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## **I. Mandatory Standard Provisions for Grants to Public International Organizations**

1. Allowable Costs
2. Amendment
3. Nonliability
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5. Refunds
6. Revision of Grant Budget
7. Termination Procedures

### **1. ALLOWABLE COSTS (DEC 2003)**

a. The grantee will be reimbursed for costs incurred in carrying out the purposes of this grant, which are reasonable, allocable, and allowable.

(1) “Reasonable” means those costs that do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.

(2) “Allocable” means those costs that are necessary to this grant.

(3) “Allowable” means those costs that are reasonable and allocable, and that conform to any limitations set forth in this grant.

b. The grantee is encouraged to obtain the Agreement Officer's written determination as to whether the cost will be allowable before incurring a questionable or unique cost.

### **2. AMENDMENT (JULY 1988)**

The grant may be amended upon mutual consent of the parties by formal modifications to the basic grant document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the grantee.

### **3. NONLIABILITY (JULY 1988)**

USAID does not assume liability for any third party claims for damages arising out of this grant.

#### **4. NOTICES (DEC 2003)**

Any notice given by USAID or the grantee will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

- To the USAID Agreement Officer, at the address specified in the grant.
- To grantee, at the grantee's address shown in the grant or such other address designated within the grant.

Notices will be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

#### **5. REFUNDS (DEC 2003)**

a. If the grantee earns interest on Federal advances before expending the funds for program purposes, the grantee must remit the interest annually to USAID. Interest amounts up to \$250 per year may be retained by the grantee for administrative expenses.

b. Funds obligated by USAID but not disbursed to the grantee before the grant expires or is terminated will revert to USAID, except for funds committed by the grantee to a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee before the time of expiration or termination of the grant must be refunded to USAID, except for funds committed by the grantee to a legally binding transaction applicable to this grant.

c. If, at any time during the life of the grant, or as a result of final audit, it is determined that USAID funds provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee must refund such amount to USAID.

#### **6. REVISION OF GRANT BUDGET (DEC 2003)**

a. The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

b. The grantee must immediately request approval from the Agreement Officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

- \* (1) To change the scope or the objectives of the program or to add any new activity.

- (2) To revise the funding allocated among program objectives by more than 10 percent of the total budget amount unless the schedule states otherwise.
- (3) Additional funding is needed.
- (4) The grantee expects the amount of USAID authorized funds to exceed its needs by more than \$5,000 or five percent of the USAID award, whichever is greater.

c. Except as required by other provisions of this grant specifically stated to be an exception from this provision, the government will not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee will not be obligated to continue performance under the grant (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the Agreement Officer notifies the grantee in writing that such obligated amount has been increased and specifies the new grant total amount.

## **7. TERMINATION PROCEDURES (DEC 2003)**

This agreement may be terminated by either party, in whole or in part, at any time with 30 days written notice of termination. Upon receiving a termination notice from the Agreement Officer, the grantee must take immediate action to cease all expenditures financed by this grant and to cancel all unliquidated obligations if possible. The grantee may not enter into any additional obligations under this grant after receiving the notice of termination, other than those reasonably necessary to effect the close out of this grant. Except as provided below, no further reimbursement will be made after the effective date of termination. Within 30 days of the effective date of termination, the grantee must repay to the government all unexpended USAID funds that are not otherwise obligated by a legally binding transaction applicable to this grant. If the funds paid by the government to the grantee before the effective date of termination are not sufficient to cover the grantee's obligations under a legally binding transaction, the grantee may submit a written claim for such amount to the government within 90 days after the effective date of termination. The Agreement Officer will determine the amount(s) to be paid by the government to the grantee under such claim in accordance with the "Allowable Costs" provision of this grant.

## **II. Required as Applicable Standard Provisions for Grants to Public International Organizations**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with ADS 308.3.12.

1. Audit and Records (Standard)
2. Audit and Records (USAID Sole Contributor)
3. Audit and Records (UN Grants)
4. Investment Promotion
5. Payment (Periodic Advance)
6. Payment (Letter of Credit)
7. Payment (Cost Reimbursement)
8. Prohibition of Assistance to Drug Traffickers
9. Terrorist Financing Clause
10. Terrorist Financing Clause (UN Grants)
11. Publications and Media Releases
12. Reporting of Foreign Taxes
13. Foreign Government Delegations to International Conferences
14. Implementation of the United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003

### **1. AUDIT AND RECORDS (STANDARD) (DEC 2003)**

(This provision is applicable when USAID is not the sole contributor to the grant program.)

