



USAID
FROM THE AMERICAN PEOPLE

Resources for Implementing Partners

Is USAID approval required

_____ for a prime recipient of a _____
USAID assistance award

to issue a contract?



WHAT IS A CONTRACT?

A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward.

Source: 2 CFR 200.22

WHAT IS A SUBAWARD?

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program award or subaward.

Source: 2 CFR 200.92

U.S. NGO

VS.

Non-U.S. NGO

Is USAID approval required?

Yes, USAID AO approval is needed either during the negotiation/award process or through separate approval during the award implementation phase.

This does not apply to the purchase of supplies, material, equipment, or general support services.*

Yes, USAID AO approval is needed either during the negotiation/award process or through separate approval during the award implementation phase.

This does not apply to the acquisition of supplies, material, equipment or general support services.*

What is the source of the approval requirement?

2 CFR 200.308 Revision of budget and program plans.

Mandatory Non-U.S. NGO Standard Provision M3. AMENDMENT OF AWARD AND REVISION OF BUDGET.

What standards apply?

Must adhere to Procurement Standards in 2 CFR 200.317-326 including use of competition (2 CFR 200.319) and required methods of procurement (2 CFR 200.320).

Per 2 CFR 200.324, USAID may review recipient procurement specifications to ensure item being procured is accurately described.

Per 2 CFR 200.326, USAID may review recipient procurement documents (e.g., solicitations, awards) under certain conditions.

Must adhere to procurement standards in Non-U.S. NGO Mandatory Standard Provision M5. Procurement Policies.

Must retain all procurement records in accordance with Non-U.S. NGO Mandatory Standard Provision M2. Accounting, Audit and Records and make such records available to USAID upon request.

In addition, for awards above the recipient's micro-purchase threshold, the recipient must also retain the following written documentation:
(i) Basis for contractor selection;
(ii) Justification for lack of competition when competitive bids or offers aren't obtained; and
(iii) Basis for award cost or price.

**equipment (non-expendable items with a useful life of 1 year or more and a unit cost at purchase of \$5k or more) requires approval under the cost principles – not to be confused with subaward/contracting approvals.*



USAID does not need to see detailed procurement documentation unless the AO has a reason to believe that the recipient is NOT adhering to the applicable procurement standards or such review is required as part of "specific award conditions."



Where Can I Learn More?

U.S. NGO

2 CFR 200.308 Revision of budget and program plans
2 CFR 200.317-326 Procurement Standards

Non-U.S. NGO

Non-U.S. NGO Mandatory Standard Provision M2. ACCOUNTING,
AUDITS AND RECORDS (December 2012)

Non-U.S. NGO Mandatory Standard Provision M3. AMENDMENT OF
AWARD AND REVISION OF BUDGET (AUGUST 2013)

Non-U.S. NGO Mandatory Standard Provision M.5. PROCUREMENT
POLICIES (JUNE 2012)