

**ATTACHMENT #1**  
**Grant Agreement**

**The United Nations Association of Georgia**  
**2 Dolidze St. Tbilisi 0171, Georgia**

**GRANT AGREEMENT**

**DATE:**

**GRANT NUMBER** *(to be used on all correspondence)*: **UNAGxx-xxx**

**GRANT AMOUNT:** \$xxxxx

**FUNDING PERIOD:**

**TITLE OF PROJECT:**

**GRANTEE INSTITUTION:**

**Legal Address**

**Actual Address**

**DIRECTOR:**

**FINANCIAL OFFICER:**

**GRANT PAYMENTS TO BE MADE PAYABLE TO:**

**FISCAL YEAR OF GRANTEE INSTITUTION:**

January 1 – December 31

This agreement concluded on (date) by and between:

The United Nations Association of Georgia (UNAG) (hereinafter referred to as the UNAG), a legal entity established under the laws of Georgia, for these purposes represented by Mr. Ramaz Aptsiauri, Chief of Party who is authorized by the Executive Board of the organization. and (Organization Name) (hereinafter referred to as the Grantee), a legal entity established under the laws of Georgia, with its registered office at Tbilisi, Georgia (Address), for these purposes represented by (Name and Title).

## **1. PURPOSE OF THE GRANT**

- 1.1. Funds provided to the Grantee by the UNAG originate from the United States Agency for International Development (AID) may only support charitable activities. The grant shall be used exclusively for the charitable purposes specified in UNAG proposal submitted to the USAID on December 3 2005 by Mr. Ramaz Aptsiauri. When any discrepancy exists between the project and this agreement including its attachments, this agreement and its attachments shall take precedence.
- 1.2. All grant activities must occur and all grant expenditures must be incurred during the Funding Period listed on the first page of this grant agreement. The Monitoring Period listed on the first page of this grant agreement provides the UNAG with an extended period to oversee the Grantee's use of the equipment purchased with grant funds. All grant requirements remain in full force and effect throughout the end of the Monitoring Period.
- 1.3. The grant should be executed according to the project and the objectives and expected results of the grant, as summarized in Attachment 3 of this agreement.
- 1.4. In the event grant funds are not used for the purposes specified in the approved project and Attachment 3 of this grant agreement, within the grant period specified on page 1 of this grant agreement or within any approved extension of this time period, within the constraints of this agreement and the requirements of local legislation, the funds shall be returned to the UNAG.

## **2. RESPONSIBILITY FOR THE GRANT**

- 2.1. The Grantee is responsible for ensuring that the project is administered in accordance with the terms of this grant agreement, Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients (A Mandatory Reference for ADS Chapter 303, for detailed information see link: - <http://www.usaid.gov/policy/ads/300/303mab.pdf>) - required as applicable standard provisions for Non-U.S. Nongovernmental Recipients, and the requirements of local legislation; and that no grant funds or equipment purchased with grant funds are disbursed to any legal entity, whether or not formed by the Grantee, or individual other than as specifically set forth in this agreement.
- 2.2. The UNAG is not responsible for liabilities of the Grantee to third parties.
- 2.3. The Grantee is fully responsible for the tax consequences of this grant.
- 2.4. In addition, the Grantee certifies that grant activities will not produce significant harm to the environment.
- 2.5. The UNAG considers the status of the Grantee institution crucial to the project's success. The UNAG therefore reserves the right to suspend support in the event the Grantee institution changes its status through a reorganization, acquisition, change in management. The decision to resume or terminate support will be made after careful consideration of the institution's interest in and capacity to continue the project. The Grantee agrees to notify the UNAG in writing at least 30 days in advance of any forthcoming change in its status. In the event that the Grantee institution fails to notify the UNAG of changes in status prior to these changes having taken place, the grant may be terminated without consideration of the institution's interest in and capacity to continue the project. The UNAG is entitled to terminate the grant in the event of insolvency, bankruptcy or liquidation of the Grantee institution.
- 2.6. The Grantee agrees to notify the UNAG in writing at least 15 days in advance of any forthcoming changes in the actual location of the premises of the Grantee institution specified on page 1 of this grant agreement.
- 2.7. The UNAG considers the Project Director's leadership crucial to the project's success and therefore reserves the right to suspend or terminate support in the event the Project Director leaves the project or the Grantee institution. The decision to continue, suspend, or terminate support would be made after careful consideration of the institution's interest in and capacity to continue the project. The Grantee agrees to notify the UNAG in writing at least 15 days in advance of any departure by the Project Director. In addition, the Grantee shall request prior written approval from the UNAG for the absence for more than three months, or a 25 percent reduction in time devoted to the project by the approved Project Director.

