

American University of Armenia

SUB-GRANTING MANUAL

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1. Preface

This manual is created by the American University of Armenia (AUA or University) to establish the general guidelines, process requirements, eligibility standards, as well as the approval structures and procedures pertaining to sub-granting. The manual provides information relevant to the formulation of sub-grant projects and associated requirements; the wording of competition announcements and calls for sub-grant applications or proposals; criteria for the review of accepted submissions; risk assessment and selection of sub-grantees; as well as the subsequent monitoring and oversight responsibilities of the University to ensure that the performance of sub-grantees meets the terms of the agreement, adheres to grantor expectations and conditionalities, and contributes to the specific requirements and objectives a grant program award aims to achieve.

Hence, sub-granting is defined in this manual as a grant awarded to one or more third parties or beneficiaries from funds AUA has received from a grantor. For the sake of avoiding confusion of terminology, the term sub-award shall not be used interchangeably, as the latter means any form of financial agreement or assistance in the form of money or commodities given to an eligible recipient. Though sub-awards include sub-grants but they may also denote other types of agreements not covered in this manual, such as financial assistance to support or stimulate the accomplishment of a public purpose or payment for the procurement of goods and/or services.¹ Neither of these terms implies or applies to technical assistance and other forms of assistance, such as loans, credit guarantees, interest or insurance subsidies, and various forms of direct payments that may be covered by other AUA regulations and processes. Thus, the terms sub-grant and sub-award shall not be used interchangeably as the manual establishes the policy and procedural stipulations pertaining to sub-granting.

AUA faculty and staff are required to follow the guidelines in this manual when sub-granting is involved in any of the projects or programs they administer. The manual is presented in dedicated sections and sub-sections that appear under corresponding headings. Adherence to the policy and procedures established in this manual may not necessarily cover other specific sub-granting requirements set forth by a grantor or funding agency, which may differ from one grantor to another. At the essence of the requirements stipulated in the current manual lies the institutional responsibility of the University to ensure the implementation of the goals and objectives of respective grant programs and full compliance with the additional provisions established in the agreement with the grantor. Thus, AUA is ultimately responsible for all the actions and results realized, whether performed by a unit of the University or a party external to AUA.

2. Code of Ethics

All types of communication, oral or verbal, official or private, related to sub-grants and leading to any type of monetary disbursement by the University require the highest degree of transparency, responsibility, and strict adherence to the established standards of ethical and professional conduct. AUA faculty and staff handling the administration of sub-grants on behalf of the University shall consistently conduct themselves in a manner consistent with the established ethical values of the

¹ Sub-awards that are for the procurement of commodities (including equipment, furnishings, or other goods) must follow the principles, processes, approval requirements, and procedures established in the AUA Procurement Manual.

University and in compliance with the requirements set forth by AUA in conjunction with the respective funding agency or organization.

All sub-grant decisions, of any amount and by any unit of the University, shall be made with integrity and objectivity, free from personal bias, special considerations, or personal benefit of any sort, free of solicitation or acceptance by any AUA employee, directly or indirectly, of any gift, favor, or other exchange bearing monetary value exceeding \$25 from anyone associated with an organization interested in competing for or fulfilling the implementation of an awarded sub-grant. As stated above, any communication related to a sub-grant must be conducted in an impartial, professional, and transparent manner. All eligible sub-grant applicants or potential beneficiaries must be given equal opportunity to participate and compete for an announced sub-grant. AUA staff shall make every effort to maintain open, positive, impartial, and professional relations with sub-grantees, conduct monitoring and oversight as established in the respective sub-grant agreement, and resolve under-performance or non-performance issues quickly and equitably, and in accordance with the respective performance stipulations and deliverables. Moreover, sub-grantees working with AUA shall be held to the same professional criteria of transparency, accountability, and ethical practices.

3. Impartiality, Conflict of Interest, and Confidentiality

AUA staff with grant or sub-grant management responsibilities, including members of a designated sub-grant evaluation team, as well as technical experts consulted from time to time in relation to a particular grant or sub-grant, will act in a manner consistent with their fiduciary responsibilities and exercise meticulous care not to take action or make decisions that are subjective, biased, or result from their personal interests and/or those of a potential sub-grant applicant or sub-grantee.

