serve as a guide only and is not all encompassing. Further explanation may be necessary in order for Grantees to completely comply with all award requirements. Requirements and procedures also may change over the course of time and FHI 360 will do its best to keep Grantees informed of any relevant changes. Please contact FHI 360 with any questions regarding contractual or programmatic requirements and procedures.

Grantees are required to read their award agreements and all attachments and provisions. Any questions should be referred to the FHI 360 staff responsible for the organization's award. As a general rule, if something is not clearly stated in the award agreement and/or the attachments, then it is not allowable and therefore needs prior approval from FHI 360.

Grantees' financial management systems must provide for accurate, current and complete disclosure of the financial results of FHI 360 awards. Records must clearly identify the source and application of funds. The following guidelines should also be respected.

10.2.1. Obligated Funding

FHI 360 will incrementally fund standard and simplified grants. The total obligated funding will be stated in the grant agreement. FHI 360 will not reimburse the grantee for allowable expenses in excess of the total obligated amount, or for costs incurred outside of the period of performance of the grant. The grant agreement will define if funds remaining at the end of the obligated period may be carried over into subsequent funding periods.

10.2.2. Budget Revisions

Any change in expenditures that will increase or reduce a budget line by more than 10% requires prior written approval from FHI 360. Budget revisions are not allowable for salary budget lines. No increases in the total budget amount will be authorized.

To request a budget revision, the Grantee must submit a revised budget and justification in writing to FHI 360 as far in advance as possible, but at least two weeks prior to the date the Grantee intends to incur expenses outside the approved budget. A formal grant modification may be needed for some revisions depending on the terms defined in the grant agreement.

10.2.3. Financial Reviews and Audits

Both FHI 360 and USAID reserve the right to conduct financial reviews and require audits to ensure adequate accountability of grant funds. The grantee must make its records available upon request for review by FHI 360, USAID, or their representatives. In addition, FHI 360 will periodically conduct unannounced financial spot checks.

Non-profit Grantees that expend \$300,000 or more in US Government awards (i.e., organizations that receive US Government funds either directly or through a prime contractor or grantee) during the Grantee's fiscal year must have an annual audit conducted of those funds in accordance with the Guidelines for Financial Audits Contracted by Foreign

Grantees. In addition to these annual audit requirements, a close-out audit must be performed for all awards in excess of \$500,000. NOTE: This requirement does not apply to funds expended under fixed-obligation grants.

10.2.4. Banking

FHI 360 Grantees must maintain a separate local bank account if receiving advance payments and they do not have a satisfactory segregated accounting system. Grantees must submit verification to FHI 360 of the separate bank account prior to receiving the first advance payment. No other funds should be deposited or withdrawn from this account.

10.2.5. Interest

Interest accrued on grant funds in excess of \$250 annually must be remitted to FHI 360 to reimburse the US Government.

10.2.6. Advances

Advances of FHI 360 funds are limited to the Standard Grant Agreements and to amounts needed to meet current project needs (e.g. for periods of two months). Advance procedures will be defined in grant agreements. Grantees will submit a Request for Advance form, which is a part of the monthly financial report, within 10 days after the end of the reporting month. Grantees will typically receive two 30 day advances for the first two months of the project. In order to receive a third advance payment, the first advance must be cleared.

For example if a Grantee's grant begins in January, two advance requests will be submitted for the months of January and February at the beginning of the project. The January advance must be cleared before an advance will be provided for March.

Advance Issued	Advance Requested	Month
Upon submission of advance request	Beginning of project	January
Upon submission of advance request	Beginning of project	February
Upon clearing Jan advance and submission of advance request	February 10 - within 10 days after end of reporting month (<i>January</i>)	March

10.3. Internal Controls

10.3.1. Safeguarding assets

The Grantee must be able to safeguard assets related to the FHI 360 grant agreement. Assets include equipment purchased with grant funds, accounting records, and supporting documentation (e.g. invoices and receipts).

If the Grantee keeps petty cash in the office, it should be stored in a locked safe or other secure place. Access to cash should be restricted to a limited number of people. The person who maintains cash should not be the person who also maintains the accounting records or reconciles bank statements.

10.3.2. Maintaining accounting records

Grantees need to pay close attention to accounting records and supporting documentation since these records must be kept for a period of at least three years following submission of the final financial report. In the event that audit findings, litigation, or other claims have not been resolved by the end of the five year period, the organization must continue to maintain accounting and equipment records for the specified periods, arrangements should be made to transfer these records to another location where they can be safeguarded.

10.3.3. Segregation of duties

It is important to separate the functions of maintaining cash, recording transactions, authorizing payments, and reconciling cash records. Separation of duties ideally requires a minimum of two persons as follows:

- A person who manages cash, bank transfers/checks or other assets and handles the disbursements of funds (financial manager).
- A person who records the financial transactions (the accountant or bookkeeper).

10.3.4. Supporting Documentation

Grantees must maintain adequate supporting documentation for grant revenues and expenditures. The purpose of supporting documentation is to verify that the payment occurred, that the payment was for an approved grant expenditure, and that the expenditure was made within the grant period.

Grantees should follow their organization's procurement policies (or the policies recommended by FHI 360 in section 11.a) and maintain supporting documentation for each expenditure as applicable. Supporting documentation typically consists of the following items:

- Authorized request for proposals (if applicable)
- Bid analysis;
- An original invoice, receipt, or contract;
- An entry in the accounting records indicating the date, amount and purpose of the expenditure;
- Confirmation of payment;
- Documentation of receipt of goods; and
- A bank account statement and transfer order or petty cash record and signed receipt.

