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**Subject:** Request for Applications (RFA) Number RFA-FSR-002  
Expanding Access to Factoring Financing for Ukrainian Micro-, Small and Medium Enterprises (MSMEs) for Economic Recovery

**Reference:** Issued Under Financial Sector Reform Activity USAID Contract No. 72012122C00002

The USAID Financial Sector Reform (FSR) Activity, implemented by DAI Global LLC, is a five-year program (2022-2027) that supports long term systemic changes in Ukraine's economy by transforming the country's financial sector into a more modern, well-functioning, competitive market that is aligned with European Union and international standards. Interventions funded by FSR are implemented in collaboration with Government of Ukraine financial sector authorities and regulators, the Ministry of Economy, banks and non-bank financial companies, and with business and civil society organizations. FSR coordinates its activities with international financial institutions including the U.S. Development Finance Corporation, the World Bank, multilateral and bilateral lenders and donors, and financial sector standards-setting bodies. FSR is currently focused on stabilizing the Ukrainian financial sector and developing programs to support financing for micro, small, and medium-size enterprises (MSMEs) for economic recovery.

### **Brief Statement of Purpose**

The primary purpose of the proposed grant activity is to enhance development and efficiency of factoring services for Ukrainian MSMEs, increase short-term financing to MSMEs and in turn increase MSMEs' sales, revenue and job creation.

Factoring is a useful instrument for MSMEs to get immediate cash for operations by selling accounts receivable to factors (i.e., banks, finance companies, fintechs). This, in turn, improves cash flow and permits MSMEs to access funds when waiting on unpaid invoices. Factoring helps businesses increase sales by increasing working capital to meet immediate financial obligations and invest in growth opportunities. This financing instrument offers flexible funding, pricing, and terms. Normally, it does not require either collateral or insurance and does not create debt on a MSME's balance sheet. Factoring also offloads the responsibility for collecting payments to factors and reduces MSME's risk of delays and defaults on accounts receivables.

Despite the benefits of factoring, Ukraine's adoption of this mechanism is limited, accounting for 0.25% of GDP before the war and 0.1% of GDP in 2022. In comparison, factoring ranged from 2.5% to 15% of GDP in Ukraine's neighboring countries (Poland – 15%, Estonia – 10,8%, Slovakia – 2,7%, Hungary - 7,1%) in 2022. Based on FSR analysis, there are 13 banks actively engaged in providing factoring with a total banking factoring portfolio of UAH 3.1 billion. It is noteworthy that one of these banks holds a dominant position, contributing more than 50% of the total factoring market volume. The situation regarding non-banking financial institutions (NBFIs) offering factoring for MSMEs is more limited with only three NBFIs actively providing factoring services to MSMEs.

Recently, the Government of Ukraine approved the "Affordable Factoring Program" to stimulate factoring market development. The program provides interest rate compensation of up to 13% per annum for MSMEs that use factoring. The Business Development Fund is the operator of the Program through authorized partner-banks.

The following are the main challenges that constrain factoring market development in Ukraine:

#### 1. High cost of factoring financing.

Currently, the cost of factoring is high for MSMEs. Banks charge up to the equivalent of 21% per annum, non-banks charge up to 53% per annum. Consequently, MSMEs turn to traditional loans to bridge financial gaps. Most MSMEs use 5-7-9% program loans with interest rates resulting in an annual interest rate of 13%, plus an additional 1% bank commission. To make factoring a more attractive option, especially for extended periods (60+ days), it is crucial to bring down the cost of factoring in comparison to other credit resources.

2. Restricted access to MSMEs.

Many bank factors restrict their services to clients who are already banking customers with established credit limits rather than attracting new MSMEs as clients for factors.

3. Lack of client-friendly procedures.

Banks and non-banks frequently highlight the need to simplify the use of factoring services for clients, standardization of internal procedures, and the enhancement of their operational capacity for more efficient factoring accounting and disbursement.

4. Limited Awareness and Underutilization.

Neither suppliers (MSMEs) nor buyers (mostly big companies) are familiar with how factoring works or the benefits. The low awareness of factoring has contributed to the lack of utilization of factoring. The lack of utilization limits the potential financial benefits for MSMEs and limits the volume of overall business-to-business economic transactions in Ukraine.

5. Large Retailers Restrictions.

Some retailers deliberately limit suppliers' use of factoring to avoid professional factors engaging in payment collection. In some cases, purchase orders and contracts place a ban on the assignment of monetary claims to factors. For non-compliance, they impose fines on suppliers and may even "remove supplier's goods from the shelves". This allows them to use their market power to delay payments to MSMEs.

The goal of this RFA is to increase MSME revenues, and jobs. Grants implemented under this RFA are expected to contribute to economic growth by achieving the following objectives:

1. Make factoring a more attractive choice for MSMEs facing working capital shortages, leading to sales increase and new jobs creation. This will free-up capital for MSMEs locked in invoices by offering grant support to scale factoring services.

2. Boost the number of factoring transactions involving MSMEs that have not previously engaged with factoring services and provide more appropriate terms and conditions to encourage greater use of factoring.

3. Support solutions that would improve operational efficiency of factors and simplify the use of factoring for the clients. This should result in faster transaction processing, reduced administrative costs, and a smoother experience for MSMEs in working capital expansion and business growth.

4. Enhance awareness and understanding of factoring within the MSME community, ultimately leading to increased utilization of factoring services by MSMEs seeking to expand their working capital, profits, and business.

Please refer to Section D – Program Description for a complete statement of goals and expected results.

Pursuant to 2 CFR 700.13, it is USAID policy not to award profit under assistance instruments such as grant awards. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (2 CFR 200 Subpart E for all US-based and for non-US based non-profit organizations, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations), may be paid under the grant.

For non-US organizations, the Standard Provisions for Non-US Nongovernmental Recipients will apply. See Annex 8 for Standard Provisions.

The expected duration of DAI support or the period of performance of the grant is approximately 12 months. The funds amount per grantee may be up to USD 1 million. Shorter and longer durations may be considered on a case-by-case basis. DAI may choose to fund the selected application(s) incrementally or fully under this RFA. The number of awards and amount of available funding is subject to change, and DAI reserves the right to (1) fully fund a grant; (2) partially fund a grant or (3) decline to award a grant at any stage of the RFA process for programmatic, environmental, or compliance reasons. DAI reserves the right to fund any or none of the applications submitted. DAI anticipates awarding the following types of grants under this RFA: Fixed Amount Award (FAA), In-Kind Award, a blend of FAA and In-Kind, or a Standard Award based on an applicant's financial and management capacity, which will be determined during a pre-award screening. DAI will require all recipients of awards to provide minimal reporting for up to three years in order to track the medium-term impact of award and report to USAID.

For the purposes of this program, this RFA is being issued and consists of this cover letter and the following:

- Section A – Grant Application Instructions
- Section B – Special Grant Requirements
- Section C – Selection Process
- Section D – Program Description

Annexes:

- Annex 1 – Application Form
- Annex 2 – Workplan Example
- Annex 3 – Budget Information and Budget Notes Instructions
- Annex 4 – Detailed Budget (Excel provided separately)
- Annex 5 – Accounting System and Financial Capability Questionnaire for DAI Grant Recipients
- Annex 6 – CV
- Annex 7 – Application Checklist
- Annex 8 – Mandatory Standard Provisions and Certifications, Assurances, Other Statements of the Recipient
- Annex 9 – Instructions for Obtaining a Unique Entity ID (SAM)- DAI’S Vendors, Subcontractors and Grantees
- Annex 10 – Self Certification for Exemption from Unique Entity ID (SAM) Requirement

Applications must be submitted to DAI via e-mail to [FSR\\_Applications@dai.com](mailto:FSR_Applications@dai.com) not later than 23:59 Kyiv time on **December 29, 2023**. Applications and Annexes thereof shall be submitted in pdf (preferred) or other electronic format in English (preferred) and/or Ukrainian. The budget and budget notes must be submitted in English. It is required to write the name of institution, name of the project and number of the RFA in the subject of the e-mail (application without indicated information will not be considered under the evaluation process).

Issuance of this RFA does not constitute an award commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of an application. Further, DAI reserves the right to reject any or all applications received. Applications are submitted at the risk of the applicant. All preparation and submission costs are at the applicant's expense.

Any questions concerning this RFA should be submitted in writing not later than **November 29, 2023**, to the FSR grants department, email address [FSR\\_Applications@dai.com](mailto:FSR_Applications@dai.com) (subject: Question on RFA-FSR-002). Answers to the submitted questions will be published on FSR’s Facebook page no later than **December 6, 2023**.

On **December 1, 2023, at 14:30** USAID FSR staff will hold an online Q&A session regarding this RFA where potential applicants may ask questions and obtain detailed information about the application process. Please register using this [link](#).

Thank you for your interest in the USAID Financial Sector Reform (FSR) Activity.

Sincerely,

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Robert Bond, Chief of Party

**Expanding Access to Factoring Financing for Ukrainian MSMEs for Economic Recovery**  
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## Section A – Grant Application Instructions

### 1. Application Procedure

#### A. Completion and submission of applications

##### **Eligibility Requirements**

This RFA is issued as a public notice to ensure that all interested and qualified applicants have a fair opportunity to submit applications for funding. Eligible organizations could include, but are not limited to, banks, non-bank financial institutions, and other organizations that serve the financial sector in Ukraine. Potential partners that are currently legally registered and operating in Ukraine and that have experience in providing factoring to MSMEs in Ukraine will be given preference. The organizations should also:

1. Be financially sound and sustainable as an organization.
2. Have a clear and properly documented governance and management structure that complies with legal and regulatory requirements.
3. Have an adequate internal audit structure.
4. Present a well-developed technical approach to expanding access to factoring financing for Ukrainian MSMEs.

