

**2 FAM 650**  
**STANDARD PROVISIONS OF THE**  
**GRANT UNDER THE MUTUAL**  
**EDUCATIONAL AND CULTURAL**  
**EXCHANGE ACT OF 1961, AS AMENDED**

*(TL:GEN-288; 01-31-1994)*

**2 FAM 651 GRANT DEFINITIONS**

*(TL:GEN-288; 01-31-1994)*

*(Uniform State/USAID/USIA)*

a. As used throughout the Grant, and the Standard Provisions of the Grant, the following terms shall have the meanings as follows.

b. "Agreement," see "Grant."

c. "Department" as used herein means the United States Department of State.

d. "Direct costs" refers to any cost which can be identified specifically with a particular purpose of the Grant.

e. "Educational supplies and equipment" as used herein shall be in accordance with those set out in 4 FAM 090 and 6 FAM 221.5-3 under the headings of Expendable and Non-Expendable Personal Property.

f. Foreign Affairs Manual (FAM) refers to the official regulations of the Department.

g. "Government" as used herein means the Government of the United States of America.

h. "Grant," "this grant," "agreement," and "this agreement" refer to the signed Federal Assistance Award Form (DS-1909) to which the

Budget/Purposes and the Standard Provisions are attached.

i. "Grantee" refers to an elementary or secondary school overseas and a U.S. educational institution which qualifies for assistance pursuant to the criteria stated in the Foreign Affairs Manual Volume 2.

j. "Obligation" is defined as a valid claim against the Grantee (recipient of the grant) resulting from action by an authorized official pursuant to orders placed, contracts awarded, services issued, and similar transactions payable.

k. "Office-of-Overseas Schools (A/OPR/OS)" refers to the Office in the Department which is responsible for administering the overseas schools programs of the Department, the U.S. Agency for International Development (USAID) and the United States Information Agency (USIA).

l. "Post" as used herein means a Foreign Service establishment in a country in which representation of the United States Department of State is maintained.

## **2 FAM 652 GRANT ARTICLE I—LIAISON**

*(TL:GEN-288; 01-31-1994)*  
*(Uniform State/USAID/USIA)*

All liaison with the Government relative to the rights and responsibilities incurred by virtue of this Grant shall be through the post with the Office of Overseas Schools (A/OPR/OS) of the Department.

## **2 FAM 653 GRANT ARTICLE II— PERFORMANCE**

*(TL:GEN-288; 01-31-1994)*  
*(Uniform State/USAID/USIA)*

a. The Grantee certifies that the Grantee has the capability to plan, organize, and make all the arrangements necessary to carry out the educational activities and projects in connection with the Grant.

b. The Grantee certifies that adequate progress can be made to initiate the obligation of each line item specified in this Grant no later than the academic year following the fiscal year in which the funds are granted by the Government.

c. The Grantee agrees, as a condition of receiving this Grant, to accept as students, at no more than the school's normal tuition rates, all dependent children of U.S. citizens engaged in carrying out Government activities who request admission and are able to meet the school's standards of admission. Nevertheless, the school must continue to enroll a substantial number of nationals of countries other than the United States.

d. The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, the Government shall have the right to

annul this agreement without liability or in its discretion to deduct from the amount of the Grant or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

e. The Grantee shall not, except with the consent of the post and the Department (A/OPR/OS), transfer or assign any part of the sum made available, hereby to another individual, institution, or organization for the performance of the functions, duties, or obligations assumed herein by the Grantee.

f. The Grantee agrees that in connection with transportation paid for with funds made available under this agreement, all travel will normally be performed in accordance with Federal Travel Regulations. In extenuating circumstances which must be justified in writing by the Grantee, travel may be performed as specifically authorized in advance by the Department (A/OPR/OS). The Grantee shall ensure the use of United States Flag airlines unless they are not available or their use is not feasible, and such funds may be used only to provide less than first-class accommodations except as provided for in 6 FAM 146.3, as amended from time to time.

g. The funds provided pursuant to this Grant shall be disbursed by the embassy through reimbursement for direct costs incurred (excluding any of the Grantee's overhead expenses) by the Grantee in carrying out the aforementioned approved purposes, and within the maximum time limitation set forth in Article I of the Grant. Reimbursement will be limited to direct costs for which obligations for said purposes are incurred by the Grantee from and after the effective date of this Grant. No indirect costs will be reimbursed under this Grant.

