

Handbook 01: Policy
Policy Papers
USAID--Higher Education Community Partnership
I. Policy Framework

USAID--HIGHER EDUCATION COMMUNITY
PARTNERSHIP

I. POLICY FRAMEWORK

The skills and capabilities of a nation's people are key factors in maintaining economic, social and political development. Higher education [1] is essential to build human capital and to sustain all aspects of technological, scientific, social, cultural and economic development. A mutually responsive and supportive partnership between USAID and the U.S. higher education community is vital to achieve broad global development objectives.

[1] HIGHER EDUCATION refers to education, training, research, and community service outreach at the postsecondary level. HIGHER EDUCATION INSTITUTIONS are postsecondary institutions recognized as bona fide in their home countries. In the United States, recognition is by accrediting agencies recognized through the U.S. Department of Education. Normally, outside the United States, recognition is by a Ministry of Education or a national accrediting entity. HIGHER EDUCATION COMMUNITY refers to the spectrum of individuals, institutions, and organizations integral to higher education, singly and in various combinations, local, regional, national and international, including associations, consortia and other forms of partnership. The term "higher education" in this paper refers to both U.S. and host country institutions, except when one or the other is specified.

Higher education makes important contributions to national and international development in many ways. The U.S. higher education community is reflective of U.S. traditions of enterprise, pluralism, diversity, compassion and humanitarianism. Its institutions are well-known and widely respected. Following World War II, educational expansion was the keystone of economic planning, social policy and economic development. Many of the current relationships between U.S. and European institutions of higher education began during the days of the Marshall Plan in the late 1940s. These relationships were developed and have continued largely without USG funding. Now they have expanded to include institutions in Africa, Asia, Latin America and the Middle East. In many cases, non-European linkages have been supported by USAID support.

The long and close working relationship of USAID and its predecessor

agencies with the U.S. higher education community dates back to the inception of modern-day foreign aid following World War II. U.S. land grant colleges and universities were the first to respond to then President Truman's announcement of the Point Four Program to help developing countries. Since that time, all components of the U.S. higher education community -- including community colleges, state colleges and universities, private colleges and universities, and land grant colleges and universities -- have participated in U.S. foreign assistance programs. In recent years, USAID and U.S. higher education institutions have sought to develop a more collaborative and mutually supportive relationship. The U.S. higher education community continues to be an important partner with USAID in pursuit of economic, developmental, and humanitarian goals.

The U.S. higher education community commitment to global development is designed to serve students, faculty, and American citizens while it strives to benefit the peoples of cooperating countries. It collaborates worldwide to build effective partnerships and networks for sustainable development through cooperation with governmental and nongovernmental entities, national and local policy leaders, scientists and other professionals, business leaders and industrialists, and an array of community groups. It affords access to many segments of the populace, and avail USAID missions and other operational units[2] of a range of important skills to inform long-range planning and to develop sound strategic frameworks and development objectives. The rich experience and longstanding commitment of U.S. higher education to global development provide important knowledge and insight about development. USAID-higher education community relationships are based on areas of considerable agreement:

That much is to be gained from a mutually supportive collaborative partnership;

That increased human capacity development is needed and people must be involved at every level of society for sustained economic, social and political development;

That appropriate knowledge and skills are required for people to be able to participate effectively and efficiently in democratic governance and national development;

That, to meet current and future challenges, the partnership must invest in research on both the development process and elements of the process such as education, democracy and governance, agriculture, environment, population, health and nutrition;

That a balanced approach to educational development is required, ensuring that basic educational needs are met and sufficient

administrative, analytical, technological and professional capacity is achieved; and

That the extraordinary explosion of communications technology offers a rich new resource to help address Agency goals.

The goals of USAID and those of the higher education community shift to reflect changing world conditions. The changes may be mutually influential. An interactive process, which has been at the heart of the longstanding USAID-higher education community partnership, can benefit both partners. At the same time, it is recognized that the goals, interests and responsibilities of USAID and of the higher education community are not identical. While they will work together on common priorities, their programmatic interests will not always coincide.

