



February 2, 2004

The Honorable Joshua B. Bolten, Director  
Office of Management and Budget  
725 17<sup>th</sup> Street, N.W.,  
Washington, DC 20503

Dear Director Bolten:

To fulfill the requirement of the Federal Activities Inventory Reform (FAIR) Act, the following is the African Development Foundation's annual report on the management of commercial activities.

In FY 2003, the African Development Foundation (ADF) did a review and inventory of its activities in two parts: (1) the Foundation's inventory of commercial activities performed by civilian personnel; and (2) the Foundation's inventory of inherently governmental activities performed by civilian personnel. A review of the Foundation's commercial activities conducted in 2003 revealed that there are no commercial activities currently being carried out in-house except for those exempt from competition.

Over the past several years, ADF has moved to (a) outsource all of its non-exempt commercial activities, and (b) enter into Federal interagency cross-servicing agreements for those activities deemed inherently governmental.

In the past year, ADF outsourced the following non-exempt commercial activities (reference number cited from Year 2003 FAIR Act Inventory – Activities Inventory Function Codes).

#### **Non-exempt Commercial Activities**

- Since FY 2002, ADF's computer service has been outsourced to a private sector contractor.
- Beginning in FY 2002, ADF In-Country Regional Representations and their administrative support has been outsourced to 23 private sector contractors.
- Prior to FY 1999, ADF outsourced its administrative support activities (Receptionist and Administrative Assistant to the President) to private sector contractors.
- During FY 2003, ADF outsourced its Communications, Marketing and Public Relations Specialist to a private sector contractor.
- Grants management and development: In each country in Africa where we operate, ADF has a partner who is operating under a cooperative agreement granted by ADF. These partners train and support the grantees in the country in which they operate.

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ADF has no U.S. direct hire civilian employees based in any of the countries where we operate.

- ADF's translation services for grant activities are outsourced to three separate private vendors.
- A portion of ADF's travel agency services is outsourced to American Express Travel Services.
- The design and programming of ADF's Grants Data Base is outsourced to Potomac Consulting.
- ADF's in-country grant audits are outsourced to independent audit firms in each country where we operate.
- Our external financial auditing functions are outsourced to Birnbaum and Company, an independent auditing firm.

#### **Inherently Governmental Activities**

- Since 2001, ADF has outsourced its contracting and procurement function to the U.S. Department of Treasury and the U.S. Department of Interior.
- Since FY 1999, ADF's financial management system support and general ledger accounting services have been outsourced to the General Services Administration (GSA). Starting FY 2004, ADF's financial management system support and general ledger accounting services will be outsourced to U.S. Department of Interior, National Business Center.
- Since ADF's inception, the payroll services have been outsourced to other federal agencies. Currently, ADF's payroll services are outsourced to Department of the Interior, National Business Center. The Department of Interior has been providing this service since before FY 1998.
- ADF's personnel function is partially outsourced to the Office of Personnel Management.
- ADF's telephone system operation is contracted out to GSA.

If you have any questions or would like additional information, please contact me at (202) 673-3916, Ext. 123.

Sincerely,

Vicki Gentry, CFO  
Director, Office of Budget, Finance, Accounting and Administration  
African Development Foundation

Enclosure