USAID
FROM THE AMERICAN PEOPLE

Partners' Day
December 1, 2015

REQUIREMENTS
OF
NEW PARTNERS

Amy McQuade, Thao Tran
and Carol Yee

Topics for Discussion: Requirements of New Partners

Part 1: Introduction

Part 2: Federal Award Systems

Part 3: Financial Systems

Part 4: Prime v. Subprime Requirements

Part 5: Challenges of Operating Overseas

Part 6: Conclusion and Q&A

Part 1: INTRODUCTION

Amy McQuade, Thao Tran and Carol Yee

Biographies

Carol J. Yee – Chief Operating Officer, Kanava International, LLC
Treasurer, Small Business Association for International Companies (SBAIC)

Thao Tran – USAID Foreign Service Controller

Amy McQuade – USAID Foreign Service Contracting and Agreement Officer

Part 2: Federal Award Systems

Amy McQuade

PART 2: FEDERAL AWARD SYSTEMS a/k/a/ INTEGRATED AWARD ENVIRONMENT

To be eligible to apply for U.S. federal awards (grants or contracts), entities need to register for three things:

1. **DUNS**
2. **CAGE/NCAGE**
   - U.S.-based organizations need a Commercial and Governmental Entity (CAGE) code
   - Non US-based organizations need a NATO Commercial and Governmental Entity Code (NCAGE) code
3. **SAM** (System for Award Management)

Exceptions to Registration Requirements

All Primes are required to register in DUNS, NCAGE and SAM, except:

(1) Awards to individuals. 2 CFR 25.110(b).

(2) Awards to other federal agencies. 2 CFR 25.110(c).

(3) Awards where the AO determines, in writing, that these requirements would jeopordize the personal safety of the entity's clients, or would compromise classified information or national security. 2 CFR 25.110(d)(i).

(4) Awards less than $25,000 to foreign recipients to be performed outside the United States (based on a USAID determination that it would be impractical for the entity to comply with the requirement(s)). 2 CFR 25.110(d)(ii).

Prime vs. Subprime Registration Requirements

- Per OMB guidance, sub-contractors/sub-recipients are **only** required to have a DUNS number.

- SAM registration is not required for sub-contractors/sub-recipients.

REGISTERING in Dun & Bradstreet Global Network


The objective of this session is to:

- Learn how to register for a Data Universal Numbering System (DUNS) number
- Learn best practices to avoid common problems with registration

WHAT IS A DUNS NUMBER?

- Unique **9-digit identification number**
- DUNS Numbers may be requested **for free**
- http://fedgov.dnb.com/webform
- Takes 1-2 business days

- **Tax Identification Number (TIN):**

  - assigned by the U.S. Internal Revenue Service (IRS)
  - Foreign entities without paid employees in the US do <u>not</u> require a TIN

HELPFUL TIPS
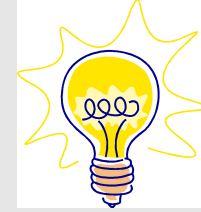
- Step-by-step registration for DUNS
- Click "NEXT" to proceed in order
- Click on green symbols for more information
- Take Notes
- Go to http://fedgov.dnb.com/webform to get started or search for "DUNS registration"
- REMEMBER: it is **FREE OF CHARGE!**
- Use DUNS system to Create DUNS Records, Modify a DUNS Records, Look up a DUNS Number.

STEP 1: Begin Country Search

Decide with Confidence

Company Lookup > | Search >

Search

D&B D-U-N-S Request Home Page

About the D&B D-U-N-S Number

Frequently Asked Questions (FAQ)

D&B, SAM, Grants, Contracts
D&B's Privacy and Data Policy

Accessibility

Please select the country or territory where your company is physically located, then click continue. If you do not see your country or territory listed, please contact govt@dnb.com

Select a country or territory ... | Continue

Choose from dropbox and click continue

STEP 2: ENTER COMPANY DETAILS

Enter as much data as possible, but the business name and city are required to execute a search

