



**OPEN WORLD PROGRAM
OPEN WORLD LEADERSHIP CENTER
AT THE LIBRARY OF CONGRESS**

**2007 GRANT PROCEDURES – AZERBAIJAN, GEORGIA, KYRGYZSTAN,
MOLDOVA, TAJIKISTAN**

Introduction

The congressionally sponsored Open World Program brings emerging leaders from post-Soviet states to the United States in order to give them firsthand exposure to the American system of participatory democracy and free enterprise. The principles of accountability, transparency, and citizen involvement in government are among the concepts emphasized by the Open World Program. Today Open World has more than 12,000 past participants and a network of over 6,000 U.S. host families.

Open World in 2006 adopted as its mission statement:

To enhance understanding and capabilities for cooperation between the United States and the countries of Eurasia¹ and the Baltic States by developing a network of leaders in the region who have gained significant, firsthand exposure to America's democratic, accountable government and free-market system.

In light of this mission, Open World will continue to bring emerging leaders from this region to the United States, while endeavoring to foster lasting ties that result in ongoing cooperation and collaboration.

The Open World Program was originally established as a Library of Congress–administered pilot project in 1999 to give emerging Russian leaders firsthand exposure to the American system of democracy through visits to local governments and communities in the United States. Administered since 2001 by the Open World Leadership Center (the Center), an independent entity housed in the U.S. legislative branch, Open World today also encompasses exchanges for political and civic leaders from other post-Soviet states, and for Russian cultural leaders. In 2007, Open World started inviting delegations from Azerbaijan, Georgia, Kyrgyzstan, Moldova, and Tajikistan (collectively referred to as “expansion countries”) according to themes selected in consultation with the U.S. Embassies in these countries. By the end of October 2007, Open World will have hosted a total of 125 delegates from these countries.

¹ Eurasia here means Russia, Ukraine, Belarus, Moldova, Armenia, Georgia, Azerbaijan, Turkmenistan, Kazakhstan, Uzbekistan, Tajikistan, and Kyrgyzstan.

The Open World Leadership Center intends to award grants for the hosting of an additional 25 delegations from these expansion countries. The Center invites U.S.-based organizations with either established foreign visitor programs or demonstrated ability to host foreign visitors to propose hosting up to 25 delegations from the expansion countries. There will be five delegations from each country. Most delegations will consist of four delegates and one facilitator.² Open World will be hosting these delegations during the time period November 27, 2007, through April 30, 2008.

The following grant guidelines include a country-by-country menu of broad themes and narrower special-focus areas that have been identified as programming priorities by the Center (see summary chart on p. 11), which worked in very close collaboration with the U.S. Embassy in each country. Organizations proposing to host Open World delegations from expansion countries should identify any dates during which they cannot host.

Applicants are encouraged to bid on any hosting opportunities of interest to them; it is not necessary to bid to host for all delegations or all countries.

Grant applications for the Expansion Country Hosting Program are due COB Tuesday, September 4, 2007.

The Center will provide grants for hosting delegations to approved organizations that support Open World's objectives (see below).

2007 EXPANSION COUNTRY HOSTING GRANT PROCEDURES

Grants Overview

The 2007 **Expansion Country Hosting Program** will focus on emerging political, civic, and community leaders from the national, regional, and local levels, with an emphasis on developing, or furthering existing, networks between delegates and their U.S. counterparts. Most candidates are nominated by U.S. and expansion-country agencies and institutions, as well as international organizations. English-language ability is not required. Delegates and facilitators will be invited for up to 10-day exchanges in the United States. Homestays with American host families will be an integral element of the program.

This document contains, in order:

- Grantee eligibility requirements

² Facilitators are young citizens of participating Open World countries who accompany delegates from their respective countries. They have excellent English language skills and often have experience traveling and/or living in the United States. They will provide after-hours interpretation support, especially for meals and cultural events, along with facilitating logistical and cross-cultural matters.

- Open World objectives
- Hosting themes, by country
- A chart on hosting themes
- Proposed 2007/08 travel dates
- Grantee programming/administrative requirements
- Local-hosting document deadlines
- Results tracked by Open World
- Grantee financial responsibilities
- Key dates/deadlines
- Criteria for evaluating grant applications
- A grant proposal outline
- Annexes
 - Grant administration guidelines
 - Grant financial guidelines
 - Procurement guidelines
 - Cost principles
 - Suspension and termination
 - A glossary of terms

Please note: the section on results describes outcomes tracked by the Open World Leadership Center and explains grantees' and local host organizations' role in helping report them.

Eligibility for an Open World Grant

Any U.S.-based organization with either established foreign visitor programs or demonstrated ability to host foreign visitors is eligible. Eligible organizations:

- Must demonstrate experience and expertise in the Hosting Theme(s) for which they are applying and/or establish cooperative agreements with expert local host organizations.³
- Will be given preference for grant awards if they demonstrate the ability to recruit host coordinators, presenters, and home hosts who are interested in maintaining contact with the delegates after their U.S. visit through joint projects, ad hoc and/or formal organization-to-organization ties, and regular communications.

Objectives

Open World delegates include some of the participating countries' most dynamic, highly educated emerging leaders, who are eager to share their experiences with Americans for a

³ Local host organizations for past Open World exchanges have included local affiliates of grantee organizations; colleges and university-based centers; and civic associations. Each local host organization designates a host coordinator who will have overall responsibility for the eight-day community visit.

mutually beneficial exchange of ideas. Open World's Hosting Program is designed to assure that delegates have the opportunity to:

- Network with American professionals and hosts who are interested in maintaining contact beyond the eight-day community visit for ongoing cooperation and collaboration.
- Exchange views with influential representatives of appropriate federal, state, and local government agencies; civic organizations and other NGOs; and the business and education communities.
- Participate in community events, to gain an understanding of the role of community organizations' interactions with the government.
- Receive an overview of the relationships among:
 - a) the executive, legislative, and judicial branches of government;
 - b) the business and civic communities and government; and
 - c) individual citizens and government.
- Share their professional expertise with American counterparts and contacts and present information about their culture, history, and current affairs to members of their host community.

Through the Open World Program, the delegates should also be introduced to some basic concepts of American civil society so that they:

- Acquire an understanding of the important elements of American civil society, to be able to make constructive comparisons with civil society in their country.
- Acquire an understanding of governance in a democratic society and the rule of law in American society, including the concepts of accountability and transparency, the separation of powers, and the interrelationships of federal, state, and local governments.
- Acquire an understanding of the roles of American government, civic institutions, free enterprise, and voluntary organizations as they relate to the relevant Open World Hosting Theme.
- Develop a better understanding of American culture and society and contribute to enhanced American knowledge of other societies, cultures, and institutions.

Hosting Themes

The 2007 Expansion Country Hosting Program will offer a different set of themes for each expansion country. These themes were selected in close consultation with the U.S. Embassies in the expansion countries. Delegates will be selected based on their activities

and background in one or more of the themes. The Center's logistical contractor, American Councils for International Education: ACTR/ACCELS (American Councils), will handle the administrative details necessary to group delegates according to common interests. The host-community visit will give delegates firsthand experience with their professional counterparts' daily work routines and offer a view of American life through community and cultural activities and homestays.

The delegates will prepare for their host-community activities by attending a predeparture program (usually held in their home country's capital city) followed by an arrival orientation program conducted in Washington, D.C., or another urban area as deemed appropriate by the Center. If feasible, grantees will meet with their delegates and make brief presentations on their organizations during the orientation. The arrival orientation program will review the program's goals and provide an overview of the delegations' focus theme(s); federal, state, and local government and their interrelationships; the balance of powers; current issues in U.S. governance and politics; the rights of individual citizens; and American culture. Delegates will be introduced to the Center's initiatives to foster ongoing professional and community networks, including Open World's Digital Directory. The delegates will also learn about American home life and practices to prepare them for their homestays.

Below, listed by country, are the Hosting Themes, each with an accompanying rationale and a general description of the types of delegates who will participate.

Please note that this solicitation envisions hosting five delegations from each of these five countries. Most delegations will consist of five people, including the facilitator. Exactly how many delegations will be allotted per theme remains to be determined. Also, there will likely be two separate travel dates for each country's delegations (for a total of 10 travel dates), so we are requesting maximum flexibility of grantees in terms of ability to host on various dates.

The strongest proposals will be those that identify one or more preexisting partnerships or joint projects between U.S. and expansion-country entities that would be advanced by having involved leaders from the expansion country (or countries) work face-to-face with their American partners as part of their Open World programming.

Azerbaijan

1. Accountable Governance

Rationale: Azerbaijan has undertaken numerous international commitments to further democratic reform and has taken the legislative and legal measures necessary to lay the foundation for a modern democracy. At the same time, a lack of democratic experience and poor implementation of reform measures continue to challenge the direction and pace of Azerbaijan's democratic development. Strengthening important political institutions, like the parliament and local municipalities, as well as building a strong and independent

civil society and independent media will be critical components in this country's democratic development.