Organizations excluded from participating in this RFA are as follows:

- Any entity that has been found to have misused USAID funds in the past.
- Political parties, groupings, or institutions or their subsidiaries and affiliates.
- Organizations that advocate or promote anti-democratic policies or illegal activities.
- Faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective for the grant is of a religious nature.
- Any entity included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID.
- Any entity whose name appears in the System of Award Management (SAM) with an active exclusion; appears on the Specially Designated Nationals (SDN) and Blocked Persons List maintained by the U.S. Treasury for the Office of Foreign Assets Control, sometimes referred to as the “OFAC List” (online at: <http://www.treasury.gov/resource-center/sanctions/SDNList/Pages/default.aspx>); listed in the United Nations Security designation list (online at: <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>).
- An organization that refuses to sign all required certifications and assurances.
- Any entity affiliated with DAI Global LLC or any of its directors, officers, or employees.

Grantee Contribution is not required for eligibility purposes; it is, however, encouraged. Grantee Contribution represents the portion of a funded project that the grantee must contribute to share the costs of meeting the objectives of the intervention outlined in the grant agreement. This contribution may be in cash, goods, or services. For instance, the contribution may be in the form of funds from the applicant, other (non-US Government) donors, or third parties directly engaged in the proposed project; it may be the labor of grantee employees or volunteers. Contribution can also include the use of the applicant’s existing facilities or vehicles.

##### **Application Submission Requirements**

- Applications may be submitted only by email to [FSR\\_Applications@dai.com](mailto:FSR_Applications@dai.com). The official name of the applicant, name of the project and number of RFA should be included in the subject line of the email (the application without indicated information will not be considered under the evaluation process).
- Applications must include:
  1. Completed Application Form (Annex 1)
  2. Statement of liability (part of the Application Form, Annex 1)
  3. Completed Workplan in a GANTT chart or other similar format (Annex 2)
  4. Projected Detailed Budget and Budget Notes (Annex 3 and Annex 4)
  5. Completed Financial Capability Questionnaire and attachments (Annex 5)
  6. CVs of all key project team members; CVs of all members of the board, directors or other governing body; legal names and addresses of any shareholder with more than a ten percent share or any controlling ownership in the applicant (Annex 6)
  7. Signed copies of Certifications, Assurances, Other Statements of the Recipient (Annex 8).
  8. Self-Certification for Exemption from Unique Entity ID (SAM) Requirement, if applicable (Annex 10)

## Deadlines

Applications must be received at [FSR\\_Applications@dai.com](mailto:FSR_Applications@dai.com) no later than 23:59 pm Kyiv time on **December 29, 2023**.

## Late Applications

All applications received by the deadline will be reviewed for responsiveness and programmatic merit according to the specifications outlined in these guidelines and the application format. Section C addresses the evaluation procedures for the applications. Applications which are submitted late or are incomplete run the risk of not being considered in the review process.

## B. Preparation Instructions – Technical

**Page Limitation:** Applications should be specific, complete, presented concisely and shall not exceed 15 pages (exclusive of Annexes 2-10).

**Applications submitted in response to this RFA must include the following information:**

- 1. Information about the applicant.** The applicant must provide the following general information:
  - A. Full title of the applicant according to official registration documents and date of establishment.
  - B. Indicate the name, position, and contact details (email, telephone number) of the person responsible for the project.
- 2. The application structure and required information:** The applicant must provide a detailed description of the project, specifying its goal, activities, and results.
- 3. Monitoring (Results and Benchmarks), Controls and Audit:** The applicant should define, to the maximum extent possible at the application stage, results and benchmarks for monitoring the performance towards attainment of program objectives, as well as the internal controls and audit related to the proposed project.
- 4. Personnel.** The applicant should indicate staff member/s that would be assigned to this grant as the main implementer/s from the applicant's side referred to as Key Personnel, for example, Project Manager that also may be a **focal point** for these grant activities: name, title and contact details (email, phone as a must) of the person who is responsible for this grant must be indicated. Each applicant should also provide, as part of their application, detailed curriculum vitae that demonstrate the Key Personnel's ability to perform the duties outlined in the statement of work. DAI will evaluate the CV to determine the individual's knowledge, skills and abilities in the areas listed herein.
- 5. Organizational Capability and Past Performance:** Each application shall include information that demonstrates the applicant's expertise and ability to meet or exceed the goals of this program. Applicants must present evidence of their past experience in the proposed activity. Applicants may include descriptions of previous projects or other similar activities. These references should include three (3) clients/partners/donors' names and telephone numbers and emails who will serve as references.
- 6. Budget:** All proposals must include a completed detailed budget and budget notes; see Annex 3 and Annex 4 for more details. Budget notes shall include a brief justification of the budgeted items and a description of expenditures on equipment, activities, salaries, consultancy remuneration, etc. (for example, purchase of necessary equipment, and/or materials, engaging experts for activity development and execution, training, development of materials, accounting systems, business trips, participation in exhibitions, communication and outreach strategies for the activities, promotion of events, direct operational costs). Although DAI will support organization staff and operating costs that are necessary for reaching project goals, applicants should direct their resources primarily to the costs of project implementation, rather than overall organization operating costs. DAI will negotiate the reasonability and justification of all operational costs within the proposed budget with selected applicants. Applicants need to focus on the tasks and activities listed under Section D of this RFA and the expenses needed by the applicant to execute that scope of work within their detailed budget.
- 7. Other material:** Applicants may also want to submit other material as attachments along with their applications such as letters of reference, newspaper clippings reporting on the organization's activities, brochures, or other promotional material. Attachments should be limited to 5 pages, and they will not be returned to the applicants.

### **C. Preparation Instructions – Financial and Administrative Documentation**

- 1. Completed Budget.** All budget lines must be clearly linked to specific project activities. See attached Annex 4 for the budget form. Supporting information shall be provided, as necessary, in sufficient detail to allow a complete analysis of each cost line item.
- 2. Completed Financial Capability Questionnaire**, which includes:
  - a. Audited Financial Reports: Copy of the applicant's most recent financial report, which has been audited by a certified public accountant or other auditor satisfactory to DAI. If no recent audit, a "Balance Sheet" and "Income Statement" for the most current and previous fiscal year.
  - b. Incorporation Papers or Certificate of Registration and Statute
  - c. Organizational chart with a brief description of organizational structure and each participating department or unit's responsibility
- 3. Documentation that the applicant has the ability to comply with the award conditions**, taking into account all existing and currently prospective commitments of the applicant. The applicant must demonstrate its ability to segregate funds obtained from the award of a grant from other activities of the organization. A separate bank account or the equivalent is required should a grant award be made. (Documentation may include certification from the applicant's bank or a summary of previous awards, including type of funding, value, client, etc.)
- 4. Documentation that the applicant has a satisfactory record of integrity and business ethics.** (Documentation may include references from other donors or clients and a summary of previous awards, including type of funding, value, client, etc.)
- 5. Unique Entity ID (SAM)** - There is a mandatory requirement for the applicant to provide a Unique Entity ID (SAM) to DAI. Without a Unique Entity ID (SAM), DAI cannot deem an applicant to be "responsible" to conduct business with and therefore, DAI will not enter into an agreement with any such organization. The award of a grant resulting from this RFA is contingent upon the winner providing a Unique Entity ID (SAM) to DAI. Organizations who fail to provide a Unique Entity ID (SAM) will not receive an agreement and DAI will select an alternate awardee. All U.S. and foreign organizations which receive a grant with a value of \$25,000 and above are required to obtain a Unique Entity ID (SAM) prior to signing of the agreement. Organizations are exempt from this requirement if the gross income received from all sources in the previous tax year was under \$300,000. DAI requires that grant applicants sign the self-certification statement if the applicant claims exemption for this reason. For those required to obtain a Unique Entity ID (SAM), see Annex 9 - Instructions for Obtaining a Unique Entity ID (SAM). For those not required to obtain a Unique Entity ID (SAM), see Annex 10 – Self Certification for Exemption from Unique Entity ID (SAM) Requirement.

Unique Entity ID (SAM) number submission is not required as part of the application process but will need to be provided before DAI signs a grant agreement.

## Section B - Special Grant Requirements

The applicant shall bear in mind the following special requirements for any grants awarded in response to this RFA:

**Use of Funds:** Funds provided under any grant awarded shall be used exclusively for successful implementation of current activities under the grant. Diversion of grant funds to other uses will result in cancellation of award and retrieval of funds disbursed to the grant recipient. DAI discourages the use of grants to capitalize the recipient or as wholesale funding for factoring. However, funds may be used for expenses incurred in providing factoring services to MSME clients or to offset revenue losses related to discounts, rebates, or other incentives for MSME factoring clients.

**Award Type:** DAI anticipates awarding multiple grants (hereafter called Agreements) to fund successful applications submitted in response to this RFA.

The FSR team completes a pre-award determination process to determine the value, duration, and type of a grant based on the nature of the grant activities and the financial and management capacity of the applicant. The following grant types may be used:

- 1) Fixed Amount Award (FAA) - Payments are made based upon the completion and acceptance of program milestones rather than on receipts. The grantee must present a payment voucher, milestone certificate and evidence of completion for payment.
- 2) In-Kind – FSR procures the goods and services and provides them to the grantee. No cash is given to the grantee. Goods must be tracked until final property title/ownership transfer approval is received.
- 3) Blended Grants - A blended grant is a type of grant issued when an applicant submits a proposal and is selected to receive two different grant types for programmatic reasons (e.g., a determination that project objectives will be advanced through the provision of cash support to an applicant with a highly responsive proposal which will also require the addition of in-kind contributions to ensure overall success), and the two grant types are blended into one. The only two grant types that DAI allows to be blended are a Fixed Amount Award (FAA) and an In-Kind grant.
- 4) Standard Grants – Reimbursement of actual costs based on receipts and financial reports. Appropriate for grantees with strong financial controls.