STEP 3: SEARCH RESULTS: CANDIDATES FOUND

Company Lookup >   Search >   Results >

Search Results

Your search returned the following results...**

Duns Painting Ltd
1095 McKenzie Ave
Victoria, BC
CA

▌ **Request Your Existing D-U-N-S Number**

▌ **View/Modify Your Information**

D&B Companies of Canada ULC, The
6450 Roberts St Suite 255
Burnaby, BC
CA

▌ **Request Your Existing D-U-N-S Number**

▌ **View/Modify Your Information**

Duns Painting
4436 Webdon Rd
Duncan, BC
CA

▌ **Request Your Existing D-U-N-S Number**

▌ **View/Modify Your Information**
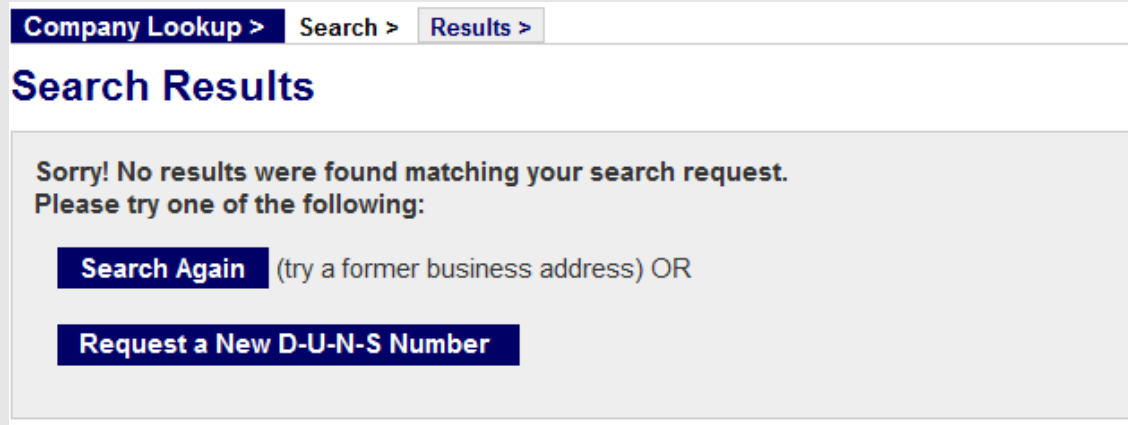
If you do not see your company listed above...

Search Again (try a former business address) OR

Request a New D-U-N-S Number

** If you are not able to distinguish your location from the search results please contact D&B at govt@dnb.com

If you don't see your company returned, you can attempt a search again or request a new DUNS

STEP 4: SEARCH RESULTS: NO CANDIDATES FOUND

If you don't see your company returned,
you can attempt a search again or request a new DUNS.

STEP 5: COMPANY INFORMATION

STEP 5: COMPANY INFORMATION

HELPFUL TIP

- When typing your business name, address and phone number:

    - **Write this information down** – you will need it later

    - Be sure that whenever asked you enter this information EXACTLY the same.

    - You will need to enter this information for: DUNS, SAM and CAGE/NCAGE. It must be EXACTLY the same every time.

STEP 6: VERIFICATION

Verification Page

Company Name

?	Legal Name	Jeanine Maas
?	Phone Number of Business	5555555555

Physical Address

?	Street	123 Main Street
?	City	Vancouver
?	State	BC
?	Zip Code + 4/Postal Code	V6B 4N4
	Country	CANADA

Organization Information

?	Executive Name	Jeanine Maas

You affirm that you are a principal, owner or officer of the entity for which you are submitting proposed information and/or changes and that you are properly authorized to submit these changes. You also agree not to knowingly provide any false or misleading information to D&B. Knowingly providing false or misleading information may result in criminal or civil penalties as per **Title 18, Section 1001 of the US Criminal Code**, and may negatively impact the status of the D&B report maintained on this company.

This also includes the use of a Shelf Corporation. D&B defines a Shelf Corporation as one that exhibits either of the following characteristics: (1) An aged corporation where no prior business activities could be confirmed or (2) An aged corporation that was revoked, dissolved or went to a dormant status, and is subsequently reinstated and is under new control. It is D&B's policy that the historical business activity of a Shelf Corporation, if any, will not be factored into the determination of such Shelf Corporation?s start date. As such, any individual who attempts to misrepresent the start date of their business through the use of a Shelf Corporation or any other means is immediately put on information alert status or higher-risk status. In addition, the criminal penalties mentioned above may apply.

This is the information that you will be submitting, is this correct?

Yes, Continue	No, Change Information

EMAIL CONFIRMATION

Federal Service Help Desk:

www.fsd.gov

U.S. Calls: 866-606-8220

International Calls: 334-206-7828

DSN: 866-606-8220

Dun and Bradstreet:

SAMHelp@dnb.com

From: govt@dnb.com [mailto:govt@dnb.com]
Sent: Thursday, March 12, 2015 9:31 AM
To: maasj@dnb.com
Cc: Govt CCR Email
Subject: DUNS Modification Request - Tracking ID : 1916275

THIS IS AN AUTOMATED MESSAGE GENERATED BY THE D&B D-U-N-S REQUEST PORTAL.

Thank you for using the D&B Web Form to request a modification to your D&B D-U-N-S record.

D&Bs policy is to verify new information and match it to the appropriate record. D&B may contact your company to verify data and request additional information.

If D&B is unable to verify changes to address or legal names through 3rd party sources, your request may be denied.

If you have questions, please contact D&B in the U.S. at 703-807-5733 or email SAMhelp@dnb.com.

Contact Information

First Name	Jeanine
Last Name	Maas
Telephone	555-555-555
Email	maasj#@dnb.com
Title	CEO
Tracking ID	1916275

Company Information

Legal Name	Dun & Bradstreet
Legal Structure	Corporation
Tradestyle Name 1	
Tradestyle Name 2	
Tradestyle Name 3	

Organization Information

Telephone	555-555-555
Executive Name	Jeanine Maas
Title	CEO
Primary SIC code	9999
Description of Operations	
Socioeconomic Data	
Number of Employees	3000

REGISTERING in CAGE or NCAGE

The objectives of this session is to:

- understand how to register for a Commercial and Government Entity Code (CAGE) or NATO Commercial and Governmental Entity Code (NCAGE)

- learn best practices to avoid common problems with registration.