Target Group: Parliamentarians and parliamentary staff,⁴ municipal and regional officials, election officials, NGO leaders, policy researchers, young professional journalists, local business leaders involved in community development.

2. Education

Rationale: Although Azerbaijan has begun to benefit from oil and gas revenues, its educational system is still weak. Azerbaijan's educational system requires wholesale reform at all levels: primary, secondary, and postsecondary. In addition, improvements are needed in areas from classroom curriculum design to educational policy-making. In higher education in particular, Azerbaijan has taken preliminary steps to reform the system, but greater organizational and teaching expertise would facilitate the process.

Target Group: Education officials, university and school administrators, policy experts, private citizens active in parent-teacher associations, innovative teachers.

3. Rule of Law

Rationale: Rule of law is one of the fundamental elements of any democracy. Azerbaijan has made some progress by administering qualifying examinations for judges, but laws continue to be implemented inconsistently and without appropriate transparency. Professionals from across the country's legal sector—including prosecutors, defense lawyers, and judges—could benefit from exposure to the transparency and relatively more efficient case management processes of the U.S. legal system.

Target Group: Judges, prosecutors, lawyers, civil rights activists, law school faculty, legislative experts, legal journalists.

Georgia

1. Accountable Governance

Rationale: Recent years have seen a trend toward decentralization of government in Georgia, although regional and local governments are still highly dependent on the central government's budget allocations. Local governments need to be better prepared

⁴ Programming for a parliamentary delegation is likely to include meetings with members of the host community's congressional delegation. Applicants interested in hosting these delegations should therefore describe any relevant experience they have working with Members of Congress or congressional staff. Applicants proposing to host parliamentarians or parliamentary staff should also be prepared to work closely with Center staff on program planning and implementation and to be responsive to any Center requests for modifying program agendas and arranging special meetings. The Center will consider proposals that provide for hotel stays for parliamentary delegations. This expense should be included in the relevant budget submission.

to take on and handle the responsibilities of governing that are usually exercised at the local level in successful democracies. They need to improve staff hiring and training procedures; learn new budgeting, planning, and service-delivery practices; promote economic development effectively; and become more proactive, responsive, and accountable.

Target Group: Parliamentarians,⁵ recently elected local government officials, and executive branch officials involved in decentralization and local economic development policy and implementation.

2. Education

Rationale: Georgia is currently undertaking significant reform of its primary and secondary education systems by seeking to decentralize management and administration. University restructuring is also under way, and two leading Georgian universities have expressed a need for administrative advice.

Target Group: Ministry of Education officials, heads of newly formed educational resource centers, public school principals, school board members, and professors/teachers with administrative responsibilities.

3. Rule of Law:

Rationale: Since Georgia's "Rose Revolution" in November 2003, the Georgian government has made reform of the judicial/legal sector a priority. Open World will aid these reform efforts with programs in three special-focus areas: (1) judicial administration, with an emphasis on observing the administration of jury trials; (2) magistrate judges, with an emphasis on U.S. federal and state magistrate judges' jurisdiction and duties; and (3) victim reintegration, with an emphasis on ways to reintegrate human-trafficking victims into society.

Target Group:

For judicial administration, the target group may include: Members of Parliament or parliamentary staff⁶ working on judicial reform, court administrators, and judicial administrators.

For magistrate judges, the target group may include: Members of Parliament or parliamentary staff working on judicial reform,⁷ judges, and individuals from the judiciary who are drafting legislation to implement a new magistrate judge system.

For victim reintegration, the target group may include: Prosecutor General's Office representatives who prosecute human traffickers, and social workers who help reintegrate human-trafficking victims into society.

⁵ See footnote 4.

⁶ See footnote 4.

⁷ See footnote 4.

Kyrgyzstan

1. Rule of Law

Rationale: The government of the Kyrgyz Republic has made considerable progress in improving its legal codes and has demonstrated a willingness to address corruption, implement jury trials, and improve access to justice. For these grant awards, all five delegations from Kyrgyzstan will focus solely on rule of law/judicial reform issues, since these issues have been identified as a top priority for stability in the country. Special-focus areas might include: (1) judicial training; (2) legislation and policies aimed at preventing and prosecuting human trafficking, with an emphasis on victims' rights; (3) the development of task forces to investigate complex criminal cases involving terrorism, drug and weapons trafficking, and corruption, with an emphasis on multiagency involvement (U.S. models include local child protection task forces and the national and local joint terrorism task forces); and (4) the promotion of women leaders in the legal field.

Target Group:

For judicial training, judges are the main target group.⁸

For anti-human trafficking programming, the target group would include prosecutors (the Prosecutor General's Office is the primary law enforcement body dealing with human trafficking), investigators, and judges.

For task force development, the target group would include representatives of the Prosecutor General's Office, the primary law enforcement agency dealing with firearms and narcotics trafficking, corruption, and terrorism. Policy and legal experts could also be included.

The target group for the promotion of women's leadership would include women judges, women lawyers, and other women actively involved in promoting rule of law and equal access to justice for women.

Moldova:

1. Accountable Governance

Rationale: Moldova recently held a general election, and new mayors were elected in almost all cities and towns; therefore it is an opportune time for these mayors and other local government officials to observe local governance practices in the United States. A visit to the United States would expose local government officials to how local governments work in the United States and the role that nonprofit and other community organizations play in providing services and support. Exposure to transparent budgeting practices, investment promotion, and community planning processes would be particularly beneficial for these government officials.

⁸ Any judicial-training delegation made up exclusively of judges (not counting the facilitator) would likely have a U.S. district judge serve as its "host judge"—the grantee would then be asked to coordinate programming with the host judge.

Target Group: Mayors, city planners, other local government officials.

2. Health Care

Rationale: Moldova's poor health care system, which is basically still Soviet-style, is an impediment to the country's development. There is great need for a decentralization that would make medical services more readily available to the whole population. Lab facilities for making diagnoses and other facilities that provide specialized medical care are in great demand. Successful decentralization of medical services will involve the commitment of health care administrators and other health care professionals.

Target Group: Delegates would include policy-makers and administrators from the Ministry of Health, medical school administrators and faculty, and hospital administrators.

3. Rule of Law

Rationale: Although progress has been made in recent years toward establishing the legal basis for an independent judiciary in Moldova, clear hurdles remain to separating the judicial branch from the executive branch and establishing a genuinely independent judiciary. Concepts like judicial independence, the adversarial process, equal protection, and equal access to justice are still nascent in Moldova. In addition, information about judicial qualification processes, judicial training, and effective ways of fighting judicial corruption and white-collar crime would be timely and useful. Moldova also seeks to further develop the administrative and support infrastructure for the courts, as well as the professionalism of lawyers and other legal professionals.

Target Group: Judicial administrators, professional mediators, legal aid clinicians, and lawyers who represent the needy and others in the regions who are not otherwise able to hire legal representation.

Tajikistan

1. Accountable Governance

Rationale: Urban planning and water management have been identified by the Open World Program as key special-focus areas for accountable-governance programming for Tajikistan. There is a great need for Tajik urban planners to develop their leadership and management skills to help improve efficiency and transparency through all the stages of urban planning. Management of water resources is a necessary public service usually administered by governmental authorities. Competition for water is increasing in Central Asia, where agriculture is the mainstay of the economy. Water use has increased rapidly since the Central Asian states became independent in 1991, while problems of increasing demand and declining supplies are exacerbated by the severe decay of irrigation systems.

Target Group:

For urban planning, the target group could include Members of Parliament or their staff,⁹ and federal- and municipal-level urban planners.

For water management, the target group could include federal water policy-makers, NGO leaders, and water managers.

2. Economic Development

Rationale: Reform and development of Tajikistan's economic sectors will be key to the country's long-term stability. Dynamic economic growth and profitable businesses are crucial to improving the standard of living of the people of Tajikistan. The role of Internet technology in community development will be another focus of the Open World Program for Tajikistan.

Target Group: Business leaders actively involved in community development, civil society, and the market economy; public-private partnership leaders and leaders involved in the development of the Internet and cyber businesses.

3. Rule of Law

Rationale: The judicial system in Tajikistan does not currently allow for criminal and civil cases to be tried fairly and efficiently. It would be beneficial for Tajik judges and defense attorneys to see how evidentiary issues and courtroom procedures are handled in the United States.

Target Group: Judges¹⁰ and defense attorneys.

⁹ See footnote 4.

¹⁰ See footnote 8.

