# CONTENTS

List of Figures and Tables........................................................................................................... v
List of Acronyms ........................................................................................................................ vi

## 1.0 Introduction ...................................................................................................................... 1-1

## 2.0 Startup ............................................................................................................................. 2-1

### 2.1 Project Startup Resources ........................................................................................ 2-3

### 2.2 Home Office Startup Roles and Responsibilities ....................................................... 2-3

### 2.3 Project Launch Process ............................................................................................ 2-6

#### 2.3.1 COP Orientation ........................................................................................ 2-6

#### 2.3.2 Customizing the Startup Checklist ................................................................ 2-7

### 2.4 Getting Started on the Ground .................................................................................. 2-7

#### 2.4.1 Engaging Legal Services ............................................................................. 2-8

#### 2.4.2 Leases: Office and Residence ..................................................................... 2-8

#### 2.4.3 Bank Accounts ............................................................................................ 2-8

#### 2.4.4 Project Inventory ......................................................................................... 2-9

#### 2.4.5 Office Policies and Procedures .................................................................... 2-9

#### 2.4.6 Approvals Process Letter and Automated Approvals System ...................... 2-9

#### 2.4.7 Initiate Project Security Planning ................................................................ 2-10

## 3.0 Travel ............................................................................................................................... 3-1

### 3.1 ARD Travel – Who Does What? ................................................................................ 3-3

### 3.2 USAID Project Billable Travel Rules and Regulations ............................................... 3-4

### 3.3 Approval of International Travel and Country Clearance ........................................... 3-5

### 3.4 Travel Expenses ....................................................................................................... 3-5

#### 3.4.1 Exceptions to Standard Per Diem Rates ..................................................... 3-5

### 3.5 Pre-Trip Planning: Steps for Preparing for STTA Travel ............................................ 3-6

### 3.6 Special Cases ........................................................................................................... 3-9

#### 3.6.1 Overhead Travel ......................................................................................... 3-9

#### 3.6.2 Conference Travel ....................................................................................... 3-9

## 4.0 Financial Management ..................................................................................................... 4-1

### 4.1 Project Team Financial Management Roles and Responsibilities ............................. 4-3

### 4.2 Cost Structure: Different Types of Contracts ............................................................. 4-4

### 4.3 Budget Creation (Proposal Stage) ............................................................................ 4-5

### 4.4 Budget Reality Check (Startup Stage) ..................................................................... 4-5

### 4.5 Chart of accounts...................................................................................................... 4-6

#### 4.5.1 Expenses Coded According to Type for the Finance Office ......................... 4-6

### 4.6 Incremental Funding ................................................................................................. 4-8

### 4.7 Budget Monitoring and Cost Projection Tools ........................................................... 4-8

#### 4.7.1 Monthly Project Financial Report ................................................................. 4-8

#### 4.7.2 Invoice Review Protocol ............................................................................... 4-8

#### 4.7.3 Budget to Actuals Report ............................................................................ 4-9

#### 4.7.4 Accruals Report ........................................................................................... 4-9

### 4.8 Budget Realignment ................................................................................................. 4-9

### 4.9 Local Accounting .................................................................................................... 4-10

### 4.10 Value-Added Tax .................................................................................................... 4-11
5.0 Personnel Management ......................................................................................................................... 5-1
  5.1 Long-Term Employees—Recruitment and Contracting, Orientation and Mobilization 5-3
    5.1.1 Local Employee Agreement ........................................................................................................ 5-4
    5.1.2 Orientation of Long-Term Employees ................................................................................. 5-5
    5.1.3 Mobilization ................................................................................................................................. 5-5
  5.2 Short-Term Technical Assistance—Recruitment and Contracting, Scopes of Work and
    International Travel ................................................................................................................................. 5-5
    5.2.1 Scopes of Work .......................................................................................................................... 5-7
    5.2.2 International Travel for STTA .................................................................................................. 5-7
  5.3 Home Office Management, Support, and Oversight ............................................................................ 5-8
    5.3.1 Performance Evaluation ............................................................................................................... 5-8
    5.3.2 International Travel and Leave (Vacation, R&R and Home Leave) ......................................... 5-9
    5.3.3 Record-Keeping, Reporting, and Timecard Procedures .......................................................... 5-9

6.0 Technical Oversight ................................................................................................................................. 6-1
  6.1 Assignment of Relevant Technical Expertise ....................................................................................... 6-3
  6.2 Strategic Direction to the Project Team ................................................................................................. 6-3
  6.3 Develop and Maintain Positive Client Relations ................................................................................. 6-4
  6.4 Develop and Maintain Positive Project Partner Relations ................................................................. 6-4
  6.5 Manage Quality and Timeliness of Technical Outputs ....................................................................... 6-4
  6.6 Supervise Field Team Performance .................................................................................................... 6-5
  6.7 Semi-Annual Project Evaluation ........................................................................................................ 6-5
  6.8 Stewardship of Financial Resources ................................................................................................... 6-5
  6.9 Ensuring Positive Contractor Performance Assessment Reports .................................................... 6-6
  6.10 ARD Home Office Tools and Resources for Technical Oversight .................................................... 6-7
  6.11 Role of the Sector Director in Technical Oversight .......................................................................... 6-8

7.0 Grants .......................................................................................................................................................... 7-1
  7.1 Global Grants Management Guide ....................................................................................................... 7-3
  7.2 Grants Standard Operating Procedures ............................................................................................... 7-4
  7.3 Grants Management Roles and Responsibilities .................................................................................... 7-4
  7.4 Types of Grant Mechanisms ............................................................................................................... 7-6
    7.4.1 Standard Grants ............................................................................................................................ 7-6
    7.4.2 Simplified Grants .......................................................................................................................... 7-7
    7.4.3 Fixed Obligation Grants ................................................................................................................. 7-8
    7.4.4 In-Kind Grants ............................................................................................................................... 7-9

8.0 Procurement and Subcontracts ............................................................................................................. 8-1
  8.1 Home Office Support ............................................................................................................................. 8-3
  8.2 Choosing the Appropriate Contracting Method ..................................................................................... 8-4
  8.3 Procurement Approvals Process .......................................................................................................... 8-5
  8.4 Restrictions and Rules ............................................................................................................................ 8-6
    8.4.1 Source, Origin and Nationality ....................................................................................................... 8-6
    8.4.2 Restricted Commodities ............................................................................................................... 8-7
  8.5 The Competitive Purchasing Process for Purchase Orders (Commodity Procurement) ......................... 8-7
  8.6 The Competitive Process for Subcontracts .............................................................................................. 8-8
    8.6.1 Pre-Release .................................................................................................................................... 8-8
    8.6.2 Release of RFP ............................................................................................................................... 8-9
    8.6.3 Receipt and Evaluation of Proposals ............................................................................................... 8-9
    8.6.4 Negotiating with Lead Offeror ....................................................................................................... 8-9
8.6.5 Award and Subcontract Agreement ................................................................. 8-10
8.7 Tetra Tech/ARD Authority Matrix ........................................................................ 8-11
9.0 Reporting ................................................................................................................ 9-1
  9.1 Reporting Roles and Responsibilities ................................................................. 9-3
  9.2 Reporting Schedule and Internal Deadlines ......................................................... 9-3
  9.3 Home Office Production Team ............................................................................ 9-4
  9.4 Development Experience Clearinghouse ............................................................ 9-4
  9.5 Branding and Marking ......................................................................................... 9-5
    9.5.1 Using and Reproducing the USAID Standard Graphic Identity .................. 9-6
    9.5.2 Exceptions and Waivers to Marking Requirements ........................................ 9-6
10.0 Communication and Documentation .................................................................. 10-1
  10.1 Communication .................................................................................................. 10-1
    10.1.1 Who Does What? ......................................................................................... 10-1
    10.1.2 Goals, Challenges, and Tools for Strong Project Management Communication 10-2
  10.2 Documentation .................................................................................................. 10-4
    10.2.1 Who Does What? ......................................................................................... 10-4
    10.2.2 ARD Resources for Documentation ............................................................ 10-4
11.0 Security and Emergencies .................................................................................. 11-1
  11.1 ARD Home Office Resources for Emergency Situations .................................. 11-3
    11.1.1 Emergency Phone ....................................................................................... 11-3
    11.1.2 MEDEX, Business Travel Accident, and Gateway Insurance ...................... 11-3
    11.1.3 Overseas Security Advisory Council Global Security News ....................... 11-4
    11.1.4 Project Security Roles and Responsibilities .................................................. 11-4
  11.2 Project Office Emergency Preparedness .......................................................... 11-4
    11.2.1 Emergency Situation Contingency Plans .................................................... 11-5
  11.3 ARD Guidance for Crisis Prevention and Response .......................................... 11-5
    11.3.1 Travel Accidents (General) ......................................................................... 11-5
    11.3.2 Traffic Accidents ......................................................................................... 11-6
    11.3.3 Medical Emergencies ................................................................................. 11-7
    11.3.4 Ambushes and Related Roadside Threats ..................................................... 11-7
    11.3.5 Kidnapping .................................................................................................. 11-7
    11.3.6 Special Conflict Zone Preparedness .............................................................. 11-8
  11.4 Incident Reporting and Analysis ....................................................................... 11-9
12.0 Closeout ............................................................................................................... 12-1
  12.1 Project Closeout Resources .............................................................................. 12-3
  12.2 Closeout Roles and Responsibilities .................................................................. 12-3
  12.3 Key Closeout Tasks and Procedures .................................................................. 12-3
    12.3.1 Project Closeout Checklist .......................................................................... 12-3
    12.3.2 Closeout Planning Meeting ......................................................................... 12-3
    12.3.3 Review of Technical Requirements .............................................................. 12-4
    12.3.4 Closeout and Demobilization Plan ............................................................... 12-4
    12.3.5 Review of Contract Requirements with Contracts Officer .......................... 12-4
    12.3.6 Inventory Disposition .................................................................................. 12-4
    12.3.7 Financial Closeout ....................................................................................... 12-5
    12.3.8 Office Lease .................................................................................................. 12-6
    12.3.9 Disposition of Project Files ......................................................................... 12-6
    12.3.10 Subcontract and Grant Closeout ................................................................. 12-7
12.3.11 Local Staff Transition ................................................................. 12-7
12.3.12 International Staff Demobilization ........................................... 12-8
12.3.13 Final Actions ........................................................................... 12-8
12.4 Closeout Tip Sheet ...................................................................... 12-8
13.0 Special Cases ................................................................................ 13-1
13.1 Indefinite Quantity Contract Management ...................................... 13-3
13.2 Non-USAID Clients ..................................................................... 13-5
13.3 ARD as a Subcontractor ................................................................. 13-5
13.4 Home Office-Based Projects ......................................................... 13-5
LIST OF FIGURES AND TABLES

Figure 1. Internal Project Organizational Chart ................................................................. 1-5
Figure 2. Core Project Startup Team .................................................................................. 2-3
Figure 3. Roles and Responsibilities for Travel ............................................................... 3-3
Figure 4. Overview of USAID’s Travel Regulations ....................................................... 3-4
Figure 5. Sample Tracking Sheet ..................................................................................... 3-8
Figure 6. Roles and Responsibilities for Financial Management ..................................... 4-3
Figure 7. Contract Structure ............................................................................................ 4-5
Figure 8. Coding to Project Financial Framework .......................................................... 4-7
Figure 9. Steps to Recruit Long-Term Project Staff ....................................................... 5-3
Figure 10. Steps for Mobilization of Long-Term Personnel ............................................ 5-5
Figure 11. Steps to Recruit Short-Term Technical Assistance ....................................... 5-6
Figure 12. Steps for Mobilization of STTA .................................................................... 5-7
Figure 13. Key Roles and Responsibilities for Project Personnel Administration ............. 5-8
Figure 14. Grants Management Roles and Responsibilities ............................................ 7-4
Figure 15. Comparison of the Three Grant Formats ....................................................... 7-9
Figure 16. Home Office Purchasing and Subcontracting Organizational Structure .......... 8-3
Figure 17. Standard Contracting Methods: goods and services ..................................... 8-4
Figure 18. Subcontact Approval Process ......................................................................... 8-5
Figure 19. Competitive Purchasing Process for Purchase Orders .................................... 8-7
Figure 20. Competitive Purchasing Process for Subcontracts ........................................ 8-11
Figure 21. Reporting Roles and Responsibilities ............................................................ 9-3
Figure 22. Sample Reporting Schedule ......................................................................... 9-4
Figure 23. ADS 320 Marking Guidelines ....................................................................... 9-5
Figure 24. Communication Roles and Responsibilities .................................................. 10-1
Figure 25. Documentation Roles and Responsibilities ................................................... 10-4
Figure 26. Project Security Roles and Responsibilities ............................................... 11-4
Figure 26. Functional Roles of Technical Staff for Indefinite Quantity Contracts (IQCs) . 13-4
## LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ADS</td>
<td>Automated Directives System</td>
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<td>AGGMG</td>
<td>ARD Global Grants Management Guide</td>
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<td>AIDAR</td>
<td>USAID Acquisition Regulation</td>
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<td>APM</td>
<td>Assistant Project Manager</td>
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<td>COTR</td>
<td>Contracting Officer’s Technical Representative (formerly the Cognizant Technical Officer)</td>
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<td>LOE</td>
<td>Level of Effort</td>
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<td>Millennium Challenge Corporation</td>
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<td>NGO</td>
<td>Nongovernmental Organization</td>
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<td>NICRA</td>
<td>Negotiated Indirect Cost Rate Agreement</td>
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<td>ODC</td>
<td>Other Direct Cost</td>
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<td>OSAC</td>
<td>Overseas Security Advisory Council</td>
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<tr>
<td>PS</td>
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<td>Project Manager</td>
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<td>PO</td>
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<td>POC</td>
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<td>POF</td>
<td>Program Operations Framework</td>
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<td>Past Performance Information Retrieval System</td>
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<td>SA</td>
<td>Service Agreement</td>
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<tr>
<td>SCS</td>
<td>Startup and Closeout Specialist</td>
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<td>SDB</td>
<td>Small and Disadvantaged Business</td>
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<td>SDC</td>
<td>Swiss Agency for Development and Cooperation</td>
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<td>SG</td>
<td>Simple Grant</td>
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<tr>
<td>SGM</td>
<td>Senior Grants Manager</td>
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<tr>
<td>SiG</td>
<td>Simplified Grant</td>
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: PROJECT MANAGEMENT HANDBOOK  

vii
<table>
<thead>
<tr>
<th>Acronym</th>
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<tbody>
<tr>
<td>STA/M</td>
<td>Senior Technical Advisor/Manager</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operating Procedure</td>
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<tr>
<td>SOW</td>
<td>Scope of Work</td>
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<td>SPIMS</td>
<td>Senior Project Information Management Specialist</td>
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<td>STTA</td>
<td>Short-Term Technical Assistance</td>
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<td>SVP/COO</td>
<td>Senior Vice President/Chief Operating Officer</td>
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<td>T&amp;M</td>
<td>Time and Materials</td>
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<td>TAM</td>
<td>Technical Advisor/Manager</td>
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<td>Third Country National</td>
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<td>TM</td>
<td>Technical Manager</td>
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<td>TOF</td>
<td>Technical Operations Framework</td>
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<td>Temporary Quarters Subsistence Allowance</td>
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<td>United Nations Development Program</td>
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<td>United States Agency for International Development</td>
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<td>United States National</td>
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<td>United States Trade and Development Agency</td>
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<td>Value-Added Tax</td>
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<td>VPA</td>
<td>Vice President of Administration</td>
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1.0 INTRODUCTION
This Project Management Handbook will serve as a resource for the entire Project Management Team during the life cycle of a project. It defines the specific responsibilities of team members across the full range of project administrative functions and describes the tools and resources available to them to implement 's (or simply 's) projects successfully together as a team.

The handbook contains the following chapters, each covering a key administrative aspect of project management:

2. Startup
3. Travel
4. Financial Management
5. Personnel Management
6. Technical Oversight
7. Grants
8. Procurement and Subcontracts
9. Reporting
10. Communication and Documentation
11. Security and Emergencies
12. Closeout
13. Special Cases

"Project Management" at refers to the management, administration, and oversight of contracts. Project management is a set of principles, methods, protocols, and techniques for effective planning of objective-oriented work, establishing a sound basis for scheduling, resource allocation, budget control, and attainment of project objectives. The main goals of project management are to complete a project on time, within budget, and at the highest possible standard of quality. The ultimate goals of Project Management at are to 1) achieve the highest possible performance reports from our clients (e.g., USAID's Contractor Performance Assessment Report or CPAR scores and 2) lay the basis to win new work from our clients as a result of high-quality past performance.

uses a team approach to contract management. The core home office Project Management Team includes the Project Manager (PM), Senior Technical Advisor and Manager (STA/M), Sector Director (SD), Vice President for Program Operations (VPPO), Contracts Specialist (CS), and Procurement and Logistics Specialist (PS). Large ($25-50 million) and mega-projects (> $50 million) may also require a Technical Advisor Manager (TAM) and/or an Assistant Project Manager (APM). The Chief of Party (COP), who is supported by members of the home office team to provide quality control, ensure contract compliance and guarantee fiscal integrity, represents in the field on a day-to-day basis with the client. The COP provides leadership to and supervision of the field team responsible for the technical components, administration, and finance. The COP presents 's plan of how the client's vision of the project will be implemented to the client, the host government, partners, beneficiaries, and other donors. The COP is the principal agent of success in 's project management system.
The team approach involves shared and discreet areas of responsibility within a joint decision-making process. The PM (and APM when engaged on large projects) provides the day-to-day home office support to project implementation, with a focus on financial management and compliance with US government (USG) regulations, and policies and procedures. The STA/M ensures compliance for all aspects of the project and provides managerial direction to the field. The SD provides strategic oversight and is the first contact for the STA/M when problems that require assistance arise. If additional problem-solving resources are deemed necessary, the VPPO, who represents the company’s senior management in relations with the client, is engaged. The CS provides support in the interpretation of client regulations and guidance on contract compliance and subcontracts. The PS approves purchasing by the home and field offices for both field and home office use. ‘s Project Management Team is structured to provide quality control, ensure contract compliance, and guarantee fiscal integrity. The PM/APM works under the general supervision and guidance of the VPPO. The STA/M and TAM work under the general supervision of a SD and the Vice President for Technical Operations (VPTO), and the CS and PS work under the general supervision of the Vice President for Administration (VPA).

Issues related to the performance, coordination, and communication of each Project Management Team are addressed by the team as priority. As a first matter of recourse, these issues are addressed by the SD. The SD then determines the need to engage the VPPO as necessary.

Other home office support during the project lifecycle is provided by the Startup and Closeout Specialist (SCS), Grants Specialist, VPA, Controller, Budget Analyst, Project Accountants, Human Resources Director, Home Office Project Auditor, Monitoring and Evaluation Specialists, International Consultant Services Staff, Production and Travel Coordinators, who are not part of the core Project Management Team.

The relationships between members of ‘s Project Management Team, the COP, and the client are illustrated in the diagram below.
FIGURE 1. INTERNAL PROJECT ORGANIZATIONAL CHART

KEY FEATURES

- STA/M has full responsibility for financial, staffing and technical performance of contract.
- COP reports to STA/M, and is Tetra Tech ARD's in-country legal representative, maintaining oversight of day-to-day technical and management issues and responsibility for project field implementation.
- STA/M reports to a Sector Director, who serves as operational supervisor for staff performance, workload balancing, and annual merit increases.
- Client relationships are managed so that STA/M is responsible for business relationship (fiduciary, legal), while COP assumes daily communication/coordination while implementing in-country annual work plan for client and representing Tetra Tech ARD to USAID, host government organization and project beneficiaries.
- Project issues/problems are vetted by project team, through VPPO and Sector Director as “early warning system”.
This handbook replaces the Project Management Handbook of February 2004. It captures key changes to project management since that time, including the addition of the SD, VPPO, CS, and the PS as key members of the Project Management Team as well as the elimination of the Corporate Backstop position. It acknowledges the growing size and complexity of many of company’s contracts and the increasingly important role that subcontracts and grants under contract (GUC) play in company’s business.

The Project Management Handbook is a key component of company’s Program Operations Framework (POF) and a primary resource within company’s Project Implementation toolBox/Administration ( /A). It contains many links to tools in /A, such as manuals, handbooks, forms and templates, checklists, policy guidance, standard operating procedures (SOPs) and other information resources. company’s SOPs are written policies and procedures that allow for efficient and effective functioning by our field administrative staff while remaining fully compliant with client regulations. They have been developed to facilitate audits, internal controls, and other means of evaluation of both our activities and their results. They improve employee productivity and efficiency in contract administration by indicating what each employee must do and how to do it in discreet areas of responsibility, e.g. accounting, grants and subcontracts, procurement, etc. company’s SOPs are generic, with the intention that they will be adapted by each field team and tailored to specific field project management settings and requirements. Many SOPs are supported by online training as a means to build capacity among local field staff and institutionalize standard contract management best practices. Relevant SOPS are highlighted at the beginning of each chapter of this handbook.

The Project Management Team will use this handbook on regular basis as a practical guide to fulfilling their roles as members of the team. As part of the , the content of the Project Management Handbook will remain a “living” document, subject to enhancements and updates as company continues to hone and improve its project management systems, resources and tools. Any suggestions for improvements and additions to the Project Management Handbook should be directed to company’s VPPO.
2.0 STARTUP
This chapter will discuss the following:
- Project Startup Resources
- Home Office Startup Roles and Responsibilities
- Project Launch Process
- Operations and Activity Expense Coding
- Getting Started on the Ground

This chapter references the following SOPs
- Establishing Bank Accounts and Expense Coding
- Facilities Management
- Filing System

2.1 PROJECT STARTUP RESOURCES

’s Project Implementation toolBox/Administration (A) contains a Startup Checklist of key action items for startup, detailed descriptions of startup administrative procedures, as well as templates and forms for all administrative aspects of project startup. During the COP’s orientation, s/he will be introduced to the A, with a focus on the tools and resources needed for successful project startup. In addition to the A, ’s home office Startup and Closeout Specialist (SCS) or Project Manager (PM) creates a Startup CD that contains contract-specific accounting and administrative forms.

The SCS provides remote or in-country support during project startup. The decision to deploy the SCS to provide on-the-ground support to the COP during project startup is determined by the complexity of the project, ’s institutional experience in country, the challenges presented by the local environment, the availability of the Specialist, and USAID approval. The assigned PM may be assigned for project startup if the SCS is not available.

If deployed to provide in-country support, the SCS works closely with the COP and a locally hired, short-term administrative assistant to rapidly establish the basic foundations for program operations, including securing office space, opening a bank account, identifying a local lawyer to review labor law requirements and assisting to register as required by local law, developing financial and administrative filing systems, and other operational essentials.

If it is not possible for the SCS or the PM to provide in-country assistance, remote assistance and guidance is provided to the COP and a locally hired administrative assistant.

2.2 HOME OFFICE STARTUP ROLES AND RESPONSIBILITIES

Key responsibilities for core members of the Project Startup Team are outlined below.