**Separate Account:** A separate account must be established to house all funds provided under the grant, as well as all interest income.

**Permitted Uses of Program Income:** The Grantee will inform DAI of any program income generated under the grant and agrees to follow USAID's disposition requirements for such program income, which is in accordance with 2 CFR 200.307. Program income earned under this agreement will be disposed in one of the following ways, which will be determined during the award stage:

1. Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives;
2. Used to finance the non-Federal share of the project or program; or
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

### Reporting Procedures:

A description of reporting requirements will be included in the Grant Agreements. The types of reporting required, along with the schedule of reporting, will depend on the grant type and project duration. Reporting forms will be provided to grant recipients. Types of reporting will include the following:

- **Program report** to be submitted during project implementation according to a schedule determined by DAI. This report will include a description of project activities and progress towards meeting the project goal; problems in project implementation; actions taken to overcome them; and plans on how the next phase of the project will be implemented.



- **Data Reports** will be required on a monthly or quarterly basis on a set of indicators that track the volume of finance provided, portfolio performance, and the number of clients for up to three years. Grantees will also be required to collect, and report anonymized data on the MSMEs benefiting as a result of this award.
- **Final program report** will describe how the project objectives and goals were reached, results of the grant including achievement of performance indicators and environmental compliance where applicable, and problems and solutions during implementation; lessons learned; success stories.
- **Financial reports** (depending on the grant type) will describe formal records of the financial activities.

**Project Monitoring:** FSR staff will monitor projects in terms of both programmatic and financial aspects. Grant recipients will be expected to facilitate monitoring by making relevant information available to the FSR staff. This may include but not be limited to beneficiaries' data collections via interviews and surveys, key informant interviews with beneficiaries, monitoring visits, collection of additional information, etc.

**Restrictions:** Unallowable costs are further described in Subpart E-Cost Principles in 2 CFR 200 for non-profit organizations and FAR 31.2 "Cost principles for Commercial Organizations." All costs must be reasonable, allocable, and allowable. FSR grant funds cannot be used for the following:

1. Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities,
2. Surveillance equipment,
3. Equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning,
4. Gambling equipment, supplies for gambling facilities or any hotels, casinos or accommodations in which gambling facilities are or are planned to be located,
5. Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas,
6. Establishment or development of any export processing zone or designated area where the labor, environmental, tax, tariff, and/or safety laws of the country in which such activity takes place would not apply,
7. Pharmaceuticals,
8. Pesticides,
9. Logging equipment,
10. Luxury goods (including alcoholic beverages and jewelry),
11. Establishing or expanding any enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that are likely to cause substantial injury to U.S. producers,
12. Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures,
13. Activities which are likely to have a significant adverse effect on the environment, including any of the following (to the extent such activities are likely to have a significant adverse impact on the environment):
  - a. Activities which may lead to degrading the quality or renewability of natural resources;
  - b. Activities which may lead to degrading the presence or health of threatened ecosystems or biodiversity;
  - c. Activities which may lead to degrading long-term viability of agricultural or forestry production (including through use of pesticides);
  - d. Activities which may lead to degrading community and social systems, including potable water supply, land administration, community health and well-being or social harmony.
14. Activities which are likely to involve the loss of jobs in the United States due to the relocation or expansion outside of the United States of an enterprise located in the United States,
15. Activities which the Grantee is aware are reasonably likely to contribute to the violation of internationally or locally recognized rights of workers,
16. Activities to support the production of agricultural commodities for export from Ukraine when such commodities would directly compete with exports of similar United States agricultural commodities to third countries and have a significant impact on United States exporters,
17. Activities that:
  - a. normally have a significant effect on the environment under §216.2(d)(1) [See [http://www.usaid.gov/our\\_work/environment/compliance/regulations.html](http://www.usaid.gov/our_work/environment/compliance/regulations.html)] (except construction and rehabilitation);

- b. Affect endangered species;
  - c. Provide support to extractive industries (e.g., mining and quarrying);
  - d. Promote timber harvesting;
  - e. Provide support for regulatory permitting;
  - f. Result in privatization of industrial facilities or infrastructure with heavily polluted property;
  - g. Assist the procurement (including payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, clean-up of spray equipment, and disposal) of pesticides or activities involving procurement, transport, use, storage, or disposal of toxic materials--pesticides cover all insecticides, fungicides, rodenticides, etc. covered under the Federal Insecticide, Fungicide, and Rodenticide Act; and/or
  - h. Procure or use genetically modified organisms.
18. Any construction or refurbishment activities. "Construction" means construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms "buildings, structures, or other real property" include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels.

**Other:** Under given RFA, DAI will decide on a type of grant in each case, considering the application specifics, budgeting and potential grantee's capabilities.

**Co-Branding and Co-Marking.** Co-branding and co-marking mean that the program, project, or activity marking represents both USAID and the grantee. All USAID-sponsored assistance awards are required to adhere to branding and marking requirements in accordance with ADS 320. ADS 320 may be found at the following website: [ADS Chapter 320 Branding and Marking](#). The Activity must approve all public communications and program materials produced under this grant before printing or publication.

USAID may grant presumptive exceptions to general marking requirements on a case-by-case basis for grants under contract in accordance with ADS Chapter 320 Section 320.3.2.5. These exceptions are presumptive, not automatic and must seek approval from USAID. The grantee must, therefore, include requests for presumptive exceptions in its co-branding and co-marking plan.

Further, the grantee must not use the USAID Identity on any communications that are strictly administrative, rather than programmatic, in nature. Examples include, but are not limited to, letterheads and business cards. Co-branding and co-marking do not apply to the offices, vehicles, or non-deliverable items of recipients of funding from USAID, such as office supplies used primarily for administration of a USAID-funded program.

## Environmental Procedures

1. The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID's activities on the environment be considered, and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID's Automated Directives System (ADS) Parts 201.5.10g and 204 (<http://www.usaid.gov/policy/ads/200/>), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. i.e.: environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this RFA.
2. The applicant must comply with Ukrainian environmental regulations unless otherwise directed in writing by USAID. In case of conflict between Ukrainian and USAID regulations, USAID regulations will govern.
3. Environmental requirements of this RFA are governed by the USAID Initial Environmental Examination (IEE) DCN: 2021-UKR-033 dated April 29, 2021, and IEE Amendment DCN: 2021-UKR-033-001 dated July 25, 2023. Compliance with this IEE and its amendments is required to fund and implement grant activities, as described below.
4. No activity funded under the grant will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that grant activity. Environmental threshold determinations include:
  - a. Categorical Exclusion (CE).

- b. Negative Determination with Conditions (NDC).
- c. Positive Determination.

For activities that fall under NDC, grantees will be requested to provide documents listed in item 5 below which are necessary for preparation of the USAID E&E Small-Scale Procurement Environmental Review Form (ERF) or Environmental Review Checklist and Environmental Monitoring and Mitigation Plan (ERC/EMMP).

- 5. Facilities used for grant implementation shall comply with the laws of Ukraine. To verify legally permitted facilities/buildings, where applicable and according to nature and purpose of the grant, successful applicants will be asked to submit the documents listed below but not limited to:
  - a. Lease agreement or Extract from the Government Registry of Rights of Real Estate.
  - b. Declaration of Fire Safety from the State Service of Ukraine for Emergencies.
  - c. Technical Passport from the Bureau of Technical Inventory (BTI), including added marked premises for grant activity on the plan.
  - d. Declaration of Readiness for Operation from the State Agency of Architectural and Construction Inspection (when available).
  - e. Results of a Technical Inspection Report in compliance with Cabinet of Ministers of Ukraine decree Number 257 dated 12 April 2017 (If Declaration of Readiness is not available).
  - f. Contract for waste disposal.

## Section C - Selection Process

After the deadline for submitting applications, a review panel will convene to score and select the applications for funding. Throughout the evaluation process, DAI shall take steps to ensure that members of the review panel do not have any conflicts of interest or the appearance of such regarding the organizations whose applicants are under review. An individual shall be considered to have the appearance of a conflict of interest if that person, or that person's spouse, partner, child, close friend, or relative works for or is negotiating to work for or has a financial interest (including being an unpaid member of a Board of Directors) in any organization that submitted an application currently under the panel's review. Members of the panel shall neither solicit nor accept gratuities, favors, or anything of monetary value from parties to the awards.

All applications that meet the application requirements will be reviewed by the review panel. Verification of the application submission requirements will be conducted by the FSR grants staff.

The applications will be evaluated according to the evaluation criteria set forth below. To the extent necessary (if the award is not made based on initial applications), negotiations and co-design may be conducted with each applicant whose application, after discussion and negotiation, has a reasonable chance of being selected for award.

Awards will be made based on the ranking of applications by the review panel according to the evaluation criteria and scoring system identified below:

### **1. Past performance (experience), capability and demonstrated commitment to implement the proposed project.**

- o Does the applicant have experience providing factoring or similar financial services to MSMEs?
- o Does the applicant have relevant institutional capacity, including enough financial resources proving financial potential for implementing required tasks in the future and well-skilled dedicated personnel able to perform required tasks?
- o Does the applicant demonstrate its ability and commitment to serve MSMEs with appropriate products?
- o Does the applicant have a history of operational and financial transparency, including financial and tax reporting as well as dealing transparently with clients?

**Very good = 20 points; good = 15 points; average = 8 points; poor = 0 points**

### **2. Project justification and design:**

- o Does the applicant provide a clear structure with identified activities and their relevance for the identified goals and deliverables?