2 USAID missions and organizations at the office level or above that expend program funds to achieve strategic objectives.

Handbook 01: Policy
Policy Papers
USAID--Higher Education Community Partnership
II. Policy Principles

II. POLICY PRINCIPLES

Within the above framework, the USAID-higher education community partnership shall draw upon, respond to, and incorporate the following policy principles:

A. CONSULTATION. USAID and U.S. higher education interests in global development and relief are often congruent and can be better defined and strengthened through consultation and dialogue. True consultation occurs when all sides are prepared to engage in frank and open conversations. USAID draws on such consultations to tap the experience and knowledge of the higher education community by soliciting advice, suggestions and comments. This consultation is important at all stages of the development and humanitarian assistance process, but it is most beneficial for the Agency's development objectives when it begins with the initial identification and analysis of development problems and trends, when it helps to inform policy and programs, and when it accesses inputs through U.S. higher education institutions.

USAID and the higher education community will work together more effectively if they have better communication at all levels, on matters of

policy, program strategy, activity design and evaluation. Key elements of USAID's policy are:

USAID's policy-making shall be structured to ensure relevant input from the higher education community during the various stages of the development and humanitarian assistance processes. These consultations must be consistent with the identity of higher education institutions as independent entities and the role of USAID as an agency of the U.S. Government under its foreign policy guidance.

USAID shall consult regularly with the U.S. higher education community regarding areas of mutual interest, such as research, training requirements, best practices in development and lessons learned. (See Sec. III, A.); and

USAID and its operational units shall establish regular, ongoing consultative processes with a broad cross-section of both U.S. and host country higher education communities. These broad consultative processes shall be open, comprehensive and candid, drawing upon the views, insights and suggestions of higher education communities. They must be integrated with the USAID strategic planning and programming processes and structured to assist in shaping programmatic priorities and the design of individual activities. (See Sec. III.A.)

B. PARTICIPATION. Broadly-based, equitable participation by all host country stakeholders in the designing and planning of USAID's services is vital to the success and sustainability of development efforts. Participatory processes promote ownership and increase the probability that the development results will endure. It is USAID policy (see Administrator's Statement of Principles on Participatory Development, Dec. 16, 1993) to build opportunities for participation by host country organizations and peoples into the development processes. As development partners, higher education institutions have a vital role to play in enhancing participation. Key elements of USAID's policy are:

USAID's activities shall be designed, implemented, and evaluated in ways that encourage responsiveness to host country needs and U.S. constituency interests. Within the context of USAID's commitment to manage for results, USAID in partnership with higher education institutions shall track the progress of approved activities and will adjust, as needed, those activities in which there is a mutual involvement in order to achieve the stated objectives;

Participatory mechanisms shall be developed and carried out in a way that ensures that a broad spectrum of diverse host country organizations and people (female and male, young and old, different ethnic groups,

disabled, and others) are provided with opportunities to help define, implement, and assess developmental priorities and approaches;

USAID shall look to U.S. higher education institutions to assist in designing and implementing participatory mechanisms in areas of collaborative endeavor to ensure that USAID strategic objectives and activities reflect the priorities and values of their counterparts and others in the host country who will have to sustain the development effort;

USAID shall work with host country higher education communities as development partners, supporting activities related to USAID program priorities, and soliciting their participation in USAID's planning and implementation of its development work; and,

USAID shall seek U.S. higher education partners that are skilled in and committed to strengthening the initiatives of host-country higher education communities so as to empower people in the host society.

C. PROGRAM INTEGRATION AND MANAGING FOR RESULTS. USAID's commitment to

managing for results (see USAID Directive for Setting and Monitoring Program Strategies, May 1994) requires the full integration of all USAID-funded activities into USAID's strategic plans and objectives. The Agency's commitment to maximizing limited resources compels partnering with higher education institutions and other partners when and where shared plans, objectives and priorities are identified. Such integration and partnering are crucial to maximize the effectiveness and sustainable development impact of USAID-funded activities. (See Section III, D.) USAID-funded programs operating in a host country shall address USAID's country, regional or global relief and development priorities.