FIGURE 2. CORE PROJECT STARTUP TEAM

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Startup Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startup and Closeout Specialist (SCS) or Project</td>
<td>Facilitate registration (requirements, status &amp; options for registration).</td>
</tr>
<tr>
<td>Manager (PM)</td>
<td>Set up corporate bank account.</td>
</tr>
<tr>
<td></td>
<td>Hire a local lawyer to determine local labor laws and norms; to review and approve</td>
</tr>
<tr>
<td></td>
<td>’s local short- and long-term employment contracts; and to provide counsel regarding</td>
</tr>
<tr>
<td></td>
<td>leases, project registration, taxes including VAT, residence permits, etc.</td>
</tr>
<tr>
<td>Team Member</td>
<td>Startup Responsibilities</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td>- Determine inputs for a local hire benefits package and send information to home office CS and PM for finalization.</td>
</tr>
<tr>
<td></td>
<td>- Assist COP in the development of a local hire salary scale and position classification and preparation of job descriptions.</td>
</tr>
<tr>
<td></td>
<td>- Initiate recruitment and preparation of employee contracts.</td>
</tr>
<tr>
<td></td>
<td>- Conduct preliminary interviews with candidates and document hiring process for further reference.</td>
</tr>
<tr>
<td></td>
<td>- Identify and finalize temporary office and housing options for project startup.</td>
</tr>
<tr>
<td></td>
<td>- Identify options for long-term office quarters and present findings and costs to COP.</td>
</tr>
<tr>
<td></td>
<td>- Draft and/or review lease agreements where appropriate for office space and/or housing.</td>
</tr>
<tr>
<td></td>
<td>- Contact local vendors (cell phone, computers, transportation, ISPs) to identify rates and establish terms of service and agreements.</td>
</tr>
<tr>
<td></td>
<td>- Determine equipment items that can be purchased locally and get necessary quotes (vehicles, computer equipment, etc.). Determine regulations regarding off-shore procurements (customs clearance, duty free).</td>
</tr>
<tr>
<td></td>
<td>- Obtain quotes and specifications prior to the procurement of equipment.</td>
</tr>
<tr>
<td></td>
<td>- Initiate procurement of office supplies and budgeted equipment determined by the COP and in accordance with USAID regulations.</td>
</tr>
<tr>
<td></td>
<td>- Develop scopes of work (SOWs) and selection criteria for admin and accounting support staff.</td>
</tr>
<tr>
<td></td>
<td>- Collect essential background documentation for candidates short-listed by COP/STA/M.</td>
</tr>
<tr>
<td></td>
<td>- Set up financial (local accounting) and administrative management systems and train local staff on their use (if appropriate).</td>
</tr>
<tr>
<td></td>
<td>- Set up inventory control systems with local administrator (if hired).</td>
</tr>
<tr>
<td></td>
<td>- Train local administrator (if hired) and COP on ’s Startup Kit, including Local Employee Handbook and project protocols.</td>
</tr>
<tr>
<td></td>
<td>- Alongside the COP, meet with USAID to discuss procurements, preferences and approvals process.</td>
</tr>
<tr>
<td></td>
<td>- Perform additional tasks to be determined by ’s STA/M and the COP.</td>
</tr>
<tr>
<td>Local Short-Term Startup Assistant</td>
<td>This locally hired, short-term consultant provides up to two months of administrative and logistical support for project startup, including:</td>
</tr>
<tr>
<td></td>
<td>- Work with SCS to identify potential office space.</td>
</tr>
<tr>
<td></td>
<td>- Contact local vendors and businesses to establish terms of services and agreements.</td>
</tr>
<tr>
<td></td>
<td>- Assist SCS in obtaining quotes and specifications prior to equipment procurement.</td>
</tr>
<tr>
<td></td>
<td>- Assist SCS in the procurement of office supplies and budgeted equipment determined by COP and in accordance with USAID regulations.</td>
</tr>
<tr>
<td></td>
<td>- Handle all travel arrangements (hotel bookings, flights) and execute payments related to local travel of project staff and consultants.</td>
</tr>
<tr>
<td></td>
<td>- Facilitate visa requests for staff and consultants.</td>
</tr>
<tr>
<td></td>
<td>- Set up project filing systems in close consultation with SCS or PM.</td>
</tr>
<tr>
<td></td>
<td>- Work with Local Finance Manager to set up “operations and activity-based” coding system for expenses in consultation with COP and PM and subject to STA/M approval.</td>
</tr>
<tr>
<td></td>
<td>- Work with SCS to set up the inventory control system.</td>
</tr>
<tr>
<td></td>
<td>- Assist in recruitment (posting advertisements) for local hire positions.</td>
</tr>
<tr>
<td></td>
<td>- Track and monitor delivery of the COP household effects (HHE) shipments.</td>
</tr>
<tr>
<td>Team Member</td>
<td>Startup Responsibilities</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Team Member</td>
<td>Project Member Responsibilities</td>
</tr>
</tbody>
</table>
|                                   | - Provide logistical support for project-sponsored workshops and meetings.  
- Maintain key contacts list.  
- Work with SCS to learn local accounting system. Manage financial accounting system, including cash flow, expenditures, and monthly financial report.  
- Assist COP and SCS and staff in duties as needed and designated by COP. |
| Chief of Party (COP)              | - Oversee work of the SCS and local startup assistant.  
- Draft local hire benefits package for long-term employees compliant with local law and policy.  
- Prepare criteria for long-term office quarters.  
- Finalize office and residential lease in compliance with local law and policy.  
- Initiate approvals process protocol discussion with USAID COTR and CO.  
- Establish project local hire salary scale and position classification and send to Vice President of Administration (VPA) for finalization.  
- Develop SOWs and selection criteria for support staff.  
- Recruit, review, and hire support staff in compliance with local law, contract requirements, and policy.  
- Prepare a local procurement plan in accordance with the approved budget and USAID regulations.  
- Work with Project Management Team and home office Accountant to develop expectations regarding protocols for setting, checking, and recording “operations and activity” cost codes for all project expenses. |
| Senior Technical Advisor and Manager (STA/M) | - Convene and lead Project Startup Team Meeting with entire Project Management Team.  
- Oversee and support the COP and PM in all startup activities.  
- Work with Project Management Team and home office Accountant to develop expectations regarding protocols for setting, checking, and recording “operations and activity” cost codes for all project expenses.  
- Review SOWs and selection criteria for local technical and support staff.  
- Participate in approvals process protocol discussion with USAID. |
| Project Manager (PM)              | - Provide home office administrative support to the COP and SCS.  
- Convene and lead Proposal to Implementation Handover Meeting.  
- Work with Project Management Team and home office Accountant to develop expectations regarding protocols for setting, checking, and recording “operations and activity” cost codes for all project expenses.  
- Gather and file necessary documentation for registration and banking.  
- Provide guidance and support for all required approvals.  
- Support the recruitment, screening, and hiring process for new hires.  
- Work with the PS to process project procurements in compliance with the contract and policy.  
- Draft Approvals Processes Letter (from template).  
- Obtain approvals from USAID, as required by the contract and policy. |
| Home Office Accounting Specialist | - Provide remote training and support as needed to project accounting team.  
- Work with Project Management Team and home office Accountant to develop expectations regarding protocols for setting, checking and recording “operations and activity” cost codes for all project expenses. |
2.3 **PROJECT LAUNCH PROCESS**

ARD recognizes that to ensure long-term project success, additional company time and resources need to be devoted to project startup. No longer considers startup as something only the SCS does; but rather it is the responsibility of a Project Startup Team. This shift in approach will address previous weaknesses and provide sufficient support during the critical startup period.

To that end, we have created a new feature of project startup called the *Project Launch Process*. This process is initiated immediately following contract award and signing, and the President and Vice Presidents have assigned members to the home office Project Management Team.

The Project Launch Process is a two-step procedure beginning with the Proposal to Implementation Handover Meeting, organized and led by the PM, in which the key members of the Proposal Team meet with the core Project Management Team to transfer knowledge. The goal of the meeting is for the Project Management Team to have thorough understanding of the proposal background, the history of contacts with consultants and subcontractors, the major budget considerations, the client and partner expectations, and the challenges faced in the best-and-final-offer stage, etc. This meeting gives the Project Management Team an opportunity to learn more about the proposal and ask questions, early on in the process, to ensure long-term project success, and avoid any unnecessary problems during project startup.

The second step of the Project Launch Process is a Project Startup Team Meeting called by the STA/M as Startup Team Leader. The Project Startup Team Meeting will provide a forum for the entire Project Management Team to plan the timing and sequencing of startup actions, both administrative and technical, to meet contract requirements. The Startup Team Leader will produce two documents. The first is a Memorandum that defines the Startup Team roles and responsibilities, both administrative and technical, and identifies additional team resources. The second is a 90-day Gantt chart with a timeline outlining initial project startup activities and deliverables.

The protocols and sample agendas for the Proposal to Implementation Handover Meeting, the Project Startup Team Meeting, and 90-day Gantt chart are included with this memorandum and are stored in the /A.

2.3.1 **COP Orientation**

The COP undergoes a three- to four-day orientation in the home office. The key objectives of the home office orientation are as follows:

- **Administrative Basics.** The COP is familiarized with the basic administrative processes for employees, including timesheets, personal and project mail, and email.
- **Review and Finalization of Startup Plan.** The COP works with the STA/M, PM, and SCS to review and finalize a detailed Startup Checklist.
- **Operations Budgeting.** The COP meets with the STA/M and Project Manager to develop project accounting codes to identify operation and activity expenses.
Personnel and Administrative Matters. The COP learns about benefits, billing, policies, office staffing and structure, job titles, and functional roles. The COP should understand who to go to for assistance on administrative and technical matters.

ARD Information System (ARDIS). The COP is introduced to the many facets and applications of the Information System.

Technical Programming and Clients. The COP learns about the firm’s technical sectors, crosscutting themes, major clients, marketing, and best practices through meetings with a member of each sector, and review of literature on the firm’s technical capacities.

Preliminary Operations and Activity–Based Budget Structure. While the proposal budget will adhere to costs grouped by “type” of expense, the Project Startup Team and Chief Accountant will need to aggregate expenses based on tasks and agree on a task-based coding protocol for these expenses (described in more detail in Section 4.5). It is anticipated that while the detailed expenses will be filled into this framework during the annual work plan, it will serve as the basis of common understanding between members of the Project Management Team.

A template for a COP Orientation schedule can be found in the /A/Mobilization-Personnel. The COP Handbook is introduced and provided to the COP by the Senior Vice President during orientation.

2.3.2 Customizing the Startup Checklist

The Project Startup Team (STA/M, COP, PM, and SCS) develop a customized startup checklist during the COP orientation. This comprehensive action plan details the roles, responsibilities, and deadlines for the following startup issues:

- Securing short-term administrative support;
- Obtaining local legal guidance and support;
- Registering in-country;
- Establishing the project bank account;
- Securing office and housing space;
- Setting up local recruitment and staffing;
- Establishing systems for financial and administrative management;
- Establishing project-based operational and activity expenses codes
- Procuring equipment; and
- Establishing office policies and procedures.

The Startup Checklist template is included in the /A.

2.4 GETTING STARTED ON THE GROUND

A number of key administrative tasks take place during the project startup period, the most important of which are highlighted below. Additional tasks may be warranted by project location, complexity, and size.
2.4.1 Engaging Legal Services

While some USAID missions provide guidance on registration requirements and labor issues, the COP should not assume that this information is forthcoming. Therefore, the COP should plan to hire a reputable local lawyer to provide information on the following important aspects:

- To provide guidance as to whether is required by law to register as a legal entity in the country; and
- To provide information on local labor laws and norms, including a review of employee contract templates, as well as a description of fringe benefits required by law.

Both are critical to ensure that abides by the legal requirements of the law and provides the necessary entitlements to its local staff. Local lawyers may be referenced by other USAID contractors or nongovernmental organizations (NGOs) in country, or by the U.S. Embassy commercial liaison. The SCS or COP should negotiate the terms of the engagement of the local lawyer based on a scope of services that can be found in /A, Startup—Personnel.

The website, www.whichlawyer.com, can be used to search for local lawyers in many countries. This website has not been used extensively by ’s project teams, but it appears to be a promising resource. Guidance on ’s in-country registration can be found in /A, Mobilization—General Contract Administration.

2.4.2 Leases: Office and Residence

In some cases, a local office has been identified prior to the COP’s arrival (i.e., through the design phase, or during preparation of the proposal from subcontractors, etc.), but most often the responsibility of finding local office space rests with the SCS and COP. During COP orientation, the STA/M, PM, and COP should establish a set of office space criteria based on specifications and budget. They should utilize real estate and leasing agencies when available and appropriate. Office location and security are of primary importance.

Once suitable office space has been identified, a lease must be negotiated, drafted, and sent to the home office for approval. The /A contains lease templates to be used by the COP. The templates contain important clauses such as terms of payment, termination and repairs, early termination, and liability. Sample office and residential leases can be found in /A, Startup—Field Office Management. The CS reviews all leases to ensure that the lease termination clause is as flexible as possible to allow to terminate the lease early if necessary, based on circumstances such as unsatisfactory landlord response to needed improvements or repairs to office, early termination of the client contract, or other unforeseen circumstances.

2.4.3 Bank Accounts

Opening bank accounts is not always easy and can take longer if is required to first register in country. Where is not required to register, the account can usually be opened within a week, provided the necessary corporate documentation and official signatory designation has been provided. International (US) banks are preferable but are not always available. If is new to the country, find out which banks USAID and other contractors use.
Usually before the COP’s mobilization, ‘s home office PM and SCS will coordinate preparation of ‘s corporate documentation necessary for opening a local bank account. After determining what additional documents are needed, the SCS or COP should send a request to the PM for materials to be prepared and couriered to the project country to facilitate the opening of the project bank account. Two accounts should be set up and the details sent to the home office; one in US dollars and one in the local currency. A procedure for wire transfers will be developed with the business office and a test wire will be sent as soon as the account is opened.

Note that prior to opening any local bank accounts, must receive approval from Tetra Tech. Once we have complete banking information, the SCS or PM should contact ‘s Chief Accountant to request approval to proceed with opening a local account. The Chief Accountant will then contact Tetra Tech for approval. Guidance on establishing local bank accounts can be found in /A, Mobilization—General Contract Administration.

2.4.4 Project Inventory

Project inventory refers to the appliances, electronics, IT equipment, and furniture procured to enable project activities. To comply with USAID policy, must track all items purchased with USAID funds.

The PS provides the project with adhesive, consecutively numbered tags to be used on every non-expendable project inventory item except office supplies (staplers, tape dispensers, etc.). As items are procured, they are assigned a property tag, and the tag number is recorded in an inventory report.

The master inventory report should be updated regularly during the startup period to include all project inventories. Throughout the life of the project, the master inventory report is updated as needed and monthly property purchase reports are submitted on a monthly basis to the home office, along with the monthly financial reports. Additional guidance on project inventory can be found in the Local Procurement Handbook in /A, Mobilization—Procurement of Goods.

2.4.5 Office Policies and Procedures

Once the office is in place with staff on board, the COP should work with the local Office Manager/Administrator to develop the Project Employee Handbook. The Employee Handbook includes office policies and procedures and serves as a reference to existing and new employees. The Employee Handbook includes but is not limited to project working hours, vacation, communications, project vehicle, and travel policies. ‘s Employee Handbook Template is found in /A, Startup—Field Office Management.

2.4.6 Approvals Process Letter and Automated Approvals System

Although the indefinite quantity contract (IQC), task order contracts, and COTR designation letter detail required contract approvals and the delegation of authority among the CO and COTR, experience has shown that it is useful for to document the approvals process (travel, procurement, use of CCN/TCN labor, etc.) in a letter to be signed by the CO and COTR. As
early as possible during the project, the COP should meet with the USAID COTR or CO to discuss approvals protocols under the contract. The PM will prepare a draft Approvals Process Letter for the COP to take to this meeting that proposes certain streamlined approvals processes based on specific contract clauses and requirements. The CO may be inclined to delegate more authority to the COTR on, for example, travel or rate approvals. The COP will send a final draft of the Approvals Process Letter to the PM, who will then review and approve it, and send it to USAID for formal sign-off. A sample Approvals Process Letter can be found in Award Notification—General Contract Management.

Some of ’s projects use an online, automated approvals system that allows the Project Management Team to enter approvals requests for consideration and approval by our clients. This system has been employed successfully in Colombia and is being tested in Afghanistan. It allows the project team and client officers to track and communicate regarding approval requests, adjust them as necessary, and document final client approvals.

2.4.7 Initiate Project Security Planning

The COP, home office Project Management Team and the SCS should initiate project security planning during project startup. Security and Emergencies are discussed in detail in Chapter 11.
3.0 TRAVEL
This chapter will discuss the following:
- ARD Travel – Who Does What?
- USAID Project Billable Travel Rules and Regulations
- Approval of International Travel and Country Clearance
- Travel Expenses
- Pre-Travel Planning
- Special Cases: Overhead Travel, Conference Travel, MCC-Funded Travel, and Third Country Travel Agencies

This chapter references the following SOPs:
- Travel Advances and Travel Expense Reports
- Advances and Per Diem
- Domestic Travel
- International Travel

### 3.1 ARD Travel – Who Does What?

Key responsibilities for core members of the Project Management Team are outlined below.

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Travel Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Coordinator</td>
<td>- Ensure is getting the lowest fares.</td>
</tr>
<tr>
<td></td>
<td>- Ensure travel policies and procedures are followed according to instructions in the Travel Manual.</td>
</tr>
<tr>
<td></td>
<td>- Facilitate ticket issuance, MEDEX insurance, visa applications, and travel advances.</td>
</tr>
<tr>
<td></td>
<td>- Research hotels and local transportation, if needed.</td>
</tr>
<tr>
<td></td>
<td>- Instruct the accounting department on travel expense disbursement.</td>
</tr>
<tr>
<td></td>
<td>- Oversee refunds and credits for unused travel.</td>
</tr>
<tr>
<td></td>
<td>- Communicate with Travel Agent and/or airlines and hotels.</td>
</tr>
<tr>
<td></td>
<td>- Assist PMs and travelers on other travel needs.</td>
</tr>
<tr>
<td></td>
<td>- Provide quotes for cost proposal purpose.</td>
</tr>
<tr>
<td></td>
<td>- Maintain detailed travel data in IS.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> Travel Coordinators are not available to provide assistance for personal travel.</td>
</tr>
<tr>
<td>Project Manager (PM)</td>
<td>- Prepare travel request for consultants.</td>
</tr>
<tr>
<td></td>
<td>- Facilitate communication between consultants and Travel Coordinator.</td>
</tr>
<tr>
<td></td>
<td>- Assist in making difficult visa and hotel arrangements.</td>
</tr>
<tr>
<td></td>
<td>- Obtain USAID travel approval and country clearance.</td>
</tr>
<tr>
<td></td>
<td>- Ensure travel costs are within project budget.</td>
</tr>
<tr>
<td></td>
<td>- Prepare and submit travel advance for consultants.</td>
</tr>
<tr>
<td>Staff (Traveler)</td>
<td>- Prepare and submit travel advance for own travel.</td>
</tr>
<tr>
<td></td>
<td>- Coordinate with Travel Coordinator to make all travel arrangements for own travel.</td>
</tr>
<tr>
<td></td>
<td>- Complete expense report.</td>
</tr>
<tr>
<td>Consultant (Traveler)</td>
<td>- Provide all required travel documentation to PM and Travel Coordinator.</td>
</tr>
<tr>
<td></td>
<td>- Coordinate with Travel Coordinator to make all travel arrangements, including visa.</td>
</tr>
<tr>
<td></td>
<td>- Complete expense report.</td>
</tr>
<tr>
<td>President</td>
<td>- Approve all overhead travel.</td>
</tr>
</tbody>
</table>
### 3.2 USAID PROJECT BILLABLE TRAVEL RULES AND REGULATIONS

All travel expenses which are reimbursed by federal funds must follow USAID rules. For detailed guidance on USAID travel regulations, refer to the *Federal Travel Handbook.* An overview of USAID’s travel regulations is provided below.

#### FIGURE 4. OVERVIEW OF USAID’S TRAVEL REGULATIONS

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Definition and Terms</th>
<th>Exceptions and Waivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fly America Act</strong></td>
<td>Requires the use of US-based airline carriers or US airline code shares for USAID-funded travel whenever possible (including staff, their dependents, consultants, subcontractors, grantees, and conference participants)</td>
<td>The <em>Fly America Act Waiver Checklist</em> appears in /A, Activity Implementation—Personnel of this manual outlining exceptions to this rule</td>
</tr>
<tr>
<td><strong>Stopovers and Day Rooms</strong></td>
<td>One stopover or day room en route, for a period not to exceed 24 hours, is allowed when the traveler has a stopover of eight hours or longer</td>
<td>PM should obtain prior USAID approval for stopovers en route</td>
</tr>
<tr>
<td><strong>Fully Refundable Tickets</strong></td>
<td>Tickets should be fully refundable</td>
<td>In cases where travel arrangements are certain and the cost for fully refundable tickets exceeds budget parameters, it may be advisable to purchase non-refundable tickets</td>
</tr>
<tr>
<td><strong>Economy Class</strong></td>
<td>Economy/coach seats must be purchased</td>
<td>Business class travel requires USAID CO approval and should be requested only to accommodate a disability or medical need that has been substantiated in writing by a competent medical authority. A sample RFA for requesting business travel can be found in /A, Activity Implementation—General Contract Administration³</td>
</tr>
<tr>
<td><strong>Country Clearance</strong></td>
<td>Some USAID missions require Country Clearance for official travel. The PM should ask the COTR for mission policy</td>
<td>If required, the PM will submit a “request for assistance in obtaining Country Clearance” to the COTR (see below for details)</td>
</tr>
<tr>
<td><strong>Per Diem</strong></td>
<td>Travelers are provided per diem expenses as dictated by the contract between and USAID, or current USG-published per diem guidelines, whichever is less</td>
<td>See section on Travel Expenses in this chapter</td>
</tr>
<tr>
<td><strong>Cost Control</strong></td>
<td>Travelers are expected to use the lowest logical airfare available</td>
<td>None</td>
</tr>
<tr>
<td><strong>Travel Route</strong></td>
<td>Travel must be on the most direct and expeditious air route</td>
<td>None</td>
</tr>
<tr>
<td><strong>MEDEX Insurance</strong></td>
<td>MEDEX Insurance will be issued for all travelers</td>
<td>None</td>
</tr>
</tbody>
</table>

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3. USAID is generally strict in its enforcement of this regulation, and discourages requesting a waiver for business class without clear and compelling justification.
3.3 Approval of International Travel and Country Clearance

USAID approval is required for all international travel under a USAID-funded contract. Each contract specifies the approvals necessary for travel with most contracts indicating that Contracting Officer (CO) approval is required. However, in many contracts, the CO will delegate authority to approve international travel to the COTR. The PM is responsible for determining, by thorough review of the contract and relevant official directives from the CO, which USAID officer has authority to approve international travel. For the complete USAID regulations regarding approval of international travel, please see AIDAR 752.7032, “International Travel Approval and Notification Requirements.”

In addition to approval of international travel, many USAID missions also require Country Clearance for USAID-funded travel when it is required by the local US Embassy. Embassies and missions traditionally use Country Clearance as a way to verify that recipients are aware of security problems and to keep track of official travelers in case of emergencies. The PM should determine early in a contract whether the mission requires Country Clearance. If it does, the PM, when s/he submits the request for approval of international travel, also submits a “request for assistance in obtaining Country Clearance” to the USAID officer. This is because the USAID officer cannot provide Country Clearance him or herself, but rather must request the Country Clearance via the Embassy. Once the USAID officer receives the Country Clearance for the traveler, s/he forwards it to the PM. The PM must ensure that the traveler has the Country Clearance prior to departure, as it is often helpful at customs when entering a country.