- Does the applicant have clear understanding of the target beneficiaries of the grant?
- Is evidence provided on the demand for proposed project by applicant's clients (new or existing ones)?
- Is the project sufficiently adapted and/or adaptable to meet the current market conditions?
- Is the timeline suitable for the goals and are the deliverables realistic?
- Is the project based on good practices, realistic and likely to succeed?
- Are the monitoring and controls on the use of funds strong?

**Very good = 10 points; good = 6 points; average = 4 points; poor = 0 points**

### **3. Potential outreach and impact on MSMEs.**

- Forecasted number of businesses benefiting from the project.
- Forecasted volume of financing for factoring operations due to the grant support and that would not have been accessible without such grant support.
- Forecasted number of new MSMEs using factoring because of the grant support.
- Forecasted number of new verified jobs created by MSMEs as a result of the grant support.
- Forecasted sales growth in MSMEs as a result of the grant support.
- Forecasted scalability of factoring after the period of the grant support.

**Very good = 45 points; good = 35 points; average = 20 points; poor = 0 points**

### **4. Cost effectiveness.**

- Are the budgeted costs described in the budget narrative reasonable in terms of the expected results?
- Financial feasibility of provided workplan.

**Very good = 10 points; good = 6 points; average = 4 points; poor = 0 points**

### **5. Leverage.**

- Is the applicant also partnering with other non-US-Government stakeholders or making their own contributions to leverage additional resources towards achieving the grant's objectives?
- What is the % cash and/or in-kind contribution from the grantee and its non-USG partners to the overall project?
- Will the grant support result in the grantee or MSMEs accessing additional funds from other sources?

**Very good = 15 points; good = 10 points; average = 6 points; poor = 0 points**

**DAI and USAID reserve the right to fund any or none of the applications received.**

Following selection of an awardee, FSR will inform the successful applicant(s) concerning the award. FSR will notify successful applicants via email. FSR will also notify unsuccessful applicants concerning their status after selection has been made.

### **Signing of Grant Agreements**

Upon USAID concurrence of the applicant, a Grant Agreement will be prepared. After DAI and the successful applicant have signed the Grant Agreement, DAI will conduct the kick-off meeting with the grantee during which all reporting and agreement obligations will be explained to the grant recipients, as well as procurement procedures, branding and marking plan, environmental compliance, and monitoring plan of the project.

## Section D -- Program Description

### Background

The USAID Financial Sector Reform (FSR) Activity is a five-year program implemented by DAI Global. FSR aims to support long term systemic changes in Ukraine's economy by transforming the country's financial sector into a more modern, well-functioning, competitive market that is aligned with EU and international standards. The project works closely with Government of Ukraine (GOU) financial sector authorities, banks and non-bank financial companies, business, and civil society organizations. FSR coordinates its activities with international financial institutions (IFIs) including the U.S. Development Finance Corporation (DFC), the World Bank, multilateral and bilateral lenders and donors, and financial sector standards-setting bodies. FSR is currently focused on stabilizing the Ukrainian financial sector and supporting the growth of MSMEs. The goals of this RFA are increased MSME exports, revenues, and jobs.

### Factoring in the World and Ukraine's Potential

Factoring is practiced worldwide. The global factoring market's size reached US\$ 3.6 trillion in 2022. Looking at the past 20 years coupled with the strong increase witnessed in 2022, the compounded annual growth rate (CAGR) increased to 8.83%. In 2022, the factoring penetration ratio, which represents the value of all factoring transactions in relation to the gross domestic product (GDP), ranged from 2.5% to 15% of GDPs among Ukraine's neighboring nations (Poland – 15%, Estonia – 10.8%, Slovakia – 2.7%, Hungary – 7.1%).

However, even prior to the outbreak of the full-scale war in 2022, Ukraine's adoption of factoring remained notably limited, accounting for a mere 0.25% of its GDP. In 2022, due to Russia's invasion of Ukraine, factoring volume decreased to \$85 million (UAH 3.1 billion) or 0.1% of GDP. Based on the January 2023 data, the total volume of MSME loan portfolio is \$5.9 billion (UAH 216 billion) with factoring accounting for 1.4% of the portfolio. Given the example of the neighboring countries, Ukraine has the potential to grow factoring market to at least 10% of its GDP.

### Factoring for MSMEs in Ukraine

Few institutions offer factoring services in Ukraine. Specifically, only 13 banks are actively engaged in providing factoring, with one of these banks holding a dominant position and contributing to more than 50% of the total factoring market volume. The situation with Non-Banking Financial Institutions (NBFIs) offering factoring services for MSMEs is even more limited, with only three NBFIs actively providing factoring services to MSMEs. Furthermore, the National Bank of Ukraine (NBU) has yet to report real data on the volume of factoring activities within the financial sector.

FSR has identified five major constraints that limit factoring:

1. High cost of factoring financing.
2. Restricted access to MSMEs.
3. Lack of client-friendly procedures
4. Limited awareness and underutilization.
5. Large retailers' restrictions.

FSR is seeking proposals that focus on alleviating these constraints. Proposals could address just one issue (e.g., price or cost of factoring services) or multiple issues (e.g., price, marketing, IT processes, client-centered design).

### Objectives

FSR seeks viable and reasoned applications that address these challenges by accomplishing the following objectives:

1. Make factoring at least as attractive a choice as loans for MSMEs facing working capital shortages. The goal is to provide affordable working capital with appropriate terms that will result in MSME sales increases and new jobs creation.

2. Boost the number of factoring transactions involving MSMEs that have not previously engaged with factoring services, pioneering a new client-friendly approaches to support MSMEs new to factoring to expand the operations.
3. Support ideas that would improve operational efficiency of factors and simplify the use of factoring for the clients. This should result in faster transaction processing, reduced administrative costs, and a smoother experience for MSMEs in working capital expansion and business growth.
4. Enhance awareness and understanding of factoring within the MSME community that leads to increased utilization of factoring services by MSMEs seeking to expand their working capital, sales, and profits.

Reaching of the abovementioned objectives will support FSR's Objective 3: Increased financial intermediation to support SME businesses and households for sustainable economic recovery. This includes (3.1) strengthened provision of financial services and products to SMEs, start-ups and retail customers including digitally delivered, and (3.2) increased range and capacity of providers, intermediaries, and facilitators of debt, equity, and other financial services.

As a result of grants implemented under this RFA, the following impact is expected to be achieved:

- A substantial increase in the utilization of factoring services by MSMEs for working capital, both the number of MSMEs and the volume of total factoring.
- A substantial increase in the number of factoring transactions involving MSMEs new to factoring and those that do not have active banking credit limits.
- The provision of factoring on better terms, conditions and with greater operational efficiency to increase demand for factoring.
- Enhanced knowledge and understanding of factoring by MSMEs resulting in increased demand for factoring services, and more MSMEs obtaining working capital.
- An increase in MSME clients' sales and jobs because of more and better financing.
- An increase in MSMEs' ability to invest more of their own funds in operations because of freeing up capital through factoring.

The grantees are expected to achieve quantitative and qualitative indicators that will measure the success of the grant activity:

- Total number of MSMEs benefiting from factoring as a result of the grant support.
- The total amount of factoring financing provided to MSMEs by the grantee, as a result of the grant support.
- Total number of new MSMEs using factoring as a result of the grant support.
- Total value of sales increase of MSMEs as a result of the grant support.
- Total number of new verified jobs created by MSMEs as a result of the grant support.

FSR will work with applicants to identify any likely positive or negative impact on the environment in accordance with USAID regulations.

**ANNEX 1: APPLICATION FORM**

<b>I. THE APPLICANT</b>		
<b>1. Name of the applicant (also please include acronyms, if any)</b>		
<b>2. Address of the applicant (please include the official address as well as the postal address)</b>		
Official address:		
Postal address:		
Telephone		
E-mail		
Web site		
Contact person		
Mobile Telephone and e-mail of a contact person		
<b>3. Partners involved in the project – Use if appropriate.</b>		
NAME OF PARTNER	ROLE IN THE PROJECT	CONTACT DATA
		Official address:  Phone and fax: E-mail: Contact person:
		Official address:  Phone and fax: E-mail: Contact person:
<b>4. Brief description of the applicant’s history (date of foundation, location, including changes thereof, major development milestones, etc.)</b>		
<b>II. PROJECT INFORMATION</b>		
<b>1. Title of proposed project</b>		
<b>2. Location and proposed duration</b>		
Location (city and country): _____		
Duration: ___months, from _____[month] ___[year] to _____[month] ___[year]		
<b>3. Summary Budget</b>		