2007 Expansion Country Thematic Chart

	Accountable Governance	Economic Development	Education	Health Care	Rule of Law
Azerbaijan	Strengthening political institutions		Overall education system reforms		All aspects of judicial/legal reform
Georgia	Decentralization and good governance		Decentralization of education management		Administration of jury trials; magistrate judge system; and reintegration of victims into society
Kyrgyzstan					Judicial training; anti-trafficking policy; task force development; and promotion of women legal leaders
Moldova	Local governance			Decentralization of medical facilities and services	Legal and administrative reform; legal representation of the indigent
Tajikistan	Urban planning; water management	Business and community development, including Internet technologies			Evidentiary issues and courtroom procedures for judges and defense attorneys

Travel Dates

Successful grantee organizations will be responsible for eight days¹¹ and eight nights of programming (including one weekend) for delegations (each consisting of four delegates and one facilitator) arriving in the United States between November 27, 2007, and April 30, 2008. As of the date of the release of these grant guidelines, the Center does not have specific travel dates for each country. It is anticipated that delegations will typically arrive in Washington, D.C., on either a Tuesday or a Wednesday. Groups arriving on a Tuesday will have their U.S.-based orientation on a Wednesday and be hosted in their communities from Thursday until the following Friday. Groups arriving on a Wednesday will have their U.S.-based orientation on a Thursday, and be hosted in their communities from Friday until the following Saturday. Proposals may include information regarding desired hosting dates, and may even include rationales for those preferred dates.

¹¹ The Center will consider proposals that contain different provisions (for the length of stay, size of delegations, arrival day, etc.) than those outlined here, if needed to deliver quality programming.

Grantee Programming and Administrative Requirements

Grantee organizations will be expected to successfully complete and/or oversee the following programmatic and administrative activities:

- Recruit and select local host organizations and families. The local host organizations must demonstrate expertise in, and programming resources for, the Hosting Theme(s) selected by the grant applicant. Programs should encourage mutual learning and dialogue. Grantees are encouraged to recruit host coordinators, presenters, and home hosts who are interested in maintaining contact with delegates after their U.S. visit through joint projects, ad hoc and/or formal organization-to-organization ties, and regular communications.
- Require local hosts to encourage presenters and host families to register on the Open World Digital Directory (<http://dd.openworld.gov>) before the delegates' arrival and review Open World web resources for ongoing communication while the delegates are in the United States. Please note that the Digital Directory is currently only available in English and Russian.
- Be responsible for effective implementation of individual programs developed by local host organizations.
- Participate, either in person or via telephone conference, in coordination meetings with representatives of the Center and/or representatives of American Councils.
- Help make arrangements for Center staff to conduct site visits during local hosting programs, if requested by the Center.
- Submit required reports by scheduled deadlines, including the host coordinator post-program report for each visit. (For a description of the post-program report, see p. 15.)
- Report on visit outcomes as required (see Results section below).
- Adhere to federal income tax regulations.
- Assist the Center or designated Center contractor in coordinating press outreach with local host organizations.

Grantees are responsible for assuring that they or the local host organizations will:

- Provide local transportation during participants' visits, beginning with pickup at the U.S. final destination airport and ending with delivery to the departure airport. **Participants may only take public transportation to professional activities if a**

local escort accompanies them, and American Councils must be notified in advance of any such plans.

- Provide a suitable homestay placement for each delegate for eight days, including one weekend. **Homestays are a centerpiece of the Open World experience and a major factor in grant application evaluations.** The Center will consider proposals that include hotel or other paid accommodations under special circumstances, but priority will be given to proposals providing for homestays. Each delegate should be given his or her own private bedroom. If this cannot be arranged, American Councils must be notified.
- Ensure that breakfast, lunch, and dinner are provided daily to the delegates and facilitator(s) during their stay.
- Provide a suitable homestay placement for the facilitator.
- Provide professional and adjunct interpretation for ALL professional program activities. **The Center requires high-quality professional interpretation for Open World delegations and recognizes that this affects budgets.** Interpreters who are certified by the U.S. Department of State or a state or local agency that certifies legal and medical interpreters are preferred. The Center would prefer that grantees hire interpreters fluent in the expansion countries' native languages. However, Russian is an acceptable alternative for all delegations except those from Georgia. Open World facilitators are not to provide interpretation for group professional meetings.
- Prepare an eight-day program for each participant group that reflects the selected Hosting Theme and includes other activities that meet program objectives. Approximately **32 hours** of programming should directly address the Hosting Theme. Cross-cultural activities should be scheduled for weekends and some evenings. A cross-cultural activity is an activity designed to promote exposure and interchange between the delegates and Americans so as to increase their understanding of each other's society, culture, and institutions. Cross-cultural activities include cultural, social, and sports activities.
- Ensure that delegates have voluntary opportunities to share their professional expertise and knowledge about their native country in meetings with American counterparts and in public settings such as conferences, colloquia, classroom and civic-association presentations, town meetings, and media interviews.
- Provide a review session near the end of the visit for the delegates, facilitator(s), and host coordinator to review program successes/weaknesses and to identify any new projects, or any joint projects, reciprocal visits, or other continued professional interactions between delegates and their new American contacts, that will likely result from the Open World trip.

- Coordinate with the Center or designated Center contractor on press outreach, including sharing drafts of any press material developed for each participant group in advance with the Center or designated Center contractor, if requested, and reviewing any relevant press material developed by the Center or designated Center contractor, if requested. Local press releases for any of these Hosting Programs must credit the Open World Leadership Center.

Grantee Interaction with Open World Logistical Contractor

Open World's logistical contractor, American Councils, will provide the Center with administrative and logistical support, including assistance with (a) planning, oversight and administration of the nominations process in the expansion countries, (b) visas and travel arrangements, (c) selection of facilitators, (d) formation of delegations, (e) organization of predeparture orientations, and (f) review of delegate programs in consultation with the Center. Grantees and their local hosts will be required to work closely with American Councils and meet the relevant deadlines in the chart on the next page.

Document-Exchange Deadlines for an Open World Visit

This chart lists the major deadlines for information and document exchange between local host coordinators/grantees and American Councils, measured backward from the delegation’s U.S. arrival date (generally two to three days before the host-community arrival date).

<i>Deadline</i>	<i>Host Coordinator provides:</i>	<i>American Councils provides:</i>
<i>6 weeks before arrival</i>		<ul style="list-style-type: none"> • Participant Names and Profiles
<i>3 weeks before arrival</i>	<ul style="list-style-type: none"> • Draft Program Agenda • Community Profile (if requested) 	<ul style="list-style-type: none"> • Flight Itineraries
<i>2 weeks before arrival</i>	<ul style="list-style-type: none"> • Host Family Contact Information and Brief Bios • Resumé of Professional Interpreter(s) 	
<i>1 week before arrival</i>	<ul style="list-style-type: none"> • Emergency Contact Information • Updated Program Agenda 	
<i>3 weeks after departure</i>	<ul style="list-style-type: none"> • Post-program Report* 	<ul style="list-style-type: none"> • Delegation Feedback on Program to Grantee

*This report is to contain a host narrative (formerly called the post-program summary), a final program agenda reflecting the delegates’ schedule as actually carried out, a host family list (with contact information), and any media coverage of the delegation. The host narrative is to contain, at a minimum, a description of the delegation’s professional activities, cross-cultural activity highlights, participant feedback (including from the end-of-visit review), a description of benefits to Americans and potential partnerships and other possible follow-on activities generated, evaluations of the participants and the homestay experience, and recommendations. Host organizations are encouraged to include photos of the visit with the post-program report.

Results

The Open World Leadership Center is now tracking the results of the Open World Program using eight categories, or “bins.” Below are definitions and examples of these categories, along with language explaining which results categories grantee and local host organizations *must* report on and which categories they are *encouraged* to report on. The forthcoming 2007 Guidelines for Expansion Country Host Coordinators will reiterate the information that local host organizations are required or encouraged to supply.

1. **Benefits to Americans** – The Open World Program strives to promote **mutual** understanding and benefit. This implies that all parties are learning from one another and information is flowing in more than one direction.

EXAMPLES: Estimated number of people in the audience for presentations made by Open World delegates, number of presentations. “Reverse success stories” of how Americans adopted ideas from Open World delegates.

(Grantee or local host organizations *must* report on benefits to Americans in the host narrative submitted after the conclusion of each exchange. Grantees *must* report any post-hosting benefits in their final report. For a brief description of the final report, see p. 19.)

2. **Partnerships** – An American organization involved in the Open World hosting program partners with an organization from the delegates’ country on a joint project or starts an affiliate in that country.

EXAMPLES: university-to-university partnerships on distance learning, sister-court relationships, community-to-community interactions between local governmental entities.

(Grantee or local host organizations *must* report in the host narrative on any partnerships [and other follow-on activities] expected to result from an exchange. Grantee organizations *must* report on actual post-visit partnership activities in the final report; local host organizations are *encouraged* to report on actual post-visit partnership activities by e-mailing openworld@loc.gov [please use RESULT in the subject line].)

