



NOTES -- Partners' Day: *Working with USAID*

Session Title: Requirements of New Partners

Date: December 1, 2015

Time & Location: 1:15 p.m. – 2:15 p.m. Ronald Reagan Building Atrium Ballroom A

Presenters:

- Amy McQuade, Foreign Service Contracting and Agreement Officer, USAID/M/OAA
- Thao Tran, Financial Management Officer, USAID/M/CFO
- Carol Yee, Chief Operating Officer, Kanava International

Purpose of the Session:

The purpose of this session is to familiarize new partners with the various requirements for receiving USAID funds, including System for Award Management (SAM) registration, Dun & Bradstreet's Data Universal Numbering System (D&B's DUNS) registration, and financial statements and reporting requirements.

Discussion Topics and Questions:

Federal Award Systems

- All prime awardees must have active registrations in all three free-of-charge systems below:
 1. D&B's DUNS
 2. NATO's CAGE (U.S.-based) or NCAGE (Non-U.S.-based) Code
 3. SAM (not required for subcontractors/sub-recipients)
- There are limited exceptions to registration, including awards to individuals, other federal agencies, or awards less than \$25K to foreign recipients.
- Step-by-step screenshots for DUNS, CAGE/NCAGE and SAM were presented.
- SAM is a consolidated system of eight prior systems and requires a DUNS, TIN, CAGE or NCAGE Code, and electronic funds transfer (EFT) information.
- SAM requires updated registration annually and takes about four days for IRS to match TIN to entity and CAGE Code. Partners should allow up to 10 business days for processing.
- The Federal Service Desk is available to help new registrants at www.fsd.gov.

Pre-Award Surveys

- A preaward survey is requested when the Contracting/Agreement Officer does not have sufficient information to make a determination regarding the offeror's responsibility.
- Requirements vary according to whether the award is Acquisition vs Assistance and whether the implementing partner is a US or non-US organization.
- Guidelines for Acquisition:
 - Preaward surveys should normally not be requested if the contract will be \$25,000 or less or will be a fixed price contract of \$100,000 or less for commercial products.
 - The pre-award survey for acquisition assesses the financial competence and suitability of a potential awardee for administering the proposed contract.
 - Standard Form 1403 is used for Pre-Award Surveys of Prospective Contractor for acquisitions.
 - Prime contractors are typically responsible for determining responsibility of their prospective subcontractors.
- Guidelines for Assistance:



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- Pre-award surveys for assistance are defined by Category A, B, or C based on the level of potential risk to USAID.
- A detailed analysis is conducted to examine the adequacy of accounting, internal controls, record-keeping financial, and other recipient systems.
- USAID may incorporate special conditions into awards based on the need to minimize risk.

Financial Systems

- Can be broken down into accounting systems and administrative systems
- Major components of financial management include accounting records, financial planning, monitoring and internal controls.

Financial Reports

- Common reports include the Annual Financial Audit, Annual Foreign Tax Report, Advance and Expense Requests/Reports, and Quarterly Financial Reports.
- Specific reports, frequency, and submission dates are specified in USAID award documents.
- Work with USAID's Office of Financial Management to ensure adequate documentation.

Entering the USAID Market

- A partner must gain credibility with USAID to receive prime awards and transfer domestic corporate capabilities to an international development perspective.
- USAID is a unique federal agency with specific differences from other federal agencies.
- New partners should understand how USAID is organized and familiarize themselves with USAID-specific policy and regulation.

Challenges Operating Overseas and Best Practices

- You must know and adhere to local labor laws.
- The applicability of the Fly America Act, Defense Base Act Insurance, and Medical Evacuation Insurance on USAID projects.
- Managing quality products across many time zones is challenging.
- Subcontractors have three clients: the prime contractor, USAID, and the beneficiaries.
- Security issues (both physical and IT) can be a major challenge.
- Actively listen to various clients and manage expectations in both the field and home office.
- Network to get to know the various players and introduce your firm's great solutions.
- Be creative and flexible and persevere as barriers to entry may be daunting.

Questions:

Q1. Is there a specific system potential partners need to purchase to be compliant with USAID's requirements?

A1. No, USAID does not require a specific system. USAID looks at the potential awardee's systems without regard for a specific software. DCAA does not advocate any specific software system.

Q2. Does USAID maintain a database for new partners to meet prime awardees?

A2. No, but there are opportunities like today to network. Member organizations like SBAIC, Inside NGO and SBAIC have a databases to identify potential partners. All USAID award information is available at www.usaspending.gov and USAID regularly publishes reports on many of its projects.

Q3. How do you take domestic capabilities and transfer them to an international setting?



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A3. Read about the types of projects and solutions that USAID is implementing and look at what you do as a firm that can potential benefit USAID's programs.