Approximate cost of this activity/intervention in UAH:
<b>III. THE APPLICATION STRUCTURE AND REQUIRED INFORMATION</b>
<p><b>1. Project Summary</b></p> <p>Please provide a summary of your project and any necessary background information; the summary must be no more than one page and should clearly address <u>what</u> your project will accomplish, in addition to <u>why</u> and <u>how</u> it will be implemented.</p>
<p><b>2. Project goal, activities, and results</b></p> <p>Please provide accurate and detailed information on the following:</p>
<p>a) Project goal and objectives. How will the project increase factoring financing available to MSMEs for economic recovery in Ukraine?</p>
<p>b) What are the specific activities that you will undertake? Please describe the proposed activities, specifications, and requirements. Please indicate the proposed target businesses, number of businesses that will be served as well as the type of financial services your organization will provide, including the approximate amounts, terms, and conditions. If you are working with a partner, please explain the specific role that partner organization will play.</p>
<p>c) What are the specific short-term and long-term expected <u>results</u> (both quantitative and qualitative) that your project will bring about? Please indicate the projected results of the project regarding the:</p> <ul style="list-style-type: none"> <li>• Total number of MSMEs benefiting from factoring as a result of the grant support.</li> <li>• The total amount of factoring financing provided to MSMEs by the grantee, as a result of the grant support.</li> <li>• Total number of new MSMEs using factoring as a result of the grant support.</li> <li>• Total value of sales increase of MSMEs as a result of the grant support.</li> <li>• Total number of new verified jobs created by MSMEs as a result of the grant support.</li> </ul>
<p><b>3. Beneficiaries</b></p> <p>a. How will the applicant identify and select MSMEs? Please include approaches and targets and indicate specific sectors of focus, if any.</p> <p>b. What will be the benefits of MSMEs or other beneficiaries as a result of the grant? How will these benefits lead to increases in MSME sales or employment?</p> <p>c. Who will be the indirect beneficiaries and how will they benefit from your project? For instance, who are the MSME clients serving? If possible, please provide a description of them or estimation of their number. Highlight if MSMEs' clients include women, internally displaced workers, or those in the formerly occupied regions.</p> <p>d. How will the applicant apply a risk-based approach to know your customer (KYC), anti-money laundering (AML) and combatting the financing of terrorism (CFT) in their approval of MSME clients? How will the applicant ensure that grant funds are not used to provide services to restricted operations listed in Section B.</p>
<p><b>4. Monitoring and evaluation</b></p>
<p>a) How will you know that your project was successfully implemented? What criteria will you use to measure the achievements of your project? Please include criteria for the factor as well as the MSMEs served.</p> <p>What documentation can you provide to FSR to verify the reported results as described in Section 2 and Section 3?</p> <p>b) What methods do you plan to use to track project results, changes, and impact? Please include a description or sample of the tools you will use to monitor project activities, collect beneficiaries'</p>



feedback, evaluate project results (both quantitative and qualitative) and overall impact. Please note that applicants may include the cost of tracking and measuring as part of their budget.

c) Please provide your numerical projections as to the performance indicators described below to be achieved during the project implementation:

- Number of new financial instruments, products, processes, and other initiatives that serve MSMEs or individual persons introduced through USG support.
- Total number of clients benefiting from financial services provided through FSR-assisted financial intermediaries, including non-financial institutions or actors.
- MSMEs using factoring for the first time through FSR-assisted institutions.
- Volume of MSME finance provided as a result of FSR assistance.
- New jobs in the Ukrainian labor market created as a result of FSR assistance.
- Increase in exports and domestic sales of businesses benefiting from FSR assistance.
- Percentage of female participants in USG-assisted program designed to increase access to productive economic resources. This indicator tracks the number of females and female proprietors that access new or improved financial service. Productive economic resources include assets - land, housing, businesses, livestock, or financial assets such as savings; credit; wage or self-employment; and income. This indicator does NOT track access to services, such as business development services or stand-alone employment training (e.g., employment training that does not also include job placement following the training).
- Percent of USG-assisted organizations with improved performance. If your project includes capacity building components, please provide a total number of organizations receiving organizational capacity development support, planned number of organizations with improved performance as a result of this support, and calculate projected percent of organizations with improved performance. If your project does not involve capacity building, skip this indicator.

**5. Sustainability and Scale**

Describe how the activities in your project will be sustained after funding ends. How will the activities or results of your grant continue? How will the grant enable the applicant to scale factoring operations in the long-term?

**6. Project activity schedule and timeline (work plan)**

Based on the activities listed in Section 2(b) above, please provide a short work plan in GANTT chart or similar format (Annex 2).

**IV. PROJECT TEAM**

Please list key project team members, including their position, role in the project and a short description of their assigned responsibilities. Please indicate who will have the primary responsibility to oversee the successful implementation of the project and who will be the primary point of point of contact. (Insert as many lines as necessary). Please attach CVs for key personnel involved in the project, Chief Executive Officer (or equivalent), Chief Financial Officer (or equivalent), and each member of the Board or Directors (or equivalent). A template is provided in Annex 6. Applicants may use their own templates providing all information indicated in Annex 6.

NO	NAME & SURNAME	POSITION	ROLE IN THE PROJECT	DESCRIPTION
1				
2				
3				

**V. APPLICANT CAPABILITY AND PAST PERFORMANCE**

1. Organizational capability and resources

- Annual income over the past three years, mentioning the names of your main financial contributors (where applicable). Please describe the various resources at the disposal of your organization such as: equipment, offices etc.

YEAR	2022	2021	2020
Total Assets			
Total Liabilities			
Total Equity			
Total Revenue			
Net Operating Income			
Net Profit			

2. Please provide a summary of your company’s history, experience, and description of current business. Please include:

- Current products and services
- Location of headquarters and branch offices, if any
- Number of staff
- Sources of funding, including the names of any shareholders that have more than a ten percent share of ownership in the applicant

3. Past performance

Please provide annual reports or other annual board or shareholder reports for the two previous fiscal years that describe the level of your activity in regard to the volume or value of financial services provided, the size of the client base, and financial performance.

If you have worked with donor or government programs before, please describe no more than three in which your organization was involved over the past three years, if any, using the table below.

a) Project title	
b) Duration (months)	
c) Year	
d) Location	
e) Role of your organization <i>(leader, partner)</i>	
f) Project objectives	
g) Project purpose and results	
h) Total budget (USD)	
i) Funding sources and types of funding (grants, contract, or other) <i>Please include contact information for funding sources.</i>	

### VI. PROJECT BUDGET AND PROJECTIONS

Please provide a detailed budget and budget narrative describing all budgeted costs, using the template provided in Annex 3 and Annex 4.

### VII. STATEMENT OF LIABILITY

I, the undersigned, being the person responsible in the applicant organization for this project, certify that the information given in this application is true and accurate.

Name and surname:	
Position:	
Signature & stamp:	
Date and Place:	



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### ANNEX 2: WORKPLAN EXAMPLE

Please include a separate table that provides the number of clients and value of factoring services provided by month as a result of this grant. This should include any leverage from the applicants' own funds or third parties, broken out by source of funding. For all preparatory and monitoring activities, provide a brief work plan. (You can fill in the information in a separate Excel document).

#	Objective	Activities	Expected result (output)	Location	Responsible person	Timeline (months)											
						1	2	3	4	5	6	7	8	9	10	11	12



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### ANNEX 3: BUDGET INFORMATION AND BUDGET NOTES INSTRUCTIONS

Please provide a detailed budget for the entire duration of the project. The budget template (Annex 4) is included as a separate Excel File. The Budget Narrative may be provided in a free format in Word. The project budget as an attachment should detail all direct costs associated with the implementation and completion of the proposed intervention. Certain documents may be required to be submitted by an applicant to show that the funds requested are reasonable and would be used in a cost-effective manner. DAI will assess whether the overall costs are realistic for the work to be performed, whether the costs reflect that the Applicant understands the requirements, and whether the costs are consistent with the technical application.

#### Project Budget

The following is provided as guidance on issues involving specific types of costs:

1. Salaries and honoraria. You can budget salaries and honoraria of the staff involved into the project implementation. Please include name of the person, position, and salary/honoraria rate.
2. Materials/Equipment: Specify all materials and equipment expected to be purchased, including type, unit cost, and number of units.
3. Travel, Transportation, and Allowances. You may include travel and accommodation costs of the project staff and training participants.
4. General/Operational Costs. You may include rent, communication costs, etc. if these expenses are directly related to project implementation.
5. Activity Costs. These costs are directly related to activities performed during the project. For the direct provision of financial services, please break out the use of grant funds (i.e. loan, fees, etc.).

Please note that you don't have to fill in all budget categories. The budgeted expenses should correspond to your project needs.

#### Budget Narrative

The budget must have an accompanying detailed budget narrative and justification that provides in detail the total costs for implementation of the program your organization is proposing. The combination of the cost data and breakdowns specified above, and the cost notes must be sufficient to allow a determination of whether the costs estimated are reasonable. **Please, list all costs in the same order as in the project budget.**

#### I. Labor/Salaries

##### A. Internal Employees:

Position 1. Name of person. Percentage of involvement. Description of duties. Salary rate. Justification of salary rate. State Social Tax on salary for full-time employees 22%.

##### B. Short-term consultants. Name of person. Percentage of involvement. Type of contract (private entrepreneur, natural person, etc.). Description of duties. Salary rate. Justification of salary rate.

II. Materials/Equipment. Specify all materials and equipment expected to be purchased, including type, unit cost, and number of units. It's important to understand why given equipment is needed to achieve project objectives.

III. Travel, Transportation, and Allowances. A detailed list of project travel and description and justification of costs (transportation, accommodation, per diems, etc.)

IV. General/Operational Costs may include supplies, stationery, communication costs, % of the office/premises rent, etc. Details and justification of costs.

V. Activity Costs. Details and justification of costs.

Supporting Documentation:

1. Applicants must submit any additional documentation that DAI may require at the pre-award stage. The information submitted must substantiate that the Applicant:
  - a. has the ability to comply with the award conditions.
  - b. has a satisfactory record of integrity and business ethics.

The Applicant is reminded that U.S. Executive Orders and U.S. 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 Applicant/Recipient to ensure compliance with these Executive Orders and laws.

## ANNEX 5: ACCOUNTING SYSTEM AND FINANCIAL CAPABILITY QUESTIONNAIRE FOR DAI GRANT RECIPIENTS

The main purpose of this questionnaire is to understand the systems adopted by your institution for financial oversight and accounting of grant funds, especially those provided through the U.S. Federal Government. The questionnaire will assist DAI program and accounting staff to identify the extent to which your institution's financial systems match the requirements of the U.S. Federal Government. This information will help the program staff work with you and your institution to review any problem areas that may be identified; thereby avoiding any problems or oversights which would be reportable should an audit of the program or institution be required.