3.4 Travel Expenses

Maximum foreign per diem rates are established monthly by the State Department, and are available online at http://aoprals.state.gov/web920/per_diem.asp. Lodging and meals and incidental expenses (M&IE) are reported separately followed by a combined daily rate:

- **Lodging**: travelers are reimbursed up to the maximum daily allowance by location for lodging. If lodging is below the maximum rate, the traveler is reimbursed for actual costs. If lodging exceeds the maximum rate, the traveler will not be reimbursed for the costs exceeding the approved rate without CO approval.
- **M&IE**: covers meals, dry cleaning, laundry, and any other incidental costs excluding transportation and communication. Consultants and staff travelling on project-billable assignments receive the maximum allowance for M&IE and do not need to submit receipts for these expenses.

3.4.1 Exceptions to Standard Per Diem Rates

CO approval may be requested for accommodation rates that exceed the maximum rates if the hotel was selected due to a lack of secure alternative accommodations. Every effort should be made, however, to stay within the approved rates.

When meals or light refreshments are provided to the traveler at no cost (e.g., if meals are provided as part of a training event), the appropriate deduction from the M&IE rate must be made. If light refreshments are furnished, no deduction of the M&IE allowance is required.
More information on establishing per diem rates for conferences is provided under the “Special Cases” section of this chapter.

3.5 **PRE-TRIP PLANNING: STEPS FOR PREPARING FOR STTA TRAVEL**

The key steps for preparing for short-term technical assistance (STTA) travel are outlined below. The terms in **blue bold** are explained in greater detail in the following paragraphs.

**Step 1.** PM submits Travel Request to Travel Coordinator, and initiates direct communication between traveler and Travel Coordinator. If needed, the Travel Coordinator provides instructions to the traveler on how to obtain a **visa**.

**Step 2.** PM obtains Travel Documentation from traveler (emergency locator form, medical certificate, and bank account details for his/her travel advance), and forwards these documents to the home office Professional Roster Membership Coordinator for IS.

**Step 3.** PM submits Approvals Package to USAID (depending on contract and mission requirements, the approvals package generally includes request for approval of SOW, LOE, Salary or Daily Rate, International Travel and Related Expenses. If the host country mission requires Country Clearance (described above), the approvals package will include a request for COTR assistance in obtaining Country Clearance.

**Step 4.** The PM prepares a Travel Advance Form and submits to the home office Accounting Specialist so that it may be issued in a timely fashion upon receipt of USAID approval. Whenever possible, the travel advance request should be submitted two weeks prior to travel.

**Step 5.** Upon receipt of USAID approval, the PM notifies the Travel Coordinator that the plane ticket and hotel may be booked, and informs the Accounting Specialist that the travel advance may be processed.

**Step 6.** The PM prepares and circulates Contact Information Sheet.

1. The PM prepares the Travel Request and submits it to the Travel Coordinator, who then sends an initial itinerary to the consultant, copying the PM and continues to copy the PM on all further correspondence. The PM reviews the itinerary to ensure that the schedule is correct and meets the assignment needs, the price is within budget, and hotel reservation and visa instructions are included (if requested). A complete Travel Request includes the following information:
   - Traveler’s name as it appears on the passport,
   - Departure/destination city and country,
   - Departure/return date,
   - Project name and billing code,
   - Budget constraints,
   - Hotel request if needed, and
   - Visa assistance if needed.
Visa information and assistance is provided through the partner agency Travisa, a Washington, DC-based visa expeditor. If a visa is required, the Travel Coordinator refers the traveler to the Travisa website www.travisa.com for detailed instructions on the visa application process for the host country. The traveler is responsible for leading the visa process, with guidance and support from the PM. For complex visa application processes, the Travel Coordinator will provide guidance and support.

2. Required Travel Documentation refers to the following items:

   - The Emergency Locator Form is completed by the consultant. It provides emergency contact information as well as the passport details required for Country Clearance. Once the completed form is received, the PM forwards a copy to the Professional Roster Membership Coordinator for entry into IS. A sample Emergency Locator Form is attached at the end of this chapter.
   - STTA consultants must submit a Medical Certificate signed by a competent medical authority certifying that the consultant is in good health and able to travel. A sample medical certificate is available in the /A.
   - Bank Account Details are completed by consultants who would like to receive their travel advance and final payment via wire transfer. This option is not available to consultants in the US, who receive their advance and payment via check, unless there is not sufficient time to post the check prior to their departure. A sample Bank Account Details worksheet is available in the /A.

3. The approvals and documentation that make up a STTA Approvals Package vary depending on the contract, the consultant’s travel needs, and the COTR or host country mission preferences, but may include some or all of the following items:

   - Request for Approval of SOW, technical qualifications, daily rate, LOE, travel, and related expenses, and request for assistance with country clearance.
   - Consultant CV, Scope of Work, EBD: these items are discussed in detail in the Personnel Management chapter.
   - If required by the mission, the RFA package will include Country Clearance Details for the traveler. The format of country clearance details varies depending on the preferences of the mission and the COTR, but generally includes the full name, date of birth, citizenship, passport number, contact information, and round-trip flight details. Country Clearance information should be submitted no later than 10 working days prior to the consultant’s arrival in-country. A sample Country Clearance form is available in /A, Startup—General Contract Administration.

4. The PM prepares a Travel Advance Form for consultants, while home office staff members are responsible for processing their own travel advance. The form calculates 80 percent of the anticipated per diem amount. Upon completion of the assignment, the traveler submits an expense report to reconcile the advance, and claim any outstanding
expenses. A sample Travel Advance Form is available in /A, Activity Implementation—Personnel.

5. **Ticket** and **Hotel Reservations** are finalized only upon receipt of written USAID approval. Air tickets are purchased electronically whenever possible. Hotel reservations are booked by the Travel Coordinator, but in most cases the hotel bill is paid directly by the traveler and is reimbursed by upon submission of all assignment deliverables, including expense report, invoice, and trip report.

6. The PM drafts a **Contact Information Sheet** including host-country contacts (emergency numbers, project office and/ or other key contacts), hotel and project office addresses, airport transportation/ pick-up plan, and traveler flight details and contact information. This list should be circulated to the traveler and all relevant host-country contacts in advance.

Given the multiple steps involved in preparing a consultant for travel, PMs can use a simple excel sheet to track action items for each traveler. A sample tracking sheet is copied below.

**FIGURE 5. SAMPLE TRACKING SHEET**

<table>
<thead>
<tr>
<th>Name</th>
<th>Jane Smith</th>
<th>John Adams</th>
<th>Olga Pavlovic</th>
<th>Meli Grbovic</th>
</tr>
</thead>
<tbody>
<tr>
<td>From:</td>
<td>17-Jan</td>
<td>15-Jan</td>
<td>10-Feb</td>
<td>15-Feb</td>
</tr>
<tr>
<td>To:</td>
<td>31-Dec</td>
<td>31-Dec</td>
<td>28-Feb</td>
<td>1-Mar</td>
</tr>
<tr>
<td>CV</td>
<td>Received</td>
<td>Received</td>
<td>Received</td>
<td>Received</td>
</tr>
<tr>
<td>EBD/1420</td>
<td>Received</td>
<td>Received</td>
<td>Received</td>
<td>Received</td>
</tr>
<tr>
<td>Passport</td>
<td>Received</td>
<td>Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physician Cert Doc</td>
<td>Received</td>
<td>Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Verification</td>
<td>Received</td>
<td>Received</td>
<td>Received</td>
<td></td>
</tr>
<tr>
<td>SOW</td>
<td>Approved</td>
<td>Approved</td>
<td>Draft</td>
<td>Draft</td>
</tr>
<tr>
<td>Salary Negotiation</td>
<td>Completed</td>
<td>Completed</td>
<td>Pending</td>
<td></td>
</tr>
<tr>
<td>Wire Transfer Info</td>
<td>Received</td>
<td>Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel Advance</td>
<td>Received</td>
<td>Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract /Amendment</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Clearance</td>
<td>Received</td>
<td>Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARDIS Entry</td>
<td>Completed</td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RFA Submitted</td>
<td>5-Jan</td>
<td>5-Jan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approval Received</td>
<td>10-Jan</td>
<td>10-Jan</td>
<td>Pending</td>
<td></td>
</tr>
<tr>
<td>SIGN Consult Agreement</td>
<td>Completed</td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Itinerary</td>
<td>Received</td>
<td>Received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tickets Issued</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of trip:</td>
<td>$1,400</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expense Report</td>
<td>Received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant Invoice</td>
<td>Received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant Report Filed</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant Evaluation</td>
<td>Completed</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.6  SPECIAL CASES

3.6.1  Overhead Travel

The Senior Vice President must give written approval to the Travel Coordinator for all overhead, marketing, pre-RFP or bids and proposals (B&P) trips prior to ticketing. For business development trips, the proposal manager must submit a capture plan with budget to the VPTO and appropriate SD for approval prior to requesting an itinerary. The traveler must submit a completed Overhead Travel Request form to the Travel Coordinator. The form is available at /A, Activity Implementation—Personnel.

USAID approval and Country Clearance are not required for overhead travel. However, travelers must inform the embassy of travel by registering on the following website: https://travelregistration.state.gov/ibrs/uj/. Overhead travelers submit receipts for lodging, meals, incidentals, communications, and local transportation expenses and are reimbursed for actual costs, up to the approved daily per diem rate.

3.6.2  Conference Travel

USAID has special regulations for conference travel designed to minimize costs. In accordance with these regulations, must conduct and document a detailed cost-comparison of the following items:

- **Site location.** This refers to the geographical location and event venue. must document a comparison of the costs of three locations, including the availability of adequate lodging and conference facilities, per diem rates, and travel costs and time for trainers and participants.

- **Government facilities.** Whenever possible, should use USAID or other conference facilities available at no cost.

- **Timing.** Whenever possible, should plan conferences to take place in the ‘off-season’ for the select location to take advantage of reduced airfare and venue rates.

- **Size and scope.** must be able to justify the size and scope of the event (number of participants and trainers).

- **Conference alternatives.** should always consider alternatives to conferences, including teleconferencing and distance learning options. Written documentation of all alternatives considered and the selection rationale used must be maintained and made available to USAID upon request.

If meals are provided as part of the conference or by the hotel at no additional cost to consultants and participants, per diem rates must be reduced accordingly. A schedule of breakdown of deductions from the M&IE allowance is available online at: http://aoprals.state.gov/content.asp?content_id=114&menu_id=81.

For a detailed explanation of USAID conference travel regulations, refer to the Conference Planning chapter of the *Federal Travel Handbook*.4

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4 [www.federalhandbooks.com/](http://www.federalhandbooks.com/)
4.0 FINANCIAL MANAGEMENT
This chapter will discuss the following:

- Financial Management Roles and Responsibilities
- Contract Types
- Getting Started on the Ground
- Creating Budgets and Expense Codes
- Operational Budget Financial Management
- Budget Monitoring
- Financial Reporting

This chapter references the following SOPs:

- Financial Management (Handbook)
- Operational Budget Financial Management
- COP Obligation Process
- Project Operational and Activity Coding

4.1 PROJECT TEAM FINANCIAL MANAGEMENT ROLES AND RESPONSIBILITIES

Key responsibilities for core members of the Project Management Team are outlined below.

#### FIGURE 6. ROLES AND RESPONSIBILITIES FOR FINANCIAL MANAGEMENT

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Financial Management Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Party (COP)</td>
<td>Review budget at orientation to identify early concerns.</td>
</tr>
<tr>
<td></td>
<td>Work with Project Management Team to set targets for operational and activity costs both at COP orientation and during the development of the first annual work plan.</td>
</tr>
<tr>
<td></td>
<td>Work with Project Management Team and home office Accountant to develop protocol for setting, checking, and recording operational and activity cost codes for all project expenses.</td>
</tr>
<tr>
<td></td>
<td>Approve, track, and code operational and activity obligations.</td>
</tr>
<tr>
<td></td>
<td>Manage the project budget by monitoring expenditures and planned obligations against work plan. Authorize expenditures.</td>
</tr>
<tr>
<td></td>
<td>Review monthly local accounts prior to submission to the home office.</td>
</tr>
<tr>
<td></td>
<td>Review monthly invoices to USAID and obligations/budget to actuals report prepared by the home office.</td>
</tr>
<tr>
<td></td>
<td>Monitor overall expenses and discuss/propose adjustments as needed to assure successful project implementation.</td>
</tr>
<tr>
<td></td>
<td>Provide input as needed for budget realignment process.</td>
</tr>
<tr>
<td></td>
<td>Ensure all field expenditures comply with contract, USAID regulations, and policy.</td>
</tr>
<tr>
<td></td>
<td>Ensure completion of contract within budget.</td>
</tr>
<tr>
<td>Senior Technical Advisor and Manager</td>
<td>Review budget at award to identify early concerns.</td>
</tr>
<tr>
<td>(STA/M)</td>
<td>Work with Project Management Team to set targets for operational and activity costs both at COP orientation and during the development of the first annual work plan.</td>
</tr>
<tr>
<td></td>
<td>Work with Project Management Team and home office Accountant to develop protocol for setting, checking, and recording operational and activity cost codes for all project expenses.</td>
</tr>
<tr>
<td></td>
<td>Manage the project budget by monitoring expenditures and planned obligations against work plan.</td>
</tr>
<tr>
<td></td>
<td>Code and track operational and activity obligations.</td>
</tr>
<tr>
<td></td>
<td>Review monthly project invoice.</td>
</tr>
<tr>
<td>Team Member</td>
<td>Financial Management Responsibilities</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Project Manager (PM)        | - Review local budget at award to identify early concerns.  
- Work with Project Management Team to set targets for operational and activity costs both at COP orientation and during the development of the first annual work plan.  
- Work with Project Management Team and home office Accountant to develop protocol for setting, checking, and recording operational and activity cost codes for all project expenses.  
- Manage the project budget by monitoring expenditures and planned obligations against work plan.  
- Monitor budget to ensure expended and committed funds do not exceed obligated funds.  
- Review subcontractor and consultant invoices to ensure availability of approved LOE prior to payment, and that expenses are allowable.  
- Work with COP and STA/M to ensure that subcontractor expenses are apportioned correctly against planned cost obligations.  
- Review monthly project invoices for coding errors, potential cost overruns or under-spending, as part of budget monitoring process.  
- Notify project team and business office of need for budget realignment.  
- Support STA/M as needed for budget realignment process.  
- Ensure completion of contract within budget.                                                                                                                                   |
| Contracts Specialist (CS)   | - Review local budget at award to identify early concerns.  
- Request VPA to assign Budget Analyst, Cost Proposal Specialist or the Business Manager and provide support to STA/M during budget realignment.  
- Review subcontractor invoices to ensure compliance with contract or letter of authorization prior to payment.                                                                                                                                         |
| Home office Project Accountant | - Review monthly project financial reports and manage accounting and reporting.  
- Work with Project Management Team to develop protocol for setting, checking, and recording operational and activity cost codes for all project expenses.  
- Coordinate directly with field office accounting team to resolve discrepancies or other problems with local monthly accounts.                                                                                                                   |

4.2 **Cost Structure: Different Types of Contracts**

The structure of a contract determines how recovers costs. The figure below shows the two main contract structures used by USAID. In addition, has a small number of Firm Fixed Price contracts through the MCC.
FIGURE 7. CONTRACT STRUCTURE

<table>
<thead>
<tr>
<th>Time and Materials/Fixed Burden Daily Rates (T&amp;M/FBDRs)</th>
<th>Cost Plus Fixed Fee</th>
<th>Firm Fixed Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ARD bills using pre-negotiated labor rates which include a fixed labor rates for technical Functional Labor Categories for expat labor and a fixed multiplier for non-US labor</td>
<td>• ARD bills for actual cost of labor plus indirect rates</td>
<td>• Statement of work spells out clear deliverables</td>
</tr>
<tr>
<td>• ARD bills for actual costs incurred for all other budget items</td>
<td>• ARD bills for actual costs incurred for all other budget items</td>
<td>• ARD bills upon completion of each deliverable</td>
</tr>
<tr>
<td>• ARD bills for indirect rate (G&amp;A and MHO) on Other Direct Costs only</td>
<td>• ARD bills for indirect rate (G&amp;A for labor, travel, ODCs, and allowances) plus MHO for equipment, subcontract and grants)</td>
<td>• Costs expended in accomplishment of work do not govern how much is paid</td>
</tr>
<tr>
<td></td>
<td>• ARD bills for Fixed Fee</td>
<td>• Cost overruns or “under-runs” are ‘s to manage</td>
</tr>
</tbody>
</table>

4.3 BUDGET CREATION (PROPOSAL STAGE)

A cost proposal (budget) is developed by a home office Cost Proposal Specialist during the proposal stage. This includes as much detailed, accurate information as possible. When available, the labor section includes the name, Fixed Burdened Daily Rates (FBDR) or actual labor rate, and anticipated LOE for all long-term staff and consultants identified during the proposal stage. Information for TCN and/or CCN staff labor rates and other direct costs may be gathered based on real costs of previous projects in the host country, survey of other development projects, and/or information gained during pre-bid reconnaissance missions. This budget, when the contract is awarded, becomes the contract budget. Any subsequent changes to the budget must receive approval by the CO in accordance with the contract requirements.

While the budget is organized by expenditure category during the proposal process, any operational or activity cost coding should match the coding protocols outlined in Section 4.5 to the degree possible.

4.4 BUDGET REALITY CHECK (STARTUP STAGE)

The project startup phase tests the assumptions of the cost proposal. Though every effort is made to make the cost proposal accurate, the COP and SCS will find differences between actual costs and the costs budgeted by the home office team. In most cases, a budget realignment is required to reconcile any disparities, and gain USAID approval of actual projected costs. In rare cases, this realignment may take place in the immediate weeks post award, but generally realignments are undertaken once a project is well underway and cost estimates are more accurate. More information on budget realignments is presented below in Section 4.8. It is at this stage that the operational and activity cost codes start to become formalized.
4.5 CHART OF ACCOUNTS

4.5.1 Expenses Coded According to Type for the Finance Office

Every month, the local accountant charges project expenditures against the contract budget by assigning expenditures the appropriate expenditure type. Proper coding of project expenditures is an essential component of budget monitoring, cost projections, and assurance of contract compliance. The PM should review the monthly project invoice to ensure expenditure types are being coded properly. Expense type accounting codes can be found in /A.

Expenses Coded According to Program Function

Introduction. In addition to assigning an expenditure “type” code to allow for billing, the Project Management Team will need to track costs by program function to map and monitor a project’s progress and to identify potential problem areas. For this to take place, expenses need to be assigned operational and activity codes and not just codes for their “type.” Some of this may take place in the proposal stage. However, the annual work plan process is the time that specific actions are agreed upon on the ground and approved by the client. Because of this, it is often the most opportune time to assign specific costs to project operations and activities and to assign them mutually agreed upon codes.

Coding. In general, there are 212 expenditures types or (charge codes) organized into 11 expenditure categories that are used for invoicing USAID. To track program functions, these charge codes must be cross-referenced into two categories that define the core functions of all projects:

1) Operations (support that allow technical activities to take place), and
2) Activities (technical activities).

All project resources are expended under five mechanisms that are divided into the five following categories:

1) Operations (all costs that support technical activities to take place);
2) Subcontracts;

Three Common Budget Issues to Watch Out for in the Startup Phase

- **Local staff salaries.** The salary expectations of local staff may be higher or lower than anticipated by the home office. The US Mission Local Compensation Plan (or Foreign Service National [FSN] scale*) may not be available during the proposal stage, and may not have current information on salary ranges for USAID local staff. Salaries that exceed the budgeted amount must be approved by USAID.

- **Local fringe calculations.** The COP, guided by local legal counsel, determines the contributions, taxes, and withholdings to be applied to local staff salary, in accordance with local law and prevailing practice in similar organizations implementing USAID projects.

- **Office rent.** budgets for office rent in our contract budgets; often, however, it may not be possible to find suitable office space within the amount budgeted. In these cases, the PM will seek approval from USAID for the higher office rent amount.

*See Chapter 2 for information on establishing a salary scale for CCN staff. A sample salary scale for local staff can be found in /A, Startup—Personnel.
Program tasks and activity plans must define which mechanisms are used for each action and the estimated cost of each mechanism. How these specific operational and activity expenses are coded is best left to the COP and project team to match local conditions. The protocol is less important than the need for it to be clearly defined at the start of the project and followed consistently over this life of the project. The COP may also wish to add columns of his/her own to track project information they feel may be needed but which would not be reported to the home office under normal circumstances.

**FIGURE 8. CODING TO PROJECT FINANCIAL FRAMEWORK**

As program function codes will need to be tailored to each project, there are no preset lists found in the /A. However, project-developed codes and protocols should be approved by the STA/M early in the project and no later than the completion of the first annual work plan.

While on the surface it may seem like additional work, it will save time currently spent as the local and home office Project Management Team members both disassemble the cost information otherwise based solely on expense “type,” most often found on invoices, into a form that shows how technical activities are progressing in comparison to project funds.

**Caveats.** This is one of the first steps in an overall operating budget financial management plan. Tools are in the process of being created that will allow for:

- Reports to include obligations so that remaining funds can be easily identified,
Weekly or monthly reports that provide a pipeline by task and not just expenditure type so that implementation can be more easily managed, and

Matching expenditure rates with technical implementation rates so that potential problems can be identified early.

While these additional steps will be rolled out over the next year, there is currently value in having costs identified in terms of program functions for the Project Management Teams for new projects and perhaps, in some cases, ongoing projects. Importantly, as the systems are developed and the tools to deal with the tasks listed above are finalized, those projects that have their costs coded by program function will have immediate access to these newly developed financial reports.

4.6 **INCREMENTAL FUNDING**

Most USAID contracts are funded incrementally. For example, a contract with a $5 million ceiling may begin with only one million in ‘obligated funds.’ Throughout the life of the project, the funding will be increased through several tranches or obligations that are incorporated via contract modifications. As it is possible that the project may not be fully funded, the project must never expend, or commit to spending, more than the obligated amount. The STA/M and home office PM are responsible for tracking project expenditures against the obligated amount. The CS is responsible for notifying the Contracting Officer when the project has reached 80% of obligated funding. This notification will include a projection of when the current obligation will be exhausted.

4.7 **BUDGET MONITORING AND COST PROJECTION TOOLS**

4.7.1 **Monthly Project Financial Report**

Each month, the project team’s local Finance Manager submits the project’s financial report to the home office project Accountant, who then reviews and finalizes the report, and enters the data into the home office accounting system (Tetra Linx). Tetra Linx summarizes the data from the local accounts, incorporates costs incurred in the home office, and prepares a billing statement for the client. In addition, home office staff have access to “PM Portal” where a project’s transaction detail can be viewed and sorted to aid in project management. Guidelines for using PM Portal can be found in the /A.

4.7.2 **Invoice Review Protocol**

PMs and STA/Ms are responsible for reviewing project invoices and verifying that the information contained therein is correct on a monthly basis. The invoice review ensures the invoice can be reconciled with the status of the approved budget obligations and any discrepancies should be highlighted and addressed. The review process has two phases. First, there is a big-picture review process conducted by the PM, to be completed within 24 hours of receiving the draft invoice from the business office. The objective of this quick review process is to identify costs that have been incorrectly coded in the invoice before it is submitted to the client. Second, as it may not be possible to conduct an in-depth review of the invoice within the 24-hour review process, a more thorough review can be conducted within five business days of
receipt of the invoice from the business office. During this process, the PM presents the findings of the review to the STA/M. The STA/M reviews and signs off on the invoice, and by signing the invoice has affirmed that s/he has thoroughly reviewed and approved of the contents therein. Corrections made to invoices after they have been submitted to the client will be reflected in the following month’s invoice. Key objectives of the thorough review process are as follows:

- Identify and correct errors in how costs are coded.
- Monitor the project’s actual burn rate versus its target burn rate.
- Identify potential cost overruns or under-spending for total project budget, specific line items, and task budgets.
- Monitor LOE as needed (especially for all short-term consultants, part-time staff, and home office employees).
- Review monthly invoices within the context of past and projected spending trends.