REGISTERING in CAGE or NCAGE

- Commercial and Governmental Entity Code (**CAGE**) for **U.S. based organizations**

- NATO Commercial and Governmental Entity Code (**NCAGE**) for **non-U.S. based organizations**

- Necessary for organizations looking to work with U.S. government and required for SAM registration

- Click on this link to get started:
  https://eportal.nspa.nato.int/AC135Public/scage/CageList.aspx

NMCRL-WEB | NMCRL-DVD | CAGE/NCAGE Code Request | ACodP2/3

Home › CAGE/NCAGE Code Request

This link is to a document that explains CAGE/NCAGE procedures. It also includes the process as they relate to registering in and updating data in U.S. System for Award Management (SAM). We highly recommend organizations trying to do business with the U.S. Federal government read the document and follow the instructions. The document also contains points of contact for CAGE/NCAGE matters for the National Codification Bureaus.

Search Criteria

When the search is done, the "Request New" button will become available.

CAGE/NCAGE Code

Postal Code

Organization Name

Phone Number

Country

Identification Number (IDN)

City

Results

(N)CAGE	Organization Name	City	Postal Code	Country	Status
		No Matching CAGE code has been found			

Request New

HELPFUL TIPS
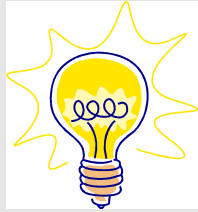
1) The DUNS Number links to the corresponding NCAGE Code.

2) If the discrepancy is with NCAGE database

   o Contact the following address at ncage@nspa.nato.int

3) If the discrepancy is with Dun & Bradstreet database

   o Use the online webform http://fedgov.dnb.com/webform

NATO Codification Tools

NSPA
NATO SUPPORT AND PROCUREMENT AGENCY

NMCRL-WEB	NMCRL-DVD	CAGE/NCAGE Code Request	ACodP2/3

Home > Request New CAGE/NCAGE Assignment

ℹ️ Current application allows to request CAGE/NCAGE Codes for entities located in NATO or non-NATO countries as well as specific I-CAGE codes for SUPRA-national organizations like ISO, United Nations UN, NATO agencies etc

Country Check

Type of Entity*
A Private Company ▼

Emergency Level*
Routine ▼

Is the entity to be registered is a supranational organization?*
⚪ Yes   ⚫ No

⚠️ Yes means I-CAGE. No means CAGE.

Country*
UNITED STATES

Cancel   Start

NATO SUPPORT AND PROCUREMENT AGENCY

ℹ️ Information related to the CAGE/NCAGE request initiator (data not recorded in the CAGE/NCAGE database).
Please make sure your email address is valid, if not your request won't be processed.

Step 1 of 4: Initiator Data

First Name*

Last Name*

Organization Name

Address

Country
Type Here

Email*

Phone Number

Fax Number

Cancel   Previous   Next

CAGE OR NCAGE COMPLETION

- Confirmation via email within 4 business days

- May need to validate CAGE/NCAGE request in email

- Resources top right corner of website

- Federal Service Desk – www.fsd.gov

REGISTERING in SYSTEM FOR AWARD MANAGEMENT (SAM)

The objectives of this session is to:

- understand SAM (System for Award Management) and why it's important,
- become comfortable with SAM registration,
- and learn best practices to avoid common problems with registration.

BEFORE YOU START

You will need the following information:

1 Your Data Universal Numbering System (DUNS) Number from Dun and Bradstreet and the name and address associated with that DUNS

2 Your Taxpayer Identification Number and the name associated with that TIN (from your W-2)

3 Your Contractor and Government Entity (CAGE) Code, if you already have one (if you don't, one will be assigned to you during registration)

4 Your Electronic Funds Transfer information such as your ABA Routing Number and your account number

CANCEL   CONTINUE

WHAT IS (SAM)?

- The **System for Award Management** (SAM) is the Official U.S. Government system that consolidated the capabilities of older systems.
- Register **AS SOON AS POSSIBLE!**
- Registration must be updated annually.
- Once registered, entities can apply for grants on www.grants.gov and for contracts on www.fedbizopps.gov
- There is no fee to register.

SAM℠
SYSTEM FOR AWARD MANAGEMENT

USER NAME [ ] PASSWORD [ ] **LOG IN**

Forgot Username?   Forgot Password?

Create an Account

HOME | **SEARCH RECORDS** | **DATA ACCESS** | **GENERAL INFO** | **HELP**

CREATE USER ACCOUNT

Your CCR username will not work in SAM. You will need a new SAM User Account to register or update your entity records. You will also need to create a SAM User Account if you are a government official and need to create Exclusions or search for FOUO information.

[Create User Account]

REGISTER/UPDATE ENTITY

You can register your Entity (business, individual, or government agency) to do business with the Federal Government. If you are interested in registering or updating your Entity, you must first create a user account.