Conflicts of interest must be avoided under all circumstances. AUA standard operating procedures that apply to actions in reference to sub-granting define conflict of interest as instances when an AUA employee involved in the management of a grant or grants, or any of his/her family members, has an existing or potential financial or other interest that impairs or might appear to impair the individual's independence of judgment in the discharge of responsibilities towards the University and/or towards the grantor; may receive a material, financial, or other benefit from knowledge of confidential information; is a director, officer, employee, member, partner, or trustee of a sub-grant applicant or sub-grantee; and/or has a financial interest that enables him/her to exercise favoritism or influence the decision.

In certain instances related to sub-grants in excess of U.S. \$50,000 (or equivalent amount in Euros and AMD) per approved recipient, the University and/or the grantor may require that AUA staff with grant or sub-grant management responsibilities with access to related confidential information, as well as members of the sub-grant evaluation committee responsible for the review, scoring and selection of sub-grant proposals be asked to sign the *AUA Standard Declaration of Confidentiality and Impartiality* form (Appendix 1) or other form that may be prescribed by the granting agency.

4. Sub-Granting Principles

All sub-grants awarded by AUA under any internally or externally funded project will be guided by the following principles:

- Sub-grants must be solely directed to accomplishing distinct, pre-established, measurable outcomes and/or deliverables relevant to the particular grant or program from which they are derived and funded.
- Sub-grant amount restrictions per award as well as upper limit of the total amount that can be sub-granted must be strictly adhered to. Whereas such amounts may vary from one grantor to another, under no circumstances should re-granting be the principal activity of any grant-funded program.
- The sub-granting process must be guided by the approaches and procedures established in this manual, particularly those pertaining to the formulation of sub-grants, assessment of applicants, monitoring and evaluation of sub-grantee performance, and associated tasks.
- Sub-grants must not be used as a funding mechanism to supplement sub-grantee operations or continuation of its existing programs, but instead, they must transfer knowledge, and spark development and innovation by way of promoting capacity building and sustainable system improvements.
- The purpose of sub-grants must be in congruence with the overarching AUA strategic priorities and aligned with our commitment to accomplish the goals and objectives of the primary funding organization or grantor.
- The confidentiality of certain information, but also the transparency of the sub-granting process must be observed by AUA staff having any information directly or indirectly related to any and all sub-grants.

5. Planning, Describing, and Announcing Sub-Grants

5.1 Planning

Advance planning is required for all sub-grants to be announced or awarded by the University. Before announcing the availability of sub-grants and issuing a call for proposals or request for applications (RFA), AUA staff responsible for the respective grant administration and oversight must ensure that the following conditions prevail:

Availability Assurance — The sub-granting funds have been earmarked and are included in the approved grant budget.²

Budget Allotment — The current fiscal year budget of the University and of the particular grant (as part of the overall University budget) duly reflect the total amount allotted for the respective sub-grants.

² A sub-grant announcement or call for proposals for sub-grant funding may be made exceptionally in advance of the availability of funds, in which case the guidelines for applicants must include a suspension clause that clearly states that the sub-grant agreement shall be signed only after the funds become available.

Pre-Approval Requirements — Any required pre-approvals by the primary grantor (if any) or by a designated AUA officer and/or administrator responsible for financial commitments regarding grants/sub-grants or other form of monetary disbursement have been obtained.

Issues and Challenges Identified — Stakeholder consultations or situation analysis relevant to the corresponding sub-grant, whether required by the primary grantor or beneficial for the successful implementation of the grant, have been carried out and key challenges and performance gaps have been duly identified.

Description of Sub-Grant — The description of the sub-grant component of the program has been drafted, reviewed, and approved by all persons involved in the implementation and oversight of the particular grant and is in accordance with the terms of agreement with the grantor as well as the applicable University protocols concerning the implementation of grants and sub-grants.

Application Requirements — The determination if the sub-grant application package must include the audited financial statements of the applicant for the prior fiscal year (or two more years if available). Also, in the event of unusual findings and weaknesses raised by the auditors, the extent to which the applicant has followed up and rectified the issues raised.

Objectives, Outputs and Deliverables — The description clearly sets forth the precise objectives that the sub-granting proposes to accomplish, along with the corresponding output indicators, deliverables, and results the sub-grant(s) will realize.

Grantor Guidelines and Requirements — All actions and communications in relation to sub-grants (from planning to closeout) comply with the grantor’s expressed performance standards, guidelines, and requirements, including eligibility and exclusion criteria.

5.2 Describing the Sub-Grant Process

All sub-grants administered by the University shall be clearly described and open for participation by eligible parties.