The questionnaire should be completed by the financial officer of your institution in collaboration with DAI program staff. This questionnaire is informational only and will not have any bearing on the agreement to support your institution based on the technical merit of the proposal. Therefore, please answer all questions to the best of your knowledge.

While 2 CFR 200 does not cover awards to non-U.S. recipients, DAI shall rely on the standards established in that regulation in determining whether potential non-U.S. recipients are responsible to manage Federal funds. A determination shall be made on the potential recipient's ability, or potential ability, to comply with the following USAID and federal-wide policies:

- 1) [2 CFR 200 Subpart D](#) (Financial and Program Management);
- 2) [2 CFR 200 Subpart D](#) (Property Standards);
- 3) [2 CFR 200 Subpart D](#) (Procurement Standards); and
- 4) [2 CFR 200 Subpart D](#) (Performance and Financial Monitoring and Reporting).

**SECTION A: General Information**

Please complete this section which provides general information on your institution.

Name of Institution: \_\_\_\_\_

Name and Title of Financial Contact Person: \_\_\_\_\_

Name of Person Filling out Questionnaire: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Street Address (if different) \_\_\_\_\_

\_\_\_\_\_

Telephone, Fax, Email (if applicable) \_\_\_\_\_

Enter the beginning and ending dates of your institution's fiscal year:

From: (Month, Day) \_\_\_\_\_ To: (Month, Day) \_\_\_\_\_

**SECTION B: Internal Controls**

Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and are consistent with U.S. laws, regulations and your institution's policies; 2) assets are maintained safely and controlled; and 3) accounting records are complete, accurate and maintained on a consistent basis. Please complete the following questions concerning your institution's internal controls.

1. Does your institution maintain a record of how much time employees spend on different projects or activities?

Yes:  No:

2. If yes, how?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Are timesheets kept for each paid employee?

Yes:  No:

4. Do you maintain an employment letter or contract which includes the employee's salary?

Yes:  No:

5. Do you maintain inventory records for your institution's equipment?

Yes:  No:  (if no, explain)

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6. How often do you check actual inventory against inventory records?

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7. Are all financial transactions approved by an appropriate official?

Yes:  No:

8. The person responsible for approving financial transactions is: \_\_\_\_\_ Title: \_\_\_\_\_

9. Is the person(s) responsible for approving transactions familiar with U.S. Federal Cost principles as described in 2 CFR 200 Subpart E?

Yes:  No:

10. Does your institution use a payment voucher system or some other procedure for the documentation of approval by an appropriate official?

Yes:  No:

11. Does your institution require supporting documentation (such as original receipts) prior to payment for expenditures?

Yes:  No:

12. Does your institution require that such documentation be maintained over a period of time?

Yes:  No:

If yes, how long are such records kept? \_\_\_\_\_

13. Are different individuals within your institution responsible for approving, disbursing, and accounting of transactions?

Yes:  No:

14. Are the functions of checking the accuracy of your accounts and the daily recording of accounting data performed by different individuals?

Yes:  No:

15. Who would be responsible for financial reports? \_\_\_\_\_



### SECTION C: Fund Control and Accounting Systems

Fund Control essentially means that access to bank accounts and/or other cash assets is limited to authorized individuals. Bank balances should be reconciled periodically to the accounting records. If cash cannot be maintained in a bank, it is very important to have strict controls over its maintenance and disbursement.

An Accounting System accurately records all financial transactions and ensures that these transactions are supported by documentation. Some institutions may have computerized accounting systems while others use a manual system to record each transaction in a ledger. In all cases, the expenditure of funds provided by the USAID-funded program must be properly authorized, used for the intended purpose, and recorded in an organized and consistent manner.

1. Does your institution maintain separate accounting of funds for different projects by:

Separate bank accounts:

A fund accounting system:

2. Will any cash from the grant funds be maintained outside a bank (in petty cash funds, etc.)?

Yes:

No:

If yes, please explain the amount of funds to be maintained, the purpose and person responsible for safeguarding these funds.

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3. If your institution doesn't have a bank account, how do you ensure that cash is maintained safely?

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4. Does your institution have written accounting policies and procedures?

Yes:

No:

5. How do you allocate costs that are "shared" by different funding sources, such as rent, utilities, etc.?

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6. Are your financial reports prepared on a:

Cash basis:  Accrual basis:

7. Is your institution's accounting system capable of recording transactions, including date, amount, and description?

Yes:  No:

8. Is your institution's accounting system capable of separating the receipts and payments of the grant from the receipts and payments of your institution's other activities?

Yes:  No:

9. Is your institution's accounting system capable of accumulating individual grant transactions according to budget categories in the approved budget?

Yes:  No:

10. Is your institution's accounting system designed to detect errors in a timely manner?

Yes:  No:

11. How will your institution make sure that budget categories and/or overall budget limits for the grant will not be exceeded?

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12. Are reconciliations between bank statements and accounting records performed monthly and reviewed by an appropriate individual?

Yes:  No:

13. Briefly describe your institution's system for filing and keeping supporting documentation.

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**SECTION D: Audit**

The grant provisions require recipients to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID or DAI, and, in some cases, may require an audit to be performed of your accounting records. Please provide the following information on prior audits of your institution.

1. Is someone in your institution familiar with U.S. government regulations concerning costs which can be charged to U.S. grants (2 CFR 200 Subpart E "Cost Principles")?

Yes:

No:

2. Do you anticipate that your institution will have other sources of U.S. government funds during the period of this grant agreement?

Yes:

No:

3. Have external accountants ever performed an audit of your institution's financial statements?

Yes:

No:

If yes, please provide a copy of your most recent report.

4. Does your institution have regular audits?

Yes:

No:

If yes, who performs the audit and how frequently is it performed?

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5. If you do not have a current audit of your financial statements, please provide this office with a copy of the following financial statements, if available:

- a. A "Balance Sheet" for the most current and previous year; and
- b. An "Income Statement" for the most current and previous year.

6. Are there any circumstances that would prevent your institution from obtaining an audit?

Yes:

No:

If yes, please provide details:

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## ANNEX 6: CV FORM

### Curriculum Vitae

Proposed position in the project:

Name (First, Middle, Last):

Citizenship:

Education:

Name and location of institution	Major(s) or Degree(s) obtained:

Language proficiency – indicate proficiency on a scale of 1 (poor) to 5 (native):

Language	Reading	Speaking	Writing

Key skills and qualifications relevant to the project:

Employment history:

Position Title	Employer's name and address	Dates of employment		Short description of tasks performed
		From (month, year)	To (month, year)	

Other relevant information: (e.g., publications, seminars/courses etc.):

## ANNEX 7: APPLICATION CHECKLIST

Before submitting your application, please check to make sure the following are included:

- The application is completed (Annex 1)
- The workplan is included (Annex 2)
- Budget and Budget Notes are included (Annex 3 and Annex 4)
- Completed Financial Capability Questionnaire (Annex 5)
- The statement of liability is signed and stamped (last page of application form – Annex 1)
- The CV forms are included (Annex 6)
- Applicable certifications and assurances are signed and included (see Annex 8)
- Incorporation Papers or Certificate of Registration and Statute
- Organizational Chart
- Audited Financial Reports: Copy of the applicant's most recent financial report, which has been audited by a certified public accountant or other auditor satisfactory to DAI. If no recent audit, a "Balance Sheet" and "Income Statement" for the most current and previous fiscal year.)
- Documentation that the applicant has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant. The applicant must demonstrate its ability to segregate funds obtained from the award of a capital grant from other activities of the organization. A separate bank account is required should a grant award be made. (Documentation may include certification from the applicant's bank or a summary of previous awards, including type of funding, value, client, etc.)
- Documentation that the applicant has a satisfactory record of integrity and business ethics. (Documentation may include references from other donors or clients and a summary of previous awards, including type of funding, value, client, etc.)
- If available and/or applicable, evidence of a Unique Entity ID (SAM) or a Self-Certification for Exemption from Unique Entity ID (SAM) Requirement (Annex 10)

## ANNEX 8: MANDATORY STANDARD PROVISIONS AND CERTIFICATIONS, ASSURANCES, OTHER STATEMENTS OF THE RECIPIENT

Mandatory Standard Provisions for Non-US Non-governmental Recipients are available at:

<https://www.usaid.gov/ads/policy/300/303mab>

The certifications and representations, that must be submitted as a part of the application:

1. Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction
2. Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation

In accordance with ADS 303.3.8, DAI will require successful grant applicants to submit a signed copy of the following certifications and assurances, as applicable:

1. **Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs** *(Note: This certification applies to non-U.S. organizations if any part of the program will be undertaken in the United States.)*
2. **Certification Regarding Lobbying** *(This certification applies to grants greater than \$100,000.)*
3. **Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)**
4. **Certification Regarding Terrorist Financing, Implementing Executive Order 13224**
5. **Certification Regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013** *(Note: This certification applies if grant for services required to be performed outside of the United States is greater than \$500,000. This certification must be submitted annually to the USAID Agreement Officer during the term of the grant.)*
6. **Certification of Recipient**

In addition, the following certifications will be included **Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking** *(Note: Only as required per ADS 206 for Key Individuals or Covered Participants in covered countries.)*

**Part III – Participant Certification Narcotics Offenses and Drug Trafficking** *(Note: Only as required per ADS 206 for Key Individuals or Covered Participants in covered countries.)*

**Part IV – Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction**

**Part V – Other Statements of Recipient**

**Part VI – Standard Provisions for Solicitations**

(Note: Parts V & VI – Are included in the grant file as part of the grant application.)

## Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction

(a) As required by sections 744 and 745 of Division E of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts, none of the funds made available by that Act may be used to enter into an assistance award with any organization that –

1. “Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency has direct knowledge of the conviction, unless the agency has considered, in accordance with its procedures, that this further action is not necessary to protect the interests of the Government”; or
2. “Has any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency has direct knowledge of the unpaid tax liability, unless the Federal agency has considered, in accordance with its procedures, that this further action is not necessary to protect the interests of the Government”.

It is USAID’s policy that no award may be made to any organization covered by (1) or (2) above, unless the M/MPBP Compliance Division has made a determination that suspension or debarment is not necessary to protect the interests of the Government.

(b) Applicant Representation:

1. The Applicant represents that it is  is not  an organization that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.
2. The Applicant represents that it is  is not  an organization that has any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

### Applicant

Name of Organization:

Name and Title of Authorized Representative:

Signature:

Date:

**Prohibition on Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements – Representation (May 2017)**

(a) Definitions.

“Contract” has the meaning given in 2 CFR Part 200.

“Contractor” means an entity that receives a contract as defined in 2 CFR Part 200.

“Internal confidentiality agreement or statement” means a confidentiality agreement or any other written statement that the recipient requires any of its employees or subrecipients to sign regarding nondisclosure of recipient information, except that it does not include confidentiality agreements arising out of civil litigation or confidentiality agreements that recipient employees or subrecipients sign at the behest of a Federal agency.

“Subaward” has the meaning given in 2 CFR Part 200.

“Subrecipient” has the meaning given in 2 CFR Part 200.

(b) In accordance with section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions), Government agencies are not permitted to use funds appropriated (or otherwise made available) for federal assistance to a non-Federal entity that requires its employees, subrecipients, or contractors seeking to report waste, fraud, or abuse to sign internal confidentiality agreements or statements that prohibit or otherwise restrict its employees, subrecipients, or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

(c) The prohibition in paragraph (b) of this provision does not contravene requirements applicable to Standard Form 312, (Classified Information Nondisclosure Agreement), Form 4414 (Sensitive Compartmented Information Nondisclosure Agreement), or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(d) Representation. By submission of its application, the prospective recipient represents that it will not require its employees, subrecipients, or contractors to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting its employees, subrecipients, or contractors from lawfully reporting waste, fraud, or abuse related to the performance of a Federal award to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information (for example, the Agency Office of the Inspector General).

**Applicant**

Name of Organization:

Name and Title of Authorized Representative:

Signature:

Date:



## ANNEX 9: INSTRUCTIONS FOR OBTAINING A UNIQUE ENTITY ID (SAM) – DAI’S VENDORS, SUBCONTRACTORS AND GRANTEES.

**Note: There is a Mandatory Requirement for your Organization to Provide a Unique Entity ID (SAM) to DAI**

**I. SUBCONTRACTS/PURCHASE ORDERS:** All domestic and foreign organizations which receive first-tier subcontracts/ purchase orders with a value of \$30,000 and above are required to obtain a Unique Entity ID (SAM) prior to signing of the agreement. *Your organization is exempt from this requirement if the gross income received from all sources in the previous tax year was under \$300,000. Please see the self-certification form attached.*

**II. MONETARY GRANTS:** All foreign entities receiving first-tier monetary grants (standard, simplified and FOGs) with a value equal to or over \$25,000 and performing work outside the U.S. must obtain a Unique Entity ID (SAM) prior to signing of the grant. All U.S. organizations who are recipients of first-tier monetary grants of any value are required to obtain a Unique Entity ID (SAM); the exemption for under \$25,000 applies to foreign organizations only.

**NO SUBCONTRACTS/POs (\$30,000 + above) or MONETARY GRANTS WILL BE SIGNED**

*Note: The determination of a successful offeror/applicant resulting from this RFA is contingent upon the winner providing a Unique Entity ID (SAM) to DAI. Organizations who fail to provide a Unique Entity ID (SAM) will not receive an award and DAI will select an alternate vendor/subcontractor/grantee.*

### Background:

#### Summary of Current U.S. Government Requirements - Unique Entity ID (SAM)

Effective April 4, 2022, entities doing business with the federal government will use the Unique Entity Identifier (SAM) created in SAM.gov. The Unique Entity ID (SAM) is a 12-character alphanumeric value managed, granted, and owned by the government. This allows the government to streamline the entity identification and validation process, making it easier and less burdensome for entities to do business with the federal government.

Entities are assigned an identifier during registration, or one can be requested at SAM.gov without needing to register. Ernst and Young provides the validation services for the U.S. Government. The information required for getting a Unique Entity ID (SAM) without registration is minimal. It only validates your organization's legal business name and address. It is a verification that your organization is what you say it is.

The Unique Entity ID (SAM) does not expire.

#### Summary of Previous U.S. Government Requirements – DUNS

The Data Universal Numbering System (DUNS) is a system developed and managed by Dun and Bradstreet that assigns a unique nine-digit identifier to a business entity. It is a common standard world-wide and was previously used by the U.S. Government to assign unique entity identifiers. This system was retired by the U.S. Government on April 4, 2022 and replaced with the Unique Entity Identifier (SAM). After April 4, 2022, the federal government will have no requirements for the DUNS number.

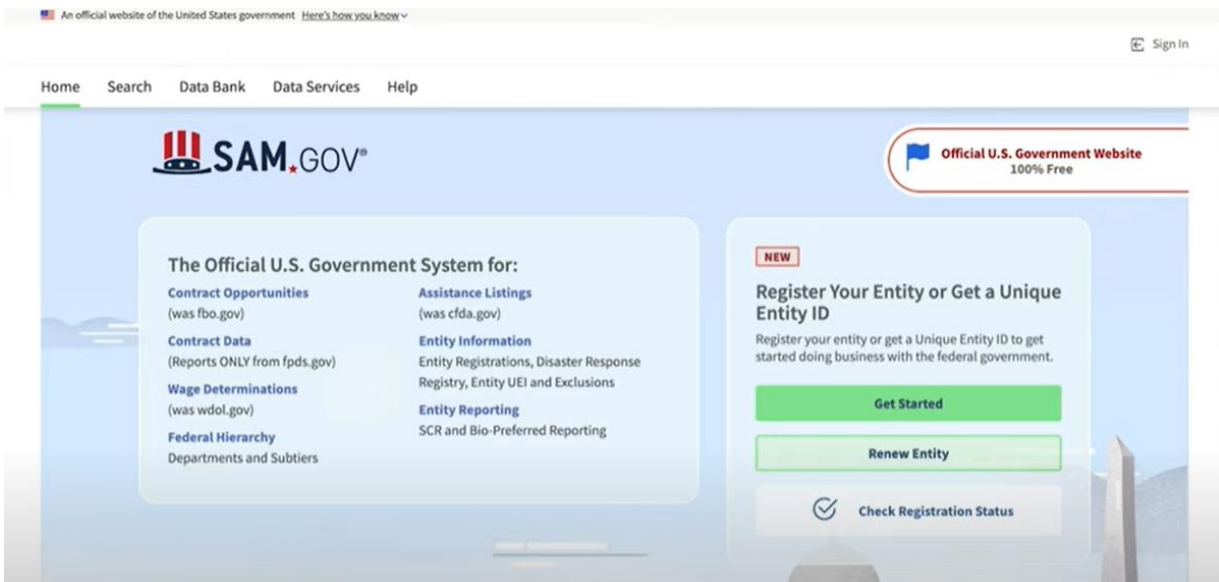
If the entity was registered in SAM.gov (active or inactive registration), a Unique Entity ID (SAM) was assigned and viewable in the entity registration record in SAM.gov prior to the April 4, 2022, transition. The Unique Entity ID (SAM) can be found by signing into SAM.gov and selecting the Entity Management widget in your Workspace or by signing in and searching entity information.

#### THE PROCESS FOR OBTAINING AN Unique Entity ID IS OUTLINED BELOW:

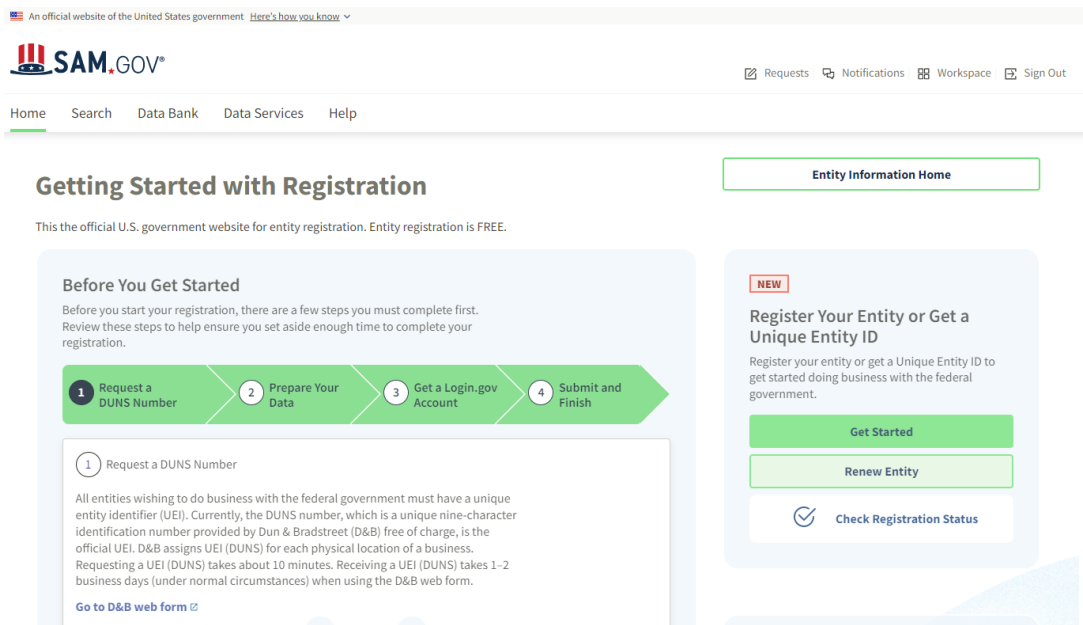
- 1) Have the following information ready to request a Unique Entity ID (SAM)
  - Legal Business Name
  - Physical Address
  - SAM.gov account (this is a user account, not actual SAM.gov business registration).
- 2) As a new user, to get a SAM.gov account, go to [www.sam.gov](http://www.sam.gov).
  - Click “Sign In” on the upper right-hand corner.
  - Click on “Create a User Account”