Elements of USAID's policy regarding managing for results and program integration include the following:

USAID's strategic plans shall define the objectives of development and relief priorities. Through an active consultative process, USAID shall seek out areas of mutual interest among U.S. institutions of higher education, the U.S. public, and host country institutions;

In implementing its programs, USAID shall capitalize on the diverse backgrounds and experiences of the higher education community; and,

Through its development and transition assistance programs, USAID shall assist U.S. institutions of higher education to link their international programs with specific, high-priority initiatives for sustainable

development in USAID-assisted nations.

(Policy guidance on activities in USAID non-presence countries is covered under Approved Action Memorandum, "Mission Closeout -- Continuing Activities," dated June 15, 1994.)

D. STRENGTHENING HIGHER EDUCATION INSTITUTIONS IN COOPERATING COUNTRIES TO

SUPPORT SUSTAINABLE DEVELOPMENT. U.S. institutions of higher education are excellent sources of expertise in areas highly relevant to transition, relief and sustainable development: science and technology, collaboration with business and industry, knowledge networks and communications technologies, applied research, and higher education models oriented to access, quality, community outreach, and service. Reciprocally, linkages with sister institutions in developing countries provide U.S. higher education institutions with insights into global issues and perspectives -- an exposure that enriches U.S.-based curricula, research, and public outreach programs.

It is a USAID policy to capitalize on the role, importance and capacity of host country higher education institutions in helping to achieve development objectives. It is also the Agency's policy that support for institutional capacity-building is an essential component of a focused, result-oriented strategy, and is integral to the concept of sustainable development. In keeping with this approach, key elements of the Agency's policy are as follows:

USAID shall facilitate the provision of assistance to host country institutions of higher education to strengthen their capacity to promote sustainable development in their own country and to enhance their capability to serve as development partners with government institutions, rural and urban enterprises, USAID, other donors, NGOs, and U.S. institutions of higher education; and,

USAID shall encourage the development of partnerships, linkages, and networks among U.S. institutions of higher education and those in the developing world. Special focus shall be placed directly on the revitalization and restructuring of host country higher education to increase its viability and contribution to development. In the interest of creating and maintaining vibrant civil societies, special emphasis shall be centered upon enhancing the knowledge base, leadership, research capacity, teaching resources, management capacity, and community service of the higher education institutions.

E. RESEARCH. USAID supports research that contributes to the creation of solutions to development challenges. Such research is driven by existing programs. USAID relies upon institutions of higher education in all aspects

of its research agenda. The Agency looks to institutions of higher education both to address research questions and to help colleges and universities and U.S. institutions strengthen the science and technology capacity of other nations. Partners of USAID and U.S. institutions of higher education may include NGOs and host country institutions of higher education as well as governmental agencies, host country private firms and organizations, and third country and international research organizations. An objective of research is to develop host country capacity to identify and solve local problems and to be publicly available. A new Agency research policy guides USAID's prioritization and implementation framework. Relevant concepts from USAID's Research Policy includes:

USAID, working with higher education institutions, shall ensure that the identification of key developmental problems, the conducting of research, the development of interventions, and the implementation of results shall rely upon local and informed participation. The expected outcome is that scientifically verifiable information is used in making decisions on governance, economic development, humanitarian assistance, institutional management, public health, environmental protection, agriculture, education and other areas of importance;

The research priorities, both short- and long-term, within a given topic or sector shall reflect goals shared among U.S. and international beneficiaries as reflected in USAID strategic plans. Research programs shall be clearly defined, tracked, and analyzed;

USAID shall consult with partners in the higher education community to identify opportunities to use U.S. and host country higher education community resources and professional networks to solve key development problems; and,

USAID shall work with higher education institutions to ensure the highest quality research. This shall be reflected through consultations involving peer review of proposals and program outcomes, evaluations, assessments, and implementation strategies.