As stated earlier, all sub-grants are awarded on a competitive basis, except when the following conditions prevail:

- (a) The grant award to the University has designated or pre-approved the sub-grant recipient(s) as integral to the successful accomplishment of the purpose of the grant.
- (b) The University establishes the sole-source availability of the exclusive skills or technology sought with the sub-grant, which would require advance approval by the granting agency. (Completion of a ***Sole Source Justification*** is required in such cases.)

5.3 Announcing Sub-Grants

The announcement of sub-grants must be publicized widely and in an easily accessible and most far-reaching way possible using the appropriate means of communication available, as well as through the AUA website. Announcements must contain the description and objectives of the sub-grant along with application/proposal submission guidelines, instructions, deadlines, evaluation

criteria and process, and other relevant guidelines to applicants. Below is a checklist of potential areas and topics that a sub-grant announcement or call for proposals may consider incorporating:

- The overarching purpose of the sub-grant and scope of work
- The specific and measurable objectives, along with output and outcome indicators the sub-grant is expected to achieve
- The sub-grant application review process and evaluation criteria along with their relative weights (determined by the grant management team)
- The sub-grant amount (reflecting the amount that may have been preset by the grantor), and the number of potential awards
- The types of costs allowed or disallowed and matching or cost-share requirements from sub-grantees if any
- The acceptable procurement approach sub-grantees must use for acquiring goods/equipment if included in the sub-grant
- Other administrative requirements or stipulations that must be met for compliance with the requirements of the grantor or sub-grantor
- The sub-grant period of performance (start date/end date)
- The terms and conditions for tracking performance, monitoring and reporting progress, and submission of periodic and final reports
- The method and schedule of payments or transfer of approved sub-grant amounts to the grantee (electronic transfer, reimbursement upon submission of invoices, up-front lump-sum, by result-linked installment, etc.)
- The requirement for submitting independently audited financial statements for the prior fiscal year, if applicable.³

5.4 Sub-Grant Application Guidelines

Though sub-grants will have their respective special requirements and justification provisions, applicants will be required to complete the AUA-recommended application form (Appendix 2). Thus, the description should cover the essential components articulated in the sub-grant announcement, including but not limited to the following:

- The purpose and key objectives of the sub-grant
- The specific activities and/or actions that the applicant will undertake to reach the stated objectives along with their corresponding timelines and added value
- The expected reach of the proposed activities/actions (target group of beneficiaries)
- The sub-grant period of performance (start date/end date)

³ This independently audited financial statements requirement is established in advance for sub-grants that exceed \$100,000 (or equivalent in AMD) per award or in the event that the grantor has established such a requirement with respect to sub-grants. AUA may, at its discretion, require audited financial statements for smaller sub-grants as well.

- The specific output and results the applicant will achieve, along with the approach used for measuring progress and reporting results (performance indicators)
- Description of the ability (lead staff and technical expertise and associated resources), prior experience and/or track record relevant to the proposed project activities and actions
- The detailed budget of the proposed sub-grant project with corresponding explanations of costs and line items, paying attention to allowed/disallowed costs and matching cost-share requirements, if any (see basic sample in [Appendix 3](#))
- Cost-effectiveness of the project
- A workplan with Gantt chart or indicative timetable that displays the timing and duration of each task involved in the proposed sub-grant project, along with their respective output/result indicators (see basic sample in [Appendix 4](#))
- The monitoring, oversight and internal controls the applicant will utilize to stay on track in order to deliver the expected results and assurances of sustainability of the results the sub-grantee has achieved
- Risk assessment
- Any other information that is directly relevant to the purpose of the sub-grant and may be useful for assessing the merits of the application.

When developing the description of the proposed sub-grant activity, applicants are encouraged to pay special attention to the sub-grant evaluation criteria contained in the announcement. Also, if the sub-grant involves any procurement of commodities, attention must be paid to follow the AUA-prescribed procurement approaches that promote equal and fair treatment of suppliers, impartiality and transparency of actions, and accountability for results. Additionally, attention must be given to other administrative requirements or stipulations that must be met for compliance with the rules and regulations established by the grantor and/or the University.