Home office project teams can create a cheat sheet for each project to make reviewing invoices more efficient. A detailed protocol for reviewing the monthly invoice can be found in the /A.

**4.7.3 Budget to Actuals Report**

The business office creates a monthly budget to actuals analysis of project expenditures across major contract budget lines. The Budget to Actuals Report shows the contract budget by major budget line, the total costs incurred in each budget line through the date of the report and the percentage of the project duration at that date, the amount remaining in each budget line, the percentage used for each budget line, the monthly burn rate for each budget line, and the average monthly burn rate for the project. This enables the Project Management Team to track over- and under-expenditures across the major budget lines and helps point toward the possible need for a budget realignment. The PM shares this Budget to Actuals Report with the project team on a monthly basis. An example of a Budget to Actuals Report can be found in /A, Activity Implementation – Financial Management Systems.

**4.7.4 Accruals Report**

Many projects are required to submit a quarterly financial report to USAID showing anticipated costs through the end of the financial quarter. This helps USAID to anticipate funding needs, but can also be a project tool for projecting costs. The Accruals Report generally presents the following columns: total contract budget, total costs billed to USAID to date, and total anticipated spending by the end of the financial quarter. To prepare this report, local estimated expenses for the financial quarter are needed from the local project staff. An example of an Accruals Report can be found in /A, Activity Implementation – Financial Management Systems.

**4.8 Budget Realignment**

If a project has exceeded or will exceed the approved ceiling of a Contract Line Item within a budget, is contractually required to obtain CO approval of a realigned budget. Each project’s contract determines the extent of ’s flexibility within budget line items. For example, a typical
project budget may have two Contract Line Items: labor and other direct costs (ODCs). In this case, has budget flexibility within each Contract Line Item, and would only submit a realigned budget to the CO if the project exceeded the approved labor and/or ODC Contract Line Item. In other cases, the contract may establish more rigid budgeting requirements. For example, a contract may require CO approval to exceed approved cost ceilings for multiple line items, including labor, fringe, ODCs, equipment, activities, and fee.

By carefully monitoring the budget and tracking projected costs, the PM, COP, and STA/M are able to determine when a budget realignment is necessary. Budget realignments are only to be conducted in the following cases:

1. The contract line items will be overrun in the next six months, or have been overrun when comparing the contract budget with approved obligations (This only applies to the line items that is contractually bound to comply with in the signed contract/task order with our client.);
2. There is a change in the scope of work, requested by the client that requires a review and possible realignment of the budget; or
3. In rare instances, a budget realignment may be requested by the COTR when it is not required by the contract. The CS can work with the project team to help educate the client in these instances to avoid unnecessary work.

The following process must be followed when budgets are realigned so the Business Office can effectively allocate workload and ensure there is adequate support for project teams and solid coordination within the unit:

1. The project team (COP, STA/M, PM) determines that there is a need for a realignment—this only takes place after a thorough review by this same team of the expenses to date and their own internal forecast of spending.
2. The team discusses this possibility with the CS who provides a “reality check” by quickly reviewing the Budget to Actuals Report, committed funds, and the contract.
4. If there is a true need for realignment, the CS asks the Vice President for Administration to assign someone to assist with the realignment.
5. Vice President for Administration discusses business office work load with the Controller, and they select a Budget Analyst, Cost Proposal Specialist or the Business Manager to support the Project Management Team.
6. The assigned Budget Specialist works with the project team to realign and submit the budget for approval by the client.

4.9 LOCAL ACCOUNTING

The Local Project Accounting Manual ( /A, Startup—Financial Management System) describes all forms and procedures required for the establishment and use of local bank accounts, budget monitoring and cash forecasting, local accounting requirements, and reporting.
Financial management control is one of the major responsibilities of the field office and is closely coordinated and monitored by the home office. The COP and the Administrative/Financial Specialist (when the position exists) are responsible for the financial management of the local budget and control of project funds. An important component of this control will be setting the protocols for ensuring expenses receive accurate operational and activity codes and that the protocols are being followed. If no Administrative/Financial Specialist position exists, all tasks related to the management of monthly accounts are carried out by the COP. Many of the projects began using QuickBooks© for their local accounting requirements and all new contracts will use QuickBooks.

4.10 Value-added Tax

Value-added tax (VAT) is not an allowable cost on any USAID contract. Budgets from subcontractors and invoices for the purchase of goods may not include VAT. If the host country does not have an agreement in place to exclude contractors from paying VAT, the project may be required to pay VAT, and the amount of VAT paid must be carefully monitored and documented. Each project is required to report any VAT payments once each year, in April for the previous fiscal year. Some contracts require monthly VAT reporting to the mission. The COP should ensure that the local project Accountant contacts the mission to obtain VAT reporting guidelines. Most contracts include VAT reporting requirements, and the home office will provide guidance as needed. If the contract does not include a VAT reporting requirement, the COP should seek guidance from the mission on VAT reporting. A VAT reporting form can be found in the /A.
5.0 PERSONNEL MANAGEMENT
This chapter will discuss the following:
- Long-Term Employees: Recruitment and Contracting, Orientation and Mobilization
- Short-Term Technical Assistance: Recruitment and Contracting, Scopes of Work and International Travel
- Home Office Management, Support, and Oversight

This chapter references the following SOPs:
- Recruitment- Hiring Field Staff
- Performance Evaluation CCN Staff
- Salary Increases CCN Staff

5.1 LONG-TERM EMPLOYEES—RECRUITMENT AND CONTRACTING, ORIENTATION AND MOBILIZATION

Recruitment and Contracting. The steps for recruiting and contracting long-term staff are outlined chronologically below. These processes are presented in detail in ‘s Recruitment and Staffing Process Manual (March 2009).

**FIGURE 9. STEPS TO RECRUIT LONG-TERM PROJECT STAFF**

<table>
<thead>
<tr>
<th>Actions</th>
<th>US and TCN Staff</th>
<th>CCN Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop Position Description</td>
<td>STA/M and COP draft; COP or PM obtains approval from COTR if new position (i.e., not already in contract)</td>
<td>COP drafts and incorporates input from STA/M; COP obtains approval from COTR if new position</td>
</tr>
<tr>
<td>Advertising</td>
<td>If needed, Director, International Consultant Services (ICS) assists with vacancy postings</td>
<td>▪ COP posts position in accordance with mission and local law requirements ▪ All viable applicants under consideration for position as well as applicants who may not be under consideration but have relevant technical skills for 's sectors should be sent in a zip file to the PM for inclusion in IS so they may be considered for future consulting opportunities that may develop ▪ Director, ICS may also be called upon to review our advertising database for relevant venues</td>
</tr>
<tr>
<td>Searching/Networking</td>
<td>COP develops and sends criteria. STA/M and PM review candidates from IS and other networks</td>
<td>▪ Request the PM have a search conducted in IS for CVs of qualified candidates to be sent to the COP ▪ PM send COP candidates from IS database</td>
</tr>
<tr>
<td>Actions</td>
<td>US and TCN Staff</td>
<td>CCN Staff</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Names of candidates should always be checked against IS and “The Excluded Parties List System (EPLS) database <a href="https://www.epls.gov">https://www.epls.gov</a></td>
<td></td>
</tr>
<tr>
<td>Employment Documents</td>
<td>PM obtains completed EBD form, salary verification, and references from top candidates</td>
<td>COP submits completed EBD form, salary verification, and references from top candidates to PM</td>
</tr>
<tr>
<td>Interviews/Reference Checks</td>
<td>STA/M interviews and checks references of top candidates</td>
<td>COP interviews and checks references of top candidates</td>
</tr>
<tr>
<td>Determine Compensation</td>
<td>PM determines compensation parameters, guided by the contract, budget, standard USAID allowances, and the candidate’s salary history, and presents rate negotiation folder to Human Resources Director (HRD)</td>
<td>COP determines compensation parameters, guided by the contract, FSN and/or CCN salary scale, budget, and the candidate’s salary history; COP obtains home office CS approval of contract terms and salary or daily rate</td>
</tr>
<tr>
<td>Contract Negotiation</td>
<td>HRD negotiates salary, allowances and benefits</td>
<td>COP negotiates salary, allowances and benefits⁵</td>
</tr>
<tr>
<td>USAID Approval</td>
<td>The PM obtains USAID approval to hire and approval for mobilization as required by the contract</td>
<td>The PM or, if authorized by the President, the COP obtains USAID approval to hire as required by the contract</td>
</tr>
<tr>
<td>ARDIS Maintenance</td>
<td>The PM enters relevant records into IS and forwards appropriate consultant documents to ICS</td>
<td></td>
</tr>
</tbody>
</table>

### 5.1.1 Local Employee Agreement

Templates for Local Employment agreements can be found in the . However, it is important to have a local lawyer vet the template to ensure it, and the proposed benefits that will be included in the contract, are in accordance with local law and standard practice.

#### Questions for Determining Mobilization Requirements and Constraints:

1. Does this post include USAID allowances?⁷
2. TCN staff require CO approval to receive benefits and allowances. Has this been taken into consideration?
3. Does this post allow dependents? Are there any restrictions on children?
4. Does this contract and budget allow for a Separate Maintenance Allowance (SMA)? If needed, PM must submit separate approval for SMA.

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⁵ See Startup chapter (Chapter 2) for more information on FSN and CCN salary scales.

⁶ Often the PM and CS provide input to CCN salary negotiations, and final approval of the salary and benefits. For larger projects, this may be delegated after a series of approved rate negotiations have taken place.

⁷ See [http://aoprals.state.gov/Web920/allowance.asp?menu_id=95](http://aoprals.state.gov/Web920/allowance.asp?menu_id=95) for details on USAID allowances by type and location.
5. Will the allowances and benefits for this position cause the project to exceed its budget?

5.1.2 Orientation of Long-Term Employees

Whenever possible, expatriate staff members undergo a home office orientation prior to mobilization. Templates for orientation programs for COP, Deputy Chief of Party (DCOP), Grants Manager, and other senior positions can be found in /A, Mobilization—Personnel. Information and guidance on home office orientation procedures is presented in the *New Technical Staff Orientation Manual* (2008). The PM is responsible for coordinating home office orientation programs, with guidance from the STA/M.

With the exception of senior-level CCN staff, who may undergo orientation in the home office, the orientation and training of CCN staff is the purview of the COP. Training materials, especially for local accounting personnel, may be provided by the home office and can be found throughout the .

5.1.3 Mobilization

Mobilization refers to the provision of international travel and allowances associated with long-term positions for USN and TCN employees (*inter alia* travel for dependents, shipping, storage, and provision of temporary quarter’s subsistence allowance [TQSA]). The allowances associated with the position are based on Department of State regulations and policy. In addition, the PM and HRD will take into account contract requirements and budget constraints. A description of the allowances for the employee is included in the employment contract.

**FIGURE 10. STEPS FOR MOBILIZATION OF LONG-TERM PERSONNEL**

<table>
<thead>
<tr>
<th>Mobilization: Upon receipt of USAID approval for hire and mobilization, the PM coordinates the following actions for the mobilization for US and TCN staff:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Travel Arrangements</strong></td>
</tr>
<tr>
<td>• PM refers new hire to Travel Coordinator to make flight and hotel arrangements</td>
</tr>
<tr>
<td>• Travel Coordinator informs the employee of any country visa and/or inoculation requirements</td>
</tr>
<tr>
<td><strong>Country Clearance</strong></td>
</tr>
<tr>
<td>• PM obtains country clearance for new hire as required by USAID mission; most missions require one to two weeks to process country clearance requests</td>
</tr>
<tr>
<td><strong>Shipping &amp; Storage</strong></td>
</tr>
<tr>
<td>• PM refers new hire to Procurement and Logistics Specialist to make shipping and storage arrangements</td>
</tr>
<tr>
<td><strong>Travel Advance (TQSA)</strong></td>
</tr>
<tr>
<td><em>See guidance in -A/Startup/Personnel/Expats</em></td>
</tr>
<tr>
<td>• PM submits Travel Advance request for new hire’s TQSA (provides temporary lodging, meals and incidental expenses until the new hire acquires long-term housing)</td>
</tr>
</tbody>
</table>

5.2 SHORT-TERM TECHNICAL ASSISTANCE—RECRUITMENT AND CONTRACTING, SCOPES OF WORK AND INTERNATIONAL TRAVEL

Recruitment and Contracting. The steps for recruiting and contracting consultants for short-term technical assistance (STTA) are outlined chronologically below.

---

8 See /A, Startup—General Contract Administration
FIGURE 11. STEPS TO RECRUIT SHORT-TERM TECHNICAL ASSISTANCE

<table>
<thead>
<tr>
<th>Actions</th>
<th>US and TCN Consultants</th>
<th>CCN Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop Scope of Work (SOW)⁹</td>
<td>COP drafts; STA/M approves</td>
<td>COP drafts; STA/M approves</td>
</tr>
<tr>
<td>Advertising</td>
<td>Director, ICS assists with vacancy postings, as needed</td>
<td>COP advertises position in accordance with mission and local law requirements</td>
</tr>
</tbody>
</table>
| Searching/ Networking            | STA/M and PM review candidates from IS, other networks                                    | ▪ Request PM to have search conducted in IS for CVs of qualified candidates to be sent to the COP  
▪ PM sends COP candidates from IS database  
▪ Names of candidates should always be checked against IS and EPLS database https://www.epls.gov; PM sends COP candidates from IS database; COP taps local networks |
| Employment Documents             | PM obtains completed EBD form, salary verification, and references from top candidates    | COP submits completed EBD form, salary verification, and references from top candidates to PM |
| Interviews/ Reference Checks     | STA/M interviews and checks references of top candidates                                  | COP interviews and checks references of top candidates                         |
| Determine Compensation           | PM determines compensation parameters, guided by the contract, budget, standard cooperating country allowances, and candidate’s salary history; PM prepares rate negotiation folder for CS | COP determines compensation parameters, guided by the contract, the FSN salary scale,¹⁰ budget, and the candidate’s salary history; COP obtains home office approval of contract terms |
| Contract Negotiation             | CS negotiates salary and allowances with the top candidate                               | COP negotiates salary, allowances and benefits with the top candidate; COP requests home office salary approval from the PM and CS |
| USAID Approval                   | PM obtains USAID approval for hire, international travel, and SOW as required by the contract; PM requests USAID assistance in obtaining country clearance | The PM or, if authorized by the President, the COP obtains USAID approval for hire and SOW as required by the contract; PM or COP sends record of written approval to PM |
| ARDIS Maintenance                | The PM enters relevant records into IS and forwards appropriate consultant documents to ICS |                                                                                |

⁹ See “Scope of Work” textbox for more information on developing SOW.
¹⁰ See Startup chapter (2) for more information on FSN and CCN salary scales.
5.2.1 Scopes of Work

The STA/M and COP are responsible for ensuring that short-term consultants under their respective managements are technically prepared to undertake their assignments. A well-constructed Scope of Work (SOW) contributes to their success.

The first step to ensuring that a consultant is equipped to carry out his/her assignment successfully is to develop an informative and precise SOW (see text box). Sample SOWs can be found in /A, Startup—Personnel. The STA/M or COP is responsible for reviewing the SOW and any accompanying reference material with the consultant to ensure that (s)he understands the context of the assignment within the overall project, and the objectives, tasks and deliverables of the assignment.

ARD has developed materials to aid consultants to complete their assignments successfully:

- Short-Term Team Leader Guide, and
- Guide to Short-Term Work with

5.2.2 International Travel for STTA

The PM coordinates all international travel and related logistics for USN and TCN consultants. Upon receipt of USAID approval for hire, international travel and related costs, the PM coordinates the following actions (Figure 12) for US and TCN STTA.

FIGURE 12. STEPS FOR MOBILIZATION OF STTA

<table>
<thead>
<tr>
<th>Task</th>
<th>Actions</th>
</tr>
</thead>
</table>
| Travel Arrangements         | • PM refers consultant to home office Travel Coordinator to make flight and hotel arrangements  
|                             | • HO Travel Coordinator informs the consultant of any country visa and/or inoculation requirements, and assists as needed |
| Country Clearance           | • PM obtains country clearance for the consultant as required by USAID mission; most missions require one to two weeks to process country clearance requests¹¹ |
| Travel Advance              | • PM submits Travel Advance request for consultant’s anticipated per diem allowance, local travel, and communication expenses   |
| Project Office Coordination | • PM coordinates with the project office to ensure that arrangements for airport pick-up, accommodations, and schedule are completed |

¹¹ See /A, Startup, Personnel for sample country clearance request.

What should a SOW do?

- Provide a solid background of the project, and explain the context of the individual assignment.
- Indicate required and suggested briefing materials.
- Specify a start and end date and the exact LOE, including number of days for preparation, fieldwork, international travel days, and remote report writing.
- Identify to whom the consultant reports.
- Outline specific tasks and deliverables tied to deadlines.
- Explicitly support the objectives of the task order.
## 5.3 HOME OFFICE MANAGEMENT, SUPPORT, AND OVERSIGHT

### FIGURE 13. KEY ROLES AND RESPONSIBILITIES FOR PROJECT PERSONNEL ADMINISTRATION

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Project Personnel Administration Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>President</strong></td>
<td>Retains responsibility for terminating the employment of all US-hired employees, including personnel residing overseas</td>
</tr>
<tr>
<td><strong>HRD</strong></td>
<td>Responsible for personnel administration actions for overseas short- and long-term expatriate employees, including hiring, negotiating salaries and contracts, reviewing and processing annual salary increases, and overseeing termination process</td>
</tr>
<tr>
<td><strong>VPA</strong></td>
<td>Gives prior approval before any local hire employee’s early contract termination</td>
</tr>
<tr>
<td><strong>CS</strong></td>
<td>Negotiates contracts for USN and TCN STTA</td>
</tr>
<tr>
<td></td>
<td>Reviews and approves short-term local hire rates</td>
</tr>
<tr>
<td></td>
<td>Reviews and approves CCN employment agreements and benefits packages during startup, generally after a legal opinion is received</td>
</tr>
<tr>
<td><strong>Employee Benefits Manager</strong></td>
<td>Maintains all employees’ benefits and personnel records utilizing Tetra Tech and systems</td>
</tr>
<tr>
<td></td>
<td>Administers benefits for all employees and orients employees to the benefits package</td>
</tr>
<tr>
<td></td>
<td>Assists with enrolment of new employees in Tetra Flex benefits program</td>
</tr>
<tr>
<td><strong>Sector Director</strong></td>
<td>Advises STA/M and PM on staff or consultant performance problems</td>
</tr>
<tr>
<td><strong>COP</strong></td>
<td>Directly manages administrative and technical project staff</td>
</tr>
<tr>
<td></td>
<td>Conducts annual reviews for project staff and performance evaluations for USN and TCN employees and consultants</td>
</tr>
<tr>
<td></td>
<td>Submits timely evaluations of STTA performance for is record</td>
</tr>
<tr>
<td></td>
<td>Recommends salary increases for project staff to the PM and STA/M</td>
</tr>
<tr>
<td></td>
<td>Notifies STA/M and PM of any performance problems with project staff</td>
</tr>
<tr>
<td></td>
<td>Maintains project personnel records in accordance with policy</td>
</tr>
<tr>
<td><strong>STA/M</strong></td>
<td>Provides technical assistance to the COP in support of meeting program objectives</td>
</tr>
<tr>
<td></td>
<td>Conducts performance evaluation of COP, and informs the performance evaluation of the PM and other key staff</td>
</tr>
<tr>
<td></td>
<td>Coordinates decisions or reviews on project staff and consultant performance</td>
</tr>
<tr>
<td></td>
<td>Conducts project progress reviews in the field</td>
</tr>
<tr>
<td><strong>PM</strong></td>
<td>Ensures that all personnel contracts are properly processed and executed, all logistic and support activities are carried out in a timely manner with the proper authorizations/ approvals</td>
</tr>
<tr>
<td></td>
<td>Works with Travel Coordinator to ensure timely provision of all travel-related requirements</td>
</tr>
<tr>
<td></td>
<td>Maintains project personnel records in accordance with policy</td>
</tr>
</tbody>
</table>

### 5.3.1 Performance Evaluation

Formal performance evaluations for all long-term personnel are carried out annually on the anniversary of employment. Generally, the STA/M is responsible for evaluating the performance of the COP. The COP conducts performance reviews for long-term expatriate and local staff. A standard performance evaluation form can be found in /A, Activity Implementation—Personnel. Once the performance evaluation is completed for any expatriate

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12 The VPTO conducts performance reviews for COPs who are long-term home office staff members.
staff (USN or TCN), it is forwarded to the VPA along with the STA/M’s or COP’s
recommendation for a salary increase.

In accordance with evaluations of individual performance, budget parameters, and USAID
mission standards, the COP will recommend an annual merit salary increase to the STA/M and
PM. The PM is responsible for obtaining VPA approval, and if needed, USAID approval.

In the event of poor performance of a USN or TCN employee, the COP is responsible for
notifying the STA/M and PM prior to discussing the performance issue with USAID or any
other host country implementing agency. The required course of action is determined in
coordination with the home office team, including the Sector Director and VPPO. If the
replacement of the USN or TCN employee is mutually agreed upon by the COP, STA/M, PM,
SD, and VPPO, notification will be provided to USAID. Formal written approval from USAID is
required for the replacement of Key Personnel. Please see /A, Activity Implementation—
General Contract Administration, for the format for such a request, and note that the request is
made over the President’s signature.

5.3.2 International Travel and Leave (Vacation, R&R and Home Leave)

Requests for approval of international travel/leave for expatriate and TCN staff will be prepared
by the PM and submitted to USAID. Please see /A, Activity Implementation—General
Contract Administration for the format of such a request.

5.3.3 Record-Keeping, Reporting, and Timecard Procedures

The COP submits a monthly local personnel sheet to the home office (as part of monthly local
addition, the COP maintains original records of all employment documents (EBD, salary
verification, performance evaluations, and signed contract), and ships copies of these files to the
PM at the end of the project.

ARD’s USN and TCN employees are required to submit weekly timecards via Tetra Tech’s
Oracle-based Tetra Linx system. Instructions for timecard procedures can be found in /A,
Startup—Personnel. CCN personnel submit monthly timesheets that are included with the
monthly local accounting submittal to the home office.
6.0 TECHNICAL OVERSIGHT
This chapter will discuss the following:

- Assignment of Relevant Technical Expertise
- Strategic Direction to Project Team
- Develop and Maintain Positive Client Relations
- Develop and Maintain Positive Project Partner Relations
- Monitor Quality & Timeliness of Technical Outputs
- Supervise Project Team Performance
- Semi-Annual Project Evaluation
- Stewardship of Financial Resources
- Ensuring Positive Contractor Performance Reports
- ARD Home Office Resources for Technical Oversight
- Role of the SD and VPPO in Technical Oversight

6.1 Assignment of Relevant Technical Expertise

ARD’s VPTO, in council with relevant SDs, assigns a Senior Technical Advisor and Manager to every project upon award. This person is typically a Staff Associate, Associate, or Senior Associate within the Technical Operations division. The STA/M is expected to have proficiency in the technical subject matter of the project, and ideally in the geographic and cultural context of the project as well. The STA/M is also expected to possess strong contract administration, budgeting and project management skills. STA/M assignments will form part of each Associate’s normal work load and part of their annual performance appraisal. A combination of home office supervisory time, travel, and short-term technical assistance to a project is considered the norm. A STA/M can be assigned to more than one project at a time.