F. TRAINING. USAID relies on U.S. institutions of higher education to train selected host country nationals in the U.S. and overseas. The Agency's recent directive on training, ADS Ch. 253, stresses explicit linkages between Agency strategic objectives developed by each mission or other operating units and any training activity funded by that unit. The following key principles of ADS 253 will affect mission-sponsored enrollments at U.S. institutions of higher education:

All mission-funded training activities shall be brought under coordination of a single mission programming agent to provide consistent

pre- and post-training events and trainee monitoring at training sites;

Training evaluations shall emphasize both the quality of training provided and the continuing training impact, particularly as the training returnee applies skills and knowledge gains to home institutions;

Wherever possible, training shall be linked to broader efforts sponsored by the mission or other operating units to strengthen institutions that are critical to sustainable development; and,

USAID and U.S. higher education institutions shall share responsibility for planning, budgeting and carrying out follow-on continuing education and other activities which result in greater trainee impact on their home institutions.

G. COST-SHARING. Cost-sharing is an important element of the USAID-higher education community relationship. It is USAID policy to encourage cost-sharing³, and seek an appropriate level of financial participation from recipients of grants and cooperative agreements when designing and negotiating these agreements. However, the application of cost-sharing is to be flexible and case-specific. In accordance with OMB Circular A-110, cost-sharing is synonymous with financial participation. Cost-sharing includes contributions, both cash and in-kind, which are necessary and reasonable to achieve program objectives and which are verifiable from the recipient's records. Cost-sharing contributions may include volunteer services provided by professional and technical personnel, and unrecovered indirect costs.

³This policy on cost-sharing does not apply to contracts.

Cost-sharing is desirable because it can: 1) mobilize additional resources for USAID's development objectives; 2) dedicate USAID resources to activities for which funding is otherwise unavailable; 3) demonstrate institutional commitment on the part of the institution of higher education to USAID-supported activities; and, 4) increase the coverage and effectiveness of USAID's limited resources.

When designing and negotiating a development activity with a higher education institution, the suggested point of reference is 25 percent financial participation (e.g., 25 percent of total costs of activities conducted by the higher education institution and 75 percent by USAID). Financial participation rates of less, or more, than 25 percent may be justified in terms of the higher education institution's financial resources and fund-raising capacity, USAID's objectives in joining with the higher education institution in the assistance activity, and/or where justified by

USAID program objectives.

It is USAID's policy that:

USAID shall encourage higher education institutions and associations to propose financial cost-sharing contributions and in-kind contributions they shall make in support of the development assistance activity. Both financial and non-financial contributions of the institution shall be considered in determining the appropriate level of cost-sharing;

The application of the cost-sharing principle shall be flexible and case-specific, and not be derived from a rigid, centrally-imposed formula; and,

Decisions on specific financial participation requirements shall be made by the Agency officer authorizing the assistance activity at the operational unit level (See Sec. III.B).

H. SIMPLIFICATION. Simplification of USAID administrative and grant-making requirements is essential to achieving an effective, results-oriented USAID-higher education community partnership. The USAID policy statement, "Principles for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance," (April 12, 1995) shall also apply to the award of assistance instruments to higher education institutions. Elements of USAID's policy regarding administrative simplification include the following:

Systems and procedures that constitute the operational relationship between USAID and higher education institutions shall facilitate the achievement of results-oriented program objectives;

USAID shall identify and implement measures to simplify and rationalize administrative, procedural, and contractual requirements across the spectrum, from negotiation to implementation to audit, consistent with uniform government statutory and administrative requirements and with appropriate standards of accountability; and,

Any changes in policy or procedures shall be rapidly and widely promulgated to USAID/Washington and field mission staff, and to the higher education community. Implementation of changes shall be monitored to assure their full and uniform application.

I. TITLE XII. Title XII is part of the foreign assistance legislation which, in part, fosters the application of more effective agricultural sciences to the goal of increasing world food production and rural development, and encourages the provision of increased and longer-term support

for the application of science to solving food and nutrition problems of developing countries. The legislation, which is consistent with USAID's food security objectives, encourages the engagement of U.S. land grant and public universities and colleges in the Agency's efforts when appropriate to the demand. It is the Agency's policy that:

USAID shall carry out Title XII, "Famine Prevention and Freedom from Hunger," of the Foreign Assistance Act of 1961, as amended, which states that the principles of the "land grant model" will be used for improving food production and agricultural development (See Section III, E).