3. **Projects** – A delegate returns home and implements an idea inspired by the Open World experience.

EXAMPLES: Opening an after-school activity center; using retired citizens as volunteers in a school; writing and distributing pamphlets on HIV prevention; opening city council meetings to the public.

(Open World typically obtains information on post-visit projects from alumni. However, grantee organizations that learn about such projects *must* report them in the final report; local host organizations are *encouraged* to report them by e-mailing openworld@loc.gov [please use RESULT in the subject line].)

4. **Multipliers** – A delegate returns home and shares his/her new knowledge with others, thereby “multiplying” the Open World experience.

EXAMPLES: Number of presentations and number of people in the audience; delegate websites launched or expanded with information gleaned during the Open World visit.

(Open World typically obtains such information from alumni. However, grantee organizations that learn about such multipliers *must* report them in the final report; local host organizations are *encouraged* to report them by e-mailing openworld@loc.gov [please use RESULT in the subject line].)

5. **Reciprocal Visits** – Americans involved with an Open World exchange visit the delegates' home country and meet with Open World alumni or work on an Open World–inspired project.

(Grantee organizations *must* report on reciprocal visits by their staff and local affiliates in the final report; local host organizations are *encouraged* to report on reciprocal visits by Open World host coordinators, host families, and presenters by e-mailing openworld@loc.gov [please use RESULT in the subject line].)

6. **Press** – A delegation's U.S. visit is covered in the local broadcast and/or print media.

(Local host organizations *must* submit copies of any press articles [in clear copies with full text and complete information on source, author, date, and page location] on each Open World exchange they host as part of the post-program report, and are *encouraged* to obtain copies of any TV or radio broadcasts on their delegations to send to Open World's logistics contractor. Grantee organizations are *encouraged* to include with the final report press clippings that appeared after the local host's post-program report was submitted.)

7. **Contributions** – in-kind (in hours or material goods) or cash donations.

EXAMPLES: Football game tickets, volunteer hours to plan and execute hosting of delegates, private-sector donations to support Open World events.

The Center and its auditors have not determined a methodology for reporting on contributions, but the Center wants to receive information on contributions. Grantees/local hosts are encouraged to use the Open World Cost-Share Estimation Form, which will be made available to grantees. The Center will consider accepting other forms for reporting on contributions, but they must be preapproved by the Center.

8. **Professional Advancement** – Alumni are promoted or experience other career enhancements after their Open World visit.

EXAMPLES: Grant awards, promotions, and scholarships received by alumni; number of alumni who run for office; number of alumni who are elected to office.

(Open World typically obtains information on professional advancement from alumni. However, grantee organizations that learn such information about a delegate they have hosted *must* report it in the final report; local host

organizations are *encouraged* to report it by e-mailing openworld@loc.gov [please use RESULT in the subject line].)

Grantee Financial Responsibilities

PLEASE READ CAREFULLY – SOME REQUIREMENTS HAVE CHANGED FROM PREVIOUS GRANT GUIDELINES.

All grant applications must include an accounting of any administrative cost share that is provided. See section 2.3 in Annex II for more details on cost share.

Each organization awarded a grant by the Center is required to submit **quarterly** Status of Funds reports (Standard Form 269A, provided by the Center) for each grant awarded. The quarterly reporting periods are: beginning of grant award – December 31, 2007; January 1–March 31, 2008; April 1–June 30, 2008; and July 1–September 30, 2008, if the grant has not been closed by July 31, 2008, ninety (90) days after the final hosting date of April 30, 2008. The quarterly reports are due on January 10, 2008; April 10, 2008; July 10, 2008; and October 10, 2008. Failure to meet these deadlines will negatively affect consideration for future grants from the Center.

Every grantee must clearly mark in their documentation for requesting funds (Request for Advance or Reimbursement, Standard Form 270, provided by the Center) whether the request is for a **partial** advance payment, for a reimbursement, or for the **final close-out payment of the grant**. Failure to do so could delay payment and will negatively affect consideration for future grants from the Center.

Grantees are encouraged to submit all final financial documentation by ninety (90) days after the final day of programming and must submit such documentation by July 31, 2008, unless a later date is agreed to in writing by the Center. Documentation must be organized according to the budget categories in the Budget Award Document issued by Open World at the time of the grant award, unless another form of documentation is agreed to in writing by both parties. Failure to submit final documentation by the deadline will negatively affect consideration for future grants from the Center.

If, for any reason agreed to by both parties, the Open World grant performance period is extended beyond April 30, 2008, Open World and the grantee may agree to a new grant close-out date in writing.

Key Dates/Deadlines¹²

Grant applications are due COB September 4, 2007. A list of host sites with a description of the proposed programming and preferred scheduling of visits must be included in the grant application. For details on these and other required elements of the grant application, see pp. 20–22.

¹² See p. 15 for deadlines for document delivery to American Councils.

No travel or other activities after April 30, 2008, will be allowed unless specifically agreed to by the Center.

A final report on the overall administration of Open World grant and hosting activities, including recommendations for future program changes and a description of outcomes achieved (as defined in the Results section above), **must be submitted by the grantee organization within 90 days of its final hosting activity.**

All 2007 grants will end on **July 31, 2008**, when final financial reports are due to the Center, unless a later date is agreed to in writing by the Center. Please note again that grantees are encouraged to submit all final financial documentation by ninety (90) days after the completion of programming activities.

Criteria for Evaluating Grant Applications

All grant applications for the Open World Expansion Country Hosting Program will be evaluated on the following factors, listed in order of importance:

1. Degree to which proposed program plans address Open World objectives.
2. Past experience in hosting similar programs, especially for citizens from the relevant expansion countries.
3. For previous Open World grantees: assessments of previous hosting quality. Assessments are based on input from Open World program managers, delegate surveys, and facilitator reports, and on the quality and promptness of grantee programmatic/administrative and financial reporting, including the accuracy of financial records.
4. Demonstrated ability or past experience in creating programs in the Hosting Theme(s)—and the special-focus area(s), if applicable—proposed in the application.
5. Demonstrated ability to recruit or plan for recruiting host coordinators, presenters, and home hosts who are interested in maintaining contact with the delegates after their U.S. visit through joint projects, ad hoc and/or formal organization-to-organization ties, and regular communications.
6. Quality of submitted sample agendas (that include opportunities for an open dialogue between the delegates and their hosts and professional colleagues and opportunities for delegates to make presentations to professional and public audiences).
7. Ability to home host.
8. Per person costs.
9. Ability to host on theme dates.
10. Quality of submitted work plans.

GRANT PROPOSAL OUTLINE

Proposals and budgets should be e-mailed to the Grants Officer: Aletta Waterhouse, Program Administrator, Open World Leadership Center, at awat@loc.gov, or faxed to the Open World Leadership Center office at (202) 252-3464. Please contact Ms. Waterhouse at (202) 707-8943 if e-mailing or faxing material is not feasible. **Do not mail or send by commercial delivery any materials without first contacting Ms. Waterhouse.**

The Open World Leadership Center grants committee will review applications and respond no later than 21 calendar days after the closing date of this solicitation.

All submissions must provide the following cover sheet:

NAME OF ORGANIZATION
MAILING ADDRESS
PROGRAM CONTACT – NAME AND PHONE NUMBER
FINANCIAL/BUDGET CONTACT – NAME AND PHONE NUMBER
FAX NUMBER

All submissions must follow the outline below:

- 1. Project Summary** – A narrative document of no more than four double-spaced pages providing the following information:
 - Estimates of your hosting capabilities, i.e., number of host communities and number of participants (delegates and facilitators) to be hosted
 - Explanation of your programming capabilities, especially in the Hosting Theme(s)—and the special-focus area(s), if applicable—for which you are applying
 - Descriptions of how your organization will fulfill the program objectives and requirements given above, including provision of professional interpretation and reporting on results
 - Examples of how your organization’s hosting activities and past experience will be applied to recruiting host coordinators, presenters, and host families potentially interested in maintaining contact or developing joint projects with delegates

- 2. Proposed Hosting Themes** – For each proposed theme please submit:
 - Indication of preferred hosting time periods, and any specific dates that the proposed host(s) could not host.
 - Sample/illustrative activities or sample agendas
 - Organizations/persons participating

- Objective of illustrative activity: i.e., lessons to be learned
 - Special resources required (e.g., simultaneous interpretation to allow delegate participation in a conference)
3. **Summary of your organization’s past experience with similar programs**
 4. **Statements of any unique qualifications for this program**
 5. **Work Plan** – The work plan is a chronological outline that demonstrates your ability to administer the grant and meet all required deadlines, including those for reporting on results.
 6. **Budget Submission** – The budget submission is the financial expression of your program plans as a partner in the Open World Program. Therefore, your budget submission needs to reflect your administration of a program that meets the proposed programming outlined above.