[Register/Update Entity]

New! Use the SAM Status Tracker to: [Check Status]

SEARCH RECORDS

All entity records from CCR/FedReg and ORCA and exclusion records from EPLS, active or expired, were moved to SAM. You can search these records and new ones created in SAM. If you are a government user logged in with your SAM user account, you will automatically have access to FOUO information.

[Search Records]

WHAT IS SAM?

[Need Help?]

The **System for Award Management** (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. There is NO fee to register for this site. Entities may register at no cost directly from this page. User guides and webinars are available under the Help tab.

NEWS AND ANNOUNCEMENTS

Try out SAM's new RESTful API for public registration data! Learn more.

Update: The SAM.gov January 16, 2015 release notes are posted. Remember, you can find release notes for all SAM.gov software releases at SAM.gov > General Info > News > Release Notes.

USER GUIDES/HELPFUL HINTS

Additional information, such as a full User Guide, Quick Start Guides, Helpful Hints, and Webinars are available on the HELP tab.
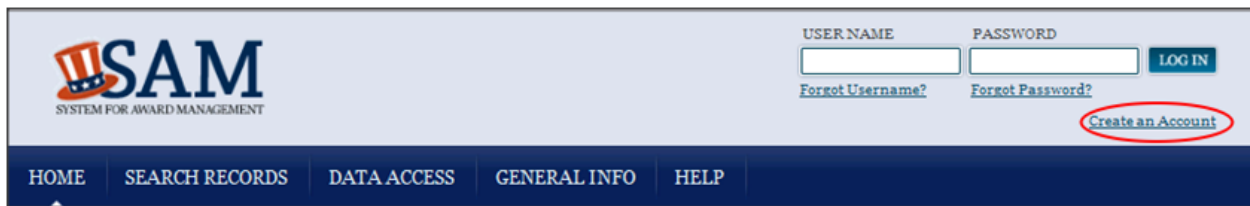
Service Desk
URL: http://www.FSD.gov
Learn how to check your SAM entity registration status.

ATTENTION EXTRACT AND WEB SERVICE USERS

Support for the legacy-formatted extracts and web services in SAM ended on October 31st, 2014. Federal systems using SAM data must convert to the SAM-formatted extracts and web services. If you see "You do not have access to this extract" you need to submit a Data Access Request for the appropriate role by logging in with the account that needs the role. Go to "Data Access" then click on either "System Data Access Request" or "Individual Data Access Request" (depending on your user account type) and follow the prompts to submit the request.

SAM | System for Award Management 1.0

IBM v1.P.24.20150116-1831
WWW6

Note to all Users: This is a Federal Government computer system.
Use of this system constitutes consent to monitoring at all times.

GSA   USA.gov

Creating an Account

GSA | IAE

SAM
SYSTEM FOR AWARD MANAGEMENT

USER NAME [_____] PASSWORD [_____] [LOG IN]

Forgot Username?   Forgot Password?

Create an Account

HOME | SEARCH RECORDS | DATA ACCESS | GENERAL INFO | HELP

CREATE USER ACCOUNT

Your CCR username will not work in SAM. You
will need a new SAM User Account to register or
update your entity records. You will also need to
create a SAM User Account if you are a
government official and need to create
Exclusions or search for FOUO information.

[Create User Account]

Individual vs System accounts

Username

Passwords

Forced expirations

HOME   SEARCH RECORDS   DATA ACCESS   GENERAL INFO   HELP

Your Account Information

Create your individual user account in SAM by entering the following information.

Create Account: Individual

- Personal Information
- Summary

Field	Value
First Name: *	Thomas
Last Name: *	Gillette
Email Address: *	TGillette@faneuil.com
Confirm Email Address: *	TGillette@faneuil.com
Phone: *	703-571-1234 xxxx-xxxxxxxxxxx

Primary Communication: ○ Phone   ● Email

Additional Comments: All information in this account is fictional - this is an example of the information required to create an account.

Country: *   HAITI

Username must be at least six characters in length.
Warning: Once created, username cannot be changed in SAM.

Username: *   TGillette

Password must be at least 8 characters in length and contain at least one number, one letter, and one special character.

Password: *   ••••••••

Confirm Password: *   ••••••••

Security Question 1: *   What is the first name of the person that you first kissed?

Security Answer 1: *   Maria

Security Question 2: *   What did you name your first stuffed animal?

Security Answer 2: *   Fluffy

Security Question 3: *   In what city or town did your parents meet?

Security Answer 3: *   Port-au-Prince

CANCEL   BACK   SUBMIT

SAM | System for Award Management 1.0

IBM v1.P.24.20150116-1831
WWW3

Note to all Users: This is a Federal Government computer system. Use of this system constitutes consent to monitoring at all times.

GSA   USA.gov

CONFIRM YOUR SAM REGISTRATION

- Log-in to your email address
- Open email from SAM.gov
- Click on link in email to confirm registration
- Once on SAM website, click "Done"
- Accept SAM Terms and Conditions to complete registration

MY SAM

- Manage My User Roles
- Manage Entity Users
- Register/Update Entity
- Manage Exclusions
- Account Settings
- Data Access
- General

Welcome, testaccount0005 testaccount0005

Welcome to SAM! From here you can access the functionality that you need to do your job.