6.2 Strategic Direction to the Project Team

Successful project implementation requires the integration of technical and administrative management. The STA/M provides strategic direction to the field project team by contributing both technical and administrative support, including the following:

- Relevant technical expertise;
- Firm grasp of ARD and USAID rules, regulations, and policies;
- Ability to leverage home office administrative and technical resources for program support;
- Sound working relationships with the client, project office staff, and project partners;
- Knowledge of the project financial resources and the costs associated with program operations and activities;
- Ability to understand client expectations for contractor performance;
- Accountability for the quality of major project deliverables;
- Supervision and performance review of the COP; and
- Facilitation of the Contractor Performance Assessment Report (CPAR) process and final report.
6.3 DEVELOP AND MAINTAIN POSITIVE CLIENT RELATIONS

The STA/M serves as the principal home office representative to the USAID mission or client office. In this capacity, the STA/M advocates and promotes the project's performance, in concert with the project's COP, and is finally accountable for discussions and negotiations with USAID or client technical and contracts officers.

In the early stages of the project, it is important for the STA/M to meet with the client and establish a communication plan in accordance with the client’s preferences, which may include periodic phone calls or emails from the STA/M in addition to project office visits. To maintain positive client relations, it is important to establish regular communication between the home office and the client offices. This allows the STA/M to update the USAID COTR on project successes or constraints, and provides an opportunity for the client to raise any concerns about project or personnel performance.

6.4 DEVELOP AND MAINTAIN POSITIVE PROJECT PARTNER RELATIONS

The STA/M serves as the point person for all international implementation partners. The STA/M’s ability to develop and maintain positive working relationships with implementation partners is important for successful project implementation as well as new business. To ensure positive partner relationships, STA/Ms are responsible for coordinating the following with project leadership:

- Whenever possible, meet with program partners at the beginning of the project to promote good relations and strong coordination. Hold regular remote or in-person meetings throughout the life of the project in concert with the COP as necessary.
- Set realistic expectations for the size and scope of subcontractor work.
- Communicate any changes to the anticipated level of effort for subcontractors to their respective home offices.
- Provide regular feedback on subcontractor performance to their respective home offices.

6.5 MANAGE QUALITY AND TIMELINESS OF TECHNICAL OUTPUTS

To ensure high-quality technical standards, the STA/M is responsible for the review and final quality of all technical products and services. This includes reviewing written contract deliverables before they are submitted to the client. The STA/M will also conduct periodic project visits to ensure the technical outputs and services meet quality standards. This is best done as part of an annual review and/or annual project planning process, and should be a routine function for the STA/M built into any project work plan and operational budget financial management (as described in Chapter 4).

At the outset of a project, a reporting schedule for all project deliverables should be established by the COP. To allow sufficient time for a careful STA/M review of all narrative deliverables, the schedule should assign internal and external deadlines. See Chapter 9 of this manual for more information on establishing an internal deliverable review policy and schedule. The STA/M is expected to play a particularly important role in the review and quality control of major project deliverables (e.g., annual reports, final reports).
6.6 **Supervise Field Team Performance**

The STA/M is responsible for providing guidance, support, and supervision to the COP, and ensuring the quality and timeliness of the COP’s work and relations with client, staff and partners.

The STA/M conducts an annual, formal performance review of the COP, as well as an initial semi-annual performance review. This tends to be more informal. The formal evaluation is conducted on each anniversary of the COP’s hire. The performance evaluation template can be found in /A, Activity Implementation—Personnel.

In the event that the performance or conduct of a COP falls short of expectations, the STA/M is responsible for communicating his/her concerns to the SD, who will bring in the Vice President for Program Operations (VPPO) if s/he decides additional corporate problem-solving resources are needed. See Chapter 5, Personnel Management for more information on the COP’s performance evaluation policies.

6.7 **Semi-Annual Project Evaluation**

To promote home office quality control of project performance and ensure compliance with Tetra Tech project audit requirements, each home office project team convenes twice a year to conduct an internal audit of project performance. The COP, PM, STA/M, SD, and Contract Specialist are required to attend this semi-annual conference. The Semi-Annual Project Evaluation provides a forum for the COP and home office Project Management Team to review the project’s technical performance and use of financial resources, with an eye toward identifying both opportunities and risks in both areas. A standardized form, which is completed during the review conference, submitted to the SD and filed in IS, can be found in /A, Activity Implementation—General Contract Administration. It is anticipated that the Operational Budget Financial Management (see Chapter 4) tools being developed will add a more quantitative dimension to the discussions once they come on line.

6.8 **Stewardship of Financial Resources**

Decisions on the nature and scheduling of inputs to the project must be informed by a sound understanding of available financial resources and the costs associated with program operations and activities. To ensure responsible stewardship of financial resources, STA/Ms are responsible for the following:

- Review the project budget at award to identify early concerns about line items and CLINs.
- Review monthly client invoices, Budget to Actuals reports, Tetra Linx’s Project Portal and any available Operational Budget Financial Management tools (based on project “activity” coding) and coordinate with PM to monitor contract expenditures versus obligated funding.
- Support the PM as needed for budget realignment process.
- Address any performance issues related to financial management or reporting in the field office.
- Work with the COP to ensure completion of contract within budget.

See the “Financial Management” chapter (Chapter 4) of this handbook for more information.
6.9 ENSURING POSITIVE CONTRACTOR PERFORMANCE ASSESSMENT REPORTS

The STA/M, as the senior home office manager, plays a key role in ensuring the receipt of positive CPARs. The COP, SD and PM assist the STA/M in this process. A CPAR is a “report card,” prepared by the USAID CO and COTR that is required for USAID contracts and task orders in excess of $100,000 and one year or longer in duration, and should be completed on an annual basis and upon completion of a contract. CPARs evaluate contractor performance on a textual scale (Ratings: Unsatisfactory, Marginal, Satisfactory Very Good [Above Average], Exceptional, Outstanding) in the following areas: Quality of Product or Service; Schedule; Cost Control; Business Relations; Management of Key Personnel; and Utilization of Small Business. Narrative comments may also be provided in “Other Areas.” Recommendation will also be provided on whether USAID would recommend the contractor for future USAID projects. It is important that the STA/M has a thorough understanding of CPAR ratings, areas of evaluation, and the importance of this feedback to winning new business.

The importance of CPARs is emphasized during the home office orientation of ’s COPs through sessions with the STA/M, PM, Senior Vice President/Chief Operating Officer (SVP/COO), and ’s home office Senior Project Information Management Specialist (SPIMS). From the point of project startup, the STA/M and COP work in tandem to establish the expectation of receipt of CPARs through initial meetings with USAID to ensure that the project has been registered in CPARS and solicit feedback throughout the first year of implementation. It is advised that the STA/M or COP specifically inquire of the COTR what kind of scores we would receive if a CPAR were prepared six to nine months into the project. Despite the fact that there are specific definitions for achieving certain scores, the ratings and evaluation process can still be subjective. Getting a sense of the scores that we would receive provides the STA/M or COP with the chance to specifically ask what actions we need to take to achieve the highest scores possible.

By monitoring the quality of technical outputs, reviewing project finances, and building strong relationships with the project team, project partners, and the USAID mission, the STA/M should have a clear sense of whether the project is on track. The STA/M should address—to the best of his/her ability—any issues that negatively affect the project’s performance before they are documented in the project CPAR.

If we do not receive a CPAR according to schedule, then it is up to the STA/M to determine whether a CPAR should be requested depending on how sure they are that the CPAR would be positive. The request for a CPAR should be sent to the CO and COTR by the STA/M or COP, as decided between them. The SPIMS can provide the STA/M with sample CPAR requests or send the request directly if the STA/M/COP’s requests go unanswered.

Once the CO and COTR prepare a CPAR it is submitted via the Internet through the Contractor Performance Assessment Reporting System (CPARS) to the SPIMS, who is the registered contact at . The SPIMS then distributes the CPAR to the Project Management Team. has the opportunity to request a face-to-face meeting with the COTR within seven days of receipt, respond and provide comments, rebutting statements, or additional information and request
that the COTR reconsider’s ratings, as necessary. Even if agrees with all comments and scores, a response is always submitted to acknowledge the feedback. The STA/M is responsible for drafting a CPAR response with input from the COP or other team members and sending a draft to the SPIMS within 25 days. The overall response is limited to 16,000 characters (approximately three pages). The SPIMS provides sample CPAR responses upon request. The draft must then be approved by the SVP/COO and is submitted by the SPIMS online within 30 days from receipt of the CPAR. The finalized CPAR, including contractor comments is entered into USAID’s Past Performance Information Retrieval System (PPIRS) and remains there as source selection information for three years after the completion of the project.

Any criticisms raised in a CPAR should trigger the writing of a Problem Statement identifying the issues and the measures taken to correct them. The Problem Statement should be written by the STA/M and sent to the SPIMS for entry into IS. CPARs may also determine the Recommendation status of a project in IS, which informs the use of the project as a Past Performance Reference.

6.10 ARD Home Office Tools and Resources for Technical Oversight

The following tools and resources will be useful for the successful technical oversight of’s contracts:

- **Technical Operations Framework (August 2008)**
  ARD’s Technical Operations Framework (TOF) captures’s technical operations and results in an improved image, internal organization, and performance of’s technical talents and business directions. The TOF
  - Clarifies and defines the terms used to organize major areas of technical engagement in the firm;
  - Provides the framework to accommodate existing practices and technical staff; and
  - Provides additional opportunities for the firm to grow technically, and to encourage increase focused cross-fertilization between technical areas of expertise to the professional and business benefit of .

- **Program Operations Framework (August 2010)**
  ARD’s Program Operations Framework (POF) articulates a framework for’s program operations that results in a clear, shared understanding of internal organization, project management practices, and available resources. The POF describes the structure of’s Project Management Teams and the responsibilities of the team members: the COP, STA/M, SD, PM, CS, and PS.

- **The Project Implementation toolBox/Technical (/T)**
  /T is “under construction.” It will be organized following completion of /A in a similar matrix format to provide tools, resources, SOPs, and technical guidance for program management (as opposed to administrative management). A STA/M or COP looking in /T would find guidance for writing a Snapshot, or designing a Monitoring and Evaluation system, or a template for an Annual Work Plan, or methods for organizing Performance
Monitoring Plan workshops using 's Advanced Participation Methods, or client rules for Marking and Branding. These would be housed in /T along with the 's Grants Management Handbook, and templates for various forms of subcontracting, and home office guidance on use of these instruments for meeting program objectives, while in compliance with contract requirements. With a future corporate investment in an company Intranet, one could find a Geographic Information System (GIS) model for spatial monitoring and mapping in /T. A sub-section on /T will also contain information about available training related to the use of specific technical tools useful for quality program management.

- Proposal to Implementation Handover Meeting Checklist/Guideline (see Chapter 2).
- Startup Team Meeting Checklist/Guidelines (see Startup Chapter).

6.11 ROLE OF THE SECTOR DIRECTOR IN TECHNICAL OVERSIGHT

The Sector Director plays an important oversight role in the management of projects, providing strategic guidance to the field and home office Project Management Teams. It is the responsibility of the STA/M to keep the SD informed of project successes and challenges, and to alert the SD of any project performance issues. Any project challenges of which the SD should be aware will also be discussed by the team at the Semi-Annual Project Evaluation Audit. The SD generally becomes actively involved in the technical oversight of a project only in the event of performance issues, and can help the project team manage client or partner relations and leverage resources to resolve performance problems that put the company at risk financially or legally. The SD ensures that firm-wide resources are available to support contract management and provide quality service to the client. Should the SD need assistance, s/he will engage the VPPO. The SD or VPPO represents to the client and counterparts at the Senior Management level. SDs are assigned by the VPTO. For each assigned contract, the VPPO will:

- Provide guidance to the COP and home office Project Management Team on questions related to corporate or client regulations, policies and procedures.
- Establish a protocol for communicating with the field in support of effective project management and relations with the COP, project office(s), and client.
- Institute regular information sharing on project issues within the home office Project Management Team.
- Lead the home office Project Management Team in strategic decision making related to the performance or replacement of key personnel, and budget or other contract modifications.
- Monitor and report on risks associated with contract performance, waste, fraud or abuse as defined by the wider corporation.
- Counsel and support individual COPs on confidential issues.
- Conduct periodic project visits to review project/program performance, client relations, timeliness, cost control, and host-country relations.
- Represent at senior corporate level with clients in their headquarters and in the field.
- Guide the COP and home office Project Management Team on operational issues related to the integration of other corporate entities as necessary.
7.0 GRANTS
This chapter will discuss the following:

- ARD Global Grants Management Guide
- Grants Management Team Roles and Responsibilities
- Types of Grant Mechanisms: Standard Grants, Simplified Grants, Fixed Obligation Grants, and In-Kind Grants

This chapter references the following SOPs:

- GUC Management (Phase 1)
- GMP Process (Phase 2)
- GMP Implementation (Phase 3)

7.1 ARD GLOBAL GRANTS MANAGEMENT GUIDE

ARD’s grants-making methodology uses USAID-approved, field-proven Grants Management Plans (GMPs) as a platform for customizing plans for new projects. With over 25 years of grant-making experience, ARD draws on an extensive suite of solid grant products built in conformity with USAID standards. ARD’s methodology is collaborative, with USAID review and approval at all key junctures, and participatory, with input actively sought and encouraged from a broad spectrum of stakeholders. This methodology allows ARD to transition into active grants-making—using developmentally sound, regulatory compliant formats and procedures, tuned to local operational conditions and dynamics—with minimal lead time. Each project’s grants-making system uses ARD’s customization methodology, which begins with a reaffirmation of contract specified grant-making parameters and the developmental context of the project. During this diagnostic phase, ARD analyzes the relative successes or constraints of ongoing or past in-country grants-making projects. Using diagnostic findings, and drawing upon ARD’s suite of USAID-approved, field-proven GMPs, a specific GMP is developed for each project. Once reviewed and approved by USAID, plans are operationalized and managed using ARD grants-based best practices.

The Global Grants Management Guide (AGGMG) provides comprehensive guidance and tools for the Project Management Team for grants making in traditional USAID projects and for rapid implementation programs. The AGGMG provides information on provisions, clauses, certificates, and other documentation required by USAID. The AGGMG is divided into the following five parts, which can be found in the /A, Startup—Grants Management:

- Part One – “Grants Management Procedures” provides step-by-step procedures involved in grants management starting from reviewing the prime contract to outlining important aspects under Grants Under Contract (GUC), and how to proceed with developing project-specific GMPs.
- Part Two – “Grants Management Plan (GMP) Template” serves to assist project teams to develop project-specific GMPs by providing a template and the narrative framework for
grants making in accordance with USAID policies, regulations, and other applicable references.13

- Part Three – “Annexes to the Grants Management Plan (GMP) Template” provides a complete package of forms, applications, and procedural documentation required for an efficient and accountable grants management. The annexes follow references in the GMP. To ensure USAID compliance, the annexes may require modifications based on directives from USAID or changing project environment.

- Part Four – “Procedures for Public Announcement” is designed to facilitate a rapid public notice mechanism for any grants component. The templates contain essential notes and reminders to ensure that the public announcements for grants programs issued by the field offices meet the applicable USAID standards.

- Part Five – “Grantee Handbook (GH)” is designed to serve as a boilerplate guideline for grantees to use in administering USAID grants under. Based on’s worldwide grants management experiences, this handbook addresses the most common types of grants awarded and “how to” management from the grantee’s perspective. Project-specific needs are addressed during the development of a GMP, and the GH will be catered toward project-specific issues.

7.2 GRANTS STANDARD OPERATING PROCEDURES

The Grants SOPs address the following criteria:

- ARD’s grants management systems in place, which meet USG regulations and applicable standards for implementation (rapid if necessary) of grants programs in the field;

- Step-by-step diagram flowcharts for each field and home office Project Management Team to follow during the implementation of the grants program; and

- Additional information necessary to monitor performance and ensure compliance.

7.3 GRANTS MANAGEMENT ROLES AND RESPONSIBILITIES

Key responsibilities for core members of the project team are outlined below.

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Grants Management Responsibilities</th>
</tr>
</thead>
</table>
| Chief of Party (COP) | • Provide project-specific grants-making strategy/plan, including local grantee capacity to manage grants, priority activities for funding, and technical and grants staff capacity, to STA/M and SGM so that a comprehensive GMP can be developed.  
|                      | • Ensure full integration of the grants program with the overall project components.  
|                      | • Recruit and oversee the training of in-country Grants Team.  
|                      | • Ensure oversight responsibility for all grants making in the field, including compliance with the terms and conditions of the prime contract, USAID regulations, and policy.  
|                      | • Participate in grant application selection process.  
|                      | • Sign off on all formal grant obligations according to HO ceiling limit. |

13 USAID contracts normally require a GMP that caters to project-specific issues as initial 60 to 90 day deliverables.
<table>
<thead>
<tr>
<th>Team Member</th>
<th>Grants Management Responsibilities</th>
</tr>
</thead>
</table>
| **Senior Grants Manager (SGM)**     | - Work closely with the STA/M and the COP to develop project-specific GMP, which includes ‘s grants-making practices, templates, and other grants-related policies and procedures fully compliant to USAID regulations.  
- Finalize the GMP for obtaining USAID approval.  
- Provide in-country technical assistance to establish the grants program in the field.  
- Working through the PM and STA/M, oversee all grant implementation activities in the field, including review and approval of grants, revised procedures and templates to ensure full compliance and accountability.  
- During the initial stages of the grants program, provide amplified support to COP by reviewing and approving all initial grant documentation prior to submittal to USAID.  
- Conduct in-country or remote training for project technical and grants staff to ensure full integration of the grants program as a tool/mechanism to assist the team to meet overall project objectives.  
- Develop additional home office tools and resources for grants making and provide these tools to project teams.  
- Keep project teams apprised of regulatory changes and conduct research upon request.  
- Provide ongoing quality assurance through systematic review and approval of awards, and periodic internal compliance audits.  
- Track and monitor all grants-making activity. |
| **Senior Technical Advisor and Manager (STA/M)** | - Engage support of the SGM from the startup phase to develop a GMP that accurately reflects ‘s standardized systems and reflects the technical direction of the project, and ensure that grants programs continue to conform to ‘s standard grants-making practices.  
- Provide direct support to SGM during the GMP development phase, especially by analyzing successes and constraints of past and ongoing grants programs in-country, and by ensuring the project work plan addresses using the grants program to meet targeted technical objectives and local grantee capacity to manage USAID-funded grants.  
- Support the COP during the initial GMP implementation phase.  
- Provide ongoing quality assurance through review of grantee technical performance.  
- Review grant agreements and monitor ongoing grants to ensure grant making supports the overall objectives of the project. |
| **Project Manager (PM)**             | - Include the SGM in project startup meetings to ensure development of the GMP accurately reflects the terms and conditions of the prime contract and ‘s standardized systems; ensure that grants programs continue to conform to ‘s standard grants-making practices.  
- Track actual and anticipated grant obligations against the project budget. |
7.4 TYPES OF GRANT MECHANISMS

ARD typically uses four types of grant mechanisms under USAID contracts: In-Kind Grants, Standard Grants (SG), Simplified Grants (SiG), and Fixed Obligation Grants (FOG).\(^\text{14}\) Regardless of the grant format used, all grant agreements must include the following:

- A letter of award;
- Special terms and conditions;
- Required provisions (22 CFR 226 for US NGOs or Mandatory Standard Provisions for Non US NGOs and US NGOs);
- Technical program description;
- Budget (line items must include labor, direct costs, and indirect costs, and must exclude profit or fee);
- Reporting requirements, including narrative technical reports, financial reports (including interest and program income earned and foreign tax), and cost sharing reports;
- Attachments (request for advance/reimbursement and technical, financial, cost share, and tax reporting templates); and
- SGs must include a deliverable schedule tied to payments (in local currency for non-US NGOs).

Each of the grant formats are described below, followed by a table illustrating the differences between the formats. Refer to the AGGMG for a more detailed description of these grants formats.

7.4.1 Standard Grants

Basics:

- This format is used for large grants (Above $250,000 or when providing advances and allow the purchase of single equipment costing over $5,000).
- Grantees are legally constituted entities with written by-laws and procedures, and have well-developed accounting, management, and reporting capacity.
- Grant format has rigorous financial and technical reporting requirements.
- Grantee is responsible for ensuring all grant monies are fully auditable.
- Monies are disbursed through quarterly advances.
- Indirect costs require preexisting NICRA agreement with USAID or are developed by qualified firm or individual using USAID regulations.

Thresholds, limitations, and incentives for using SGs:

- SGs require COTR (or COTR designate) approval, or in some cases the CO’s approval.
- The SG format allows for advances to be given to grantees that are determined by to be low-risk.

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\(^{14}\) The assistance instrument is a grant, not a cooperative agreement. Only USAID may directly award cooperative agreements, never a contractor such as .
There is no limit to the amount of the award other than that which is established in the contract for non-US NGOs. For US NGOs, the limit is $100,000.

- Grants awarded to non-US NGOs valued at more than $300,000 per year must undergo an audit by a third-party auditing firm.
- Grant agreements over $10,000 but under $300,000 shall have the following language:
  “USAID shall retain the right to conduct a financial review, require an audit, or otherwise ensure adequate accountability of organizations expending USAID funds regardless of the audit requirement.”
- The COTR or CO needs to approve budget shifts in excess of 10% of the total budget.
- For grants over $100,000, USAID must grant an exception to competition waiver if it is not competed publicly.
- ARD’s home office SGM must review and approve all grants over $100,000 before issuing any awards.

### 7.4.2 Simplified Grants

**Basics:**

- SiGs are designed to simplify grant management for less experienced grantees.
- For non-US organizations, the SiG format may be used for grants of $250,000 or less.\(^{15}\)
- For US organizations, the SiG format may be used for grants of $100,000 or less unless USAID provides a waiver.
- SiGs have less stringent accounting, management, and reporting requirements for grantees.

**Thresholds, limitations, and incentives for using SiGs:**

- SiGs may only be used to fund grant projects on cost-reimbursable basis. Reimbursement is made upon the successful completion of activities or important programmatic or product-based milestones.
- SiGs must state that USAID/ARD does not assume any liability for third party claims for damages and that USAID/ARD may terminate the grant upon 30-days written notice.
- All costs to be charged to the grant are identified in the grant text and do not include international airfares, unless specifically approved by USAID.\(^{16}\)
- No indirect costs are allowed.
- Any goods to be purchased meet the rules governing local cost financing, and no single item with a useful life over one year and an acquisition cost of $5,000 or more shall be purchased.\(^{17}\)
- Sub-agreements are allowed if approved by USAID.
- The CO needs to approve budget shifts in excess of 10% of the total budget.

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\(^{15}\) For high value grants ($20,000 or more), careful consideration should be given to using a more stringent grant mechanism.

\(^{16}\) If international airfares are to be included, then the applicable standard provision must be attached to the grant award letter.

\(^{17}\) If purchase of equipment is included in the grant award, then the applicable standard provision must be attached to the grant award letter.
- For grants over $100,000, the CO must grant an exception to competition if it is not competed publicly.
- ARD’s home office SGM must review and approve all grants over $100,000 before issuing any awards.

### 7.4.3 Fixed Obligation Grants

**Basics:**

- FOGs are intended for very specific program elements with a short duration without a requirement for federal monitoring of actual costs subsequently incurred.
- The budget is linked to specific, measurable milestones, and cost reimbursement is directly dependent on verifiable project progress against these milestones.
- For non-US organizations, the SiG format may be used for grants of $25,000 or less.\(^{18}\)
- For US organizations, the SiG format may be used for grants of $100,000 or less.
- Project milestones and approved associated costs are fixed for the life of the grant.
- The grant agreement contains cost share from the grantee.
- If the grantee is unable to certify that a milestone has been achieved, the grantee must reimburse for previous payments received.
- Only activities that have clear and discernible milestones should be funded under FOGs.