The categories of your budget justifications must be presented using the Office of Management and Budget (OMB) Standard Object Classification Title (SOC). Each SOC in your budget proposal must provide dollar amounts accompanied by a narrative justification. When preparing your budget, please keep in mind that an overage of 10 percent or more in **any** one SOC will require prior written approval from the Open World Leadership Center’s Grants Officer. The SOC titles and definitions to be used for your budget submissions are as follows:

1. Personnel Compensation – Salaries and wages paid directly to your employees.
2. Personnel Benefits – Your cost associated with benefits of your employees.
3. Travel and Transportation – Obligations for travel and transportation of staff.
4. Rental Payments – Obligations for possession and use of space.
5. Rental of Equipment – Obligations for the rental of any equipment.
6. Postal Services – Obligations for postal items such as stamps, postcards, etc.
7. Utilities – Obligations for heat, light, power, water, etc.
8. Printing – Obligations for printing and reproduction.
9. Advisory and Assistance Services – Obligations for advisory and assistance services, such as translations acquired to meet your requirements under the grant.
10. Supplies – Obligations for office supplies.
11. Equipment – Obligations for property of a durable nature (i.e., computers).
12. Grants – Obligations for grants made to others by your organization.

In case your budget for any reason needs to include SOCs other than the ones listed above, please refer to the section of [OMB Circular A-11](#) that pertains to object class data and definitions. Budget submissions reflecting any General and Administrative Overhead Costs must be shown as separate line items and supported by narrative justifications.

Sample Budget Submission:

<i>OBJECT CLASSIFICATION</i>	<i>NARRATIVE JUSTIFICATION</i>	<i>AMOUNT</i>
<i>Personnel Compensation</i>	<i>1 Full-time project director for 3 months at \$0,000 per month</i>	<i>\$0,000</i>
<i>Travel</i>	<i>One trip from New York to Wash, DC</i>	<i>0,000</i>
GRAND TOTAL		<hr/> \$0,000

PROPOSED BY:

SIGNATURE PROGRAM OFFICER AND DATE

SIGNATURE FINANCIAL/BUDGET OFFICER AND DATE

APPROVAL:

Open World Leadership Center
GRANTS OFFICER

ANNEX I

Grant Administration Guidelines

1.1. Introduction

Through its grants, the government sponsors everything from complex multimillion dollar, multi-year scientific research and development undertakings to the creative efforts of individual young artists. As might be expected, the rules that have been developed to address all the situations likely to arise between the government and its grantees are extensive. Working from a comprehensive set of grant principles published by the Office of Management and Budget (OMB), the Open World Leadership Center (the Center) has identified specific rules that will apply to all grantees and subrecipients of Center grants. These rules are explained below. It is important to become familiar with these provisions and comply with them.

Please note that the Open World Leadership Center, as a legislative branch agency, is not required to apply the OMB grants-related guidance for executive branch agencies and departments that is found in the OMB Circulars and in Title 2 of the Code of Federal Regulations (CFR). Nevertheless, it is the policy of Open World to follow this familiar grants guidance and to deviate therefrom only when in the best interest of the Open World Program. Consequently, CFR Title 2 and relevant OMB Circulars will apply as they are customarily implemented by Open World in connection with the Open World Program. For example, the requirement in 2 C.F.R. 215.4 “Deviations” for clearance through OMB of any deviations to the terms of the circulars will not apply to Open World. Instead, grantees should direct any questions about Open World’s implementation of the OMB Circulars to Aletta Waterhouse at awat@loc.gov.

Unless otherwise specified herein, sections from the CFR and OMB Circulars listed below, as implemented by Open World, will be incorporated by reference into Open World grant awards. These authorities will be administered in accordance with standard federal requirements for grant agreements, as interpreted by Open World:

- 2 C.F.R. Part 215, “Uniform Administrative Requirements for Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (OMB Circular A-110)
- 2 C.F.R. Part 220, “Cost Principles for Educational Institutions”(OMB Circular A-21)
- 2 C.F.R. Part 225, “Cost Principles for State, Local, and Indian Tribal Governments” (OMB Circular A-87)
- 2 C.F.R. Part 230, “Cost Principles for Non-Profit Organizations” (OMB Circular A-122)

- OMB Circular A-102, “Grants and Cooperative Agreements with State and Local Governments”
- OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”

The full text of these authorities is available as follows:

- Code of Federal Regulations, Title 2, “Grants and Agreements” is available online from the National Archives and Records Administration via the Government Printing Office GPO Access website at: www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1
- The OMB Circulars are available online from the OMB website at: www.whitehouse.gov/omb/circulars/index.html
- Copies of relevant authorities are also available from Open World upon request

1.2. Basic Grantee Responsibilities

The grantee holds full responsibility for the conduct of project activities under a Center award, for adherence to the award conditions, and for informing the Center during the course of the grant of any significant programmatic, administrative, or financial problems that have arisen. In accepting a grant, the grantee assumes the legal responsibility of administering the grant in accordance with these requirements and of maintaining documentation, which is subject to audit, of all actions and expenditures affecting the grant. Failure to comply with the requirements of the award could result in suspension or termination of the grant and the Center’s recovery of grant funds. The grantee also assumes full legal responsibility for any contracts entered into relating to the grant program.

1.3. Compliance with Federal Laws

Applicant organizations must certify that their programs operate in compliance with the requirements of various federal statutes and their implementing regulations. These are described below. Grantees are also required to obtain an executed certification of compliance with these statutes from all organizations that are subrecipients under a Center grant.

a. Nondiscrimination. Grants are subject to the provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972 (as amended), Section 504 of the Rehabilitation Act of 1973 (as amended), the Age Discrimination Act

of 1975 (as amended), and the regulations issued pursuant thereto. Therefore, no person on grounds of race, color, national origin, disability, or age shall be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under a program funded by the Center. In addition, if a project involves an educational activity or program, as defined in Title IX of the Education Amendments of 1972, no person on the basis of sex shall be excluded from participation in the project.

b. **Lobbying Activities.** The Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, prohibits recipients of federal contracts, grants, and loans from using appropriated funds to influence the executive or legislative branches of the federal government in connection with a specific contract, grant, cooperative agreement, loan, or any other award covered by § 1352. 18 U.S.C. 1913 makes it a crime to use funds appropriated by Congress to influence members of Congress regarding congressional legislation or appropriations. Finally, Attachment B25 of Office of Management and Budget Circular A-122 designates the following as unallowable charges to grant funds or cost sharing: certain electioneering activities, financial support for political parties, attempts to influence federal or state legislation either directly or through grass-roots lobbying, and some legislative liaison activities.

c. **Drug-Free Workplace.** The Drug-Free Workplace Act of 1988, 41 U.S.C. 701, requires grantees to have an on-going drug-free awareness program; to publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace; to maintain evidence that this statement was given to each employee engaged in the performance of the grant; and to identify in the funding proposal or to keep on file in its office the place(s) where grant activities will be carried out.

d. **Debarment and Suspension.** Applicant-organization principals must not be presently debarred or suspended or otherwise excluded from or ineligible to participate in federal assistance programs. An applicant or grantee organization shall provide immediate written notice to the Center Grants Officer if at any time it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. Grantees shall not make or permit any subgrant or contract to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs. Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

1.4. Grant Period and Extensions

The grant period is the span of time designated in the grant award, or an amendment thereto, during which the grantee has the authority to obligate grant funds and undertake project activities. However, when approved by the Center, a grantee may incur necessary project costs in the 90-day period prior to the beginning date of the grant

period. The Center may also authorize a one-time extension of the expiration date established in the initial grant award if additional time is required to complete the original scope of the project with the funds already made available. A single extension that shall not exceed 2 months may be made for this purpose, provided it is made prior to the original expiration date. Grant periods will not be extended merely for using the unliquidated balance of project funds.

1.5. Key Project Personnel

Applicant organizations must identify a project director and grant administrator for the Center award. (One person may perform both roles.) The replacement of the project director or the co-director, or a substantial reduction in the level of their effort, requires prior written approval from the Center. When it is specifically required as a condition of a grant, written approval will also be needed for the replacement or the substantial reduction in the level of effort of other personnel whose work is deemed by the Center to be critical to the project's successful completion. All requests for approval of changes in key project personnel shall be signed by the grant administrator and submitted to the appropriate Center Grants Officer.

1.6. Changes in Project Scope

Any project that is carried out under a grant must be consistent with the scope of the proposal that is approved for funding by the Center. The scope of a project encompasses the purpose for which the grant is undertaken, the subject matter, the treatment of the subject matter, the historical time frame of the project, the volume of material that will be studied/treated, and the products that are expected to result from grant activities. No changes may be made in the scope of a project without written approval from the Center. All requests for a change in the scope of a grant shall be signed by the recipient organization's grant administrator and submitted to the Center Grants Officer.