### 3. PROHIBITED USE OF GRANT FUNDS

- 3.1. Grant funds shall not be expended for other than charitable purposes (within the meaning of Section 501(c)(3) of the United States Internal Revenue Code). The UNAG's charitable purpose is defined as the promotion of the economic and political transformation of the New Independent States of the former Soviet Union through market economies and political systems based on democratic principles.
- 3.2. Grant funds shall not be expended to carry on propaganda or otherwise attempt to influence US legislation.
- 3.3. Grant funds shall not be expended to participate in, or intervene in (including the publishing or distribution of statements concerning) any political campaign on behalf of or in opposition to any candidate for public office.
- 3.4. The Grantee must be aware that US Executive Orders and US law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this grant. The complete version of Executive Order 13224, which includes the list of individuals and entities that commit or pose a significant risk of committing terrorist acts, may be found at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.
- 3.5. Grant funds and grant funded equipment shall not be transferred in the form of a grant or a technical assistance contract to another organization or individual without the prior written approval of the UNAG.
- 3.6. Grant funds shall not be expended for items not considered allowable under the provisions of the grant agreement between USAID and the UNAG detailed in Attachment 4 of this grant agreement.
- 3.7. Grant funds shall not be expended for items not considered allowable under applicable cost principles of the United States government. For educational institutions, refer to Office of Management and Budget Circular No. A-21; for all other private, nonprofit organizations, refer to Office of Management and Budget Circular A-122; for for-profit organizations, refer to Federal Acquisition Regulation (48 CFR 1), Subpart 31.2 and AID Acquisition Regulation (48 CFR 7), Subpart 731.2. A brief summary of these documents is provided in Attachment 4 of this grant agreement. The aforementioned documents are considered an integral part of this grant agreement. The mere defining of costs as allowable in the aforementioned regulations does not render these costs allowable if corresponding budget line items are not stipulated in the approved grant budget as shown in the most recent Attachment 2(Financial Reporting Forms).
- 3.8. Grant funds shall not be expended for payments to the business partner(s) of the Project Director, Financial Officer, or members of their immediate families, nor shall any part of the grant be used for payments to organizations in which the Project Director, Financial Officer, or member(s) of their immediate families have a financial interest. Where the concept of financial interest is unclear and requires additional interpretation, the grantee shall, prior to effecting the relevant payment, obtain written approval from the UNAG.
- 3.9. Grant expenditures may not be incurred outside of the approved grant Funding period. Grant expenditures incurred outside of the approved grant Funding period shall not be charged to the grant and such costs shall be disallowed by the UNAG. In the event that the grantee is unable to complete the project within the grant Funding period specified on page 1 of this grant agreement, the grantee shall promptly, but no later than 30 calendar days before the end of the grant Funding period specified on the first page of this grant agreement, request written authorization from the UNAG for an extension of the grant Funding period. Where the UNAG disallows the grant extension request or if the grantee fails to submit a timely request for a grant extension, then the original grant end date, as specified on the first page of this grant agreement, shall remain in effect.

### 4. BUDGET AND USE OF GRANT FUNDS

- 4.1. All grant expenditures must be incurred during the Funding Period listed on the first page of the grant agreement. Expenditure of grant funds must adhere to the specific line items in the Grantee's approved budget, as shown in the most recent Attachment 2(Financial Reporting Forms) of this grant agreement. Grantees may over-expend budgeted line items in Attachment 2(Financial Reporting Forms) without prior UNAG approval by up to ten percent, provided that the over-expenditures shall not exceed the total grant amount.

- 4.2. Prior written UNAG approval is required in the following instances:
  - 4.2.1. Over-expenditures in salary and honoraria payments, regardless of their amount.
  - 4.2.2. Transfers of expenditures between the primary Grantee's budget and any sub-grantee budget.
  - 4.2.3. If the Grantee foresees the need to revise the distribution of grant funds between budget lines in excess of the restricted level of over-expenditures stipulated in subparagraph 4.1 of this grant agreement, or wishes to establish a new line item.
- 4.3. If additional funding becomes available for the project from other sources, the grantee shall notify the UNAG immediately and submit, for the UNAG's approval, a revised budget incorporating this funding. If the UNAG is informed of such additional funding but the grantee fails to submit, for the UNAG's approval, a revised budget incorporating this funding, the UNAG shall have the power to revise the budget unilaterally in accordance with the new funding.

## 5. TRAVEL

- 5.1. Travel must be directly related to grant activities. Travel must generally be in economy class. All air transportation must be ticketed by U.S. flag carriers (U.S. owned airlines) when such service is available. Lower cost is not an acceptable reason for using a non U.S. carrier. In all cases where a non U.S. carrier flight is used, the grantee should prepare supporting documentation supporting the use of a non U.S. air carrier (for more detailed information see Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients <http://www.usaid.gov/policy/ads/300/303mab.pdf> , Article - International Air Travel and Transportation).

## 6. SUBGRANTS

The Grantee shall obtain prior written approval from the UNAG for subagreements that transfer the management of grant funds, in whole or part, to third parties. Prior to entering into such an agreement with another organization or individual, a draft subagreement shall be forwarded to the UNAG for review and approval. Line items for such agreements in the approved grant budget do not constitute approval. Subagreements should incorporate the terms and conditions of this grant agreement concerning the management of grant funds; scope of work for activities to be undertaken; amount of subaward; subaward period; reporting requirements; payment schedule and means of payment; and the disposition of equipment, if applicable.

## 7. PROCUREMENT OF SERVICES

- 7.1. The Grantee shall follow procedures that ensure economical and practical procurement and encourage open and free competition. For service contracts or sole source service purchases of \$500 or more, the Grantee shall obtain at least 3 written bids for the said service.