The navigation links on the left side of your page give you access to different parts of SAM. The categories available vary based on your permissions in SAM. For example:

Manage My User Roles

Links here allow you to manage your roles. You can request new roles or view your current roles and entity associations.

Register/Update Entity

Here you will find links to manage your entity registration record(s). If you are updating an entity registration for the first time in SAM, this information came from CCR, ORCA, or FedReg.

Data Access

If you need access to data extracts or need to view non-public data (such as TIN or banking information) through search, this section will contain all the information you need to request permission.

If you have any questions, click the **Help** tab for training materials, FAQs, and contact information for the supporting SAM Help Desk.

Note: TIN (either EIN or SSN) is required. Only sole proprietors without a TIN should enter an SSN. Please note that the number entered here will be sent to the IRS with the TIN consent information below. It may take 3-5 days to return a TIN match from IRS.

Business Information:

Business Start Date (MM/DD/YYYY): *   04/08/2012

Fiscal Year End Close Date (MM/DD): *   01/01

Company Division Name: My Divions

Company Division Number: 3

Corporate URL: www.url.com

Congressional District: 4

Create/Enter MPIN: *   9812212MM

The MPIN will serve as your signature to release the TIN consent form.

The MPIN will be shared with authorized partner applications (e.g. Grants.gov, Past Performance Information Retrieval System (PPIRS) etc.). The MPIN acts as your password in these systems and you should guard it as such. The MPIN must be nine characters long and contain at least one letter, one number, and no spaces or special characters.

▼ Physical Address - CHESAPEAKE

REPRESENTATIONS AND CERTIFICATIONS

Questionnaire

To enter your Reps and Certs, you will be given a questionnaire to guide you through the data necessary for the associated FAR and Defense FAR Supplement (DFARS) provisions(if applicable), as well as the Standard Form 330, Part II for federal Architect and Engineering contracts if applicable. Each question is related to a specific FAR or DFARS provision which is referenced at the end of the question on the screen. Clicking on a reference will take you to the full text version of the provision so that you can read it in full.

FAR Responses

The first section of the questionnaire contains the questions related to FAR provisions which are divided into four pages.

POINT OF CONTACT INFORMATION

Before your entity registration is complete, you will be asked to provide Mandatory POCs and Optional POCs.

- The POCs you will be asked to provide have been determined based on the answers you provided during the registration process.

- All Mandatory POCs must be completed before the registration may be submitted for certification.

- The next slide will display a listing of the Mandatory and Optional fields required for registration.

Submitting Your Registration

All mandatory data elements must be completed to submit your registration. If you have done this successfully, you will see a green check mark next to each section in the navigation panel on the left side of the screen. Review your registration record in its entirety.

- Click "Edit" to update any necessary information in the registration.

- Click "Submit" to certify that the information is correct.

- SAM will display a confirmation indicating you successfully submitted your registration. You will also receive a confirmation email.

PLEASE NOTE: Your record is NOT yet active.

Before Your SAM Registration is considered Active

Your entity's registration will NOT be considered active until the following actions take place:

- TIN Match validated by the Internal Revenue Service (IRS). It may take three to five business days from the time you submitted for the IRS to validate new and updated records prior to becoming active in SAM.

- CAGE Code or NCAGE code is validated or assigned by DoD, as applicable.

Plan ahead. Allow up to 10 business days after you submit your registration for it to become active in SAM and an additional 24 hours before that registration information is available in other government systems..

You will receive a confirmation email once the registration is activated. At that time, you will be eligible for Federal Financial Assistance from the U.S. Federal Government.

ADDITIONAL RESOURCES

• "Doing Business with USAID: DUNS and SAM Systems 101" webinar on the USAID Learning Lab site: http://usaidlearninglab.org/library/doing-business-usaid-duns-and-sam-systems-101

• Online Training Series for Partners: https://www.usaid.gov/work-usaid/get-grant-or-contract/trainings-how-work-usaid

• Dun and Bradstreet: SAMHelp@dnb.com and http://fedgov.dnb.com/webform

• CAGE: ncage@nspa.nato.int

• SAM: Federal Service Desk – www.fsd.gov

PART 3: FINANCIAL SYSTEMS

Thao Tran

Financial Management

- USAID Pre-Award Survey
- Financial Management Systems
- Financial Reporting

Financial management is a critical ingredient for a project success and sustainability.

Pre-Award Surveys

- Acquisition v. Assistance
- U.S. v. Non-U.S. Organizations

Pre-Award Survey: Acquisition

The Federal Acquisition Regulation (FAR) Subpart 9.106 defines a preaward survey as:

"An evaluation by a surveying activity of a prospective contractor's capability to perform a proposed contract."

The preaward survey contains information on the prospective contractor's financial competence and credit needs, the adequacy of their accounting system, and these systems' suitability for use in administering the proposed type of contract.

