

TITLE: CIB 96-05 - Small Grant Format - Class Deviation

February 15, 1996

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

FROM: DAA/M, Michael Sherwin, Procurement Executive

SUBJECT: Small Grant Format - Class Deviation

CONTRACT INFORMATION BULLETIN 96-5

A class deviation to allow use of a simplified format for certain small grants to non-U.S., non-governmental organizations has been approved. The deviation and the format are attached. The class deviation sets forth the conditions, which must be met in order to use the simplified format.

When this small grant format is used, be sure to address in the negotiation memo why the format is appropriate and to include a copy of the deviation in the grant file.

The deviation is authorized for one year. We intend to include the small grant format in the ADS chapter on grants before the deviation expires. In the meantime, M/OP Policy Division would like to receive comments on the format and the conditions for use and any suggestions for additional simplifications.

Attachments: a/s

February 2, 1996

ACTION MEMORANDUM

TO: M/OP, Marcus L. Stevenson

THROUGH: M/OP, James D. Murphy

FROM: M/OP/P, Kathleen O'Hara

SUBJECT: Class Deviation for Small Grants to Non-U.S.
Organizations - Dev. No. OP-G-96-1C

Problem: To authorize a class deviation from the standard provisions applicable to grants to non-U.S., nongovernmental organizations for certain grants which do not exceed \$100,000.

Discussion: Michael Snyder, RCO in USAID/Poland, submitted a format for small grants which he wishes to use in Central and Eastern Europe for activities which fall within the requirements of the simplified format. While deviations had been done on a case-by-case basis in the past, the M/OP/E Evaluation Team that reviewed the activities of USAID/Budapest recently recommended requesting a blanket deviation. In reviewing Snyder's deviation request, M/OP/P decided that a worldwide blanket deviation would be appropriate. We have made some modifications to the format. We intend to incorporate the small grant format in the Automated Directives Systems after getting some feedback from Grant Officers who use the deviation.

The simplified format, which is attached, is designed to be used for fairly specific, concrete activities. It should be clear that USAID's share covers only a portion of the costs of the activity. The conditions for use are:

1. The assistance instrument is a grant, not a cooperative agreement, and is made with a non-U.S. organization;
2. The total of the grant does not exceed \$100,000;
3. All costs to be charged to the grant are identified in the grant text and do not include international airfares, or indirect costs;
4. Any goods to be purchased meet the rules governing local cost financing and no single item having a useful life over one year and an acquisition cost of \$5,000 or more may be purchased;
5. The grant must be fully funded;
6. There will be no subagreements; and
7. The Grantee must sign the required Debarment and Suspension certification and the Drug Free Workplace

certification.

The deviations from the Mandatory Standard Provisions are explained as follows.

1. "Allowable Costs" is not required because eligible cost items are specified.

2. "Accounting, Audit and Records" has been substantially simplified since only specified direct costs are eligible. Also, the requirement for A-133 type audits does not apply to grants of less than \$250,000.

3. Since there will be no advances, the "Refunds" provision on interest is not necessary.

4. "Revision of Grant Budget" is not necessary because of the nature of the grant.

5. This grant provides for USAID to terminate unilaterally by giving 30 days written notice. Since this grant will be used only with non-U.S. organizations, the requirement in A-110 for mutual agreement to terminate is not necessary. Again because of the nature of this grant and the probable short time span, it seems appropriate.

6. "Disputes" is not necessary in a grant like this. The Grant Officer and Grantee should be able to resolve differences.

7. "Ineligible Countries" is not necessary because the eligible costs are specified.

8. While the "Debarment, Suspension, and Other Responsibility Matters" provision is not included, the certification is required which brings in the basics of the provision.

9. "U.S. Officials Not to Benefit" should not be an issue in a non-U.S. grant of this sort. Also, this requirement has been legislated out of contracts.

10. Neither "Amendment" or "Notices" are necessary for this small grant format.

11. "Metric System of Measurement" should not be an issue since most, if not all, of the countries already use the Metric System, and the nature of the grant would not likely raise any such concern.

Authority: Section 1E3a provides the Director, Office of Procurement, the authority to approve deviations for grants to non-U.S., nongovernmental organizations.

Recommendation: That you approve this blanket deviation for certain small grants for a one year period.

Approved: _____

Disapproved: _____

Date: _____

Mr./Ms. _____
XYZ Organization

SUBJECT: Grant No. (use normal grant numbering)

Dear Mr/Ms. _____:

In response to your request for assistance dated _____ I am pleased to award to the XYZ Organization this grant in the amount not to exceed \$ _____ as a contribution to your program to

_____ during the period _____ to _____. We understand that the XYZ Organization will contribute goods and services valued at approximately \$ _____ to the program.

Funds provided under this grant may be utilized to reimburse your organization for actual incurred costs of _____

_____ required to complete the program. Requests for reimbursement shall be made to the Controller, _____.

By accepting this grant the XYZ Organization agrees to:

1. Document that reasonable steps were taken to ensure that all purchases charged to the grant are at reasonable prices and from responsible sources;

2. Maintain complete records of all costs charged to the grant for a period of three years after the expiration of the grant and make such records available to USAID or its representatives for review at any time; and

3. At USAID request, refund to USAID any funds received from USAID that represent reimbursement for any costs determined by USAID not to meet the terms and conditions of this grant.

USAID does not assume liability for any third party claims for damages arising out of this grant. USAID may terminate this grant upon 30 days written notice.

Please sign the original and each copy of this letter to acknowledge your receipt of this grant and return the original to the Grant Officer.

Sincerely yours,

Grant Officer

ACKNOWLEDGED:

XYZ Organization

By: _____

Title _____

Date: _____

Accounting Data:

PIO/T No.

Appropriation No.

BPCC:

Obligation No.