## 8. PROCUREMENT OF GOODS

- 8.1. Acquisition cost of equipment means the net invoice price of the equipment, including any attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. The cost of installation, transportation, taxes, duty or protective in-transit insurance shall be included or excluded from the unit acquisition cost in accordance with local accounting practices. The Grantee shall keep on file all documentation supporting the purchase, e.g. contract, invoice, payment, packing slip, customs declaration. The Grantees shall review and maintain copies of documentation on their subagreement partner's procurement (see Attachment 4 for additional information).
- 8.2. The Grantee shall follow procedures that ensure economical and practical procurement and encourage open and free competition. For equipment purchases or sole source purchases of \$500 or more, the Grantee shall maintain documentation reflecting at least 3 bids and a justification for the preferred vendor (please see UNAG Grants Management Manual for procurement complete rules).
- 8.3. The Grantee shall maintain up-to-date records of equipment purchased with grant funds and periodically reconcile these records by conducting an annual physical inventory. Equipment records shall be maintained accurately and shall include the following information: a) a description of the equipment; b) manufacturer's serial number, model number, or other identification number; c) location and condition of the equipment and the date the information was reported; d) unit

acquisition cost and purchase date. The Grantee shall adequately safeguard all assets and, where available and appropriate, shall purchase insurance to protect the equipment against theft, fire, or other losses. Notification of equipment purchases shall be included in the Grantee's next expenditure report to the UNAG.

- 8.4. All equipment purchased under this grant agreement must be taken on UNAG balance for at least 3 years. Prior written approval from the UNAG is required if the Grantee is to maintain the equipment in another location. In addition, the Grantee agrees to ensure that such equipment shall be used exclusively for grant-supported activities. Any equipment that is not used for UNAG supported activities or is maintained in premises other than those specified on page 1 of this grant agreement without prior written approval from the UNAG shall be returned to the UNAG. In addition, if the Grantee institution is dissolved during the grant period or if the grant is terminated in accordance with Article 17 of this grant agreement, all equipment purchased under the grant shall be returned to the UNAG.

## 9. FINANCIAL MANAGEMENT

The Grantee's financial management system shall provide for:

- 9.1. Accurate, current, and complete records of project revenues and expenditures. The Grantee shall maintain a systematic record on a fund-accounting basis of grant funds received and expenditures incurred. While the UNAG requires reporting on an accrual basis, the Grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation at hand.
- 9.2. Effective control over and accountability for all funds, property, and other assets. The Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
- 9.3. Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the applicable cost principles discussed throughout this grant agreement and its attachments.
- 9.4. Accounting records that are supported by source documentation that at a minimum will identify, segregate, and record all costs incurred under the grant, maintain compliance with local legislation and facilitate an effective audit.
- 9.5. A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.
- 9.6. Compliance with the terms and conditions of this grant agreement and its attachments and local legal and tax regulations.

## 10. RECORD RETENTION

- 10.1. Financial records, including but not limited to any substantiating documents such as bills, invoices, canceled checks, receipts, timesheets, etc., copies of all financial and detailed expenditure reports submitted to the UNAG and any other records pertinent to the grant, shall be retained by the Grantee through the period April 14, 2014.
- 10.2. The UNAG or any of the UNAG's duly authorized representatives shall have access to any pertinent books, documents, papers, and records of the Grantee to make audits, examinations, excerpts, and transcripts related to the disposition of the funds granted by the UNAG through the retention period. The Grantee agrees to promptly furnish copies of such documents upon request and provide all necessary assistance, including timely and reasonable access to Grantee personnel for the purpose of interviews and discussions related to such documents.
- 10.3. If any litigation, claim, or audit is initiated, the Grantee shall retain the records until all litigations, claims, and audit findings involving the records have been resolved.
- 10.4. The UNAG may request the transfer of certain records to the UNAG's custody or the custody of the UNAG's duly authorized representatives:
- 10.4.1. Before the closeout of the grant, where the UNAG believes that there exists a risk of destruction or loss of the records pertaining to the grant and, when local legislation permits the transfer of documents.
- 10.4.2. After the closeout of the grant, where the UNAG determines that the records possess long term retention value and the Grantee no longer needs them according to local legislation;

**11. AUDIT**

The UNAG may require a program specific audit of the UNAG funded activities, for which the Grantee agrees to promptly furnish copies of all documents pertinent to the grant. Funds for this type of audit may be charged to this grant, provided that such allocation is reflected in the Grantee's approved budget.