Below is a checklist of documents that may be required for submission along with the sub-grant application (depending on the nature and amount of the sub-grant):

- Copy of the applicant's certificate of state registration or an equivalent document related to its legal status
- Copy of the applicant organization's bylaws or articles of incorporation
- Copy of the applicant's most recent annual report or other similar official document that describes the activities of the organization
- Board of the organization and/or individuals authorized to sign on behalf of the organization as stated in the charter of the organization or in its by-laws
- Copy of the applicant organization's latest audited or prepared financial statements
- A letter from the management declaring that on the day of the application submission the organization has not been considered by the state authorities to be insolvent/bankrupt or in the process of liquidation.
- A letter from tax authorities certifying that the organization has no unpaid taxes accumulated

5.5 Reviewing Sub-Grant Applications

The sub-grant applications submitted by the set deadline and accepted by the sub-grantor will be reviewed against the set of evaluation criteria established up-front and shared in advance with all potential applicants. The selection and review process for each sub-grant cycle will be carried out within 30 calendar days from the submission deadline date. As the sub-grantor, AUA is committed to providing a fair and qualified evaluation of accepted applications and selection in a process that fully meets the principles of transparency, objectivity, and equal treatment of all applicants or impartiality.

Sub-grant applications will be reviewed and evaluated by a panel of grant management and subject matter experts appointed for the purpose of reviewing and scoring the applications based on the pre-established criteria. In a three-pronged process, the applications will be:

(a) First reviewed to determine if they actually meet the eligibility requirements and general qualifications set in the grant announcement or call for applications/proposals. These requirements generally follow the guidelines of the principal grantor in reference to either or all of the following points:

- Source and nationality
- Legal standing / official registration (based on established eligibility of natural persons or civil society organizations and other types of non-governmental organizations or private-sector non-profit agencies, institutions, and organizations)
- Examination of exclusion criteria (related to bankruptcy, breach of legal obligations/taxes, guilt of corruption or ethical/professional misconduct or gross negligence and such other factors) that have been communicated in the respective grantor’s guidelines.

(b) Those applications cleared through the first review phase are then scored against the pre-established evaluation criteria using a scale of 1 to 5 (where 1 is the lowest and 5 is the highest— see [Appendix 5](#) for a sample scoring sheet) to measure content quality and sustainability. These may include but are not limited to:

- Clarity of the proposal and extent of its relevance to the problem statement or issue(s) it will resolve and the announced overarching purpose of the sub-grant.
- Relevance of the proposal to the particular needs and constraints of the target group beneficiaries
- Degree of alignment of the proposed solution/action to the scope of the project and objectives of the sub-grant.
- Feasibility, quality, and sustainability of the proposed approach to solving the problem and strength of the rationale used (or the logic of the proposed solution).
- Demonstrated in-depth knowledge of the problem and implementation process and activities for attaining the proposed result(s) in a timely, distinct, measurable, and impactful manner.
- Added-value elements (e.g. innovation, best practices).
- Consideration of external factors (risks, assumptions and their mitigation strategies).

- Budget and cost-effectiveness of the action (have the activities been properly reflected in the budget and is the ratio between the estimated costs and the expected results satisfactory) Commitment to matching funds up to the required percentage of the sub-grant (if that is an obligation that was pre-established in the announcement/call).

5.6 Internal Controls & Risk Assessment

The applications that receive preliminary sub-granting approval (based on the pre-established evaluation criteria), will be further assessed for risks of implementation or the extent to which the applicant has the capacity to fulfill the conditions outlined below, again using a scale of 1 to 5 (where 1 indicates relatively highest risk and 5 indicates lowest risk). This represents the third step of the evaluation process:

- Established internal controls to ensure compliance with local laws and regulations
- Prior experience with managing grants/sub-grants
- Clearly defined organizational structure, responsibilities, and authorities
- Availability of lead staff and respective tenure in the organization
- Availability of technical expertise and associated resources to successfully implement the proposed activity
- Availability of sufficient justification of costs related to the sub-grant activity, coupled with the reasonableness of those costs and overall rationality of the budget
- History of past performance managing similar projects/activities Proper functioning of internal processes related to the protection of assets
- Dedicated resources, procedures and actions that ensure the accuracy and reliability of financial record keeping and reporting
- Quality of management and internal control systems necessary for meeting the sub-grant performance standards
- Other background information publicly available, including financial performance, audits, and other elements of management capacity.

5.7 Sub-Grant Evaluation Reporting

Once the final scores of each applicant are consolidated and a final score assigned, the evaluation panel will present its report and recommendation to the grant management team and/or person(s) responsible for the administration of the sub-grants. All documents and notes related to the scoring of applicants under each of the evaluation criteria must be attached to the report and retained on file.

In the event of a tie between two or more applicants, field visits and/or reference checks (as determined by the grant management team) may be used to reach the final selection or approval decision. Notes on field visits and reference checks must clearly substantiate the final sub-grant decision and also retained on file. Moreover, the AUA grant management team may also decide to meet with the successful applicants to discuss points derived from the evaluations/assessments that may require minor modifications and/or to request additional information.