All supporting documentation should have a clear reference number, which will identify its location. The reference number for any transaction connected with the grant agreement should be quoted in the accounting records and financial reports.

The following is a list of the type of supporting documentation, which would be acceptable for each type of expenditure:

10.3.5. Salaries and Wages

Salaries to be charged to the grant agreement must be based on timesheets and documented payroll approved by a responsible official of the organization. Timesheets must be maintained for each employee whose salary is charged to the grant agreement.

Hours charged to FHI 360 grant agreements on timesheets should reconcile to salary amounts claimed on financial reports. The amount reported on the grant agreement financial report should equal the applicable portion of the employee's salary.

An hourly rate can be calculated for salaried employees by dividing the annual salary by the total number of business hours in the year.

Retroactive salary increases are not allowed. Salary increases not described in the Approved Budget are not allowed without prior written approval from FHI 360.

Salaries must be supported by an employment contract. Salaries should also be based on documented payrolls approved by an authorized official of the organization.

10.3.6. Timesheets

Timesheets must be kept for all employees whose salaries are covered by FHI 360 funds. Timesheets must account both for hours worked on the grant project and total hours worked each day. For example, if an employee worked eight hours, of which two hours were for the FHI 360-funded project, the employee would enter two hours to the FHI 360 project and 6 hours to the project(s) funded by other sources.

All timesheets must be signed and dated by the employee and authorized supervisor, and prepared to coincide with each pay period. Total hours shown on timesheets should reconcile to payroll records.

When volunteer time is to be counted towards Cost Share, timesheets must be kept for volunteers.

10.3.7. Payroll

Grantees must maintain detailed records of amounts paid to each employee for each pay period. For employees paid by the hour, payrolls should include the number of hours worked for the pay period. Records should also be maintained for approved salary rates whether the salary is paid hourly, monthly, or annually. An employee's pay should correspond to the payroll records.

10.3.8. **Communication and Postage**

Supporting documentation for communication and postage expenses would be an invoice and/or receipt.

10.3.9. **Goods**

All documentation relating to purchasing procedures and inventory must be maintained.

If purchased for a meeting, training, etc., a participant list signed by each individual and an agenda must be attached to the receipt. Supporting documentation for purchase of food and drinks would be a receipt along with a clear indication of why these were purchased and a sign-in sheet/agenda for the event.

10.3.10. **Contractual Services**

Items such as temporary personnel services, translation services, rented or leased equipment, audit and legal fees, and accounting services (if performed by an outside contractor) are examples of contractual services.

Support for payments to consultants should include a written agreement (with a scope of work and the rate of payment), completed Biodata form, and an invoice or receipt indicating that contracted services were performed.

Support for contractual services would typically consist of a written contract and an invoice or receipt which would indicate which services have been performed and the basis for payment (rate per hour, day, page, etc.).

Note: No member of the organization's official bodies (e.g. board or management committee), nor its employees may be paid for contractual services. All payments for services performed by members of the organization's official bodies and employees should be made under the budget category "Salaries".

10.3.11. **Transportation and Travel Expenses**

All travel to be charged to the FHI 360 grant agreement must have been incorporated into the approved project and budget. Grantees should establish written policies regarding travel including Travel Request Forms, Advance payments, and any other relevant documentation.

Award Grantees should maintain documentation of travel authorization and reimbursement, typically using standard organizational forms completed by the traveler and authorized by the supervisor.

Transportation and incidental travel expenses must be supported by the original ticket stub or receipt. Staff using their personal vehicles for project travel are required to maintain a vehicle log for recording date, time, kilometers traveled, destination and purpose of trip.

Travel costs charged to an FHI 360 grant shall not be reimbursed in excess of the published US Government mileage rate (available at: <http://www.irs.gov/2014-Standard-Mileage-Rates-for-Business,-Medical-and-Moving-Announced>).

10.3.12. **Lodging**

Lodging must be supported by a hotel receipt. Grantees should have their own written organizational policy on lodging expenditures. Regardless of the Grantee's policy lodging costs shall not be reimbursed in excess of the published US State Department lodging rate for the location (available at: http://aoprals.state.gov/content.asp?content_id=184&menu_id=78).

10.3.13. **Per diems**

Grantees should have their own written organizational policy on per diems. This policy may require travelers to submit receipts and provide reimbursement on an actual cost basis. Organizations may also choose to provide a flat rate per diem in lieu of actual expenses, thereby not requiring receipts for M&IE while traveling. In any event, the Grantee should maintain travel authorization and per diems forms and records. Regardless of the Grantee's per diem policy, per diem shall not be reimbursed in excess of the published US State Department M&IE rate for the location (http://aoprals.state.gov/content.asp?content_id=184&menu_id=78).

10.3.14. **International Air Travel and Transportation**

International air travel and transportation paid through a grant is controlled by specific regulations. International travel is allowable only when each foreign trip has received prior written approval from FHI 360. This request for approval should be submitted as far in advance as possible, but at least 14 days in advance of the proposed travel. When requesting approval, Grantees should include the award number, traveler's name, dates of travel and purpose of trip. Grantees should establish their own written policies for international travel costs (e.g. accommodations and per diems) in accordance with accepted Jordanian laws, regulations and practice.

Air travel tickets should be economy class. Grantees must retain all travel records including tickets and boarding passes. Other regulations and restrictions that apply to international travel may be incorporated into the grant agreement.

10.3.15. **Currency Exchange and Reporting**

All disbursements under FHI 360 grants are made in Jordanian Dinar (JOD). The Grantee should submit all advance requests and financial reports in JOD.