**12. FINANCIAL REPORTING**

- 12.1. The Grantee shall submit to the UNAG expenditure reports per the approved budget and the format shown in Attachment 2(Financial Reporting Forms). Reports should be received by the UNAG by the dates indicated in the "Payment Schedule and Reporting Requirements" (Attachment 1). Expenditure reports shall be signed by the Grantee's Project Director and Financial Officer listed on page 1 of this grant agreement and have a stamp of the Grantee institution. The Grantee shall notify the UNAG in writing of any anticipated delays in submission of required reports. The reports should include:
  - 12.1.1. Grant funds received during the report period.
  - 12.1.2. The amount budgeted for each line item, the amount expended against each line as of the date of the report, and the resulting balance remaining in each line. Totals should be shown for each of the three columns.
  - 12.1.3. A detailed expenditure report listing each individual expenditure under the grant during the report period.
  - 12.1.4. Interest earned, if any, on grant funds. Interest earned on grant funds must be reinvested into the grant-funded project or returned to the UNAG. Interest earned on grant funds must also adhere to the requirements set forth in this grant agreement and its attachments. The Grantee must report how the interest was reinvested into project activities.
  - 12.1.5. Income earned, if any, on grant funds as a result of program activities. These earnings may include, but are not limited to, income from service fees, sale of commodities (including publications), usage or rental fees, and royalties on patents and copyrights. Income earned on grant funds, must be reinvested into the grant-funded project. Income earned on grant funds must also adhere to the requirements set forth in this grant agreement and its attachments. The Grantee must report how the income was reinvested into project activities.
  - 12.1.6. Expenditure reports shall be prepared in US dollars. Expenditures of local currency shall be converted into US dollars at the rate in effect at the time the local currency was obtained or expended from the Grantee's own sources or as stated on the payment order for the most recent local currency grant payment. If grant funds received in US currency are exchanged to other currency, or if grant funds received in local currency are exchanged to other currency, records must be kept documenting the date of exchange, amount of U.S. or local currency exchanged, the exchange rate, and the amount of the other currency received. The Grantee will ensure that the accounting documentation pertaining to the grant is in compliance with local foreign currency regulations.
  - 12.1.7. Copies of source documentation (e.g. - invoices, receipts, timesheets, etc.) for all expenditures shall accompany each financial report.
- 12.2. UNAG acceptance of financial reports is conveyed to the Grantee in writing. However, this acceptance may be revoked if contradictory information is obtained as a result of an independent audit or an on-site inspection by UNAG officials.
- 12.3. The Grantee shall refund any unexpended grant funds with submission of the final expenditure report.

**13. ANALYTICAL REPORTING**

- 13.1. The Grantee shall submit to the UNAG analytical reports that detail project activities and progress towards the objectives and expected results as specified in Attachment 3 of this grant agreement. Reports should be received by the UNAG by the dates indicated in the "Payment Schedule and Reporting Requirements" (Attachment 1). The Grantee shall notify the UNAG in writing of any anticipated delays in submission of required reports.
- 13.2. UNAG acceptance of analytical report is conveyed to the Grantee in writing. However, this acceptance may be revoked if contradictory information is obtained as a result of an independent audit or an on-site inspection by UNAG officials.

- 13.3. The Grantee shall perform the activities under this grant agreement in accordance with the activity schedule submitted by the Grantee in the project and approved by the UNAG.
- 13.4. The UNAG recognizes that work plans are frequently revised to more accurately reflect current strategies and project progress. At any time during the grant Funding period, the Grantee may request that the UNAG revise the "Payment Schedule and Reporting Requirements" to better reflect the current work plan.
- 13.5. The Grantee shall immediately report to the UNAG any significant developments that may positively or negatively impact the outcome of the project.
- 13.6. The Grantee shall send to the UNAG one copy of all books, articles, monographs, manuscripts, video, audio and software products or any other materials produced with support from the UNAG.

**14. GRANT PAYMENTS**

- 14.1. The UNAG shall disburse grant payments in accordance with the "Payment Schedule and Reporting Requirements" (Attachment 1). The UNAG may withhold or delay scheduled payments if financial, analytical and/or audit reports are delinquent; if financial, analytical and/or audit reports are deemed unacceptable by the UNAG; or in the event that the Grantee has a large cash balance.
- 14.2. At any time during the grant funding period, the Grantee may request that the grant payments be rescheduled to better meet their cash flow needs. Requests should be made in writing and include a cash flow projection and explanation of forecast use of funds.
- 14.3. Grant payments are made to the institutional bank account of the Grantee specified on page 1 of this grant agreement. All details applicable to the Grantee's bank account will be provided by the Grantee in the form of a letter from the Bank. The Grantee will immediately notify the UNAG in writing of any impending changes it is bank account details. Grant payments may not be transferred to a new institutional bank account of the Grantee without prior notification and written approval of the UNAG.
- 14.4. In exceptional cases and at the UNAG's discretion, the UNAG may make a direct payment to the vendor of goods or services selected by and on behalf of the Grantee. In such cases, payments will be based on information provided by the Grantee and will be considered part of the grant. The UNAG will notify the institutional Financial Officer listed on Page 1 of this grant agreement regarding completed payments. The UNAG shall not under any circumstances be liable to the Grantee or anyone else for any loss associated with a direct payment to a vendor of goods or services selected by the Grantee save where such loss resulted from a negligent act or omission of the UNAG.

**15. GRANT MONITORING**

The UNAG regards grant monitoring as essential to effective grantmaking. UNAG representatives may visit the Grantee institution at any time to review project progress and results. To the extent possible, the UNAG would advise the Grantee of the visit in advance, but no prior notification is required.