Handbook 01: Policy

Policy Papers

USAID--Higher Education Community Partnership

III. Operational Guidance

III. OPERATIONAL GUIDANCE

A. USAID-HIGHER EDUCATION COMMUNITY CONSULTATION

1. OBJECTIVES: The objectives of the USAID-higher education community consultation process are: (a) to enhance the United States foreign assistance program by incorporating the experience and knowledge of higher education institutions to develop better USAID policies, country and sector strategies, and activity designs and implementation; (b) to collaborate constructively in the delivery of development and humanitarian assistance when interests are compatible; and, (c) to increase the transparency of USAID's decision- and policy-making processes relevant to higher education institutions.

- (i) Several legal and regulatory considerations impact consultations with higher education institutions: the Federal Advisory Committee Act and, particularly, procurement integrity and organizational conflict of interest rules.
- (ii) The Advisory Committee Act applies when the consultative process involves consensus advice from a group that contains one or more members who are not U.S. Government officials or employees. The Board for International Food and Agricultural Development (BIFAD) is an example of a formal consultative body whose proceedings are subject to the requirements of the Act. Obtaining the views of individuals, either in their personal capacities or as representatives of individual higher education institutions, whether meeting with them singly or as a group, is not covered by the Act. Agency legal counsel is available to advise

or counsel about meeting the requirements of the Act if a USAID operational unit wishes to seek the views of a group as a whole.

- (iii) While the procurement integrity law and organizational conflict of interest rules technically apply only to contracts, the basic principles underlying the rules (i.e., assuring that no organization has an unfair competitive advantage and that organizations are objective and provide the government impartial advice) shall apply to other assistance relationships as well. Organizational conflicts of interest are most likely to occur as a result of consultation during the design of individual activities. Consultation may be appropriate for individual activities, but USAID operating units must be sure to make the same material available to higher education institutions who could not participate at the design stage but are interested in implementation.
- (iv) Consultations are not to be limited to a single higher education institution except in situations where it is clearly appropriate for the same higher education institution to implement the activity and competition is not an issue. When contracting is contemplated, the USAID operating unit must be aware of the regulatory requirements in the Federal Acquisition Regulation Subpart 9.5 and USAID's Contract Information Bulletin 94-2, "Organizational Conflicts of Interest." (See FAR 95 and CIB 94-2.)

2. CONSULTATIVE PROCESS: USAID operational units function under varying conditions. While it is recognized that USAID operational units need flexibility in the design and implementation of their individual consultative processes, the principle and practice of consultation are fundamental to a productive and mutually supportive USAID-higher education community partnership. Whatever consultative processes are selected, however, must be deliberately structured to be comprehensive, timely, equitable, open and candid. Missions must document their consultative processes with host country and U.S. higher education communities when they submit strategies and/or action plans for review and approval. (See Agency Directive, "Setting and Monitoring Program Strategies," USAID/PPC, May 27, 1994, pg. 5; and Agency Directive, "Project Development Interim Directives," USAID/PPC, November 18, 1994, pg. 4 and pg. 10.)

- (a) Strategic Plans: Higher education institutions carry out a significant part of USAID's relief and development work. In accordance with the Agency Strategy Directive on "Setting and Monitoring Program Strategies," USAID operational units shall develop, update and monitor their strategic plans in consultation with higher education community partners operating in the country or region.
- (b) Results Review and Resource Requests: Higher education community

perspectives, comments and suggestions shall be considered by USAID operational units as they document achievements and plan resource requests, as appropriate. Insofar as feasible, operational units shall consult with higher education institutions during document preparation. This will provide higher education institutions with an opportunity to document their progress toward agreed targets and to offer comments and suggestions on proposed USAID performance indicators.