h. In the event that the time prescribed should prove insufficient for the grantee to perform the purposes listed in the Budget/Purposes Attachment of the grant, A/OPR/OS, upon the request from the school and concurrence by the post, may amend the grant to extend the period of the agreement. The grantee is responsible for ensuring that requests for extension of periods of the grant are submitted to the post sufficiently prior to the expiration date shown in section 9 "Award Period" of the Federal Assistance Award Form (DS-1909) to allow for processing by the post and A/OPR/OS. Extension will be effective on the date the appropriate school official signs the Amendment to Federal Assistance Award Form (DS-1909A) which A/OPR/OS has prepared and sent to post.

i. If the Grantee fails to abide by any of the conditions set forth in this agreement or if the Government deems it in the best interest of the United States to terminate this agreement, the Government may so terminate it by giving the Grantee no less than ten days' notice in writing, except in case of emergencies. In the event that this agreement is terminated, the Grantee shall immediately terminate any contracts or other obligations which it may have entered into and shall return to the Government any balance of funds received

from the Government which is unused and found to be unnecessary to liquidate outstanding obligations.

j. Nothing contained in this agreement shall be construed as creating a contractual relationship between the Government and any person, contractor, or subcontractor employed or retained by the Grantee.

k. The Grantee agrees to maintain a responsibly-governed institution which is organized in accordance with accepted practices for schools of its type, with final authority over policy, finances, and other fundamental aspects of administration duly vested in a competent board of responsible persons, including representation by United States citizens.

l. The Grantee, through the exercise of sound management and fiscal policies by its governing body, agrees to follow financial policies which give reasonable certainty that the school will be capable of sustaining operations out of tuition or other school income. The Grantee shall have performed an annual audit of the books and records pertaining to Government grants, including a determination that the funds granted by this agreement have been expended in conformance with the agreement provisions. Such an audit may be performed by:

- (1) A local auditing firm;
- (2) A qualified accountant or accountants on the administrative staff at post; or
- (3) Such other qualified accountant personnel as may be approved by the post.

The Grantee shall provide a copy of said audit to the Department (A/OPR/OS).

m. The Grantee agrees to endeavor to offer a well-rounded program of studies in which instruction is provided in the English language, and will endeavor to maintain teacher and academic standards which approximate in quality those in comparable public elementary and/or secondary schools in the United States.

n. The Grantee agrees to offer the type of curriculum and instruction which will reflect United States theory and practice in education to the most reasonable extent practicable in consideration of:

- (1) The location abroad;
- (2) Local laws and regulations; and
- (3) The needs of the student body as a whole.

o. The Grantee agrees that, when U.S. citizens are considered for employment, the Grantee will not discriminate against any employee or applicant, because of race, color, religion, sex, national origin, or mental or physical handicap. The Grantee agrees to take affirmative action to ensure that such persons are treated without regard to their race, color, religion, sex, national origin, or mental or physical handicap.

p. The Grantee agrees that none of the funds made available by this agreement will be used for the transportation of dependents of persons performing services in connection with this Grant.

## **2 FAM 654 GRANT ARTICLE III—PAYMENT**

*(TL:GEN-288; 01-31-1994)*  
*(Uniform State/USAID/USIA)*

a. Except as provided for in paragraph b, below, reimbursement of expenditures incurred pursuant to this Grant shall be effected through the presentation by the Grantee to the post certifying officer on a disbursing office voucher, Form OF-206, Purchase Order, Receiving Report and Voucher, in triplicate, listing the expenditures for which reimbursement is claimed, accompanied by supporting documentation.

b. The Grantee must submit vouchers for the reimbursement of funds expended pursuant to the grant no later than six (6) months from the expiration date of the grant.

c. The post, upon request of the Grantee, may make an advance of an amount, not to exceed two months' estimated costs, subject to the Grantee's furnishing a blanket fidelity bond or other security acceptable to the post and the Department. The Grantee will submit to the post certifying officer Form OF-206, Purchase Order, Receiving Report and Voucher, in four copies, properly executed, requesting an advance of funds. Thereafter, the post will reimburse the Grantee, upon receipt of a properly documented request, an amount equal to reported expenditures, in order to replenish the advance fund on an imprest basis, until such time as the total of reimbursements effected, added to the initial advance, equals the amount of the Grant stated. Thereafter, vouchers for expenditures submitted by the Grantee will not be reimbursed but will be applied to liquidate the remaining outstanding advance. In the event that the total amount of subsequent vouchers is insufficient to liquidate the amount of the outstanding advance, the Grantee will refund the difference to the Government.