**16. SUSPENSION OF THE GRANT**

- 16.1. The UNAG reserves the right to suspend the grant in whole or in part at any time before the date of completion if it is determined, in the UNAG's judgment, that the findings of an audit or the on-site inspection require adjustment of internal financial and administrative control of the Grantee institution; in cases where the UNAG believes that an effective implementation of the project is under threat; or in other instances stipulated in this agreement. During the period of suspension, the Grantee is prohibited from conducting grant activities and incurring grant expenses as stipulated in the suspension letter sent by the UNAG. Grantee costs incurred during a suspension are unallowable.
- 16.2. The decision to resume the grant shall be made by the UNAG after the circumstances mentioned in paragraph 16.1 of this agreement have come to a satisfactory resolution, notification of which is conveyed by the UNAG to the Grantee in writing. At this time the UNAG may choose to allow costs incurred during the suspension.

**17. TERMINATION OF THE GRANT**

- 17.1. The UNAG reserves the right to terminate the grant in whole or in part at any time before the date of completion if it is determined that the Grantee has failed to comply with the terms and conditions of this grant agreement; if, in the UNAG's judgment, the Grantee becomes unable to carry out the purposes of the grant or ceases to be an appropriate means of accomplishing the purposes of the grant; in the event that the financial assistance from the United States government is not available; or in other instances stipulated in this agreement.
- 17.2. Termination of the grant as a result of the Grantee's noncompliance with the terms and conditions of the grant agreement may include, but are not limited to the following: failure to submit acceptable narrative reports; failure to submit acceptable financial reports and documentation; failure to maintain adequate financial records; submission of falsified documentation or information or misrepresentation in respect to any facts pertaining to the Grantee institution or the grant; use of grant funds for expenditures not approved by the UNAG and undertaking grant activity that differs from the activity approved by the UNAG as stated in Attachment 3 of this agreement.
- 17.3. The grant may be terminated by the UNAG in the event of misrepresentation of the Grantee as to the information based on which the UNAG entered into this grant agreement with the Grantee.
- 17.4. When possible, the UNAG shall provide the Grantee with 30 days' notice prior to terminating the grant. Within 30 calendar days after the effective termination date, the Grantee would refund to the UNAG any unexpended grant funds that are not otherwise obligated by a legally binding transaction applicable to the grant, any grant funds deemed unallowable by the UNAG, and the monetary equivalent of the depreciated value of all equipment purchased under the grant. For refund purposes, the depreciated value of the equipment shall be determined using the United Nations Association of Georgia's policy of depreciating the acquisition cost by one-third per year. The Grantee, if he so chooses, may instead return to the UNAG all equipment purchased under the grant.

**18. CLOSE-OUT OF THE GRANT**

- 18.1. Upon receipt of all final reports from the Grantee, the UNAG shall initiate procedures to closeout the grant. Closeout procedures include obtaining and approving all items due to the UNAG; disbursing any outstanding grant payments; and ensuring that any unexpended and unallowable grant funds are refunded to the UNAG. The UNAG shall be the final arbiter in determining whether all obligations have been satisfied and the grant may be closed. A grant is considered closed when the UNAG sends the Grantee a grant closeout letter.
- 18.2. In the event of liquidation or bankruptcy of the Grantee institution, the Projector Director and Financial Officer specified on page 1 of this agreement are responsible for fulfilling any acts necessary to close out the grant, as required by the UNAG.
- 18.3. The closeout of the grant does not affect any of the following:
  - The right of the UNAG to disallow costs and recover funds based on the results of an audit or other financial review after the grant has been closed.
  - Copyright requirements described in Article 20 of this grant agreement.
  - Record retention as required in Article 10 of this grant agreement.

**19. PUBLICATIONS AND PRESS ANNOUNCEMENTS**

- 19.1. The Grantee shall notify the UNAG of any press conferences, public events, or ceremonies in connection with the grant prior to their occurrence.
- 19.2. In all publications resulting from the grant and in all public announcements concerning the UNAG (press releases, annual reports, or other announcements), the Grantee shall acknowledge that support was provided by the United States Agency for International Development through the United Nations Association of Georgia. The Grantee shall also note that views and opinions expressed in the press announcements do not necessarily represent those of the UNAG and the United States Agency for International Development.

**20. COPYRIGHTS**

- 20.1. All copyright interests in materials produced with support from the UNAG are owned by the Grantee. Recognizing the charitable purpose of this grant, the Grantee agrees that the UNAG and the United States Agency for International Development (USAID) may reproduce, publish, or otherwise use and authorize others to use any such materials for UNAG or USAID educational, public awareness or other charitable purposes.
- 20.2. Materials mentioned in paragraph 20.1 of this agreement shall be produced in compliance with local and international intellectual property legislation with respect to intellectual property rights of third parties.
- 20.3. The Grantee bears sole responsibility for any breach of intellectual property rights of third parties, which has been caused in the course of application of paragraph 20.1 of this grant agreement due to misrepresentation of the Grantee in respect of intellectual property rights pertaining to materials produced with support from the UNAG.
- 20.4. Royalties received as a result of copyrights obtained under the grant are the property of the Grantee and must be reinvested into the project.

**21. NON-DISCRIMINATION**

The Grantee, in carrying out the programs and activities supported by this grant, agrees to comply with the applicable laws and regulations of the United States which prohibit discrimination on the basis of race, religion, color, national origin, age, sex or disability (for more detailed information see Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients <http://www.usaid.gov/policy/ads/300/303mab.pdf>, Article 34 - USAID Disability Policy - Assistance).