- (c) USAID-Wide Consultation: USAID shall consult with U.S. higher education institutions about topics of broad general interest, as appropriate, including overall Agency policies and strategies, through both formal and informal processes. These consultations must be truly consultative in nature, produce frank and open dialogue, occur early in the process and are expected to result in a better understanding of the issues as presented by both sides. Also, USAID must actively seek comments from the broad U.S. higher education community on policies and regulations under consideration that affect higher education institutions.

B. PROGRAM INTEGRATION AND MANAGING FOR RESULTS:

1. Assistance agreements with higher education institutions include direct agreements with USAID under which USAID may provide funding for a) activities which the higher education community undertakes, or b) services which higher education institutions may provide for the benefit of USAID-sponsored activities. The type of assistance or procurement instrument used to establish this relationship defines the degree of higher education institution autonomy in designing and implementing USAID-funded activities.

- (i) Under a grant, a higher education institution shall manage its own program under the requirements of OMB Circular A-110 (as codified in 22 CFR Part 226) to work toward mutually beneficial results as agreed to in the program description of the grant agreement;
- (ii) Under a cooperative agreement, which is also an assistance instrument, USAID shall define those specific areas where USAID's substantial involvement during the performance of the higher education institution's program is desirable to achieve the program's objectives and results; and,
- (iii) Under a contract, USAID shall define the work to be performed (in terms of results or outcomes whenever possible) and shall monitor performance of the contract as appropriate to ensure the achievement of the required outcomes.

C. USAID COST-SHARING

1. COST-SHARING CONSIDERATIONS: The application of cost-sharing is to be flexible and case-specific, given the diverse circumstances that may define a relationship between USAID and the higher education institution or association receiving funds. The application of cost-sharing formulae with higher education institutions is intended to acknowledge, to the extent that they exist, the large public investments which states, local governments, and individuals make in higher education institutions. As noted in Sec. II.G, above, a 25 percent financial contribution shall be the reference point when negotiating a development activity with a U.S. higher education institution. Any cost-sharing requirement must be stated specifically in the activity announcement or request for applications and in the final agreement.

(a) When a specific percentage of cost-sharing is not required for an assistance activity, the Agency official authorizing the activity shall base the decision about the exact amount of cost-sharing required, if any, upon a review of the following factors:

Impact on activity design or implementation, including prospects for sustainability;

Qualifications of the organization to effectively implement the activity apart from its capacity to meet cost-sharing criteria;

Extent to which an activity responds to a USAID request or initiative;

Linkage between cost-sharing and the degree of program independence to be accorded the organization in its relationship with USAID;

Extent to which an activity generates equity and mobilizes savings by local partners;

Impact on institutional health and viability; and,

Assessment of realistic prospects for leveraging non-USG support.

(b) Higher education institutions make many contributions that benefit development activities which do not necessarily meet the requirements for cost-sharing or matching in OMB Circular A-110 as set forth in Section 226.23 of CFR 226.[4] When determining what percentage of financial participation to require, such contributions may be considered in justifying a requirement of less than 25 percent. Such contributions may include:

Expert contributions by personnel not directly connected with the assistance activity;

Participant training in content and skill areas beyond those specified in the assistance activity;

Outreach and service contributions to the assistance activity by members of the higher education community, the business and corporate sector, and the local community;

Continuing participation in the development activity beyond the receipt of USAID funds; and,

Establishing professional networks and information exchange networks.

[4]Copy attached

- (c) USAID encourages higher education institutions and associations to propose financial cost-sharing contributions and discuss other non-financial contributions they expect to make in support of the development assistance activity.

2. DECISIONS: The Agency officer authorizing the assistance activity makes the final decision regarding whether there will be, and the amount of, financial participation by an assistance recipient. The action memorandum signed by the Agency officer authorizing the assistance activity must describe the particular circumstances, conditions or considerations that constituted the rationale for the specific financial participation level required in the assistance activity being authorized.

In all competitions that are expected to result in a Grant or Cooperative Agreement, the request for applications must clearly state the level and purpose of cost-sharing required, if any.