1.7. Organizational Prior Approval System

The recipient organization is required to have written procedures in place for reviewing and approving in advance proposed administrative changes such as:

- the expenditure of project funds for items that, under the applicable cost principles, normally require prior agency approval;
- the one-time extension of a grant period;
- the incurring of project costs prior to the beginning date of an award; and

- budget revisions that involve the transfer of funds among budget categories.
 - a. Purpose. The procedures for approving such changes are sometimes referred to as an “organizational prior approval system.” The purpose of such a system is to ensure that:
 - all grant actions and expenditures are consistent with the terms and conditions of the award, as well as with the policies of the Center and the recipient organization;
 - any changes that may be made do NOT constitute a change in the scope of the project; and
 - any deviation from the budget approved by the Center is necessary and reasonable for the accomplishment of project objectives and is allowable under the applicable federal cost principles.
 - b. Requirements. Although grantees are free to design a prior approval system that suits their particular needs and circumstances, an acceptable system must at a minimum include the following:
 - the procedure for review of proposed changes must be in writing;
 - proposed changes must be reviewed at a level beyond the project director; and,
 - whenever changes are approved, the grantee institution has to retain documentation of the approval for three years following the submission of the final financial report.

1.8. Activities Outside the United States

Grantees shall obtain the appropriate licenses, permits, or approvals prior to undertaking grant activities outside the United States. The Center does not assume responsibility for grantee compliance with the laws and regulations of the country in which work is to be conducted.

1.9. Reporting Requirements

All grant applications must include an accounting of any administrative cost share that is provided.

Each organization awarded a grant by the Center is required to submit **quarterly** Status of Funds reports (Standard Form 269A, provided by the Center) for each grant awarded. The quarterly reporting periods are: beginning of grant award – December 31, 2007; January 1–March 31, 2008; April 1–June 30, 2008; and July 1–September 30, 2008, if the grant has not been closed by July 31, 2008, ninety (90) days after the final hosting date of April 30, 2008. The quarterly reports are due on January 10, 2008; April 10, 2008; July 10, 2008; and October 10, 2008. Failure to meet these deadlines will negatively affect consideration for future grants from the Center.

Every grantee must clearly mark in their documentation for requesting funds (Request for Advance or Reimbursement, Standard Form 270, provided by the Center) whether the request is for a **partial** advance payment, for a reimbursement, or for the **final close-out payment of the grant**. Failure to do so could delay payment and will negatively affect consideration for future grants from the Center.

A final report and all final financial documentation shall be submitted to the Center by July 31, 2008, unless a later date is agreed to in writing by the Center.

ANNEX II

Grant Financial Guidelines

2.1. Allowable Costs

The reasonableness, allowability, and allocation of costs for work performed under a Center grant shall be determined in accordance with the applicable federal cost principles and the terms and conditions of the grant award. The complete official federal cost principles for nonprofit organizations are included in Annex IV.¹³

a. **Pre-Award Costs.** Applicant organizations may include project costs incurred within the 90-calendar-day period immediately preceding the beginning date of the grant in the proposed budget. Pre-award expenditures are made at the risk of the applicant organization, and the Center is not obligated to cover such costs in the event an award is not made or is made for an amount that is less than the applicant organization anticipated.

b. **Travel Costs.** Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by those who are on official business attributable to work under a grant. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs, or on a combination of the two, provided the method used results in charges consistent with those normally allowed by the grantee in its regular operation, as set forth in the grantee's written travel policy. Airfare costs in excess of the lowest available commercial discount or customary standard (coach) airfare

¹³ The information in Annex IV may be superseded by changes in OMB regulations.

are unallowable unless such accommodations are not reasonably available to accomplish the purpose of travel. All air travel that is paid in whole or in part with Center funds must be undertaken on U.S. air carriers unless the Center gives prior written approval for use of non-U.S. carriers.

2.2. Budget Revisions

The project budget is the schedule of anticipated project expenditures that is approved by the Center for carrying out the purposes of the grant. When grantees or third parties support a portion of the project costs, the project budget includes the nonfederal as well as the federal share of project expenses. All requests for budget revisions shall be signed by the recipient organization's grant administrator and submitted to the Center. Within 14 calendar days from the date of receipt of the request for budget revision, the Center will review the request and notify the grantee whether or not the budget revision has been approved.

Grantees must obtain prior written approval from the Center whenever a budget revision is necessary because of:

- the transfer to a third party (by subgranting, contracting, or other means) of any work under a grant (Center approval is not required for third-party transfers that were described in the approved project plan, or for the purchase of supplies, materials, or general support services);
- the addition of costs that are specifically disallowed by the terms and conditions of the grant award;
- the transfer of funds from stipends or training allowances to other budget categories; or
- changes in the scope or objectives of the project.

2.3. Cost Sharing and Cost-Sharing Records

While the Center award will fund most project activities, a grantee is expected to share in project expenses at the level indicated in its approved project budget. Grantees must maintain auditable records of all project costs whether they are charged to grant funds or supported by cost-sharing contributions. All cash and in-kind contributions to a project that are provided by a grantee or a third party are acceptable as cost sharing when such contributions meet the following criteria:

- Are verifiable from the grantee's records;
- Are not included as contributions for any other federally assisted program;

- Are necessary and reasonable for the proper and efficient accomplishment of project objectives;
- Are types of charges that would be allowable under the applicable cost principles;
- Are used to support activities that are included in the approved project work plan;
- Are incurred during the grant period.

Contributions such as property, space, or services that a grantee donates to a project are to be valued in accordance with the applicable federal cost principles and not on the basis of what would normally be charged for the use of these items or services. When cost sharing includes third-party in-kind contributions, the basis for determining the valuation of volunteer services and donated property or space must be documented and must conform to federal principles.

2.4. Payments and Interest

Grantees may be paid on an advance basis, unless otherwise specified in the grant award, and payment will be effected through electronic funds transfer. Whenever possible, advances should be deposited and maintained in insured accounts. Grantees are also encouraged to use women-owned and minority-owned banks (banks that are owned at least 50 percent by women or minority group members).

a. **Payment Requests.** Requests for advance payment shall be limited to no more than 75 percent of the total grant award, unless otherwise specified by the Center. Grant funds that have been advanced but are unspent at the end of the grant period must be returned to the Center. Grantees should make every effort to avoid requesting advance payment of funds that then are not used and must be returned to the Center. This practice will impact negatively on future grant awards.

b. **Interest on Grant Funds.** All grantees, except states (see glossary), are required to maintain advances of federal funds in interest-bearing accounts unless the grantee receives less than \$120,000 per year in advances of grant funds or the most reasonably available interest-bearing account would not earn more than \$250 per year on the federal cash balance, or would entail bank services charges in excess of the interest earned. Interest that is earned on advanced payments shall be remitted to the Center.

2.5. Financial Management Standards

Grantee financial management systems must meet the following standards:

a. **Accounting System.** Grantees must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each federally sponsored project. Accounting records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly.

b. **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the grant and general ledger accounts that are to be charged or credited.

(1) The documentation required for salary charges to grants is prescribed by the cost principles applicable to the grantee organization. If an applicant organization anticipates salary changes during the course of the grant, those charges must be included in the budget request.

(2) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs that are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of the grantee organization.

c. **Third-Party Contributions.** Cash contributions to the project from third parties must be accounted for in the general ledger with other grant funds. Third-party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. If third-party in-kind (non-cash) contributions are used on a project, the valuation of these contributions must be supported with adequate documentation.

d. **Internal Control.** Grantees must maintain effective control and accountability for all cash, real and personal property, and other assets. Grantees must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantees must also have systems in place that ensure compliance with the terms and conditions of each grant award.

e. **Budget Control.** Records of expenditures must be maintained for each grant project by the cost categories of the approved budget (including indirect costs that are charged to the project), and actual expenditures are to be compared with budgeted

amounts no less frequently than quarterly. Center approval is required for certain budget revisions.

f. **Cash Management.** Grantees must also have written procedures to minimize the time elapsing between the receipt and the disbursement of grant funds to avoid having excessive federal funds on hand. Requests for advance payment shall be limited to immediate cash needs and are not to exceed anticipated expenditures for a 30-day period. Grantees must ensure that all grant funds are obligated during the grant period and spent no later than 60 days after the end of the grant period.

2.6. Record Retention and Audits

Grantees must retain financial records, supporting documentation, statistical records, and all other records pertinent to the grant for three years from the date of submission of the final expenditure report. If the three-year retention period is extended because of audits, appeals, litigation, or the settlement of claims arising out of the performance of the project, the records shall be retained until such audits, appeals, litigation, or claims are resolved. Unless court action or audit proceedings have been initiated, grantees may substitute microfilm copies CD-ROM or scanned copies of original records.