**22. LIMITATIONS AND CHANGES**

- 22.1. It is expressly understood that the UNAG, by making this grant, has no obligation to provide other or additional support to the Grantee for the purposes of this project or any other purposes.
- 22.2. Attachments and other documents referenced in this grant agreement are considered an integral part of this grant agreement.
- 22.3. Recognizing the need for flexibility in revising the grant agreement and its attachments, the parties to this grant agreement agree to the following:
  - 22.3.1. A written Grantee request for a revision to page 1 of this grant agreement, or its attachments, except for an increase in the grant amount, and written UNAG approval shall suffice to validate the revision to the grant agreement or its attachments. The approved revision shall be an integral part of this grant agreement.
  - 22.3.2. Changes to grant agreement provisions, except as mentioned in paragraph 22.3.1. of this grant agreement, or an increase in the grant amount shall be made through an amendment signed by both parties.
  - 22.3.3. The UNAG reserves the right to revise Attachment 1 and the information on the Grantee's primary contact at the UNAG, contained in paragraph 24.2 of this grant agreement, unilaterally and shall notify the grantee in writing regarding such changes.
- 22.4. If any grant agreement provisions are deemed invalid by an agency authorized by law or due to changes in the local legislation, only those provisions will become invalid and the remainder of the agreement shall be construed and enforced as originally intended.
- 22.5. This is the entire agreement between the parties, and there are no other agreements, understandings, written or oral, relating to the subject matter hereof. This agreement is governed by the law of the District of Columbia of the United States of America where it does not contradict the local legislation.

**23. INTERPRETATION OF THE TERMS OF THE GRANT AGREEMENT**

- 23.1. The power to interpret the terms of this grant agreement shall be vested in the UNAG.
- 23.2. Negative clearance. The negative clearance procedure allows the Grantee to ascertain whether the UNAG considers that the arrangement or behavior of the Grantee is or is not prohibited by the grant agreement. To receive a negative clearance in order to avoid subsequent disallowance or dispute based on violation of the conditions stipulated in this grant agreement the Grantee must submit a written application to the UNAG. The negative clearance takes the form of a letter by which the UNAG certifies that, on the basis of the facts in its possession, the arrangement or behavior of the Grantee is not prohibited by the grant agreement.

23.3. For the purposes of this agreement, local legislation means legislation of the country where the grantee is legally registered.

**24. CONTACT PERSONS**

24.1. The UNAG shall address all grant-related correspondence to the Project Director listed on page 1 of this grant agreement. The institutional financial officer listed on page 1 of this agreement shall receive notification on all grant payments. The UNAG presumes that all actions conducted under this grant agreement by the Project Director and Financial Officer listed on page 1 of this grant agreement are authorized by the Grantee institution.

24.2. All reports and concerns should be addressed to the attention of the Grantee's primary contact at the UNAG, who is:

Grants & Finance Manager  
The United Nations Association of Georgia  
2 Dolidze Str., Tbilisi 0171  
Responsible officer  
E-mail of responsible officer

**25. SIGNATURES OF THE PARTIES:**

The conditions detailed in this grant agreement and its Attachments 1, 2(Financial Reporting Forms), 3, 4 are hereby accepted and agreed to as of the date indicated.

**GRANTEE APPROVAL:**

Authorized Institution Official:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Project Director (if different from above authorized official):

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**THE UNITED NATIONS ASSOCIATION OF GEORGIA APPROVAL:**

\_\_\_\_\_  
signature of responsible manager

\_\_\_\_\_  
Date

**ATTACHMENT 1 TO GRANT AGREEMENT  
Payment Schedule and Reporting Requirements**

**ATTACHMENT 1  
INITIAL PAYMENT SCHEDULE AND REPORTING REQUIREMENTS\***

Name & Title of authorized person  
Grant no: UNAG xx-xxx  
Grantee Organization Name:  
Period of Grant & Amount:

<b><u>Date</u></b>	<b><u>Payment to Grantee or Report Due to UNAG</u></b>
xx/xx/xx	Signed grant agreement received by the UNAG
xx/xx/xx	Payment of X.
xx/xx/xx	Interim Program report Interim Financial report
xx/xx/xx	Final Program Report

Final Financial Expenditure report for the Reporting Period from xx/xx/xxxx to xx/xx/xxxx including copies of source documentation (invoices, receipts, etc.)