The grantee is required to maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee confirms that this program will be subject to an independent audit in accordance with the Grantee's usual auditing procedures, and agrees to furnish copies of these audit reports to USAID along with such other related information as may be reasonably requested by USAID with respect to questions arising from the audit report.

### **2. AUDIT AND RECORDS (USAID SOLE CONTRIBUTOR) (DEC 2003)**

(This provision is applicable when USAID is the sole contributor to the grant program.)

The grantee is required to maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to

sufficiently substantiate charges to the grant. The grantee agrees to make available to USAID or the Comptroller General of the United States all records and documents that support expenditures made under this program.

### **3. AUDIT AND RECORDS (UN GRANTS) (July 1988)**

(This provision is applicable to grants to the United Nations when USAID is not the sole contributor. When this provision is used, the "Reporting and Evaluation" clause in the grant schedule should be deleted.)

a. The grantee agrees to furnish the U.S. Government with a final report on activities carried out under this grant, including accounting for grant funds in sufficient detail to enable USAID to liquidate the grant. The report must be submitted to the U.S. Mission to the UN in New York for forwarding to the USAID program office.

b. It is understood that financial records, including documentation to support entries on accounting records and to substantiate charges against the grant, will be maintained in accordance with the grantee's usual accounting procedures, which must follow generally accepted accounting practices. All such financial records must be maintained for at least three years after the final disbursement of funds under this grant.

c. The grantee confirms that the grant account will be audited applying established procedures under appropriate provisions of the financial regulations and rules of the United Nations.

### **4. INVESTMENT PROMOTION (DEC 2003)**

\*(This provision is required when the grant funds "gray-area activities" as defined in [ADS 225.3.16](#) or investment-related activities where specific activities are not identified at the time of obligation but could be for investment-related activities.)

a. Except as specifically set forth in the grant or otherwise authorized by USAID in writing, no funds or other support provided by this grant may be used for any activity that involves investment promotion in a foreign country.

b. In the event the grantee is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the grantee must notify the Agreement Officer and provide a detailed description of the proposed activity. The grantee must not proceed with the activity until advised by USAID that it may do so.

c. The grantee must ensure that its employees and any sub-recipients or contractors providing investment promotion services under this grant are made

aware of the restrictions set forth in this clause and must include this clause in all contracts and other sub-agreements.

## **5. PAYMENT (PERIODIC ADVANCE) (DEC 2003)**

(This provision is applicable when (i) the grantee maintains procedures to minimize the time elapsing between the transfer of funds and the disbursement thereof, and (ii) the grantee's financial management system meets generally accepted accounting standards for funds control and accountability.)

a. Periodic advances will be limited to the minimum amounts needed to meet the recipient's current disbursement needs and must be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the grantee for program costs. Cash advances made by the grantee to secondary recipients or the grantee's field organizations must conform substantially to the same standards of timing and amount as apply to cash advances by USAID to the grantee.

b. The grantee may submit requests for advances (using an SF-270, Request for Advance or Reimbursement) no more than once monthly to the paying office specified in the grant letter. Requests must state the estimated disbursements to be made during the period covered by the request, less the estimated balance of cash on hand at the beginning of the period and the advance amount being requested.

c. The grantee must submit an SF-269A, Financial Status Report, quarterly, no later than 30 days after the end of the period, to the paying office specified in the grant letter. The report must show disbursements, advances received, and any cash remaining on hand for the period covered by the report. Within 90 days following the expiration of the grant, the grantee must submit an SF-269A showing total disbursements, total advances received, and any cash remaining on hand, which the grantee must refund to USAID.

d. If at any time the USAID Controller determines that the grantee has demonstrated an unwillingness or inability to (i) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (ii) report cash disbursements and balances in a timely manner as required by the terms of the grant, or (iii) impose the same standards of timing of advances and reporting on any sub-recipient or any of the grantee's overseas field organizations, the USAID Controller will advise the Agreement Officer, who may suspend or revoke the advance payment procedure.

## **6. PAYMENT (LETTER OF CREDIT) (DEC 2003)**

(This provision is applicable when a Letter of Credit is requested by the grantee and approved by USAID's Office of Financial Management.)