Pre-Award Survey: Acquisition

Factors to be considered in determining whether to initiate a preaward survey include:

1) The **experience** of the offeror (i.e., **new firm** or new area of work for the firm)
2) The **past performance record** of the offeror (i.e., prior unsatisfactory performance)
3) The **adequacy of financial information** submitted by the offeror (i.e., certified balance sheets and income statements, audited annual reports).
4) The **dollar value of the procurement** (i.e., large award or large award for the firm)
5) The U.S. Government audit history for the firm (DCAA, NFA, A-133, etc. audits) and **any audit findings** that the CO can readily ascertain.

US Firms: Pre-Award Survey: Acquisition

- The Contracting officer should submit **SF 1403**, Preaward Survey of Prospective Contractor (General) through the Office of Procurement's Overhead and Special Costs and Contract Close-Out Branch (OP/PS/OCC) to the Office of the Inspector General's Financial Audits Division (IG/A/FA), along with a copy of the solicitation and a realistic deadline for receipt of the survey.

- The request should emphasize that this is a **survey for responsibility**, not a request for an audit of the direct cost proposal.

- The Contracting Officer may discuss preaward survey information with the offeror before determining responsibility.

- Preaward surveys are considered to be source selection information and should be protected accordingly.

Non-US Firms: Pre-Award Survey: Acquisition

The Contracting Officer should collect the same identified information as for an US firm, but submit the documentation to the appropriate USAID Regional Inspector General.

SF-1403: Preaward Survey of Prospective Contractor

Responsibility Determination: Subcontractor Responsibility

Subcontractor responsibility

- Generally, prospective prime contractors are responsible for determining the responsibility of their prospective subcontractors.

- Determinations of prospective subcontractor responsibility may affect the Government's determination of the prospective prime contractor's responsibility.

- A prospective contractor may be required to provide written evidence of a proposed subcontractor's responsibility.

Responsibility Determination: Acquisition

In making a responsibility determination, the contracting officer must determine, among other things, that the contractor has **"adequate financial resources to perform the contract, or the ability to obtain them,"** FAR § 9.104-1(a), and that the contractor **has "a satisfactory record of integrity and business ethics."** FAR § 9.104-1(d).

In the absence of information clearly indicating that the prospective contractor is responsible, the contracting officer is to make a determination **of nonresponsibility.** FAR § 9.103(b).

The contracting officer's signing of a contract constitutes a determination that the prospective contractor is responsible with respect to that contract. When an offer on which an award would otherwise be made is rejected because the prospective contractor is found to be nonresponsible, the contracting officer shall make, sign, and place in the contract file a determination of nonresponsibility, which shall state the basis for the determination.

Pre-Award Survey: Assistance

An evaluation of a prospective recipient's ability to perform under a government-sponsored agreement.

Category A: **U.S. Organizations that are prior recipients or contractors**

Category B: **Non U.S. (Local) Organizations that are prior recipients or contractors**

Category C: **Organizations new to USAID or organizations with outstanding audit findings**

At a minimum, the risk assessment for such an applicant will be based on the same considerations as in Category A or Category B, depending on whether it is a U.S. or non-U.S. organization.

Pre-Award Survey Requirements: Assistance

(1) The AO or Activity Manager is uncertain about the prospective recipient's capacity to perform financially or programmatically.

(2) The prospective recipient has never had a USAID grant, cooperative agreement, or contract. This requirement does not apply to Fixed Amount Awards.

(3) The prospective recipient has not received an award from any Federal agency within the last five years. This requirement does not apply to Fixed Amount Awards.

(4) The AO has knowledge of deficiencies in the applicant's annual audit (Single Audit or equivalent).

(5) The AO determines it to be in the best interest of the U.S. Government.

Composition of Pre-Award Team

A typical team consists of:

i.   A Development Objective Team member

ii.   The AO, or the AO's representative,

iii. A financial officer from the Bureau for Management, Office of the Chief Financial Officer, or the Mission or regional controller's office, and

iv.   A representative from M/OAA/Contract Audit and Support Division, Contract Audit Management Branch (for Washington-based awards), if possible.

The survey team reviews the applicant's systems against the standards and submits its findings to the AO for review, consideration, and informing the risk assessment.

US Organization Pre-Award Survey: Assistance

The AO or the AO's representative must conduct a detailed analysis that addresses whether:

i. The applicant's **accounting, recordkeeping, and overall financial management systems** meet the standards in 2 CFR 200.300-309 and 2 CFR 200.333-337.

ii. The applicant's **system of internal controls** is reasonable in accordance with applicable cost principles. This includes the segregation of duties, handling of cash, contracting procedures, and personnel and travel policies

iii. The applicant's **property management system**, if applicable, meets the property standards in 2 CFR 200.310-316.

iv. iv. The applicant meets the requirements in 2 CFR 200.330-332 for the administration and monitoring of **sub-awards.**

v. v. The applicant's **procurement system**, if procurement is significant to the award, meets the standards set forth in 2 CFR 200.317-326.

Non-US Organization Pre-Award Survey: Assistance

Legal Structure

Financial Management and Internal Control
Systems

Procurement Systems

Human Resources Systems

Project Performance Systems

Organizational Sustainability

Specific Conditions: Assistance

Means to Minimize Risk.