Throughout the review and selection process, AUA will ensure adherence to the principal grantor's guidelines and stipulations other than what has been included in the current manual and is ultimately responsible for the achievement of results.

6. Sub-Grant Agreement

AUA faculty and/or staff should consult with the primary funding organization or grantor or AUA Research and Grants Administration Unit in order to get a Sub Grant Agreement template.

6.1 Signing the Sub-Grant Agreement

Following completion of the review, evaluation, and selection of sub-grant applications and approval of the award decisions, the University will send formal notification to the successful applicants and sign a sub-grant agreement with the awardees. The Sub-grantee shall be bound by the applicable terms and conditions of the Primary Grant Agreement signed by/between the University and the primary funding organization or grantor. The sub-grant agreement will clearly state the purpose of the agreement and contain general provisions, including but not limited to the rights and obligations of the University as well as those of the awardee; transfer and acceptance of approved amounts in accordance with the accepted budget; allowable and timing of expenditures and applicable cost principles; taxes and associated obligations of the sub-grantee; stipulations with respect to performance tracking and monitoring progress; reporting requirements; annual audit requirements⁴ and other conditions and stipulations that may apply..

Sub-grant agreements will be prepared in duplicate, one copy to be retained by AUA, and the other by the awardee. Also, in some cases, the principal grantor may require prior approval of the sub-grant agreement (and/or subsequent changes thereto), in which case the recommended changes to the text must be incorporated provided any such change does not create a conflict or contradiction with Armenian law and AUA policies.

6.2 Amendments to, Suspension or Termination of Sub-Grant Agreements

Any request for changes to the signed agreement between AUA and the sub-grantee must be made in advance, in writing and within the applicable time limits established in the agreement according to the type and extent of the requested amendment (time limits generally differ based on the type of change and the approvals required, whether by the grantor or sub-grantor).

Similarly, requests for extension of the sub-grant period must be submitted at least 30 calendar days in advance and must be supported by an explanation of the conditions or unexpected circumstances dictating the extension. Major changes to the cost categories and/or line items established in the approved sub-grant budget also require advance agreement when the amount of the requested change exceeds a certain percentage of the total sub-grant amount — usually 10 percent or a percentage increase higher than standard inflationary price increases or cost-of-living

⁴ Annual audit requirements are generally determined based on the amount of the sub-grant and the corresponding stipulation by the grantor, if any, or the risk score the sub-grantee has received in the pre-award internal controls and risk assessment (as described in 5.6 above).

adjustments to salaries, honoraria or other form of remuneration, mostly driven by the nature and purpose of the sub-grant — and must be so delineated in the agreement.

Also, there may be situations that arise during implementation requiring a sub-grant amendment, suspension, or even termination of the agreement ensuing from different reasons, including the following:

- The budget is no longer adequate to carry out the activity as a result of unexpected conditions or deviation from the sub-grant purpose and accepted implementation strategy.
- The circumstances surrounding the sub-grant have changed rendering continuation of the activity impossible or unfeasible and requiring termination of the sub-grant agreement.
- Suspension of the sub-grantee activity for a specified period or indefinitely due to reasons beyond the control of the sub-grantor or sub-grantee.
- Suspension, withholding of payment, or termination of agreement due to the failure to correct identified deficiencies and/or comply with the established conditions or imposed restrictions arising from unsatisfactory performance or other noncompliance by the sub-grantee and/or to fund the sub-grantor or termination or suspension of the primary grant agreement by the primary funding organization or grantor for any reason.
- Denial of all or part of the cost of an activity or action that is found to be noncompliant with the terms of the agreement or description of performance results and/or deliverables.

In the case of termination by the sub-grantor with the consent of the sub-grantee, the two parties must agree upon the termination conditions, including the effective date, and treatment of unused funds or unpaid sub-grant funds.

In the case of request to terminate the agreement by the sub-grantee written notification must be submitted to the sub-grantor setting forth the reasons for such termination, the effective date and in the case of partial termination, the portion of the agreement to be terminated. If the sub-grantor determines that the partial termination will not accomplish the purposes of the award, it may proceed with terminating the award in its entirety.

If any suspension or termination is initiated by the sub-grantor, such action would require written notification providing the sub-grantee with the opportunity to object and provide information and documentation challenging the suspension or termination in accordance with the provisions set forth in the sub-grant agreement. Unused funds arising from any such unusual circumstances must be returned to the sub-grantor without undue delay and within ten business days from the decision, at the latest.