## **2 FAM 655 GRANT ARTICLE IV—FINANCIAL ACCOUNTABILITY AND REPORTING**

*(TL:GEN-288; 01-31-1994)*  
*(Uniform State/USAID/USIA)*

a. The Grantee shall, where practicable, maintain one bank account for all advanced funds provided under Government grants, regardless of the authority under which the funds are granted. The Grantee shall, however, maintain a separate accounting record for each Grant. The Grantee shall not commingle advanced Government grant funds or accounts with those of any other of its operations.

b. The Grantee agrees not to furnish, advance, lend, pledge, or otherwise divert Grant funds, credit, or property made available by the Government to other operations of the Grantee or other persons or institutions except as approved in advance by the post and the Department (A/OPR/OS).

c. The Grantee agrees that the post, Department (A/OPR/OS), or the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to and the right to examine any books, documents, papers, and records of the Grantee pertaining to the purposes of this Grant during of this agreement. Furthermore, the Grantee shall maintain such records until the expiration of three (3) years after final or terminal payment under this agreement and during this period the post, Department, or the Comptroller General of the United States shall have access to and the right to examine such records.

d. Within the total amount specified in this Grant, the individual line items set forth in the Budget/Purposes section may be increased or decreased in such a way as not to change any of the amounts set forth by more than twenty percent (20%), and only after the written approval of the post is received by the Grantee; the post shall send one copy of such approval to the Department (A/OPR/OS). If percentage changes greater than twenty percent (20%) are required, the Grantee shall obtain the prior written approval of the Department (A/OPR/OS). In no event, however, may the total amount of the Grant be exceeded. Following the request of the school, post concurrence, and A/OPR/OS approval, A/OPR/OS will prepare an amendment document (DS-1909A) to modify the amounts of the line items. A/OPR/OS will prepare, sign, and forward to post four (4) copies of the DS-1909A. The post will obtain the signature of the appropriate school official, return one copy to A/OPR/OS, and distribute the remaining copies in accordance with 2 FAM 615.1-6.

e. The purposes described in the Budget/Purposes Attachment to the Grant, cannot be changed unless approved in advance by the Department (A/OPR/OS). Under no circumstances can a new purpose be added to the Grant after the end of the fiscal year in which the funds are obligated by the Government.

f. In the event any of the funds advanced by the post to the Grantee are not obligated by the termination date of this agreement, such funds shall be

returned by the Grantee to the Government, except as provided for in Article II, paragraph h, above.

g. In the event that interest or other income is earned on funds made available to the Grantee pursuant to this agreement, such interest or other income shall become the property of the Government and shall be paid promptly to the Government. Such interest or other income shall not be used by the Grantee for additional services under this or any other agreement.

h. When dollar funds provided under this Grant are to be converted to local currency before disbursement to the Grantee, as determined by the post, such conversion shall be made by the appropriate post disbursing officer.

i. The Grantee shall not receive U.S. dollars for carrying out the purposes of this agreement in any country in which the post disbursing officer holds foreign currencies in excess of the needs of the Government, except where U.S. dollars are required to carry out the purposes of the Grant. The Grantee shall receive all such currencies solely from the post disbursing officer at the rate of exchange used by such officer at the time of disbursement.

j. To the extent that the Grantee expends funds provided by this Grant for purposes not authorized by the Grant as determined by the Government, it shall promptly refund or pay to the Government funds equal to such unauthorized expenditures.

k. In the event the Grantee must liquidate its operation and is unable to carry out any of the purposes of this Grant, all unexpended balances of funds made available by the Government under the Grant shall be returned to the Government and all nonexpendable personal and real property procured or otherwise acquired by the Grantee with funds made available by the Government under the Grant will become the property of the Government, or will be disposed of in a manner mutually agreed to by the Government and the Grantee.

l. The Grantee shall submit the following report, in such form as prescribed in section 2 FAM 624, as amended from time to time, to the post for transmittal to the Department (A/OPR/OS):

(1) Semi-annual financial reports (JF-61), no later than thirty (30) days after October 31, and April 30.

(2) A final financial report (JF-61), no later than ninety (90) days after completion of the Grant.

## **2 FAM 656 THROUGH 659 UNASSIGNED**