Grantee Initials Acceptance \_\_\_\_









**UNAG**

*Form#5 Grant Balance Form*

Grant #

Grantee Organization \_\_\_\_\_

Reporting Period \_\_\_\_\_

**Total Project Funds Received from UNAG**

Date	Amount
<b>Subtotal Funds</b>	<b>\$ -</b>

**Total Project Expenses Up To Date**

Date	Amount
<b>Subtotal Expenses</b>	<b>\$ -</b>

Grant Balance As of: \_\_\_\_\_

**Authorized Signatures**

Project Director \_\_\_\_\_

Project Accountant \_\_\_\_\_



**ATTACHMENT 3 TO GRANT AGREEMENT  
Program Description**

**Attachment 3  
Grant Number: UNAGxx-xxx**

**Program Description**  
Name of Organization.

**I. Expected Deliverables**

<b>Deliverables</b>
Description of Expected Deliverables

**II. The Scope of Work**

<b>Scope of Work</b>
Description of Scope of Work

**III. Responsibilities**

<b>Duties and Responsibilities</b>
Description of Grantee Responsibilities under this Grant

*Note: Any revisions to this attachment must be approved by UNAG in advance.*

**ATTACHMENT 4 TO GRANT AGREEMENT**

Summary of Legal Requirements Regarding the Management of United Nations Association of Georgia Grants Financed With US Government Funds

**Attachment 4**

Summary of Legal Requirements Regarding the Management of United Nations Association of Georgia Grants Financed With US Government Funds

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(Organization Name)

Grant number: UNAGxx-xxx

**Allowability of Costs**

Allowability of UNAG grant costs are determined in large part in accordance with the cost principles detailed in the US Government Office of Management and Budget Circular A-122 described below (full version may be found at: <http://www.whitehouse.gov/omb/circulars/a122/a122.html>). All grant costs must be allowable, reasonable and allocable. All grant costs must also meet the requirements of local legislation. In addition, the UNAG may impose additional requirements, also noted below.

Allowable grant costs must meet the following general criteria:

- Reasonable for the performance of the project
- Conform to all grant agreement provisions
- Be consistent with policies and procedures that apply uniformly to both UNAG-sponsored and other activities of the Grantee
- Be adequately documented

Reasonable costs do 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 is given to:

- Whether the cost is generally recognized as ordinary and necessary for the performance of project activities
- The restraints or requirements imposed by such factors as generally accepted sound business practices, local laws and regulations, and terms and conditions of this grant agreement
- Whether the organization acted with prudence in the circumstances, considering its responsibilities to the its members, employees, clients, and the public at large
- Significant deviations from the established practices of the organization that may unjustifiably increase the project costs

Allocable costs are particular costs identified in the grant budget and relative to the benefits received.

**Salaries and Wages**

Salaries must be based on documented payrolls approved by a responsible official of the organization. Timesheets should be maintained for each employee whose salary is charged to the grant. Salaries and wages to individual employees must be reasonable for the services rendered and conform to the established policy of the Grantee consistently applied to grant and non-grant activities.

The United Nations Association of Georgia is a nonprofit organization. Accordingly, the UNAG grants may not result in private inurement. Private inurement occurs when a person in an organization receives more than fair market value for goods or services provided. While it is perfectly acceptable to compensate employees for their work under a grant, excessive compensation or distribution of profits to individual employees or shareholders is unallowable

**Benefits, Allowances and Taxes**

Employee fringe benefits (vacation, sick leave, insurance, pension costs, etc.) are allowable provided the benefits are paid in accordance with the grantee's established written policies. According to the United Nations Association of Georgia's policy employee fringe benefits are allowable provided that the benefits are paid in accordance with the local legislation. The portion of fringe benefits paid with UNAG grant funds should be in proportion to the amount of time or effort actually devoted to UNAG activities. Supporting documentation should include payroll records, insurance policies, and approved pension plan agreements. Taxes from which exemptions are available to the Grantee directly or indirectly are unallowable.

**Contractual Services**

Items such as temporary personnel services, translation services, rented or leased equipment, audit and legal fees, and accounting services (if performed by an outside contractor) are examples of contractual services. Officers and employees of the organization may not be paid for contractual services. All payments for services performed by officers and employees should be made under the budget category "Salaries."

Support for contractual services would typically consist of a written contract, and an invoice or receipt which would indicate which services have been performed and the basis for payment (rate per hour, day, page, etc.), delivery-acceptance act. The UNAG requires prior written approval for subcontracts of \$500 and more.

**Travel and Per Diem**

Travel must be directly related to grant activities. Travel must generally be in economy class. All air transportation must be ticketed by U.S. flag carriers (U.S. owned airlines) when such service is available. Lower cost is not an acceptable reason for using a non U.S. carrier. In all cases where a non U.S. carrier flight is used, the grantee should prepare supporting documentation supporting the use of a non U.S. air carrier.

Reasonable travel costs, including transportation, lodging, subsistence, and related items are allowable. Receipts are not required for meals while traveling if the traveler is being reimbursed on a per diem basis in lieu of actual expenses. Please consult with local grant management officer regarding allowable per diem rates. Costs of foreign travel costs are unallowable without prior written approval of the UNAG.

**Space and Utilities**

Reasonable expenses for rent or lease of facilities for grant related activities and other related expenses such as maintenance, repairs and alterations are allowable. Supporting documentation for rent payments would typically consist of a lease agreement, while supporting documentation for utilities would consist of an invoice.

**Communications and Postage**

Costs incurred for telephone services, local and long distance calls and facsimile charges, telex, telegrams, and similar costs related to implementation of the project objectives are allowable. Supporting documentation for communication and postage expenses would consist of an invoice and/or receipt.