D. TITLE XII:

1. Title XII activities must be carried out, insofar as possible and appropriate, by Title XII institutions, with any additional non-Title XII resources as may be needed, under sub-agreements. Missions must identify Title XII activities at an early stage in the development of a planned results framework.

- (a) Results framework or contracts or grants within such packages which qualify as Title XII activities are those which have as a primary strategic objective the development of the cooperating country capacity

for research, education and/or extension, the training of participants, the conduct of research, the building or strengthening of related institutional infrastructure, and/or the provision of university advisors to development projects, all in agriculture, aquaculture, nutrition, agroforestry and closely-related fields.

(b) A Title XII activity is implemented through a contract, cooperative agreement or grant; it may involve a single university/college, a cluster of universities/colleges or a mixture of universities/colleges and USDA or NOAA, and/or an agribusiness or non-profit firm, to the extent that their own personnel are required for the activity. There may be exceptional circumstances when a non-Title XII resource, with special capabilities, is chosen to implement what by subject-matter definition might otherwise be classified as a Title XII activity. For classification purposes, a Title XII activity may be a results package itself, or a component of a results package in which case the remainder of the project (the non-Title XII components) might consist of contracts, grants or commodities, for example, and would not be included as a Title XII listing.

(c) BIFAD Mechanisms - legislatively mandated within Title XII, the Board for International Food and Agricultural Development (BIFAD) has as its primary mission to advise and assist the Administrator of USAID with regard to programs and activities relating to agriculture and food security as set forth in Title XII of Chapter 1 of Part I of the Foreign Assistance Act of 1961, as amended. In discharging its duties, the Board will:

(1) consult with, provide information to, and furnish advice to the Administrator of the U.S. Agency for International Development on all aspects of programs included under Title XII and on such other matters as directed by the Administrator;

(2) provide universities/colleges with information on USAID programs and activities that may be of interest to the university community; and,

(3) participate (on a selective basis) in the development and implementation of USAID policies that affect programs and projects in which U.S. universities/colleges are or could be involved.

2. BIFAD staff along with assigned USAID staff will be responsible for monitoring the process of identifying Title XII related packages and

activities.

Handbook 01: Policy
Policy Papers
USAID--Higher Education Community Partnership
Attachment: ADS 226.23 Cost-sharing or matching

Attachment

ADS Chapter 226.23 Cost-sharing or matching.

(a) All contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost-sharing or matching when such contributions meet all of the following criteria.

(1) Are verifiable from the recipient's records.

(2) Are not included as contributions for any other federally-assisted project or program.

(3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

(4) Are allowable under the applicable cost principles.

(5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost-sharing or matching.

(6) Are provided for in the approved budget.

(7) Conform to other provisions of this part, as applicable.

(b) Unrecovered indirect costs may be included as part of cost-sharing or matching.

(c) Values for recipient contributions of services and property shall be established in accordance with the applicable cost principles. If USAID authorizes recipients to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost-sharing or matching shall be the lesser of:

(1) The certified value of the remaining life of the property recorded in the recipient's accounting records at the time of donation, or

(2) The current fair market value. However, when there is sufficient justification, the USAID Agreement Officer may approve the use of the current fair market value of the donated property, even if it exceeds the certified value at the time of donation to the project.

(d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost-sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(e) When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

(f) Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

(g) The method used for determining cost-sharing or matching for donated equipment, buildings and land for which title passes to the recipient may differ according to the purpose of the award, if:

(1) the purpose of the award is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost-sharing or matching, or

(2) the purpose of the award is to support activities that require the use of equipment, buildings or land, normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the USAID Agreement Officer has approved the charges.

(h) The value of donated property shall be determined in accordance with the usual accounting policies of the recipient, with the following qualifications:

(1) The value of donated land and buildings shall not exceed its fair

market value at the time of donation to the recipient as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.

(2) The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment shall not exceed its fair rental value.

(I) The following requirements pertain to the recipient's supporting records for in-kind contributions from third parties:

(1) Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings and land shall be documented.