7. Sub-Grantee Performance Monitoring & Reporting

7.1 Performance Monitoring and Risk Management of Sub-Grantees

As sub-grantor, AUA will monitor the activities of the sub-grantee to ensure that it has established and maintains effective internal control measures that provide reasonable assurance that the

amounts granted are managed in compliance with the terms of the sub-grant agreement and in accordance with the law. In that respect, AUA will regularly monitor the sub-grantee performance using different approaches that may include one or more of the following depending on the sub-grant amount and degree of risk associated with successful implementation of the project.

Through the life cycle of a sub-grant project, AUA will monitor sub-grantee performance to ensure the successful achievement of the results and deliverables delineated in the agreement. Whether treated as standard monitoring of performance or risk management of sub-grantees, any or a combination of the following actions may be used for continuous monitoring purposes:

- Self-assessment questionnaires completed by the sub-grantee upon request or by established timetable of requirements
- Site inspections (or field visits) with or without advance notification (usually used when the sub-grantee performance results are visibly evident and measurable)
- Desk audits or telephone conferences to discuss progress with specific targets or deliverables;
- Review of periodic performance and financial reports submitted by the sub-grantee
- Follow-up with the sub-grantees on specific actions related to deficiencies identified earlier (through any of the monitoring approaches above) to ensure that appropriate action has been taken

The sub-grantees must also respect the visibility rules required by the grantor and AUA.

The determination by AUA of which monitoring approaches will be applied for a sub-grant is determined before signing the agreement with the sub-grantee, which will state the monitoring actions and their respective periodicity.

7.2 Reporting Requirements, Schedule, and Standardized Form

The sub-grantee shall maintain accurate records of all actions and transactions related to the sub-grant and furnish AUA with regular financial and narrative reports and supporting documentation, as established in the sub-grant agreement. The sub-grantee must ensure costs are compliant with the eligibility requirements of the sub-grant and included in the categories defined in the approved proposal budget. Depending on the nature of the sub-grant, the award amount, and period of performance, the reports may be monthly or just mid-term and final. A template of the narrative report is provided ([Appendix 6](#)) to serve as a guide to the basic sections that may be incorporated into the submission. However, attention must be focused on the specific reporting requirements of the sub-grant with respect to submission schedule and specific content requirements as established in the sub-grant agreement. All reports shall be properly documented with supporting original vouchers, invoices and receipts attached.⁵ The sub-grantee financial reports will be prepared using the outline form provided by AUA and pursuant to the reporting requirements of the grantor (see [Appendix 7](#)) and be submitted together with a bank reconciliation report, if a separate bank account was required for the sub-grant. Reallocations between approved budget lines shall be subject to AUA's written approval.

⁵ It is important that the supporting documents provide a sufficient audit trail.

The narrative report should adequately describe progress toward the achievement of the stated objectives and at the same time reflect the use of the sub-grant funds for the progress towards achieving the results and/or deliverables. If the reports are not submitted or are not in the form acceptable to AUA, further payments to the sub-grantee may be withheld with due notice to the sub-grantee.

Depending on the nature, amount, and period of the sub-grant, as well as the requirements to this effect by the grantor, AUA may stipulate in the sub-grant agreement that the sub-grantee accepts, understands and agrees to maintain separate accounting records of transactions related to the sub-grant funds in compliance with generally accepted accounting principles.

7.3 Accounting and Record Keeping

Sub-Grantees are expected to maintain accounting records that properly record and support disbursements of sub-grant funds in accordance with the approved budget and generally accepted accounting principles. In assurance thereof, the sub-grantee may be asked to provide AUA as the sub-grantor full access to its books and records (including desk audits or site visits) to verify transactions or assertions in the financial reports submitted by the sub-grantee.

The sub-grantee undertakes to return to the sub-grantor at the end of the sub-grant period all unused funds and any amounts determined by AUA as not allowable expenses under the terms and conditions of the sub-grant agreement.

The sub-grantee is required, within a period of 30 calendar days after the conclusion of the activities covered by the sub-grant agreement, to submit a final financial report using the form supplied by AUA to the sub-grantee.

The sub-grantee shall keep accounting records, reports and documentation related to the activity covered by the sub-grant agreement for a period not less than three years after the completion of the project life cycle and submission of the final financial report.