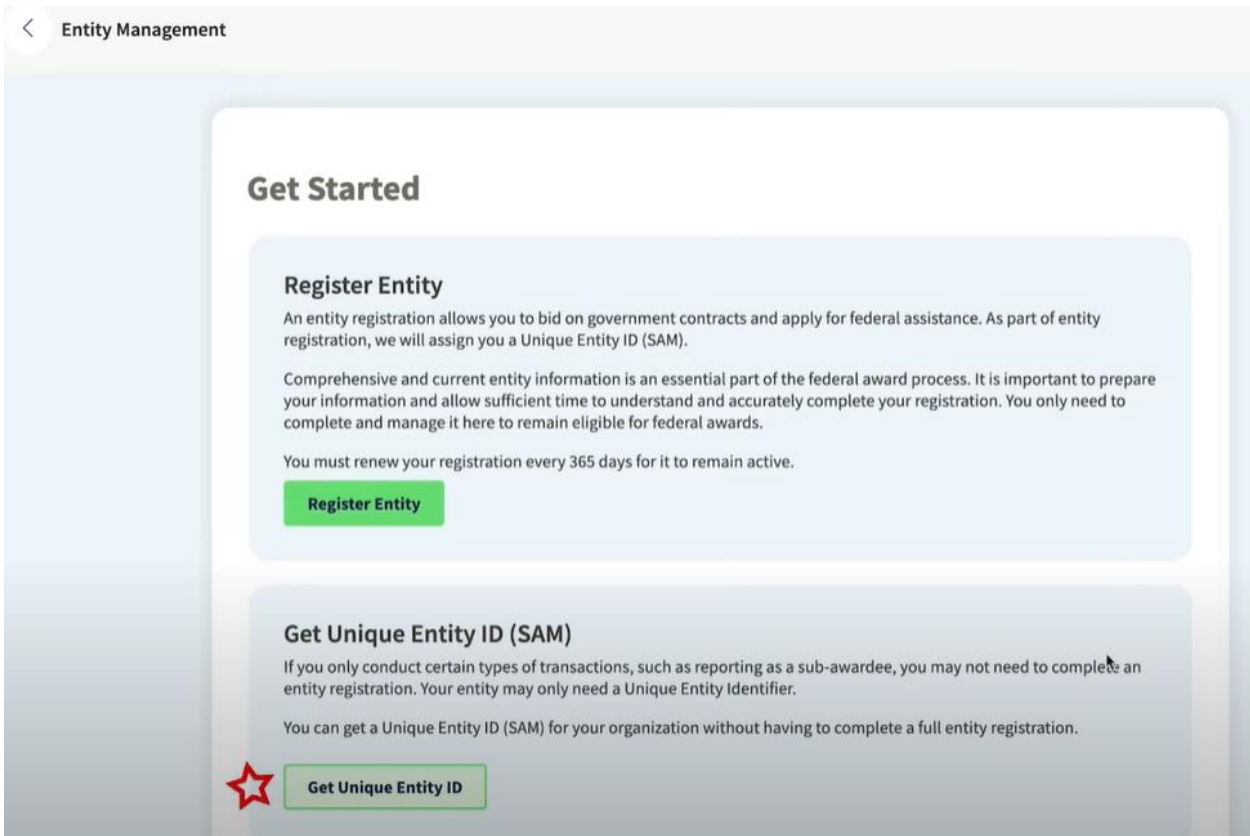
- 3) Choose Account Type:
  - Create an Individual User Account to perform tasks such as register/update your entity, create, and manage exclusion records or to view FOUO level data for entity records.
  - Create a System User Account if you need system-to-system communication or if performing data transfer from SAM to your government database system. Complete the requested information, and then click "Submit."
- 4) Click "DONE" on the confirmation page. You will receive an email confirming you have created a user account in SAM.
- 5) Click the validation link in the email that contains the activation code within 48 hours to activate your user account. If the email link is not hyperlinked (i.e., underlined or appearing in a different color), please copy the validation link and paste it into the browser address bar. You can now register an entity.
  - NOTE: Creating a user account does not create a registration in SAM, nor will it update/renew an existing registration in SAM.
- 6) Once you have registered as a user, you can get a Unique Entity ID by selecting the "Get Started" button on the SAM.gov home page.



7) Select “Get Started” on the Getting Started with Registration page.



8) Select “Get Unique Entity ID” on the Get Started page.



9) Enter Entity Information.



- If you previously had a DUN Number, make sure your Legal Business Name and Physical Address are accurate and match the Entity Information, down to capitalization and punctuation, used for DUNS registration.

10) When you are ready, select "Next"

11) Confirm your company's information.



- On this page you will have the option to restrict the public search of this information. "Allow the selected record to be a public display record." If you uncheck this box, only you and the federal government users will be able to search and view the entity information and entities like DAI will not be able to independently verify that you have a Unique Entity Identifier (SAM).

**Allow the selected record to be a public display record.**

If you feel displaying non-sensitive information like your registration status, legal business name and physical address in the search engine results poses a security threat or danger to you or your organization, you can restrict the public viewing of you record in SAM's search engine. However, your non-sensitive registration information remains available under the Freedom of Information Act to those who download the SAM public data file. [Learn more about SAM public search results](#).

Previous     Cancel     Next

- 12) When you are ready, select "Next"
- 13) Once validation is completed, select "Request UEI" to be assigned a Unique Entity ID (SAM). Before requesting your UEI (SAM), you must certify that you are authorized to conduct transactions under penalty of law to reduce the likelihood of unauthorized transactions conducted for the entity.



### Request UEI

You have completed validation. Select **Request UEI** to be assigned a Unique Entity ID.

**VERIFIED MATCH:**

**US TEST COMPANY 999** ● Public

**DUNS** UNIQUE ENTITY ID:  
**362267515**

PHYSICAL ADDRESS  
**3501 CORPORATE PKWY  
CENTER VALLEY, PA 18034  
US**

Before requesting your UEI, please certify that you are authorized to conduct transactions under penalty of law to reduce the likelihood of unauthorized transactions conducted for my entity. Then select **Request UEI**.

I certify that I am authorized to conduct transactions on behalf of the entity.

**Request UEI**

- 14) The Unique Entity ID will be shown on the next page. SAM.gov will send an email confirmation with your Unique Entity ID.



### Receive UEI

Congratulations! You have been assigned the following Unique Entity ID.

# EH4HG9MLR7Q6

**VERIFIED MATCH:**

**US TEST COMPANY 999** ● Public

**DUNS** UNIQUE ENTITY ID:  
362267515

**SAM** UNIQUE ENTITY ID:  
EH4HG9MLR7Q6

PHYSICAL ADDRESS  
3501 CORPORATE PKWY  
CENTER VALLEY, PA 18034  
US

You have finished getting your Unique Entity ID, select **Done** to return to your workspace.

To continue with registration, select **Continue Registration**.

[Continue Registration](#) [Done](#)

15) If you need to view the Unique Entity ID from SAM in the future or update the organization’s information, sign into SAM.gov and go to “Entity Management” widget.

**SAM.GOV**      Requests   Notifications   Workspace   Sign Out

Home   Search   Data Bank   Data Services   Help

**Workspace**

**Entity Management**  
What do I need for registration? [Get Started](#)

**Entity Registration**

0	0	0	0
ACTIVE	DRAFT	WORK IN PROGRESS	SUBMITTED

Next Update Due: | Due in Next 30 days: **0 Entity Registrations**

**Unique Entity ID**

1	0
ACTIVE	DRAFT

**System Accounts**

1	0	0	0	0
ACTIVE	DRAFT	CHANGE REQUEST	PENDING	DEACTIVATED

**Profile**

Downloads   Saved Searches   Following

**Pending Requests**  
No pending requests [See All](#)

**Notifications**  
No available notifications [See All](#)

**Add A New Role**  
Select on the options below to request a new role. If you need a role that you do not see below, contact an administrator for your organization directly.

Select a Role

## ANNEX 10: SELF CERTIFICATION FOR EXEMPTION FROM UNIQUE ENTITY ID (SAM) REQUIREMENT

Legal Business Name: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Physical City: \_\_\_\_\_

Physical Foreign Province (if applicable): \_\_\_\_\_

Physical Country: \_\_\_\_\_

Signature of Certifier \_\_\_\_\_

Full Name of Certifier (Last Name, First/Middle Names): \_\_\_\_\_

Title of Certifier: \_\_\_\_\_

Date of Certification (mm/dd/yyyy): \_\_\_\_\_

The grantee whose legal business name is provided herein, certifies that we are an organization exempt from obtaining a Unique Entity ID (SAM), as the gross income received from all sources in the previous tax year is under USD \$300,000.

\*By submitting this certification, the certifier attests to the accuracy of the representations and certifications contained herein. The certifier understands that s/he and/or the grantee may be subject to penalties, if s/he misrepresents the grantee in any of the representations or certifications to the Prime Contractor and/or the US Government.

The grantee agrees to allow the Prime Contractor and/or the US Government to verify the company name, physical address, or other information provided herein. Certification validity is for one year from the date of certification.