When the CO makes an award, the CO may consider requiring any of the following specific conditions:
(1) Requiring payments as reimbursements rather than advance payments;
(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
(3) Requiring additional, more detailed financial reports;
(4) Requiring additional project monitoring;
(5) Establishing additional prior approvals; or
(6) Requiring the recipient to obtain technical or management assistance.

Risk Assessment Decision: Assistance

Before the award, the **AO must**:

(1) Analyze **professional and technical experience and competen**

(2) of the applicant and the conformity of the application to USAID criteria.

(3) Make a written final determination of the applicant's risk. If the determination is positive, the AO must state that the applicant:

i. Has **adequate financial resources** or the ability to obtain such resources, as required during the performance of the award.

ii. Has the ability to **meet the award terms and conditions**, considering all existing prospective recipient commitments, both nongovernmental and governmental.

iii. Has a **satisfactory record of performance**.

iv. Has a **satisfactory record of business integrity**.

v. Is **otherwise qualified to receive an award** under applicable laws and regulations.
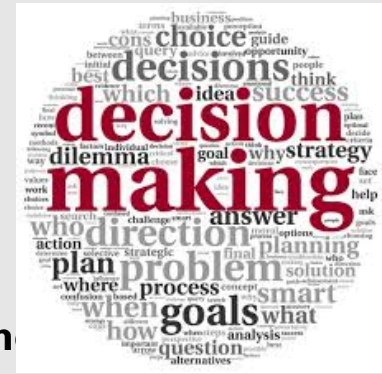
Financial Management Systems

Financial management systems can be broken down into administrative systems and accounting systems:
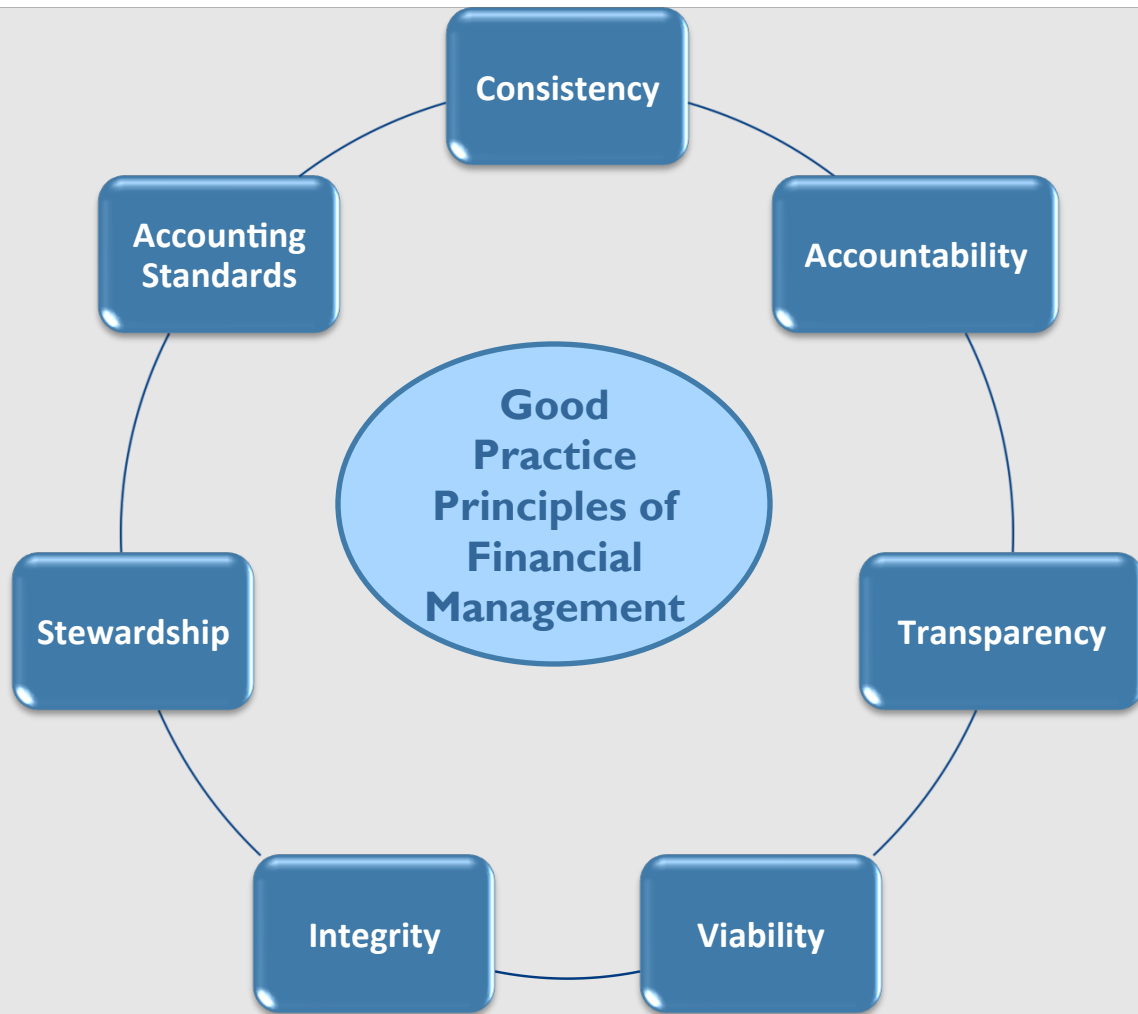

Accounting is concerned with identifying financial information, expressing the information in numeric terms and communicating this information to interested parties.