**Supplies and Equipment**

A piece of nonexpendable equipment is defined as an individual unit having a useful life of more than one year and an acquisition cost of \$5,000 or more. Purchase of nonexpendable equipment requires prior UNAG approval. The cost of shipping equipment or supplies is allowable and should usually be accounted for in conjunction with the purchase of such items. All airfreight shipments paid with grant funds must be on US flag carriers when service is available. Support documentation for supplies and equipment would consist of an invoice and/or a receipt. The UNAG requires prior written approval for equipment purchases of \$500 and more.

**Intellectual Property**

Royalties on a patent or copyright necessary for the proper performance of the grant are allowable when the patent or copyright is legally obtained in accordance with local and international law.

**Advertising and Public Relations Costs**

Allowable advertising and public relations costs include:

- Costs specifically required by the grant
- The recruitment of Grantee personnel required to meet grant obligations
- The procurement of goods and services for the performance of the grant, with prior written approval from the UNAG
- Costs of communicating with the public and press regarding specific activities or accomplishments which result from project performance, with prior written approval from the UNAG

Unallowable advertising and public relations costs include:

- Costs, including salaries, meetings or other events, related to fundraising activities
- Costs of promotional items and memorabilia, including gifts and souvenirs
- Costs of advertising and public relations designed solely to promote the organization

**Selling and Marketing**

Costs of selling and marketing any Grantee products or services (unless allowed under public relations costs) are unallowable without prior written approval of the UNAG.

**Other Direct Costs**

- **Printing and Publishing:** If grant funds are used to underwrite the cost of printing or publishing materials offered for sale, the grantee must account for sales revenue and/or royalties. All revenues are treated as program income and must be reinvested into the grant project.
- **Meetings and Conferences:** All costs should be itemized (e.g., room rental, food, audiovisual equipment, transportation) and documented with (1) receipts, (2) an explanation of the purpose and location of the function, and (3) a list of the names and affiliations of participating individuals.
- **Reference Materials:** Reference materials include costs for subscriptions, etc.
- **Bank Service Charges:** Bank service charges are allowable when required for grant-related activities.

**Other Unallowable Costs**

In addition to the above mentioned the following costs are unallowable:

- Activities outside the approved purpose and project objectives or budget for the grant
- Costs incurred before or after the official grant period
- Advances or loans of grant funds to any other entity prior to the execution of a UNAG approved written subagreement or subcontract
- Activities prohibited under the grant
- Entertainment; amusement; diversion; social activities; ceremonials and related costs including meals, lodging, rentals, transportation and gratuities
- Contributions and donations to individuals or organizations
- Gifts, gratuities, fines, alcoholic beverages, and tobacco
- Bad debts, related collection and legal costs associated with the recovery of the debt.
- Fines or penalties resulting from violations of or failure to comply with Federal, State, and local laws and regulations
- Interest on borrowed funds; costs of fund raising, including financial campaigns, UNAG drives, solicitation of gifts and bequests, and similar expenses
- Purchase of real property (land and land improvements such as buildings and structures) without prior written UNAG approval
- Depreciation or use allowance on equipment or facilities purchased with funds provided under this or a previous UNAG grant
- Retainer fees, unless supported by documentation of actual services rendered
- The estimated cost of services or goods donated by others for grant-related activities may not be charged to the grant; all costs must be for expenditures actually incurred

- Lobbying of the US government
- Restricted or ineligible goods or services as defined by US Government regulations

### Procurement Standards

The procurement provisions described below originate from Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients (<http://www.usaid.gov/policy/ads/300/303mab.pdf>.) and other USAID imposed restrictions. The grantee may use its own written procurement policies and procedures for purchasing supplies, equipment, and services with grant funds provided that each procurement transaction is conducted in a manner to provide, to the maximum extent practical, open and free competition. In addition, the grantee's procurement policy and procedures must include the following minimum requirements:

- The grantee must establish procedures to avoid purchasing unnecessary or duplicative items.
- Requests for price quotations or bids (solicitations) issued by the grantee must clearly describe all requirements that the vendor must fulfill for his bid to be considered by the grantee.
- The grantee must conduct some form of price and cost analysis in connection with every procurement transaction. Price analysis includes the comparison of price quotations, market prices, etc. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.
- The Grantee shall select the vendor whose offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered.

### Ineligible And Restricted Goods And Services

Ineligible Goods and Services: Under no circumstances may the grantee purchase any of the following with grant funds:

- Military equipment
- Surveillance equipment
- Commodities and services for support of police or other law enforcement activities
- Abortion equipment and services
- Luxury goods and gambling equipment
- Weather modification equipment

Ineligible Suppliers: The Grantee may not procure goods or services furnished by any organizations or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs" (information on these organizations and individuals may be found at <http://epls.arnet.gov/>.)

Restricted Goods: The grantee may not procure any of the following goods and services without the prior written authorization of the UNAG:

- Agricultural commodities
- Motor vehicles
- Pharmaceuticals
- Pesticides
- Rubber compounding chemicals and plasticizers
- Used equipment costing over \$5,000 per unit
- US government owned excess property
- Fertilizer

### Source, Origin, and Nationality

All goods and services bought with grant funds shall be made in, purchased in, and shipped from countries that comprise the authorized geographic code 000 (US) and 110 (NIS).