- a. Payment under this grant will be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by the USAID Bureau for Management, Office of Financial Management, Cash Management and Payment Division (M/FM/CMP).
- b. As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/CMP constitute the payment conditions of this grant superseding and taking precedence over any other clause of this grant concerning payment.
- c. The grantee should have written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient. The grantee must exercise prudent management of Federal funds by drawing only those funds that are required for current use. The timing and the amount of the drawdown must be as close as is administratively feasible to the actual disbursements by the grantee for direct program or activity costs and the proportionate share of any allowable indirect costs.
- d. If the LOC is revoked, payment may be made on a cost-reimbursement basis, in accordance with paragraph (f) of this clause.
- e. Revocation of the LOC is at the discretion of M/FM/CMP after consultation with the Agreement Officer. Notification to the recipient of revocation must be in writing and must specify the reasons for such action.
- f. If the LOC is revoked, the grantee must submit to the USAID Controller an original and three copies of SF-1034, Public Voucher for Purchases and Services Other Than Personal, and SF-1034A, Continuation of SF-1034, normally once a month, but in any event no less than quarterly. Each voucher must be identified by the grant number and must state the total costs for which reimbursement is being requested.

## **7. PAYMENT (COST-REIMBURSEMENT) (DEC 1988)**

(This provision is applicable when the grantee does not meet the standards for a letter of credit or for periodic advances.)

The grantee must submit to the paying office indicated in the grant letter an original and three copies of SF-1034, Public Voucher for Purchases and Services Other Than Personal and SF-1034A, Continuation of SF-1034, normally once a month, but in any event no less than quarterly. Each voucher must be identified by the grant number and must state the total costs for which reimbursement is being requested.



## **8. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (DEC 2003)**

(This provision is applicable when the grant includes at least \$100,000 in covered assistance to a covered country, as described in [ADS 206.](#))

a. The grantee must make such reasonable efforts as are necessary to ensure that no funds or other support under this agreement are diverted in support of drug trafficking.

(If there are Covered Participants (see [ADS 206.6](#)) specifically identified by USAID, add the following paragraph.)

b. USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

(If the grantee will make loans of more than \$1,000, add the following paragraphs.)

c. For any loan over \$1,000 made under this agreement, the recipient must insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall, or refund to the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

d. Upon notice by USAID of a determination under section (c) and at USAID's option, the recipient agrees to immediately cancel, accelerate, or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.

(If there is a subrecipient designated by USAID, add the following paragraphs, modified to fit the category of subrecipient, e.g., if the designated subrecipient is a U.S. NGO, review is not required and subparagraph (1) can be deleted.)

e. The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("designated subrecipient") until advised by USAID that (1) any United States Government review of the designated subrecipient and its key individuals has been completed; (2) any related certifications have been obtained; and (3) the assistance to the designated subrecipient has been approved.

f. The recipient must insert the following clause, or its substance, in its agreement with the designated subrecipient:

"       (Name of recipient)       reserves the right to terminate this agreement or take other appropriate measures if       (the subrecipient)       or a key individual of       (the subrecipient)       is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140."

**9. TERRORIST FINANCING CLAUSE (FEBRUARY 2002)**

(For grants to all PIOs other than the UN or UN Agencies, the following provision is required.)

The grantee is reminded that U.S. Executive Orders and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the responsibility of the grantee to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts or subagreements issued under this grant.

**10. TERRORIST FINANCING CLAUSE (UN GRANTS) (MAY 2003)**

(This provision is applicable to grants to the United Nations or UN Agencies)

Consistent with numerous United Nations Security Council resolutions, including S/RES/1269 (1999), S/RES/1368 (2001), and S/RES/1373 (2001), both USAID and the Recipient are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of USAID to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the recipient undertakes to use reasonable efforts to ensure that none of the USAID funds provided under this grant agreement are used to provide support to individuals or entities associated with terrorism.

**11. PUBLICATIONS AND MEDIA RELEASES (DEC 2003)**

(This provision is applicable when publications are financed under the grant.)

a. If the grantee intends to identify USAID's contribution to any publication, video or other information/media product resulting from this grant, the product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Office and Bureau or Mission and the U.S. Agency for International Development substantially as follows.

"This [publication, video, or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_, Bureau for \_\_\_\_\_, U.S. Agency for

International Development, under the terms of Grant No.\_\_\_\_\_. The opinions expressed in this [publication, video, or other information/media product] are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

- b. The grantee must provide the relevant strategic objective or results package team with one copy of all published works developed under this grant and with lists of other written work produced under the grant.
- c. Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for U.S. Government purposes.