**Thresholds, limitations, and incentives for using FOGs:**

- Indirect costs may be allowable if supported by audit reports.
- Travel and equipment costs may be allowable if approved by CO.
- There is an international requirement for federal monitoring of actual costs subsequently incurred.
- There should not be any changes to the budget once the price is set. Fixed obligation means the grant cannot be modified.
- Extra scrutiny must be given to budget negotiations to ensure that the labor is not inflated and direct costs are allowable and reasonable. Indirect costs should be justified.
- The budget should be descriptive and have an adequate level of detail.
- FOGs need CO approval (or COTR approval if delegated by CO).
- Grants for US recipients are limited to $100,000 and $250,000 for non-US recipients.
- All goods to be purchased must meet the rules governing local cost financing and no single item with a useful life over one year and an acquisition cost of $5,000 or more shall be purchased.
- The CO must approve all sub-agreements.
- For grants over $100,000, the CO must grant an exception to competition if it is not competed publicly.
- ARD’s home office SGM must review and approve all grants over $100,000 before issuing any awards.

\(^{18}\) For high value grants ($20,000 or more), careful consideration should be given to using a more stringent grant mechanism.
7.4.4 In-Kind Grants

Basics:
- In-Kind Grants are intended for less-established organizations who submit excellent proposals.
- The field team feels that providing in-kind support to less-established organizations to implement grant projects would meet the overall project objectives.
- The project is simple and can be implemented quickly through providing direct support.
- No cash changes hands with the grantee.
- ARD purchases all equipment and direct services to meet the program goals.

Thresholds, limitations, and incentives for using In-Kind Grants:
- In-Kind Grants provide grants to organizations that may otherwise not qualify to receive USAID grants.
- In-Kind Grants build capacity of local organizations.
- Limitations that apply to SiGs apply to In-Kind Grants.
- In-Kind Grants need CO approval (or COTR approval if delegated by CO).
- Grants for US recipients are limited to $100,000 and $250,000 for non-US recipients.
- ARD will be responsible for meeting all goods to be purchased and services acquired.
- For grants over $100,000, the CO must grant an exception to competition if it is not competed publicly.

Figure 15 illustrates the differences and comparisons between the three grant formats.

**FIGURE 15. COMPARISON OF THE THREE GRANT FORMATS**

<table>
<thead>
<tr>
<th>Description</th>
<th>SG</th>
<th>SIG</th>
<th>FOG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment by advances?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Require periodic financial report with reconciliations?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Cash flow projections?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Payment by reimbursement?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Fixed payments?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Grantee must be established with management systems applicable to implementing USAID project in place?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Required certifications?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Standard and applicable provisions required?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Close of project reconciliations required?</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Certificate of completion required?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Indirect costs allowed?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Limitation of grant amount?</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>International airfares allowed?</td>
<td>Yes</td>
<td>Yes*</td>
<td>No</td>
</tr>
<tr>
<td>Purchase of equipment allowed?</td>
<td>Yes</td>
<td>Yes*</td>
<td>No</td>
</tr>
<tr>
<td>Purchase of Goods &gt; $5,000?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sub-agreements allowed?</td>
<td>Yes</td>
<td>Yes**</td>
<td>Yes**</td>
</tr>
<tr>
<td>Grants &gt; $250,000?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>OMB-A-133 type audit required?</td>
<td>Yes***</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

* If International airfare and purchase of equipment is approved then the appropriate standard provision would be required.

** With USAID approval

***Over $300K per year for Non-US and Non-profit organizations
8.0 PROCUREMENT AND SUBCONTRACTS
This chapter will discuss the following:
- Home Office Support
- Choosing the Appropriate Contracting Method
- Procurement Approvals Process
- Restrictions and Rules
- The Competitive Procurement Process for Purchase Orders
- The Competitive Procurement Process for Subcontracts
- The Tetra Tech/ARD Authority Matrix

This chapter references the following SOPs:
- Procurement Inventory Control
- Procurement of Goods and Services under $2,500
- Procurement of Goods and Services between $2500 and $100,000
- Procurement of Goods and Services over $100,000
- Procurement Receiving
- Subcontract Sole Source Fixed-Price
- Subcontract Competitive Fixed-Price
- Subcontract Modifications
- Subcontract Filing

8.1 HOME OFFICE SUPPORT

The *Local Procurement of Goods and Services Handbook* (October 2010) covers ‘s standardized purchasing and subcontracting policies and procedures in detail, and provides information on alternate contracting arrangements, and client approval requirements, competition requirements, general subcontract administration guidelines, and responsibilities for commodity and service procurements. Please see /A, Activity Implementation—Subcontract Management and Procurement of Goods. This chapter will provide an overview of these policies and procedures.

**FIGURE 16. HOME OFFICE PURCHASING AND SUBCONTRACTING ORG STRUCTURE**
The PM coordinates with the CS, PS, and other relevant business office representatives to provide guidance related to the terms and conditions of the specific USAID contract or task order, the USAID Acquisition Regulation (AIDAR), the Federal Acquisition Regulation (FAR), and any other statutory or regulatory considerations.

The offshore procurement of goods and related services (shipping, insurance, bonding, etc.) is the direct responsibility of the home office PM working through the PS. The PS is directly responsible for ensuring that all USAID procurement regulations are followed and properly documented and that all procurement is conducted within budget. It is the PS’ responsibility to carry out the required procurement actions requested by the home office PM.

The STA/M reviews pending procurements of goods and services to ensure they are within budget, and explicitly support the objectives of the task order. In addition, the STA/M reviews scopes of work (SOWs) to ensure they meet requirements (see Chapter 5). Finally, the STA/M monitors the performance of US or TCN vendors or service providers to ensure compliance with contract terms.

### 8.2 Choosing the Appropriate Contracting Method

ARD projects require the procurement of services, materials, and equipment. Basic services include Internet services, routine maintenance, driver services, material translation, and security services. Professional technical services include short- or long-term technical assistance provided by individuals or firms. Materials and equipment include expendable goods (office and project supplies) and non-expendable goods (e.g., computers and vehicles). The appropriate contracting method is determined by the service or good to be procured. Figure 17 outlines standard contracting methods and corresponding goods and services.

**FIGURE 17. STANDARD CONTRACTING METHODS: GOODS AND SERVICES**

<table>
<thead>
<tr>
<th>Standard Contracting Methods</th>
<th>Goods and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Purchases:</strong> Cash (or check) purchases</td>
<td>Commercially available, low value (&lt; $500) goods services for which a unique SOW is not required (e.g., Internet, driving, cleaning)</td>
</tr>
<tr>
<td>require receipt and should be recorded on an expense voucher</td>
<td></td>
</tr>
<tr>
<td><strong>Purchase Orders:</strong> The PO is issued to the vendor. Once the goods are received, the vendor sends an invoice against the PO, and is paid. A sample PO form is included in /A, Activity Implementation- Procurement of Goods</td>
<td>Off-the-shelf, commercially available goods (e.g., a computer); well-defined, commercially available services for which a unique SOW is not required (e.g., Internet service, driving, cleaning)</td>
</tr>
<tr>
<td><strong>Service Agreement (SA):</strong> Vendors typically provide standard SAs. The COP ensures the SA is in compliance with project needs and expectations, is cost competitive, can be terminated by with a 30- to 60-day notice, and does not exceed the budget. Please see /A, Activity Implementation- Procurement of Goods</td>
<td>Routine, commercially available, ongoing services (e.g., Internet, routine maintenance, and security)</td>
</tr>
<tr>
<td><strong>Firm Fixed-Price Subcontract (FFPC):</strong> Due to administrative simplicity, a FFPC is the preferred method of contracting. Usually, subcontracts require COTR approval of the SOW, and CO</td>
<td>Nonstandard, high-value services tied to a SOW (e.g., procurement of agricultural equipment requiring installation and training services; or STTA that can be tied to a clearly defined deliverable and for which other direct costs can be anticipated)</td>
</tr>
</tbody>
</table>
Standard Contracting Methods | Goods and Services
---|---
**Time and Materials Subcontract (T&M):** A T&M subcontract includes loaded daily rates plus a markup factor for other direct costs | Professional services that will be provided on an open-ended basis over a defined period of time (e.g., technical support to a project that does not include a deliverable)

**Cost Reimbursable Subcontract:** A cost reimbursable subcontract is used in cases where the deliverables under the SOW to be ordered cannot be clearly defined and the mix of services and skills that will be ordered is expected to vary over time. Cost reimbursable subcontracts require significant administrative support time on the part of the home and local offices as well as the subcontractor. The USAID CO needs to approve all cost reimbursable subcontracts. | Professional services and skills that are expected to shift due to changing project needs, and thus cannot be tied to clear deliverables in the scope of work.

### 8.3 PROCUREMENT APPROVALS PROCESS

The business office representative (CS or PS), PM and STA/M should review and approve every subcontract and procurement before it is presented to USAID. The figure below summarizes the approvals required by ARD and USAID.19

![FIGURE 18. SUBCONTRACT APPROVAL PROCESS](image)

---

19 The procurement of vehicles, fertilizer, and pharmaceuticals are subject to special requirements and approval processes.


<table>
<thead>
<tr>
<th>Contract Type</th>
<th>ARD Approval</th>
<th>USAID CO Approval</th>
<th>USAID COTR Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOW</td>
<td>✧</td>
<td>✧</td>
<td>✧</td>
</tr>
<tr>
<td>Sole Source</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td>Competitive Process</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td>Consent Request</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td><strong>Cost Reimbursable Subcontract</strong></td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td>SOW</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td>Sole Source</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td>Competitive Process</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
<tr>
<td>Consent Request</td>
<td>✧</td>
<td>✧</td>
<td></td>
</tr>
</tbody>
</table>

8.4 **RESTRICTIONS AND RULES**

8.4.1 **Source, Origin and Nationality**

Each USAID contract is assigned an authorized geographic (source/origin) code that applies to the procurement of goods and services. The geographic code determines the countries from which goods and services may be procured.

The four main geographic codes are:

- **000-** United States
- **899-** Free World: Any area or country in the Free World excluding the cooperating country itself as well as a limited number of ineligible countries
- **941-** Selected Free World: Any area or country in the Free World excluding the cooperating country itself as well as an expanded list of ineligible countries
- **935 -** Special Free World Countries: Any area or country in the Free World including the cooperating country itself

**Source** means the country from which a commodity is shipped to the cooperating country, or the cooperating country if, at the time of the purchase, it is located within that country. If a commodity is shipped from a free port or bonded warehouse in the form in which it is received therein, source means the country from which the commodity was shipped to the free port or bonded warehouse. Related to the procurement of services, firms must be owned by citizens of the country and be operated in accordance with the laws of the country.

**Origin** means the country where a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results that is significantly different from its components in its basic characteristics or in its intended use.

For services, subcontracts to countries not identified by the geographic code may not be issued without a waiver. Contracts with geographic code 000 allow for an exception for professional

---

20 See ADS 228.03 for an up-to-date list of ineligible countries (http://www.usaid.gov/policy/ads/22cfr228.pdf)

21 Ibid.
services contracts not to exceed $250,000 to local subcontractors. Procurements of goods that exceed $5,000 and long-term leases (over 180 days) must also adhere to the contract’s geographic code, or obtain a waiver from the CO.

8.4.2 Restricted Commodities

There are certain items that must be purchased from the United States regardless of the geographic code in the contract: (1) agricultural commodities, (2) motor vehicles, and (3) pharmaceutical products. The Local Subcontracts and Procurement of Goods and Services Handbook outlines the criteria for requesting a waiver of geographic code for commodities and services, and steps for requesting a waiver.

8.5 The Competitive Purchasing Process for Purchase Orders (Commodity Procurement)

ARD may be required to compete purchase orders for goods or services, as determined by the value of the procurement. For POs under $2,500, no formal process is needed if prices are reasonable, purchases are distributed equitably between qualified vendors, and conclusions are documented in procurement records. For POs between $2,500 and $100,000, solicits written quotes from at least three potential vendors unless it is absolutely not possible. Procurement must be awarded at a reasonable price. Advertising is not required. Records of quotations must be kept in procurement file. For POs Over $100,000, requires formal competitive bidding, including public advertising, issuance of invitations to bid, public opening of sealed bids, evaluation of bids, and award of a contract to the lowest responsive and responsible bidder.

Figure 19 below is a flow chart of the competitive process for purchase orders.

**FIGURE 19. COMPETITIVE PURCHASING PROCESS FOR PURCHASE ORDERS**
8.6 THE COMPETITIVE PROCESS FOR SUBCONTRACTS

Steps in a typical process for procuring a specific service from local firms are presented below. As a standard practice, subcontracts should be competitively bid. As a standard practice, three written bids should be sought for subcontracts expected to exceed $5,000.

The subcontracting process begins when a requirement to procure a noncommercial good or service is identified. The next step is to inform the COP and/or prepare a draft SOW. Once this is done, the following process can begin.

8.6.1 Pre-Release

- The COP will approve a detailed SOW that accurately reflects the requirements for a specific subcontract. Among other elements, the SOW will clearly specify the products or deliverables required and approximate start and stop dates.

- The local procurement specialist will review the draft SOW to ensure it meets with procurement requirements and request from the COP any needed changes. The procurement specialist will confirm that the firm fixed-price subcontract mechanism is appropriate for the procurement in question and recommend whether it be on a firm fixed-price or cost-reimbursable basis. He or she will consult with the home office with any questions.

- The procurement specialist will develop other RFP materials and confer with the COP on the following points:
  
  (i) A reasonable estimate of the cost of each procurement, based on historical experience and investigation (This estimated cost will dictate certain steps as noted below.);
  
  (ii) A recommendation as to whether to short-list, circulate, or advertise more broadly (If a short-list is appropriate, it will contain at least three and no more than six firms. If advertising is appropriate, a schedule of where, when, and how to advertise the bid, as well as the list of any firms that we particularly want to contact on a formal or informal basis regarding the upcoming procurement.);
  
  (iii) A recommendation as to whether a pre-RFP solicitation announcement is required (If required, the solicitation announcement includes a synopsized version of the RFP, where and how potential bidders can receive the RFP, and the closing date of the solicitation period [see below]); and
  
  (iv) Selection criteria.

- The COP will review the entire procurement package before proceeding. This material will also be sent to the home office for review by the PM, STA/M, and the business office. The PM will communicate home office approval. After the home office is satisfied with the process, it does not need to review this package again.

- To proceed with a sole-source procurement, the local procurement specialist and COP will always develop a short written justification of why it is appropriate (at least for the file). When the sole source procurement exceeds $5,000, prior authorization from the business office must be obtained.
8.6.1 In all cases, the USAID COTR must review and approve the SOW, submitted from the home office by the PM. In virtually all cases, this formal submission shall follow the COP’s informal consultation with the COTR.

### 8.6.2 Release of RFP

The RFP will contain at a minimum:

- A cover letter summarizing who, what, where (to submit proposals), when (start and end dates), and how, related to the procurement process;
- A SOW, with deliverables;
- A payment schedule tied to deliverables;
- Instructions (general, technical, and cost);
- Evaluation criteria—how the evaluator(s) will evaluate and score proposals that are received (The final score of each proposal will be a major factor, if not the deciding factor in determining the competitive range of contractors or the selected contractor.); and
- A list of certification requirements and a copy of blank certifications that relate to the type of product and procurement that is being procured.

No prior home office or USAID review/approval of the RFP documents is required, but the home office is available to review these upon request.

### 8.6.3 Receipt and Evaluation of Proposals

When evaluating a proposal, follow the steps shown below:

1. Date-stamp all proposals received by the local office upon receipt. Leave them sealed and store them in a secure place until the solicitation period is closed.
2. The local procurement specialist should initially review the proposals received and eliminate any that do not meet minimum criteria established by the COP. At a minimum, proposals should be complete and submitted in a timely fashion.
3. The COP should thoroughly review those technical proposals submitted that meet minimum qualifications. (The COP may also form a proposal evaluation committee, drawing from the local office staff and full-time home office employees, at his or her discretion.) Review should be according to previously established selection criteria.
4. The COP should rank the firms, taking into account the technical scores and cost scores of each proposer. On the basis of all information and any special circumstances, the COP should determine whether to go straight to the top-ranked firm or negotiate with firms in a competitive range.

### 8.6.4 Negotiating with Lead Offeror

The COP should prepare to negotiate with the top-ranked firm or those in a competitive range, and interview technical specialists proposed and review reference checks. In certain cases, other information may be requested. For example, if the winning proposal includes indirect costs and fees of more than 20%, will request proof of the indirect cost rates. If the COP and procurement specialist deem it necessary, the local office should visit the offices of the winning
firm to confirm its organizational and accounting capacity. Records of such visits should be kept on file. Avoid advance payments (if requested); such payments require prior home office approval.

The COP, consulting with the home office as necessary, should ensure that the proposed budget is reasonable and that the costs can be allocated and are allowable under USAID regulations. As necessary, in negotiations with the lead offeror, the COP should:

- Recommend changes to personnel.
- Issue comments and questions regarding both the technical and the cost proposals.
- Request other revisions.
- Ensure that travel and per diems if included in the proposal do not exceed US travel regulation ceilings.

Throughout the negotiation process, the COP or designated negotiator should keep a log of the negotiations. This log shall become part of the permanent record.

There should be no minimum required number of written proposals received to proceed to agreement. In all cases, the summary of the bid process prepared at the end of the solicitation should note the number of proposals received.

The home office shall review all “final offer” materials. The PM shall notify the project office of home office approval.

8.6.5 Award and Subcontract Agreement

A final selection will be determined based on initial rankings and follow-on revisions. In the final analysis, this selection should be based on which offeror provides the best overall value. This is determined by a weighted value of technical and cost scores reviewed during the bid process.

The COP shall advise the winning offeror that he or she wishes to proceed to final award. The COP should provide the subcontract document for review and signature, and send regrets to the losing offerors.

Prior to signature, the home office (particularly the business office) shall review the subcontracts developed and all related materials (see Chapter 9 for required information). The home office shall provide any language that needs to be incorporated into the subcontract, including any applicable AIDAR- and FAR-incorporated clauses or language from the prime contract. This is an internal review step without additional USAID review. The PM shall communicate home office sign-off.

After any necessary approvals from the home office and/or USAID have been obtained, the COP and an authorized officer of the winning local firm shall sign the subcontract.

The local procurement specialist shall draft a memorandum of negotiations that summarizes the process. The COP shall sign the memorandum of negotiations, which becomes part of the contract’s permanent records. Figure 20 below shows the competitive process for subcontracts.
8.7 Tetra Tech/ARD Authority Matrix

In accordance with Tetra Tech Policy, has finalized an Authority Matrix to establish clear policy and procedure for review and approval of all client domestic and international contract...
transactions. The Authority Matrix serves as the basis for identifying action, review, and approval for all transactions in Tetra Linx.

The purpose of the Authority Matrix is to clarify responsibilities and manage risks to and Tetra Tech by establishing procedures:

- To assure compliance, financial, legal, tax, and risk management considerations as well as general corporate policy are identified and addressed when entering into contracts; and
- To ensure effective management of the contract execution and timely creation and preservation of contract documents.

The Authority Matrix can be found at /A, Award Notification - Procurement.
9.0 REPORTING
This chapter will discuss the following:
- Reporting Roles and Responsibilities
- Reporting Schedule and Internal Deadlines
- Home Office Production Team
- Development Experience Clearing House
- Branding and Marketing

## 9.1 Reporting Roles and Responsibilities

The financial and narrative reporting requirements for each project are determined by the requirements of the governing IQC and task order contract, or the stand alone contract, and the preferences of the USAID mission and individual COTR. The STA/M, COP, and PM are each responsible for understanding the requirements as listed in the contract, and the COP is responsible for determining any mission or COTR reporting preferences during the first month of implementation. While variations exist among projects, core requirements usually include commodity procurement reports, training work plans, intermittent progress reports, annual or semi-annual reports, consultant reports, and a final report, as well as regular financial reports. Examples for project documents are available from the home office, upon request. Suggested templates can be found in /A, Activity Implementation- Information Systems & communication.

### FIGURE 21. REPORTING ROLES AND RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Reporting Responsibilities</th>
</tr>
</thead>
</table>
| **Chief of Party (COP)**           | - Determine from the COTR during the post-award conference which documents and their associated formats are required and informs the STA/M and PM.  
                                    | - Ensure reporting requirements should be captured in the Approvals Process Letter (see Chapter 2).                                                                                                                    |
|                                    | - Obtain approval from PM before committing to USAID if there will be any unusual requirements, such as translations, that have budget/LOE implications.                                                               |
|                                    | - Responsible for all technical reports prepared in the field, including those reports prepared by short-term consultants and home office staff on assignment under the contract.                                           |
| **Senior Technical Advisor and Manager (STA/M)** | - Responsible for providing feedback on draft documents and ensuring the quality of contract deliverables.                                                                                                               |
|                                    | - Ensure that the PM submits deliverables to the client in accordance with project deadlines.                                                                                                                             |
| **Project Manager (PM)**          | - Responsible for developing the schedule of reporting requirements.                                                                                                                                                    |
|                                    | - Coordinate and submit quarterly financial and administrative reports.                                                                                                                                                   |
|                                    | - Submit all reports for USAID approval.                                                                                                                                                                                   |
|                                    | - Maintain records of all deliverables and their approvals.                                                                                                                                                                  |
|                                    | - Ensure that all appropriate final reports are submitted to the USAID Development Experience Clearinghouse (see below).                                                                                                 |

## 9.2 Reporting Schedule and Internal Deadlines

At the outset of the project, the PM creates a schedule of reporting requirements. The schedule should assign internal and external deadlines for all narrative and financial reports required by
the project. This schedule should be accessible to all relevant members of the team, and should be reviewed in detail with the COP as part of the home office orientation. A sample reporting schedule is presented below.

**FIGURE 22. SAMPLE REPORTING SCHEDULE**

<table>
<thead>
<tr>
<th>FY 2009 Report/Deliverable</th>
<th>Internal and External Deadlines</th>
<th>To STA/M &amp; PM</th>
<th>To Home Office Production</th>
<th>To USAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding and Marketing Plan</td>
<td>20 days after start of project = 5/20/2009</td>
<td>25 Days after start of project = 5/25/09</td>
<td>30 days after start of project = 5/30/2009</td>
<td></td>
</tr>
<tr>
<td>Annual Work Plan*</td>
<td>50 days after start of project = 6/20/2009</td>
<td>55 days after start of project = 6/25/2009</td>
<td>55 days after start of project = 6/30/2009</td>
<td></td>
</tr>
<tr>
<td>Quarterly Progress Report</td>
<td>15th of January, April, July &amp; October</td>
<td>20th of January, April, July &amp; October</td>
<td>30 days after end of quarter = last day of January, April, July &amp; October</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2010 Internal and External Deadlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Work Plan*</td>
</tr>
<tr>
<td>Quarterly Progress Report</td>
</tr>
<tr>
<td>Final Report*</td>
</tr>
</tbody>
</table>

* Documents to be submitted to DEC.

**9.3 HOME OFFICE PRODUCTION TEAM**

The home office Production Team is available to provide support for professional editing, graphics sophistication, reproduction, and distribution, particularly for projects where locally available resources are insufficient to meet production requirements and standards. Production will assist with editing and formatting (branding) of all technical reports, mid-term and final reports, and annual progress reports. Quarterly, monthly, and trip reports should be done in the field and do not go through Production. If assistance is needed for the first quarterly report of a contract, the Production Team will edit and format (brand) that initial report; the field office should then use that as a template for all future quarterly reports. The need for Production Team assistance and the budget capacity to cover this cost (if billable to the contract) are determined by the STA/M and PM. The Production Team requires advance notice of assistance.
needs to provide timely assistance. All requests for Production assistance should be scheduled with the Senior Managing Editor who will assign someone to provide the needed assistance.