7.4 Sub-Grant Closeout

Sub-grants shall be closed out within thirty days following (a) the termination of the sub-grant agreement for any of the reasons discussed above or (b) the conclusion of the sub-grant implementation period. At that time, sub-grantees must submit to AUA all financial, technical and other information required by the sub-grant agreement. As sub-grantor, AUA will ensure that all advances are liquidated or accounted for, including the return by the sub-grantee of any unused cash, and that all expenses have been properly documented. Any irregularities that are observed during the review of the submitted documentation, the sub-grantee will be notified, in writing, no later than 30 calendar days from receipt and be required to submit an explanation or additional documentation acceptable to the sub-grantor.

Appendix 1 – Declaration of Impartiality and Confidentiality

AMERICAN UNIVERSITY OF ARMENIA

DECLARATION OF IMPARTIALITY AND CONFIDENTIALITY

In reference to _____ (insert the exact name of the sub-grant) I, the undersigned, hereby declare that I agree to participate in the evaluation of the proposals received from various applicants for participation in the above-mentioned sub-grant. Through my signature to this statement, I declare that, to the best of my knowledge, I have no conflict of interest with any of the applicants for this sub-grant, including persons or members of their parent or affiliated organizations.

I confirm that if, during the evaluation, I discover that such a conflict exists or might exist, I shall declare it immediately to the chairperson of the evaluation committee. In the case that such conflict is deemed relevant and may cause or be perceived as a breach of impartiality or confidentiality by the committee, I agree to cease from participating in the evaluation committee. I confirm that I have reviewed the information available to date concerning the subject sub-grant and have familiarized myself with the provisions of the *Sub-Granting Manual* and fully understand the impartiality and confidentiality requirements of the evaluation process and will fully comply.

I further declare that, to the best of my knowledge, I am not in a situation that could cast doubt on my ability to evaluate the proposals received. I shall maintain the strictest confidentiality with regard to any and all information acquired as a result of my involvement in the evaluation process of the subject sub-grant proposals, as well as any information relating specifically to the object of this call. I undertake neither to disclose such information to any person who is not already authorized to have access to such information, nor to discuss it with any person in any public place or where others could overhear me. I undertake to use this information only within the context, and for the purposes of, the evaluation of this specific call.

I also agree that, upon conclusion of the evaluation, I will not retain copies of any written information or personal notes to this regard. I understand that any unauthorized disclosure by me will result in the termination of my role as a member of this evaluation committee and may also have other negative consequences.

Name: _____

Function in relation to subject sub-grant: _____

Signature: _____ Date: _____

Appendix 2 – Application for Sub-Grant

AMERICAN UNIVERSITY OF ARMENIA APPLICATION FOR SUB-GRANT

AUA Identifier of Sub-Grant:	
Sub-Grant Performance Period:	Applicant Identifier:
1. APPLICANT INFORMATION	
Type of organization:	
Legal name:	
Official address:	
If deferent, operational address:	
Sub-grant project address (if different from above):	
Name and contact information of person to be contacted on matters involving the current application. Name: Title or Position: Telephone number: Email:	
2. DESCRIPTION OF PROJECT OR ACTIVITY	
Descriptive title of project:	
Project start and end dates:	
Amount requested:	
Amount matched by applicant:	
Amount from other funding sources:	
Specific objectives the project will accomplish:	
Specific results the project will deliver: (a) (b) (c)	
Performance results the project will accomplish: (a) (b) (c)	
Project reach and sustainability:	
Executive Summary (no more than 250 words):	

Project description (use additional space but no more than 10 pages, if needed):

Authorized Representative (Full Name and Position):

Signature:

Date:

Appendix 3 – Sample Sub-Grant Budget

AMERICAN UNIVERSITY OF ARMENIA SAMPLE SUB-GRANT BUDGET

(Caution: This is only a basic budget format that applicants may follow. There may be additional requirements provided in the sub-grant announcement of different grants.)

Project Title:

Project Sponsor:

Duration (total months):

Estimated Start Date:

Estimated End Date:

	Cost Categories	Unit	Unit Persons/ Duration	Unit Cost (AMD)	Total (AMD)	Notes
I	Compensation (Salaries, Honoraria, etc.)					
		Person month	0	0.00	0.00	
		Person month	0	0.00	0.00	
		Person month	0	0.00	0.00	
		Fixed amount			0.00	
	Total Compensation				0.00	
II	Other Direct Costs					
					0.00	
					0.00	
	Total Other Direct Costs				0.00	
	Total Direct Costs (Compensation & Other Direct Costs)				0.00	
III	Indirect Costs		Rate	Base	Cost	
			36.5%	0.00	0.00	
	Total Indirect Costs				0.00	
	GRAND TOTAL (Compensation, Other Direct Costs & Indirect Costs)				0.00	
IV	Value-Added Tax (VAT)		20%	0.00	0.00	
	TOTAL PROJECT BUDGET				0.00	