The Center, the Comptroller General of the United States, the Inspector General of the Library of Congress, and any of their duly authorized representatives shall have access to any pertinent books, documents, papers, and records of a grantee organization to make audits, examinations, excerpts, transcripts, and copies. Further, any contract in excess of the simplified acquisition threshold (currently \$100,000) that grantees negotiate for the purposes of carrying out the grant project shall include a provision to the effect that the grantee, the Center, the Comptroller General, the Inspector General of the Library of Congress, or any of their duly authorized representatives shall have access for similar purposes to any records of the contractor that are directly pertinent to the project.

2.7. Equipment

Equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The purchase of equipment not included in the approved project budget is allowable only if specifically approved beforehand by the Center and only when there is documentation to support that the purchase is necessary and reasonable to carry out project activities.

a. **Equipment Records.** Equipment records must be maintained that include the description of the equipment, the serial number or other identification number, the source of equipment, the titleholder, the acquisition date, the cost of the equipment, the location, use, and condition of the equipment, and any ultimate disposition data including the date of disposal and the sale price of the equipment.

b. Title to Equipment. Title to equipment purchased or fabricated with Center funds shall be vested in the recipient organization with the understanding that the equipment will be used for the project for which it was obtained but without further obligation to the federal government. The Center reserves the right to request the transfer of title to the federal government or to a third party when the current per unit fair market value of the equipment is \$5,000 or more and the equipment is no longer needed to carry out the purposes of the project or other projects funded by government agencies.

2.8. Supplies

Title to supplies and other expendable property shall vest in the recipient organization upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project and the supplies are not needed for any other federally sponsored project or program, the grantee may retain the supplies for use on nonfederal sponsored activities or sell them, but shall in either case compensate the Center for its share.

ANNEX III

Procurement Guidelines

3.1. Procurement Responsibility

The standards contained in this section do not relieve the grantee of the contractual responsibilities arising under its contracts. The grantee is the responsible authority, without recourse to the Center regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of a grant project. Matters concerning the violation of a statute are to be referred to such federal, state, or local authority as may have proper jurisdiction.

The grantee may determine the type of procurement instrument used, e.g., fixed price contracts, cost reimbursable contracts, incentive contracts, or purchase orders. The contract type must be appropriate for the particular procurement and for promoting the best interest of the program involved. The “cost-plus-a-percentage-of-cost” or “percentage of construction cost” methods shall not be used.

3.2. Procurement Standards

When grantees procure property or services under a grant, their procurement policies must adhere to the standards set forth below. Subrecipients of grant funds are subject to the same policies and procedures as the grantee.

a. Contract Administration. Grantees shall maintain a system for contract administration that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Grantees shall evaluate contractor performance and document, as appropriate, whether or not contractors have met the terms, conditions, and specifications of the contract.

b. Ethical Standards of Conduct. Grantees shall maintain a written standard of conduct for awarding and administering contracts. No employee, officer, or agent of the recipient organization shall participate in the selection, or in the awarding or administration, of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when any of the following have a financial or other interest in the firm selected for a contract: the employee, officer, or agent; any member of his or her immediate family; his or her partner; or an organization which employs or is about to employ any of the preceding.

Grantee officers, employees, and agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, grantees may set standards governing when the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by grantee officers, employees, or agents.

c. Open and Free Competition. All procurement transactions will be conducted in a manner to provide, to the maximum extent practical, open and free competition. Grantees should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the grantee, price, quality, and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order for the bid/offer to be evaluated by the grantee. When it is in the grantee's interest to do so, any bid/offer may be rejected.

d. Small, Minority-Owned, and Women's Business Enterprises. The grantee shall make positive efforts to assure that small businesses, minority-owned firms, and women's business enterprises are used whenever possible. Organizations receiving federal awards shall take all the steps outlined below to further this goal. This shall include:

- (1) Placing qualified small, minority and women's business enterprises on solicitation lists;

- (2) Assuring that these businesses are solicited whenever they are potential sources;
- (3) Contracting with consortiums of small, minority-owned, or women's business enterprises, when a contract is too large for one of these firms to handle individually;
- (4) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency; and
- (5) Considering in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

3.3. Procurement Procedures

Grantees must have formal procurement procedures. Proposed procurements are to be reviewed to avoid the purchase of unnecessary or duplicative items.

a. Solicitations. Solicitations for goods and services shall provide the following:

- (1) A clear and accurate description of the technical requirements for the material, product, or service to be procured. In competitive procurements, such a description shall not contain features that unduly restrict competition.
- (2) Requirements that the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
- (3) Whenever practicable, a description of technical requirements in terms of the functions to be performed or the performance required, including the range of acceptable characteristics or minimum acceptable standards.
- (4) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
- (5) Preference, to the extent practical and economically feasible, for products and services that conserve natural resources, protect the environment, and are energy efficient.

b. Selecting Contractors. Contracts will be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration should be given to such matters as contractor integrity, the record of past performance, financial and technical resources or accessibility to other necessary resources.

(1) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

(2) Procurement records and files for purchases in excess of the simplified acquisition threshold (currently \$100,000) shall include the basis for contractor selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for award cost or price.

3.4. Contract Provisions

a. Contracts in Excess of \$100,000. All contracts in excess of \$100,000 established under the grant award from the Center must provide for:

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and such remedial actions as may be appropriate.

(2) Termination for cause and for convenience by the grantee, including the manner by which it will be effected and the basis for settlement. In addition, these contracts shall also contain a description of the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) Access by the recipient organization, the Center, the Comptroller General of the United States, or any other duly authorized representatives to any books, documents, papers, and records of the contractor that are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

b. Standard Clauses. All contracts, including small purchases, shall contain the following provisions as applicable:

(1) Equal Employment Opportunity. All contracts awarded by the grantee and the grantee's contractors and subrecipients having a value of more than \$10,000 must contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity" as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60).

(2) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contractors who apply or bid for an award of \$100,000 or more must file a certification with the grantee stating that they will not and have not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, cooperative agreement, loan, or any other award covered by 31 U.S.C. 1352. Such contractors must also disclose to the grantee any lobbying that takes place in connection with obtaining any federal award.

(3) Debarment and Suspension (Executive Order 12549 and 12689). No contracts shall be made to parties listed on the General Services Administration's Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689. These lists contain the names of contractors debarred, suspended, or proposed for debarment by agencies, and contractors declared ineligible under other statutory or regulatory authority other than Executive Order 12549. Grantees must obtain a certification regarding debarment and suspension from all subrecipients and from all parties with whom they contract for goods or services when (a) the amount of the contract is \$100,000 or more, or (b) when, regardless of the amount of the contract, the contractor will have a critical influence or substantive control over the covered transaction. Such persons would be project directors and providers of federally required audit services.

3.5. Other Federal Guidance

a. Buy American Act. Consistent with the Buy American Act, 41 U.S.C. 10a-c and Public Law 105-277, grantees and subrecipients who purchase equipment and products with grant funds should purchase only American-made equipment and products.

b. Welfare-to-Work Initiative. To supplement the welfare-to-work initiative, grantees are encouraged, whenever possible, to hire welfare recipients and to provide additional needed training and/or mentoring.

ANNEX IV

Cost Principles

4.1. Introduction

2 C.F.R. Part 230 (OMB Circular A-122), “Cost Principles for Non-Profit Organizations,” is a comprehensive explanation of which costs are allowable under a government grant, how to determine whether a cost is reasonable, and how direct and indirect costs should be allocated. Please refer to the official OMB cost principles document. Applicant organizations may obtain a paper copy from the Center or read the full text online by going to www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1.

4.2. Basic Definitions

Attachment A to the Circular describes

a. Allowable Costs. To be allowable under an award, costs must meet the following general criteria:

- (1) Be reasonable for the performance of the award and be allocable thereto under these principles.
- (2) Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
- (3) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.
- (4) Be accorded consistent treatment.
- (5) Be determined in accordance with generally accepted accounting principles.
- (6) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.
- (7) Be adequately documented.

b. Reasonable Costs. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining the reasonableness of a given cost, consideration shall be given to:

(1) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.

(2) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, federal and state laws and regulations, and terms and conditions of the award.

(3) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the federal government.

(4) Significant deviations from the established practices of the organization that may unjustifiably increase the award costs.

c. **Allocable Costs.** A cost may be allocated to the recipient organization's grant in accordance with the relative benefits received. A cost is allocable to a federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

(1) Is incurred specifically for the award.

(2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or

(3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

(4) Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

4.3. Potential Costs

Attachment B to 2 C.F.R. Part 230 (OMB Circular A-122) describes 52 types of costs and explains when they are allowable and when they are not. Some of the potential costs covered by the Circular are not relevant to Center projects. Please note that costs marked with an "X" in the list below are **never** allowable and must not be included in an applicant organization's budget for Center activities or in a grantee's requests for payment. Other costs on the list may be unallowable in certain circumstances. Please refer to the Circular for explanations and contact the Center with any questions.