Administrative systems assist managers in decision-making, planning, communicating, controlling and evaluating.

Components of Financial Management

There is no model finance system which suits all organizations; however, there are some basic building blocks which must be in place to achieve good practice in financial management.

Accounting Records

Must keep an accurate record of financial transactions to show how funds have been used.

Financial Planning

The budget is the cornerstone of any financial management system and plays and important role in monitoring the use of funds.

Monitoring

Use the set budget and reconciled accounting records to produce financial reports which allow managers to assess the progress of the organization.

Internal Controls

A system of controls, checks and balances are put in place to safeguard an organization's assets and manage internal risk.
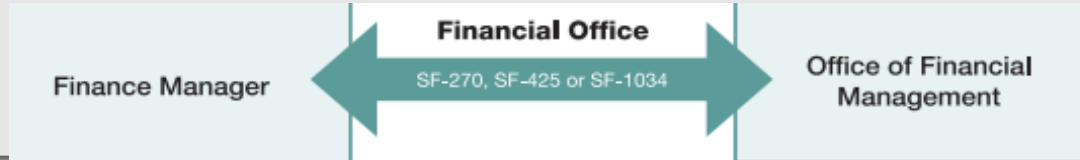
Financial Reports

- **Annual Financial Audit**

- **Annual Foreign Tax Report**

- **Advance and Expense Requests/Reports**

- **Quarterly Financial Report**

Financial Reporting Requirements

Financial Office

Finance Manager ← SF-270, SF-425 or SF-1034 → Office of Financial Management

Report	Frequency	Due date to be submitted
Annual Audit	Annually	Thirty days after received from auditor.
Foreign Tax Report	Annually	April 15
Federal Financial Report (SF-425)	Quarterly	Thirty days after the end of each calendar quarter: January 30, April 30, July 30, October 30
Request for Advances or Reimbursements	Monthly or Quarterly	In anticipation of upcoming needs

Resources

- **USAID Automated Directives System (ADS)**
  - **ADS 302 USAID Direct Contracting**
  - **ADS 303 Grants and Cooperative Agreements to Non-Governmental Organizations**
  - **Additional Help for ADS 303 – NUPAS Guidelines and Support**
  - **ADS 636 Program Funded Advances**
  - **ADS 591 Financial Audits of USAID Contractors, Grantees, and Host Government Entities**
- **Federal Acquisition Regulation (FAR) Subpart 9.106**
- **Code of Federal Regulations (CFR)**
  - **2 CFR 200 – Grants and Agreements**
  - **22 CFR 226.22 – Payment**
- **The Essential NGO Guide to Managing your USAID Award: http://www.ngoconnect.net/**
- **"How to Work with USAID" Training Series:**
  https://www.usaid.gov/work-usaid/get-grant-or-contract/trainings-how-work-usaid

Part 4: Prime v. Subprime Requirements

Carol J. Yee

A Woman-owned, Service-disabled Veteran-owned Small Business

M/OAA Partners' Day: December 1, 2015

Topics for Discussion

- Entering the USAID market as a subcontractor

- Challenges of operating overseas

Specific challenges new partners face, even if you are a seasoned federal contractor:

- How do you gain the credibility to successfully prime USAID contracts or cooperative agreements?

- Once you have won a USAID project, what challenges do you face with operating overseas?

Establishing Yourself as a Credible Partner

- Translate your corporate capabilities from other federal agencies and/or domestic work to an international, development perspective

- Network and learn of USAID acquisition and assistance opportunities

- Determine how USAID is different from other U.S. agencies

Establishing Yourself as a Credible Partner

- Understand how USAID is organized

- Learn USAID specific regulations

- Meet USAID and prime contractor requirements

- Learn about the contractual mechanisms and how best to price your goods and services

Part 5: Challenges of Operating Overseas

Carol J. Yee

A Woman-owned, Service-disabled Veteran-owned Small Business

M/OAA Partners' Day: December 1, 2015

Working Overseas

- Follow local labor laws
- Ensure staff are trained on requirements to work overseas on a USAID-funded project, such as

  ➢ Fly America Act

  ➢ Defense Base Act Insurance

  ➢ Medical evacuation insurance

- Manage and deliver quality deliverables across many time zones

- As a subcontractor, you have three clients: your prime, USAID, and the beneficiaries

- How to handle security

Best Practices

- Actively listen to and navigate between the interests of the different clients
- Manage expectations both in the field and with the home office
- Network to meet the players and to introduce your organization

Best Practices

- Be creative and flexible – working in challenging environments is hard

- Persevere, the barriers to entry into the USAID market can be daunting