Appendix 4 – Sample Sub-Grant Workplan or Indicative Timetable

**AMERICAN UNIVERSITY OF ARMENIA
SAMPLE SUB-GRANT WORKPLAN OR INDICATIVE TIMETABLE**

Organization Name:

Project Name:

Project Start and End Dates:

#	Activity	Responsible Person(s)	Month										
			I	II	III	IV	V	VI	VII	VIII	IX	X	
1													
2													
3													
4													
5													

Note: Additional columns may be added according to the duration (number of months) of the project implementation.

Appendix 5 – Sub-Grant Application Scoring Sheet

**AMERICAN UNIVERSITY OF ARMENIA
SUB-GRANT APPLICATION SCORING SHEET**

AUA Identifier of Sub-Grant:
Applicant Identifier:

Criteria	5 Very Good	4 Good	3 Average	2 Limited	1 Poor
Clarity of the proposal					
Alignment with the project scope					
Etc.					
Etc.					

Note: Add additional lines to reflect the pre-established evaluation criteria.

Appendix 6 – Sub-Grant Narrative Report Template

AMERICAN UNIVERSITY OF ARMENIA SUB-GRANTEE NARRATIVE REPORT TEMPLATE⁶

Part 1. Sub-Awardee General Information

AUA Identifier of Sub-Grant:	
Applicant Identifier:	
Legal Status:	
Project Name and Location:	
Project Implementation Period:	
Period Covered by the Report:	
Name of Authorized Person:	
Signature:	Date of submission:

Part 2. Narrative of Completed Tasks and/or Specific Project Parts

⁶ This Narrative Reporting Template is provided as a guide only and must be adjusted to reflect the specific requirements and periodicity of reporting that AUA establishes with respect to different sub-grants. Whereas the basic reporting components are shown in the template, there may be additional stipulations that should be added.

Narrative Description of Completed Work & Reach:

Results/Deliverables Achieved in Completing the Above Tasks or Project Parts:

Indicator 1

Indicator 2

Indicator 3

Process Used for Tracking/Validating Deliverables/Results Achieved:

Planned Results for Reporting Period Not Accomplished and Reasons Thereof:

Measures Taken to Rectify Situation to Get Project Back on Track:

Measures Taken to Ensure Sustainability of Results Achieved:

Part 3. Supporting Data in Numbers

Number of Project Beneficiaries/Participants Reached in the Reporting Period (<i>disaggregated by gender</i>):	Female: Male:
Number of Project Beneficiaries/Participants Reached in the Reporting Period (<i>disaggregated by age-group according to project implementation targets</i>):	
<i>Add other results achieved in numbers</i>	

Appendix 7 – Sub-Grant Financial Report

**AMERICAN UNIVERSITY OF ARMENIA
SUB-GRANTEE FINANCIAL REPORT**

Sub-Grantee Organization Name and Address	Report Date:			
	Responsible Person:			
	Chief Representative of the Sub-Grantee and Contact Information:			
Sub-Grant Agreement Number:	Project Title:			
AUA Sub-Grant Award Identification Number:	Project Period of Performance:			
Type of Report: <input type="checkbox"/> Interim <input type="checkbox"/> Final	Reporting Period:			
<p><i>By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures reported herein have been made in accordance with the terms and conditions set forth in the award document and are properly reflected in the [grantee organization name]'s accounting records.</i></p> <p>Prepared by: _____</p> <p>Certified by: _____</p>				
Line Item	Approved Sub-Grant Budget	Actual in the Reporting Period	Actual To Date	Remaining Balance
DIRECT COSTS				
<i>Personnel Compensation</i>				
Project Manager	0.00		0.00	0.00
Expert 1	0.00		0.00	0.00
Expert 2	0.00		0.00	0.00
Total Personnel Compensation	0.00	0.00	0.00	0.00
Other Direct Costs (expenses recorded by the AUA-approved budget categories)				
Travel	0.00		0.00	0.00
Printing	0.00		0.00	0.00
Total Other Direct Costs	0.00	0.00	0.00	0.00
Total Direct Costs (Compensation and Other Direct Costs)	0.00	0.00	0.00	0.00
Indirect Costs				
7%	0.00	0.00	0.00	0.00
TOTAL COSTS	0.00	0.00	0.00	0.00