9.4 **DEVELOPMENT EXPERIENCE CLEARINGHOUSE**

USAID’s Development Experience Clearinghouse (DEC) ([www.dec.usaid.gov](http://www.dec.usaid.gov)) is an online resource for USAID-funded technical and program documentation. Most contracts have explicit instructions for submission of project documents to DEC, including assessments, evaluations, studies, and annual and final reports. Does not submit newsletters, brochures, bulletins, or progress reports of less than one year (i.e., semi-annual or quarterly reports). The STA/M or COP should confirm with the COTR that a document should be submitted to DEC before it is submitted, due to the sometimes sensitive nature of report contents. Guidance on DEC document submittal is provided in the document, *Documentation to be submitted by Agency Contractors and Grantees*, which can be found in the /A, Activity Implementation / Information Systems and Communication.

9.5 **BRANDING AND MARKING**

In 2007, USAID issued revised policy directives and required procedures on branding and marking USAID-funded programs, projects, activities, public communications, and commodities. In accordance with these directives and procedures, all USAID-funded activities must be branded through the use of a branding strategy and marked through a marking plan. Failure to meet branding and marking requirements may be considered noncompliant with the contract. The Branding Implementation Plan (BIP) may be included in the task order or project contract, or it may be developed by the COP in the early stages of the project.

ADS regulations explicitly define how, when, and where the USAID graphic identity and contractor identity are to be applied. These guidelines are summarized in the table below, and are detailed in ADS 320 (*Branding and Marketing*) and the *USAID Graphics Standards Manual*.

### FIGURE 23. ADS 320 MARKING GUIDELINES

| DO use the USAID Identity<sup>22</sup> | ■ **Commodities or equipment** provided under USAID humanitarian assistance;  
| | ■ USAID-funded **printed products** for public communication (e.g., publications, reports, brochures, posters, studies, Snapshots, banners and signs, training materials, press releases, invitations to events, etc.);  
| | ■ USAID-funded program, project or activity **sites** (e.g., infrastructure projects, water management, agriculture, or forestry sites, etc.);  
| | ■ USAID-funded program-related **public communications** (websites, videos, CDs and DVDs, PSAs, mass emails, and presentations); |

<sup>22</sup> Work exclusively funded by USAID must be marked exclusively with the USAID identity. When applicable, the host country government or other participating USG logo may be added.
Do Not use the USAID Identity
- Offices, vehicles, and supplies for solely administrative use;
- Business cards and project office stationary;
- Administrative correspondence (e.g., regarding local law, tax, customs, hiring or firing staff, renting office space, etc.); and
- USAID-Funded program materials for which the program has a waiver or exception.

Do Use the Logo
- Business cards and project office stationary;
- Project office signs; and
- Administrative correspondence (e.g., regarding local law, tax, customs, hiring or firing staff, renting office space, etc.).

Do Not Use the Logo
- USAID-Funded program-related commodities or equipment, printed products, sites, public communications, events, and grants.

9.5.1 Using and Reproducing the USAID Standard Graphic Identity

All use and reproduction of the USAID Standard Graphic Identity is guided by the regulations presented in ADS 320.3.6.1, the USAID Graphics Standards Manual, and the provisions of the contract, which define in detail the size, placement, and proportion of the graphic identity. Sample identity labels and graphics are available at www.usaid.gov/branding. The home office Production Team can assist with questions about branding requirements.

9.5.2 Exceptions and Waivers to Marking Requirements

Exceptions to marking requirements are programmatic in nature, and reflect categories of foreign assistance that USAID generally does not want marked. Exceptions are determined by the CO, in consultation with the Requiring Office (RO) and Activity Manager, in the pre-award period and are included in the Marking Plan. The CO, and Activity Manager/RO may determine that marking is not appropriate if marking would:

- Undermine work by compromising independence or neutrality of, inter alia, election monitoring, ballots, and voter literature; political party support or policy reform; independent media; and public opinion polls and surveys;
- Diminish credibility of audit, reports, studies, or policy recommendations;
- Compromise host-country ownership of program outputs that are better positioned as ‘by’ or ‘from’ the cooperating country;

---

23 See ADS 320.3.3 for grants branding and marking requirements.
24 Contractors may include wording on business cards (e.g., “USAID contractor”) but are prohibited from using the USAID logo. Business cards must clearly show that the individual is an employee, not a USAID employee.
25 Contractors may include wording on business cards (e.g., “USAID contractor”) but are prohibited from using the USAID logo. Business cards must clearly show that the individual is an employee, not a USAID employee.
- Impair the functionality of an item;
- Substantially or impractically increase the cost or administration of items;
- Offend local culture or be considered inappropriate (e.g., on items such as bedpans, condoms, and toilets);
- Conflict with International Law; and
- Deter achievement of program goals.

Waivers to marking requirements are circumstantial in nature, and may be granted by the Principal Officer in the event of safety, security, or political concerns, or adverse reaction in the cooperating country to USAID marking during program implementation. The CO and Principal Officer may determine that marking is not appropriate if marking would:\26

- Undercut services and assistance when implementing emergency disaster relief and assistance to displaced persons, humanitarian emergencies, or immediate post-conflict and political crises; and
- Deter achievement of program goals.

---
26 Determinations regarding waiver requests are subject to appeal to the Principal Officer’s Assistant Administrator.
10.0 COMMUNICATION AND DOCUMENTATION
This chapter will discuss the following:

- Communication
  - Who Does What?
  - Goals, Challenges, and Tools for Project Management Communication
- Documentation
  - Who Does What?
  - ARD Resources for Documentation

This chapter references the following SOPs:

- Information Systems/Communication Approvals

This chapter focuses on goals for strong project management communication and documentation, the challenges presented by working in an international context, and available tools to support the Project Management Teams.

## 10.1 Communication

### 10.1.1 Who Does What?

#### FIGURE 24. COMMUNICATION ROLES AND RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Communication Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Party (COP)</td>
<td>- Is the primary in-country point of contact for the client.</td>
</tr>
<tr>
<td></td>
<td>- Provide regular updates to the home office on project technical and administrative issues.</td>
</tr>
<tr>
<td>Senior Technical Advisor and Manager (STA/M)</td>
<td>- Is the primary home office point of contact for the client.</td>
</tr>
<tr>
<td></td>
<td>- Is the primary point of contact for field office for all technical issues.</td>
</tr>
<tr>
<td></td>
<td>- Lead communication with project and/or client for all performance issues, dispute resolution.</td>
</tr>
<tr>
<td></td>
<td>- Participate in periodic teleconferences with field team.</td>
</tr>
<tr>
<td></td>
<td>- Facilitate communication with field team and home office technical experts and US or TCN</td>
</tr>
<tr>
<td></td>
<td>short-term technical consultants.</td>
</tr>
<tr>
<td>Project Manager (PM)</td>
<td>- Serve as communication “hub” for the entire Project Management Team—should be copied on all</td>
</tr>
<tr>
<td></td>
<td>project communications.</td>
</tr>
<tr>
<td></td>
<td>- Is the primary point of contact for field office for all administrative concerns.</td>
</tr>
<tr>
<td></td>
<td>- Participate in periodic teleconferences with field team.</td>
</tr>
<tr>
<td></td>
<td>- Facilitate communication with business office representatives and other home office project</td>
</tr>
<tr>
<td></td>
<td>support teams.</td>
</tr>
<tr>
<td>Sector Director (SD)</td>
<td>- Support project team in communication with client or project office for all performance issues/dispute resolution.</td>
</tr>
<tr>
<td>Contracts Specialist (CS)</td>
<td>- Communicate directly with all Project Management Team members on subcontract and compliance issues.</td>
</tr>
<tr>
<td>Procurement &amp; Logistics Specialist (PS)</td>
<td>- Communicate directly with project administration and procurement staff for specific issues.</td>
</tr>
</tbody>
</table>
10.1.2 Goals, Challenges, and Tools for Strong Project Management Communication

1. **Promote Home Office/Field Office Coordination and Team Building**
Fostering team building and positive working relationships is an important aspect of good project management. Developing strong working relationships between the home and project offices takes consideration and effort, given cultural and language differences, and the challenges of communicating almost exclusively via telecommunications. Communication within the project teams should be professional, courteous, and responsive.

2. **Resolve Issues Quickly and Effectively**
The time difference between the home office and project office can make it difficult to coordinate calls during working hours, and reliance on email can lead to excessive delays, as a question submitted by a field office often must wait until the next business day for an answer from the home office, and vice versa. In addition, in many Islamic countries where USAID and project offices observe the weekend on Thursdays and/or Fridays, issues must be resolved by mid-week or wait until the following Monday. As a result, issues that could be addressed within minutes can take days to resolve.

The limited number or shared working hours in a given week make it important that email communication be clear and comprehensive. When developing an email, the writer should keep in mind that there may be a 24 hour delay before (s)he is able to address a response or provide follow-up information. Emails should anticipate follow-up questions, and should contain guidance, documents, or tools to assist the recipient in moving forward independently.

3. **Keep Everyone Who Needs to Know in the Know**
An effective way to ensure that all core team members are included in project communications is to establish one or more project list-serves. The list-serves also automatically create a useful archive of all project communications in Outlook. Early in the project, the STA/M, COP, and PM should determine who should be included in the list-serve(s), and establish an overall protocol for email communication.

4. **Respect Team Members’ Time**
While list-serves are a great way of ensuring that information is shared with all members of the team, they can also generate an excessive volume of email for team members. The following strategies can help to ensure information sharing while respecting team members’ time constraints:

- Keep email communications concise.
- When appropriate, identify questions and action items to individual recipients, and highlight or bold their names.
- Additional e-mail tips can be found in the /Administration.

5. **Understand Project Office Technological Constraints**
Many project offices have limited Internet service capacity. This can make email communication slow and unreliable, and sending or receiving large files difficult. It may be necessary to find
alternate ways of communicating, such as scheduling regular telephone check-ins. Care should be take not to overload field offices with large files, by sending documents in compressed files or breaking down large messages into several emails.

6. Get a Skype Account and Use It

Skype allows the home and project office team to talk for free. Every home office employee should have a Skype account, and use it to communicate with project offices. Some project offices may not have the Internet capacity to support reliable Skype calls, but that is the exception to the rule. Skype offers significant cost savings to projects by greatly reducing communication costs. Skype should be utilized rather than telephone whenever possible.

7. Weekly Field Report, Weekly Staff Meeting and Monthly Phone Calls

**Weekly or Biweekly Written Report.** Each COP or his/her designee should provide a written report to the home office on the status of the project. This report is sent to the home office for review by the Project Management Team. There are several models available in the , which represent the extremes from a fully branded report for USAID to an informal summary of what a project is going to do this week/what it did last week. The decision as to which to adopt should be based on any contract requirements, as well as the needs of the project for better information and communication.

**Weekly Project Staff Meeting.** In country , the COP should schedule weekly meeting with local staff that cover the main areas of concern to the COP and his/her in-country management team: personnel issues, administrative/financial issues, technical/program issues, and client issues. The degree of transparency for each agenda topic is left to the discretion of the COP, who should seek guidance from the STA/M and/or PM regarding sensitive topics. In situations where “airing dirty laundry” becomes apparent, a separate meeting with the principals would be recommended: for example, where a staff person has a complaint against another staff member, or a performance issue should be discussed, or a salary dispute is on the table, among others. A sample agenda of this type of meeting and guidelines for preparing and holding productive meetings are provided in the /A, Activity Implementation – Field Office Management.

**Weekly home office and field project teleconferences.** In the interest of fostering regular communication and building rapport between the field and home office teams, weekly teleconferences should take place to address routine project issues of scope, schedule, staffing, budget, and quality. The COP and home office Project Management Team should make every effort to hold these calls on a weekly basis. Teams should make the most of these meetings by developing an agenda in advance, and circulating minute meetings and action items to all participants.
10.2 DOCUMENTATION

10.2.1 Who Does What?

FIGURE 25. DOCUMENTATION ROLES AND RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Documentation Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Party (COP)</td>
<td>Provide documents from the field office to the PM for entry into IS.</td>
</tr>
<tr>
<td>Senior Technical Advisor (STA/M)</td>
<td>Write/update project descriptions (includes services, key words, and problem statement, when applicable), and submit to Project Information Management Staff for review and entry into IS. Enter consultant performance evaluations into IS in a timely fashion.</td>
</tr>
<tr>
<td>Project Manager (PM)</td>
<td>Responsible for developing and maintaining the Projects and Master Contracts portion of IS, including entering the following data: Project profile; Consultant, staff, and project partners details USAID contacts; Reports and other deliverables; USAID approvals; and Important communications. Organize and maintain project and IQC folders on the shared drive. Create and maintain public Outlook project folders containing current project contact details.</td>
</tr>
<tr>
<td>Project Information Management Staff</td>
<td>Review project descriptions to ensure accuracy and enters final versions into IS.</td>
</tr>
<tr>
<td>All Team Members</td>
<td>Record important communications with consultants, clients, or program partners in IS notes.</td>
</tr>
</tbody>
</table>

10.2.2 ARD Resources for Documentation

ARD uses a shared common drive, the Intranet, and a custom-developed database (ARDIS) for project documentation:

- **The shared (S:) drive** contains public files. Project files on the shared drive are set up in a consistent format that is easy for someone unfamiliar with the project to navigate. All documents should be dated and saved with an extension that clearly identifies the document. All photographs should include a location, date, and description. Unnecessary draft documents should regularly be deleted from the files.

- **The Intranet** is used to post business office forms, templates, and notices (e.g., staff travel schedules and home office staff contact information). It also contains information on new business development, sector activity and information resources from crosscutting services groups. The Program Operations site contains a current list of PM assignments, as well as a library of documents useful to PMs and a link to the IS. As of January 2012, there are a few projects that have their own SharePoint site connected to the Intranet. These sites contain the documents that would otherwise be saved on the S: drive. It is anticipated that over time more project sites will be created and the use of S: shared for project documents will be phased out.

- **The Information System (ARDIS)** is ’s corporate information storage system, critical to new business development and the management of all contracts, as well as many other corporate activities. IS enables employees to enter, update, and manage information
related to tracking business opportunities and developing proposals, find basic data on ongoing and completed contracts, access a roster of professional consultants, retrieve information about organizations with which subcontract or chooses as partners, and obtain basic staff information and travel schedules. The PMs have primary responsibility for entering and maintaining all contract and administrative information on existing contracts in IS. This includes project office contact information. The STA/M, often in concert with the COP, is responsible for writing the technical project description at the start of the contract and keeping it up-to-date as contract modifications incorporate changes, but all staff have access to IS and can enter information, depending on their responsibilities. The PM creates the consultant agreements in IS for all short-term expatriates and TCNs. It is especially important for the PM to capture all local staff that have significant responsibilities on the project (i.e., all technical staff and all administrative and financial management staff who play important roles). The rule of thumb for capturing local staff in a project’s IS record is that we want to capture any employee who could be a valuable contributor to ensuing projects in the same country (or perhaps in other countries) in the future.

The IS Training Guide (2009) provides detailed instructions for maintaining and using the database. This guide is available from the Senior Project Information Management Specialist.

- Tetra Tech’s Oracle-based information system, Tetra Linx, contains employment-related information and financial monitoring tools.

- The PM is responsible for maintaining project files at the home office. These include hard project personnel files and transmittal memos received from the field; and electronic files of emails, communications, and approvals. The PM is responsible for maintaining approval files in IS; and contract, budget, personnel, and deliverables files in IS and on the home office shared drive. Recently launched the Intranet, which will bring many changes to the storage, maintenance, and use of project information. Guidance on project information systems will be developed and disseminated as the Intranet changes IS’s information processes.
11.0 SECURITY AND EMERGENCIES
This chapter will discuss the following:

- ARD Home Office Resources for Emergency Situations
- Project Office Emergency Preparedness
- ARD Guidance for Crisis Prevention and Response
- Incident Reporting and Analysis

This chapter references the following SOPs:

- Evacuation- Field offices, Travel
- Evacuation- Medical
- Evacuation- Natural Disaster
- Emergency Communications Phone Tree

11.1 ARD HOME OFFICE RESOURCES FOR EMERGENCY SITUATIONS

11.1.1 Emergency Phone

The home office maintains a 24 hour mobile phone to ensure that home office senior management may be reached during non-business hours. Management of the phone is assigned to PMs, who are each assigned responsibility for the phone for one or more months per year. The emergency phone line (802-922-5365) is to be called only for life-threatening emergencies. Upon being notified of a life-threatening emergency affecting staff or consultants, the PM carrying the cell phone obtains necessary information from the caller; verifies the information to the degree possible (if not from the COP); contacts key home office staff (PM, SD, STA/M, President, and VPA) as necessary; and ensures follow up with the caller/field office. The following day, the PM fills out a report (/A, Activity Implementation-Security) on the call and actions taken, and the report is filed in S:\OP\Project Management Docs on the shared drive.27

Detailed instructions for the emergency phone can be found in /A, Activity Implementation-Security.

11.1.2 MEDEX, Business Travel Accident, and Gateway Insurance

USN and TCN consultants are provided emergency medical evacuation insurance while traveling through MEDEX.

USN and TCN staff are provided emergency medical evacuation insurance while traveling either through Tetra Tech’s Business Travel Accident (BTA) insurance or through MEDEX.

ARD’s Travel Coordinators obtain MEDEX insurance while BTA insurance is automatically provided to each employee as part of the fringe benefits package. Please see /A, Activity Implementation-Security for a complete description of coverages.

Gateway Insurance is required for all CCN staff and conference or study mission participants (who may not necessarily be project employees, but whose travel is sponsored by the project) when traveling outside of their country of origin. Such travelers must never depart their home without appropriate travel insurance.

27 See Section 11.4 on “Incident Reporting” in this chapter.
country without Gateway Insurance coverage in effect. The PM works with project office administrative staff to obtain the required Gateway application information for project-funded travelers and provides the completed application form to the home office Human Resources Specialist for submission to Gateway. After receives the Declarations of Coverage from Gateway, the PM sends these to the project office administrative staff. Project administrative staff alert their PM to any circumstances that might require submission of a claim to Gateway. Gateway application forms can be found in the /A.

11.1.3 Overseas Security Advisory Council Global Security News

ARD is a member of the Overseas Security Advisory Council (OSAC). Each week’s VPA distributes the OSAC Global Security News release to all PMs. The PMs are responsible for reviewing these releases and alerting their project teams of any possible security situations in their operating environments.

11.1.4 Project Security Roles and Responsibilities

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Project Security Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Party (COP)</td>
<td>• Develop security procedures and Emergency Action Plan during project startup. • Administer and oversee the project security program.</td>
</tr>
<tr>
<td>Vice President of Administration (VPA)</td>
<td>• Review and approve all project office security policies. Send weekly OSAC Global Security News to PMs for possible distribution to project teams.</td>
</tr>
<tr>
<td>Senior Technical Advisor and Manager (STA/M) &amp; Project Manager (PM)</td>
<td>• Ensure COP develops security procedures and Emergency Action Plan during project startup.</td>
</tr>
</tbody>
</table>

11.2 Project Office Emergency Preparedness

Due to the diversity of security issues from country to country, has a detailed universal security policy for all project offices, which must be adapted and guided by local circumstances. It is the responsibility of the COP to develop project office-specific emergency situation contingency plans, which must be approved by the VPA. Sample project office contingency plans can be found in /A, Activity Implementation- Security.

The COP or his/her designate should administer a well-defined security program. Tasks for the security administrator should include:

- Regularly updating and circulating the Security Handbook;
- Attending security meetings at the US Embassy (and other venues when applicable) and maintaining contact with the US Embassy Security Office;
- Updating ‘s VPA and PM of significant changes in the security situation;
- Ensuring that team members are observing basic security procedures;
- Keeping the project team updated on any security situations that may arise;
- Ensuring that team members are aware of evacuation procedures and responsibilities;
- Periodically checking for security advisories on relevant websites and informing the COP of any security situation changes;
Ensuring drivers are aware of responsibilities;
Ensuring that vehicles are in roadworthy condition; have fuel; and contain a first aid kit, maps, and copies of important vehicle documents;
Maintaining internal security over cash movements, payment days, and deliveries;
Maintaining a list of contact information for all internal and key external parties, including USAID. This should include details such as the location of staff housing and the tracking of staff who are on leave; an updated list should be distributed at least once a month;
Determining and disseminating GPS coordinate office and home locations to home office and US Embassy Security Office if they are located in poorly demarcated and high risk areas;
Establishing a phone tree or warden system among the project’s staff that ensures all personnel can be contacted and accounted for in a timely manner;  
Training staff on telephone and radio procedures, if applicable, and providing copies of frequencies, numbers, and procedures for offices and vehicles; and
Establishing and maintaining crisis management and emergency procedures.


11.2.1 Emergency Situation Contingency Plans

Each project office is responsible for preparing Emergency Situation Contingency Plans (ESCP), each of which is designed to address specific concerns: medical emergency, earthquake, bombing, etc. The purpose of an ESCP is to provide maximum security for the project staff during times of increased security threats, civil crisis, or natural disasters. If evacuation is required, the emergency plan is intended to ensure the temporary closure of the office or the transfer of the project office (either in its entirety or in part) to a secure location in a planned and coordinated manner. Preparation of the ESCP should be done following the guidelines provided in Appendix E to the Safety, Security, and Emergency Policy and Procedures Manual. A list of considerations for preparing an ESCP is located in /A, Activity Implementation-Security.

11.3 ARD GUIDANCE FOR CRISIS PREVENTION AND RESPONSE

ARD’s home office provides the following general guidelines on how to prevent and respond to adverse security situations. These should be incorporated into individual project office security policies: travel accidents, traffic accidents, medical emergencies, ambushes and related roadside threats, kidnapping, and special conflict zone preparedness.

11.3.1 Travel Accidents (General)

To prevent, respond to, or mitigate the impact of travel accidents, provides the following guidance for project office security policies:

28 A sample phone tree can be found in /A, Activity Implementation-Security.
Develop a strong **voice communications plan**, especially for personnel traveling in-country. In most situations, ensuring that travelers have access to cell phones during travel is sufficient. Only in environments with high security risk or unreliable cell phone service does a project need radios or similar communications equipment.

Travelers should file a **travel plan** with the COP or his/her designated security point person\(^{29}\) that includes an itinerary, names of persons traveling, local contact numbers, lodging contact details, and approximate timeframe for the trip. This information should also be shared with family and colleagues at both the departure and arrival locations. For insecure or remote locations, the travel plan should also require an assessment of the security situation, identification of primary and alternative routes, designated checkpoints/landmarks along the route to aid in location tracking, and points of contact along the route.\(^{30}\)

A **designated point person** at the destination location should be notified upon the travelers’ arrival.

Travelers should be made aware of their **personal responsibility** to carry contact numbers and addresses, lock luggage at all times, and secure hotel/guesthouse room doors at night.

Personnel must use **project or personal vehicles** when the use of taxis is not advised.

### 11.3.2 Traffic Accidents

Traffic accidents are the most common security risk for project staff because they can cause an attack by angry bystanders in unstable environments. As a rule, one should not leave the accident site, but if there is an absence of law and order, or depending on the local situation, such action may be necessary.\(^{31}\) In the case of traffic accidents, personnel are advised to stay calm, and take the following steps:

- Note the time and place of the accident.
- If possible, stay in the vehicle.
- Follow the guidance of the project office driver.
- Note the license plate and physical details of the other car if it leaves the scene without stopping.
- Quickly ascertain the attitudes and actions of people at or around the accident site and determine if it is necessary to leave the accident scene for personal security purposes.
- Request the help and the protection (if necessary) of police at the site, or drive to the nearest place of authority.
- Inform the COP as quickly as possible and the US Embassy Security Office as required/recommended.