Failure to mention a particular item of cost is not intended to imply that it is unallowable; rather, determination as to allowability in each case should be based on the treatment or principles provided for similar or related items of cost.

- | | | |
|---|-----|--|
| | 1. | Advertising and public relations costs |
| | 2. | Advisory councils |
| X | 3. | Alcoholic beverages |
| | 4. | Audit costs and related services |
| X | 5. | Bad debts |
| | 6. | Bonding costs |
| | 7. | Communication costs |
| | 8. | Compensation for personal services |
| X | 9. | Contingency provisions |
| | 10. | Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement |
| | 11. | Depreciation and use allowances |
| | 12. | Donations to the grant project |
| | 13. | Employee morale, health, and welfare costs and credits |
| X | 14. | Entertainment costs |
| | 15. | Equipment and other capital expenditures |
| X | 16. | Fines and penalties |
| X | 17. | Fund raising and investment management costs |
| X | 18. | Gains and losses on depreciable assets |
| X | 19. | Goods or services for personal use |
| X | 20. | Housing and personal living expenses for organization employees |
| | 21. | Idle facilities and idle capacity |
| | 22. | Insurance and indemnification |
| X | 23. | Interest |
| | 24. | Labor relations costs |
| X | 25. | Lobbying |
| X | 26. | Losses on other awards |
| | 27. | Maintenance and repair costs |
| | 28. | Materials and supplies |
| | 29. | Meetings and conferences |
| | 30. | Memberships, subscriptions, and professional activity costs |
| X | 31. | Organization costs |
| | 32. | Page charges in professional journals |
| | 33. | Participant support costs |
| | 34. | Patent costs |
| | 35. | Plant and homeland security costs |
| | 36. | Pre-agreement costs |
| | 37. | Professional service costs |
| | 38. | Publication and printing costs |
| | 39. | Rearrangement and alteration costs |

40. Reconversion costs
41. Recruiting costs
42. Relocation costs
43. Rental costs
44. Royalties and other costs for use of patents and copyrights
45. Selling and marketing
46. Specialized service facilities
47. Taxes
48. Termination costs
49. Training and education costs
50. Transportation costs
51. Travel costs
52. Trustees

ANNEX V

Suspension and Termination

5.1. Suspension and Termination

- a. Grants may be terminated in whole or in part:
 - by the Center if the grantee materially fails to comply with the terms and conditions of an award;
 - by the Center with the grantee's consent, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion of the project to be terminated; or
 - by the grantee, upon sending to the Center via fax or e-mail written notification—followed by signed documents sent via overnight or express delivery **PER ARRANGEMENTS MADE BY CONTACTING OPEN WORLD PROGRAM ADMINISTRATOR ALETTA WATERHOUSE AT (202) 707-8943**—setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion of the project to be terminated. However, if the Center determines that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety either unilaterally or with the grantee's consent.
- b. **Suspension or Termination for Cause.** When the Center determines that a grantee has failed to comply with the terms of the grant award, the Center may suspend or terminate the grant for cause. Normally, this action will be taken only after the grantee

has been notified of the deficiency and given sufficient time to correct it, but this does not preclude immediate suspension or termination when such action is required to protect the interests of the Center. In the event that a grant is suspended and corrective action is not taken within 90 days of the effective date, the Center may issue a notice of termination.

c. Allowable Costs. No costs that are incurred during the suspension period or after the effective date of termination will be allowable except those that are specifically authorized by the suspension or termination notice or those that, in the opinion of the Center, could not have been reasonably avoided.

d. Report and Accounting. Within 30 days of the termination date, the grantee shall furnish to the Center a summary of progress achieved under the grant, an itemized accounting of charges incurred against grant funds and cost sharing prior to the effective date of the suspension or termination, and a separate accounting and justification for any costs that may have been incurred after this date.

5.2. Termination Review Procedures

If the grantee has received a notice of termination, the grantee may request review of the termination action. The grantee request for review must be sent via overnight or express delivery [PER ARRANGEMENTS MADE BY CONTACTING OPEN WORLD PROGRAM ADMINISTRATOR ALETTA WATERHOUSE AT (202) 707-8943] no later than 30 days after the date of the termination notice and should be addressed to the Chairman of the Board, Open World Leadership Center, Library of Congress, 101 Independence Ave., S.E., Washington, DC 20540-9980, with a copy sent via overnight or express delivery [PER ARRANGEMENTS MADE BY CONTACTING THE OFFICE OF THE INSPECTOR GENERAL AT (202) 707-6314] to the Inspector General, Library of Congress, 101 Independence Ave., S.E., Washington, DC 20540-1060.

A request for review must contain a full statement of the grantee's position and the pertinent facts and reasons supporting it. The grantee's request will be acknowledged promptly, and a review committee of at least three individuals will be appointed. Pending the resolution of the review, the notice of termination will remain in effect.

None of the review-committee members will be among those individuals who recommended termination or were responsible for monitoring the programmatic or administrative aspects of the awarded grant. The committee will have full access to all relevant Center background materials. The committee may also request the submission of additional information from the recipient organization or from Center staff and, at its discretion, may meet with representatives of both groups to discuss the pertinent issues. All review activities will be fully documented by the committee. Based on its review, the committee will present its written recommendation to the Chairman of the Board of the Center, who will advise the parties concerned of the final decision.

ANNEX VI

Glossary of Terms

Cash Contributions - The cash outlay for budgeted project activities, including the outlay of money contributed to the grantee by third parties.

Cost Sharing - The portion of the costs of a project not charged to the Center funds. This would include cash contributions (as defined above) as well as the value of third-party in-kind contributions.

Debarment - The ineligibility of a grantee to receive any assistance or benefits from the federal government, either indefinitely or for a specified period of time, based on legal proceedings taken pursuant to agency regulations implementing Executive Order 12549.

Equipment - Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Federally Recognized Tribal Government - The governing body or a governmental agency of any Indian tribe, Indian band, nation, or other organized group or community certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

Grant - A legal instrument that provides financial assistance in the form of money or property to an eligible recipient. The term includes cooperative agreements but it does not apply to technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. The term does not include fellowships or other lump sum awards for which the recipient is not required to provide a financial accounting.

Grant Administrator - The member of the grantee organization who has the official responsibility for administering the grant, e.g., for negotiating budget revisions, overseeing the submission of required reports, and ensuring compliance with the terms and conditions of the grant.

Grant Period - The period established in the grant award during which the Center activities and expenditures are to occur.

Grantee - The organization to which a grant is awarded and which is accountable for the use of the funds provided.

Grants Officer - The Center's Program Administrator or other party designated by the Executive Director.

In-Kind Contributions - The value of noncash contributions provided by third parties. In-kind contributions may be in the form of charges for real property and equipment or the value of goods and services directly benefitting and specifically identifiable to the project.

Intangible Property - Includes, but is not limited to, trademarks; copyrights; patents and patent applications.

Local Government - A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of government, any other regional or interstate government entity, or any agency or instrumentality of a local government.

Obligation - The amounts of orders placed, contracts and grants awarded, goods and services received, and similar transactions during the grant period that will require payment.

Program Income - Money that is earned or received by a grantee or a subrecipient from the activities supported by grant funds or from products resulting from grant activities. It includes, but is not limited to, income from fees for services performed and from the sale of items fabricated under a grant; usage or rental fees for equipment or property acquired under a grant; admission fees; broadcast or distribution rights; and royalties on patents and copyrights.

Project Funds - Both the federal and nonfederal funds that are used to cover the cost of budgeted project activities.

Simplified Acquisition Threshold - This term replaces “small purchase threshold,” and the threshold is currently set at \$100,000 [41 U.S.C. 403 (11)].

State - Any of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state exclusive of local governments, institutions of higher education, and hospitals.

Subgrant - An award of financial assistance in the form of money or property, made under a grant by a grantee to an eligible subrecipient or by a subrecipient to a lower-tier subrecipient. The term includes financial assistance which is provided by any legal agreement, even if the agreement is called a contract, but it does not include the procurement of goods and services nor does it include any form of assistance that is excluded from the definition of a “grant.”

Subrecipient - The legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

Supplies - All personal property excluding equipment and intangible property, as defined in this glossary.

Suspension -

(1) The suspension of a grant is the temporary withdrawal of Center sponsorship. This includes the withdrawal of authority to incur expenditures against grant funds, pending corrective action, or a decision to terminate the grant.

(2) The suspension of an individual or organization that causes that party to be temporarily ineligible to receive any assistance and benefits from the federal government pending the completion of investigation and legal proceedings as prescribed under agency regulations implementing Executive Order 12549. Such actions may lead to debarment of the grantee.

Termination - Cancellation of Center sponsorship of a project, including the withdrawal of authority to incur expenditures against previously awarded grant funds before that authority would otherwise expire.