## **12. REPORTING OF FOREIGN TAXES (September 2003)**

(This provision is applicable to all USAID agreements that obligate or subobligate FY 2003 or later funds except for agreements funded with Operating Expense, Pub. L. 480 funds, or trust funds, or agreements where there will be no commodity transactions in a foreign country over the amount of \$500.)

a. Final and Interim Reports. The recipient must annually submit two reports:

- (1) an interim report by November 17; and
- (2) a final report by April 16 of the next year.

b. Contents of Report. The reports must contain:

- (1) Contractor/recipient name.
- (2) Contact name with phone, fax and email.
- (3) Agreement number(s).
- (4) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
- (5) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance

program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).

(6) Any reimbursements received by the Recipient during the period in (iv) regardless of when the foreign tax was assessed plus, for the interim report, any reimbursements on the taxes reported in (iv) received by the recipient through October 31 and for the final report, any reimbursements on the taxes reported in (iv) received through March 31.

(7) The final report is an updated cumulative report of the interim report.

(8) Reports are required even if the recipient did not pay any taxes during the report period.

(9) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.

c. Definitions. For purposes of this clause:

(1) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.

(2) "Commodity" means any material, article, supply, goods, or equipment.

(3) "Foreign government" includes any foreign governmental entity.

(4) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

d. Where. Submit the reports to: [insert address and point of contact at the Embassy, Mission or FM/CMP as appropriate. see b. below] [optional with a copy to ]

e. Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.

f. For further information see <http://www.state.gov/m/rm/c10443.htm>.

**13. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (January 2002)**

(Include this provision in agreements funded from the following accounts:

- Development Assistance, including assistance for sub-Saharan Africa,
- Child Survival and Disease Programs Fund, and
- Micro and Small Enterprise Development Program Account.)

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in the ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences or as approved by the Agreement Officer".

**14. IMPLEMENTATION OF THE UNITED STATES LEADERSHIP AGAINST HIV/AIDS, TUBERCULOSIS AND MALARIA ACT OF 2003**

(These provisions must be included in any agreement financed with FY 04 or later HIV/AIDS funds)

**A. ORGANIZATIONS ELIGIBLE FOR ASSISTANCE (FEB. 2004)**

An organization that is otherwise eligible to receive funds under this agreement to prevent, treat, or monitor HIV/AIDS shall not be required to endorse or utilize a multisectoral approach to combating HIV/AIDS, or to endorse, utilize, or participate in a prevention method or treatment program to which the organization has a religious or moral objection.

**B. CONDOMS (FEB. 2004)**

Information provided about the use of condoms as part of projects or activities that are funded under this agreement shall be medically accurate and shall include the public health benefits and failure rates of such use.

**C. PROHIBITION ON THE PROMOTION OR ADVOCACY OF THE LEGALIZATION OR PRACTICE OF PROSTITUTION OR SEX TRAFFICKING -- GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA, THE WORLD HEALTH ORGANIZATION, THE INTERNATIONAL AIDS VACCINE INITIATIVE AND THE UNITED NATIONS (FEB. 2004)**

(For an award to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, the International AIDS Vaccine Initiative and any United Nations agency funded with FY04 HIV/AIDS funds. The World Health

Organization includes its six regional offices: The Americas (PAHO), South-East Asia (SEARO), Africa (AFRO); Eastern Mediterranean (EMRO), Europe (EURO), and Western Pacific (WPRO).)

The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

The following definition applies for purposes of this provision:

Sex trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act. 22 U.S.C. 7102(9).

The recipient shall insert this provision, which is a standard provision, in all subagreements under this award.

This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.”

**D. PROHIBITION ON THE PROMOTION OR ADVOCACY OF THE LEGALIZATION OR PRACTICE OF PROSTITUTION OR SEX TRAFFICKING (FEB. 2004)**

(For an award funded with FY04 HIV/AIDS funds with a public international organization *other than* the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization, the International AIDS Vaccine Initiative or any United Nations agency.)

The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

As a condition of entering into this agreement, the recipient agrees that it has a policy explicitly opposing, in its activities outside of the United States, prostitution and sex trafficking.

The following definition applies for purposes of this provision:

Sex trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act. 22 U.S.C. 7102(9).

The recipient shall insert this provision, which is a standard provision, in all subagreements under this award.

This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.