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\(^{29}\) A similar travel plan may be required by the US Embassy Security Office in select locations.
\(^{30}\) A sample Travel Plan from LGCD can be found in /A, Activity Implementation-Security.
\(^{31}\) In high-risk security environments, such as the DRC, teams may be advised to travel with at least two vehicles to minimize risk.
11.3.3 Medical Emergencies

Whenever a project employee is in need of emergency medical assistance, the COP will determine based on the advice of appropriate medical professionals, the course of action: local treatment; evacuation by road or; in coordination with the home office, a MEDEX evacuation by air to an outside country. In the COP’s absence, the decision will be made by a person appointed by her/him or the next senior project staff member, in consultation with the home office if possible.

The ESCP will include the names of area hospitals and doctors that should be contacted in case of an emergency, specific procedures related to transportation of the injured, and procedures to contact MEDEX Assistance. The ESCP should also contain contact information for locally based mental health professionals, if possible. In the event that suitable mental health professionals are not locally based, the ESCP should contain contact information for the mental health professionals who are able to be deployed on short notice, or can provide remote guidance. If a mental health emergency requires evacuation, the COP should determine, in consultation with a mental health professional, whether the individual requires a travel escort.

Any time significant transportation assistance needs to be contracted, the emergency must be reported to MEDEX Assistance before the actual movement takes place, if at all possible. When an incident is reported to MEDEX, it should also be reported to the home office PM as soon as possible.

11.3.4 Ambushes and Related Roadside Threats

An ambush can be initiated in a variety of ways, including an obstacle in the road, a staged accident or injured person, or by immediate and concentrated gunfire aimed at the vehicle. The terrain influences the location and types of ambush sites/security threats. Conditions which could enhance the chance of these threats include poor road conditions that require vehicles to travel slowly, and blind curves or sharp turns. To avoid such situations, personnel are advised to follow these basic guidelines:

- Obtain current security information from the US Embassy Security Office, other drivers, and people encountered during the journey.
- Be alert for changes in familiar scenes along the route. Observe local people. If they are not acting normally or following their usual routines, there may be a problem.
- Never drive through a roadblock—there have been too many incidents of vehicles being shot from behind after passing through. Make sure that project drivers know this policy.
- If for some reason a project car does drive through a roadblock, drivers are not to stop when the assailant opens fire.

11.3.5 Kidnapping

While the risk of kidnapping is low in most countries, it can be substantial in countries where law and order are seriously disrupted. Specific procedures on how to deal with kidnapping situations are to be provided to the COP at the time of orientation. ’s policy and
recommended protocol for avoiding and responding to kidnapping is presented in detail in the Safety, Security and Emergency Policy and Procedures Manual, and is summarized below.

In the event of suspected surveillance of an consultant, advises that the individual take the following three steps: 1) inform the COP immediately—he/she will decide whether to inform the local police; 2) change daily travel routine when going to and from home and office, and, if possible, change cars and travel in groups of trusted persons; and 3) avoid walking alone.

In the unlikely event that an employee or consultant is taken hostage or kidnapped, the COP or Team Leader should ensure that all employees and consultants follow these guidelines:

- Try to remain calm.
- Be polite, not confrontational.
- Avoid prolonged eye contact.
- Respond to requests, but do not offer more than what is requested.
- Avoid political conversation.
- Follow orders.
- Try to remain healthy by eating and drinking what is offered.
- Information given by captors could be misleading. Do not allow captors to manipulate your thoughts and feelings.
- Remember that an entire team will be working to get you out of your situation.
- When freed, find a safe haven as soon as possible and contact anyone who can help get you out of any further harm’s way.

If a hostage-taking incident occurs, the COP should contact the US Embassy Security Office, USAID Mission Director (or other client organizational head), and the home office immediately. No information about the incident should be provided to anyone else.

While it is policy not to pay ransom to obtain release of a staff member, the home office has plans and processes in place to immediately address the situation, and will immediately become involved and make every effort to obtain release of the individual. The home office will give specific instructions to the COP or another designated person as to her/his role in addressing the situation. As soon as the home office is informed of a hostage-taking incident, it will contact the family if they are based outside of the country where the incident took place. Information on the incident should not be made locally public and should be kept to a highly restricted group.

11.3.6 Special Conflict Zone Preparedness

In countries where serious security risks exist, may engage a security subcontractor to provide policy guidance, up-to-date security risk analysis, and security support. The need for such support, and the budget allocation for security services, is generally negotiated during the proposal stage.
ARD’s protocol for working and living unstable security environments is described in detail in the *Safety, Security, and Emergency Policy and Procedures Manual* and may also be covered in country-specific handbooks developed for these conflict zones.

### 11.4 INCIDENT REPORTING AND ANALYSIS

Incident reporting and analysis is an important factor in security management. The COP or his/her designate is responsible for filing an incident report as soon as possible following a security incident. Incident reports should contain the following information:

- The location and date of the incident,
- A description of exactly what happened and the outcome,
- The action that was taken or that needs to be taken (if any), and
- Additional assistance needed to fully resolve the problem.

The report and the analysis will be used and incorporated into ‘s future security procedures, including tracking high risk locations for regional project travel. It is extremely important to report not only incidents that occurred, but also incidents that were prevented. A template for an incident report is included in the *Safety, Security and Emergency Policy and Procedures Manual* in the /A, Activity Implementation-Security.
12.0 CLOSEOUT
12.1 PROJECT CLOSEOUT RESOURCES

ARD has developed a comprehensive set of tools and resources for project startup and closeout that are available in /A under the General Contract Administration section throughout the five project phases. These include a closeout checklist template, financial management closeout tools, sample closeout and demobilization plans, terms of reference for closeout assistance, closeout procedure for inventory, title transfer documents, as well as a closeout tip sheet.

12.2 CLOSEOUT ROLES AND RESPONSIBILITIES

ARD's home office PM and SCS provide remote or in-country support during project closeout, which commences six months prior to the end date of the contract. The decision to deploy the PM or SCS to provide on-the-ground support to the COP during project closeout is determined by the complexity of the project, the challenges presented by the local environment, the availability of the SCS, budgeted LOE, and USAID approval. The PM may travel to the project site to assist with closeout if the SCS is unavailable and the need for home office assistance is confirmed by the Project Management Team. The home office CS and Procurement and PS also play key roles during closeout—the former with regard to subcontracts closeout and the latter with regard to the final disposition of project inventory. The STA/M is responsible for the technical oversight of project closeout, including the submittal of all final project technical deliverables.

12.3 KEY CLOSEOUT TASKS AND PROCEDURES

12.3.1 Project Closeout Checklist

The Project Closeout Checklist template is a comprehensive list of key administrative closeout tasks, and is tailored to meet the specific needs of the project. Ideally the PM sends the Project Closeout Checklist to the COP in advance of the Closeout Planning Meeting and has them complete it with the assistance of his/her administrative staff. This ensures that the ownership of the closeout process is with the field staff and the home office provides the necessary support and guidance. The Closeout Planning Meeting is then held to review the checklist and finalize the roles/responsibilities and timeline for closeout activities. The Project Closeout Checklist is included in /A, Closeout-Administrative Functions.

12.3.2 Closeout Planning Meeting

Six months before the scheduled end of project, the PM initiates a closeout meeting with the STA/M, Controller, VPA, PM, STA/M, PS, and SCS in the home office, with the COP participating remotely.32 The purpose of this meeting is to review the Project Closeout Checklist

32 Others in the business office may attend, depending on the project level of complexity.
completed by the COP and field staff, determine roles and responsibilities of both the field office and home office, finalize the timeline, and discuss any major issues that will need to be addressed prior to the contract end date.

12.3.3 Review of Technical Requirements

Not included in the Project Closeout Checklist are the technical requirements for project closeout. It is important that the COP and STA/M review the task order and IQC contract early in the closeout process to confirm all technical requirements, and establish a timetable and assign responsibility for meeting these requirements.

12.3.4 Closeout and Demobilization Plan

USAID requires that submit a Closeout and Demobilization Plan three months prior to the contract end date. This plan describes the actions that will take to complete and close down the project in accordance with USAID requirements. The plan is drafted by the COP and submitted to USAID by the PM. The contents include but are not limited to:

- A brief program summary;
- Budget: 1) current financial and final financial status report timelines; and 2) anticipated funds at contract expiration;
- Final Inventory of Residual Non-Expendable Property: 1) List of Non-expendable Property; and 2) Property Disposition Plan;
- Program activities update; and
- Personnel Phase-out Timeline and Plan including demobilization plans for expatriate personnel.

ARD’s Closeout Plan template and examples are may be found in /A, Closeout-Administrative Functions.

12.3.5 Review of Contract Requirements with Contracts Officer

The COP meets with the CO and COTR to ensure that all contract requirements have been met. Prior to the meeting, the closeout team should undertake a thorough review of the project’s documentation of approvals and the status of all project deliverables.

12.3.6 Inventory Disposition

USAID requires that dispose of all nonexpendable property according to specific mission instructions. This may include transfer to other USAID projects, to project beneficiaries (i.e., NGOs with which the project has worked), or to a USAID warehouse. The steps for property transfer are outlined below:

- **Step 1:** The field office conducts an audit of the Master Inventory Worksheet, which is created during the startup phase and updated regularly throughout the life of project. The field office conducts a physical inventory in all offices and residences, and updates the inventory worksheet as needed.
- **Step 2:** The field office identifies potential recipients for project inventory. Recipients must be capable of using or properly storing the inventory, and must be able to collect and transport the received items.

- **Step 3:** The field office submits a property disposition plan for CO and COTR approval. The plan provides the following details for each non-expendable inventory item purchased by the project:
  - Item description,
  - Item location,
  - Tag number,
  - Serial number (if applicable),
  - Date purchased,
  - Vendor,
  - Voucher number,
  - Cost of item,
  - Condition,
  - Depreciated value of item, and
  - Proposed recipient.

A sample *Property Disposition Plan* is available at /A, Closeout-Administrative Functions.

- **Step 4:** Upon receipt of USAID approval, the field office arranges property handover to recipient organizations. All transfers must take place prior to the end of project.

- **Step 5:** and recipient organizations document the transfer of property at the time of the handover. Sample title transfer documents are presented in /A, Closeout-Administrative Functions.

- **Step 6:** Fully executed title transfer documents are submitted to USAID as part of the final report, and in some cases USAID signature on these documents is required.

### 12.3.7 Financial Closeout

The COP will ensure that all allowable costs for the project are incurred before the project end date. While payment of expenditures may take place after the end date, all costs have to be incurred prior to that date. For example, the cost of shipping project files back to the home office must be incurred prior to the end date, while files may be shipped after that date.

Outstanding advances are often overlooked and turn up at the end of the project. Employee advances should be easy to reconcile and follow up as their final payment is held until the advances are taken care of. Advances for government officials or local counterparts can be harder to get during the closeout period. The project office manager should make a detailed list of pending advances at least two months in advance of closeout and submit to the COP for review. When backup documentation is not available (say for a conference of a counterpart), then we must try and compile as much information as possible. Invitational letters, airline stubs and even a “note to file” written by the COP confirming the travel took place can serve as the paper trail in the event of the loss of the actual backup documentation.
VAT requirements vary from country to country. In some cases, will receive VAT reimbursements after the contract end-date. To avoid this, can seek USAID approval to avoid paying VAT (and hence reimbursement) for the remaining month of the project. This is mostly in the case where the cost of submitting VAT (labor) exceeds the reimbursement.

The COP will ensure that the project bank account is properly closed and that the balance of funds is wired back to before the project end date.

ARD often approves a short-term, fixed price service agreement, which is billed under ODCs, to retain the services of the local project accountant for up to 30 days after the project end date. This provides services to wrap up local utility bills, close project bank accounts, and submit final local accounting to the home office. The fixed price of such a service agreement is usually determined based on an estimated LOE of 10 days or less, depending on the specific project requirements. It is important to note that these services are not billed to labor, since all labor must be complete at the project end date. Examples of short-term administrative and financial project closeout services agreements can be found in /A, Closeout-Administrative Functions.

12.3.8 Office Lease

The COP should review the lease in anticipation of the closeout. In some cases, the lease was prepared a few years in advance, perhaps even with a different COP, therefore it is important to look at the conditions for termination and whether a security deposit was paid at time of signing. If applicable, the COP retrieves the security deposit when turning over the keys to the landlord. In addition to the notification letter, the COP issues a “release letter” to be signed by both parties when returns the keys. This confirms the closeout and the end of the relationship.

12.3.9 Disposition of Project Files

At the close of project, there should be no project files left in the field. All documents are either destroyed or shipped to the home office. requires that all financial and administrative files (hardcopy and electronic) be sent to headquarters at the end of the project. This includes but is not limited to:

- Monthly accounting vouchers,
- Vendor files,
- Bank records and correspondence,
- Signed authorizations,
- Consultant contracts/personnel files, and
- Local subcontracts and purchase order files.

The COP, with guidance from the SCS, determines criteria for technical documents to be shipped to the home office. According to contract requirements, copies of technical files, reports, and other deliverables should be put on a CD and sent to the PM. The COP should work with the STA/M to determine the disposition of duplicate technical files and other project-related (non-financial) documents. ’s home office Library and Research Specialist will archive
all technical reports in IS, and submit required technical reports to USAID’s Development Experience Clearinghouse (DEC).

All files should be organized and appropriately labeled before shipment to headquarters. This shipment must be coordinated between the field office administrative specialist and the home office PS. The local administrative specialist should provide an index to the boxes of files shipped to IS, with each box numbered and the contents of each box indicated on the index and on the box.

12.3.10 Subcontract and Grant Closeout

ARD’s home office CS provides written notice to all subcontractors and grantees 90 days before the end of project. All deliverables must be completed, and all payments made prior to the end of project.

12.3.11 Local Staff Transition

The COP ensures that local staff termination is conducted in compliance with policy, USAID guidelines, and local law. At least three months prior to project closeout, the COP consults the project’s local legal advisor to confirm local regulations vis-à-vis notification, severance, and paid leave. USAID’s guidelines call for the COP to provide written notification to all staff at least 90 days prior to the end of project.

The COP or his/her designate holds career counseling consultations three months before the end of project, and when appropriate makes efforts to assist staff in identifying new opportunities. The project team should notify the Director of International Consultant Services so ICS may also assist with placement efforts. A targeted letter would go out to all staff about registering for the professional consultant roster. Staff would be asked to send ICS their updated CVs which should include their latest assignment/responsibilities with IS as well as their personal coordinates. In accordance with local custom, the project office may provide certifications of employment to all staff, and letters or recommendation when appropriate.

It is very important to review employee contracts and obligations in advance of project closeout. Local labor lawyers were consulted at the startup of most IS projects, however it is crucial to double-check the contracts against the labor law for issues around severance due to employees at the termination of contracts (if applicable). Severance payments have financial implications on project expenditures and planning for the remaining months of the project.

Local staff severance is determined by local law, and is included as a line item in the contract budget. Staff who voluntarily leave their position prior to the established end date may not be eligible to receive severance pay. COPs should consult with local employees during the course of the project to ensure that they use their vacation leave before the end of the project, since, in most cases, must seek USAID CO approval to pay out local employees’ unused vacation leave at the end of a project. If such a payout is deemed appropriate and necessary, the PM will prepare an RFA seeking approval to pay unused leave. This payment should be made to the employee at the time of their last monthly salary payment—though clearly distinguished in the
local project accounting. The COP must verify that employee advances are liquated before paying their final salary payment.

ARD generally charges minimal administrative expenses to the project after closeout in the event we need to have someone work on any outstanding closeout issues. However all ODC costs, except the labor to be incurred, must have been incurred prior to closeout. The labor costs incurred by the individual after the project end date should be coded to ODCs – professional services.

12.3.12 International Staff Demobilization

International staff members are responsible for coordinating their individual repatriation (or demobilization) travel, residential lease termination, and shipment of household effects. The PS supports staff in making shipment arrangements; and the home office Travel Coordinator provides travel assistance. All shipping and travel arrangements must be completed by the home office. As soon as demobilization itineraries are finalized, the PM will submit a Request for Approval of International Travel for Demobilization to the USAID office with travel approval authority (COTR or CO). Individuals who do not comply with regulations are personally responsible for the costs associated with their travel and shipment.

As the project cannot incur costs after the last day of the contract, all nonessential international staff should schedule repatriation travel to be completed by the final day of the contract. It may be essential for one staff member to stay in country through the final contract date to finalize closeout tasks. If this is required, approval must be obtained from the President.

12.3.13 Final Actions

Upon receipt of USAID approval for all technical deliverables, the PM ensures that all appropriate materials are submitted to USAID’s DEC, an online repository for USAID-funded technical and program documentation.

The STA/M requests a final CPAR from the COTR (see Chapter 6 for detailed information on the CPAR process).

12.4 CLOSEOUT TIP SHEET

ARD’s Project Closeout Tip Sheet serves as practical guidance on how to execute some of the tasks included in the Project Closeout Checklist. This document should be used alongside the Closeout Plan and checklist. The Closeout Tip Sheet covers the following areas:

- Labor-related issues,
- Office lease and utilities,
- Vendor accounts,
- Financial management issues,
- Inventory disposition,
- File shipment and disposition, and
- Miscellaneous issues.
13.0 SPECIAL CASES
This chapter will discuss the following:
- IQC Management
- Non-USAID Clients
- ARD as a Subcontractor
- Home Office-Based Projects

13.1 **Indefinite Quantity Contract Management**

An Indefinite Quantity Contract (IQC) is a contract mechanism that provides for the purchase of an indefinite quantity, within stated limits, of specified supplies and/or services during the period of the contract. Deliveries are scheduled by placement of delivery orders, task orders, or work orders. The contracts specify a guaranteed minimum order and cumulative maximum amount.

On contract award, several immediate steps should be taken by the PM and STA/M to efficiently begin the IQC.

1. **Using ’s IQC Management Manual as a model, develop a manual specifically for management of the new contract. Required guidance for the implementation of IQC contracts can be found in the /A, Award Notification-General Contract Administration.**

2. **Ask the CS in the business office to prepare a contract administration and compliance fact sheet that summarizes the most essential contractual requirements of the IQC, including the particulars of the cost structure.**

3. **Work with the Senior Contracts Specialist in the business office to finalize all subcontracts with all team members such as universities, firms, and NGOs.**

4. **Arrange, schedule and hold a contract launch meeting for all key personnel and, where appropriate, for subcontractors, to review the contract and all processes and procedures. Agenda topics might include:**
   - Primary contract requirements and regulations,
   - Reporting and communication requirements and procedures,
   - Contract Scope of Work,
   - Task order response processes and procedures,
   - Subcontractor management,
   - Marketing strategies and contact with USAID, and
   - Potential Task Orders.

5. **Review and be familiar with not only this handbook and the IQC Management Manual, but also the Chief of Party Handbook, The Short-term Team Leader Guide, the Proposal Preparation Manual, and the Recruitment and Staffing Process Manual, so that you are familiar with their respective requirements.**

Review functional roles of staff on the IQC (see matrix below) to ensure effective communication, roles, and responsibilities.
Develop general policies and procedures for preparing, responding to, and implementing task orders.

**FIGURE 26. FUNCTIONAL ROLES OF TECHNICAL STAFF FOR INDEFINITE QUANTITY CONTRACTS (IQCS)**

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibilities</th>
<th>Authorities</th>
</tr>
</thead>
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| IQC Technical Manager (TM) – could be called IQC Program Manager or Director; may also be a Deputy required by contract. Position is basically what we call the STA/M for standalone projects. | Manage the operation at the headquarters level.  
Mobilize IQC project team.  
Maintain continuous contact with COTR and CO.  
Direct technical performance of contract.  
Provide IQC project overview to USAID.  
Monitor deliverables, schedules, and budgets.  
Usually act as IQC Proposal Coordinator. | Approves technical experts and staffing for task orders  
Approves invoices  
Approves deliverables  
Prepares task order responses or delegates |
| IQC Proposal Manager – this person could be different than the TM above, depending on workload balancing and technical nature of the work. | Manage the process of task order response under the assigned contract, according to the IQC Manual (dated 1/02) and the contract-specific IQC Manual.  
Prepare or monitor deliverables, timelines, and budgets.  
Organize relevant proposal meetings.  
Communicate regularly with lead editor, TM, subcontractors on required inputs/outputs.  
Calls all likely candidates, screened by CSS.  
Enters proposal data into IS at completion of proposal effort. | Recommends staffing for task order team  
Prepares task order responses  
Writes proposal or coordinates writing, when technical response required (e.g., Tier 3) |
| IQC Project Manager (PM)          | Direct administrative performance of overall contract, including quarterly IQC reporting.  
Prepare or monitor deliverables, timelines, and budgets.  
Manage day-to-day activities of contract and individual long-term task orders.  
On long-term task orders, provide support to field teams concerning information needs, processing requests for approval, tracking shipments of materials, responses to faxes and email messages, arrangements for project consultants, report preparation, arrangements for meetings, and general tracking of project activities and implementation schedules. | Approves invoices  
Prepares deliverables |
| Task Order Manager                | Prepare or monitors deliverables, timelines for short- or medium-term task orders  
Manage day-to-day activities of specific short-term or medium-term task orders  
On short-term or medium-term task orders, provide support to field teams concerning information needs, processing requests for approval, tracking shipments of materials, responses to faxes and email messages, arrangements for project consultants, report preparation, arrangements for meetings, and | Approves invoices  
Prepares deliverables for clients |
13.2 **Non-USAID Clients**

More than 95% of ARD’s business comes from USAID contracts. As such, ARD’s project management resources and guidelines generally describe project management within a traditional USAID operating environment. However, ARD’s clients have also included the Asian Development Bank (ADB), the Millennium Challenge Corporation (MCC), the United Nations Development Programme (UNDP), The Swiss Agency for Development and Cooperation (SDC), The United States Trade and Development Agency (USTDA), and the World Bank (WB). When serving non-USAID clients, the Project Management Team must familiarize itself with the rules and regulations of the client.

Relevant documents found in the IQC template include:

- **Asian Development Bank (ADB) templates**

13.3 **ARD as a Subcontractor**

When ARD is a subcontractor to another firm (under a task order or stand-alone contract) or an international NGO (under a Cooperative Agreement), that organization is the prime contractor. The prime contractor becomes ARD’s client and is responsible for all communications with the funding agency. Unless explicitly approved by the prime contractor, ARD does not communicate directly with the funding agency. Rather, ARD submits all requests for approval and all communications related to the subcontract to the prime contractor. In this role, ARD is often required to abide by the prime contractor’s business practices and guidelines. The Project Management Team should consult with the VPA with regard to any unusual aspects of project implementation under a subcontract, especially when they vary from ARD’s standard practices.

13.4 **Home Office-Based Projects**

ARD frequently implements short-term home office-based projects, such as field assessments and US-based training courses. For short-term contracts, the contract will identify a team leader or training coordinator. This may be the STA/M or another team member. For more information on managing short-term, home office based projects, see the *Short-Term Task Order Team Leader Guide*.

ARD may also implement long-term home office based projects, such as the global Property Rights and Resource Governance task order under the PLACE IQC (2007-2012). For these projects, the structure of Project Management Teams and the roles and responsibilities of team members must be adjusted from the traditional project office model. Responsibilities that would fall to the field office in a traditional project office team are taken on by the home office project team, chiefly the STA/M and PM.