THE SMALL PROJECT ASSISTANCE (SPA) PROGRAM HANDBOOK

For Peace Corps and USAID Staff

November 2010

PEACE CORPS
OFFICE OF OVERSEAS PROGRAMMING AND TRAINING SUPPORT
PARTNERSHIP DEVELOPMENT UNIT

Information Collection and Exchange (ICE)
ICE No. T0119

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I. Overview of the SPA Program

A. INTRODUCTION

The Small Project Assistance (SPA) Program provides support for small-scale, community grants and targeted skills training for men, women, boys, and girls in grassroots organizations and communities around the world. The program is a partnership between the United States Agency for International Development (USAID) and the Peace Corps, originally established in 1983. Overall program management for the SPA Program is carried out by the Partnership Development Unit (PDU) in the Office of Overseas Programming and Training Support (OPATS). USAID currently supports the SPA Program through a Participating Agency Program Agreement ("PAPA" or "Agreement"), which runs through September 30, 2011.

The SPA Program responds to a Special Objective developed by Peace Corps and USAID: "to increase the capabilities of local communities to conduct low-cost, grassroots sustainable development." The program works toward this objective through two interrelated components: (1) grants and (2) field assistance. Each Peace Corps post participating in the SPA Program manages a grant program that provides small sums of capital for community-initiated projects through a competitive process designed to select the most feasible and sustainable projects. To enhance the sustainability of these small projects, skills training can also be provided to host country and community counterparts through targeted training (field assistance) workshops.

B. ELIGIBILITY TO PARTICIPATE IN THE SPA PROGRAM

Generally, funding responsibility for the SPA Program is decentralized to bilateral (country-level) or regional USAID Missions. Therefore, all Peace Corps posts in countries with USAID Missions, or in countries that are in the geographic coverage area of a USAID Regional Mission, are eligible to participate in the SPA Program. Through a yearly planning process, the USAID Mission Director and the Peace Corps Country Director determine opportunities for collaboration and potential funding levels to support the SPA Program.

C. ANNUAL PLANNING WITH THE USAID MISSION

The SPA Program is a 'forward-funded' agreement, wherein resources contributed by USAID in one fiscal year are obligated and become available to Peace Corps in the following fiscal year. Every year, the Peace Corps Country Director meets with the USAID Mission Director to discuss the general direction and objectives of the SPA Program, and to agree on (1) the programmatic areas the SPA Program will support during the following fiscal year, (2) an appropriate funding level for each of those programmatic areas, (3) any specific funding allocations between grants and field assistance, and (4) any local reporting requirements. This meeting is also the opportunity to communicate SPA Program achievements and outcomes, and to discuss new development initiatives that might be undertaken during the upcoming fiscal year. The Country Director should ensure that the programmatic focus areas coincide with post's programming and meet host country development objectives.

These discussions should be held between January and February, so that the Mission has sufficient time to complete the process for securing and transferring funds to Peace Corps.

The USAID Mission incorporates funding for the SPA Program into its Operational Plan, which it submits to USAID/Washington. Once USAID/W approves the plan, the Mission transfers funds to the PAPA Project account within the Office of Development Partners at USAID/W (DCH-T-00-06-00004-00). Missions must transfer all funds through USAID's Field Support Database System (FSDS) by the first week of August. Every year, specific deadlines and instructions on the funding process are provided to eligible USAID Missions and Peace Corps posts.

D. CARRYOVER OF UNEXPENDED SPA FUNDS

SPA funds are available to the post to which they were contributed as long as the agency-level SPA agreement remains valid. Therefore, as long as the Agreement is not expiring, unexpended funds at the end of the fiscal year will be available to post in the subsequent fiscal year. At the beginning of each fiscal year, PDU staff sends each post information on availability of carryover funds based on reports pulled from the financial system. Posts should consider available and anticipated carryover funds when discussing funding levels with the USAID Mission, in order to avoid the buildup of an excessive funding pipeline.

E. ACCESSING SPA FUNDS THROUGH THE IPBS

Peace Corps posts allocate SPA funds through the Agency's Integrated Planning and Budget System (IPBS). As part of its Detailed Operating Plan, each participating post indicates how it wants to allocate available (both new and carryover) SPA funds between grants and field assistance. Posts indicate these allocations using the templates that are provided each year with the Operating Plan Guidance. Confirmation and concurrence of SPA Grant authority levels and SPA Field Assistance requests is communicated to all posts from Peace Corps Headquarters when the review process is completed. Transfers of budget authority for approved activities generally begin in mid-October. Posts should contact the PC/Washington SPA Program Manager in the PDU to reallocate SPA funding during the fiscal year.

F. SPA BUDGET AUTHORITY

SPA funding is an increase to a post's budget authority provided under a specific Sponsor Code. Posts are responsible for all aspects of the accounting of funds received through the SPA Program, and must follow standard procedures established by the Office of the Chief Financial Officer (OCFO), and as described in the Overseas Financial Management Handbook (OMFH).

Once funding has been approved and funds are available to transfer, OPATS, via OCFO, transmits SPA budget authority to posts. Authority is transferred through the budget adjustment process, and is dependent upon the transfer schedule set by the Office of Budget and Analysis (OBA). Posts should verify that the amounts transferred are consistent with the approved amounts for both grants and individual field assistance activities.

All budget authority issued during a fiscal year expires at the end of the fiscal year. Unobligated authority is automatically withdrawn. However, posts do not lose the unused authority, and may access the funds in subsequent fiscal years, as described in section I.D above.

Please note that reimbursable funds do not use the fixed annual foreign exchange rate, and any foreign exchange gains or losses are either credited or debited against available budget

authority. Therefore, when obligating reimbursable funds, post should leave a slight cushion in case of foreign exchange loss at the time of invoice and payment. If a foreign exchange loss on an invoice entry cannot be covered with available budget authority, post will be not be able to approve the invoice and send for payment (via GAP or the Cashier). Similarly, if the payment rate of an invoice creates a loss that is greater than available budget authority, the payment will be put on hold in Odyssey until the obligated amount is decreased or additional budget authority becomes available.

G. SPA REPORTING REQUIREMENTS

While specific reporting requirements are described below in sections II.H (Grants) and III.E (Field Assistance), SPA reporting requirement are summarized here:

- Posts must submit reports to the PDU for both SPA Grants and Field Assistance activities on an ongoing basis throughout the fiscal year.

- In order to meet obligations of the global SPA Agreement, posts generally must report on one or more USAID indicators. These indicators are derived from USAID's Foreign Assistance Framework; under the framework, there is a menu of standard indicators for each Program Element. When the Country Director (or delegate) and the USAID Mission Representative negotiate funding for each fiscal year, they should come to a consensus on which indicators will be used. Post may be able to draft "custom" indicators, with the permission of the Mission.

- The PDU submits an annual programmatic report to USAID that provides a global summary of SPA funded activities. This report is compiled using information from *SPA Abstracts*, *SPA Completion Reports*, *SPA Field Assistance Reports*, and other information provided by posts. USAID indicator data is compiled across all posts and included in this global annual programmatic report.

- In addition to reporting to PC/Washington, posts may also be responsible for submitting reports to the local USAID Mission, according to the reporting procedures that may be established between individual USAID Missions and Peace Corps posts. Increasingly, Missions may expect data that address the Mission's strategic planning framework. Reporting should be done in terms of the indicators chosen by post and Mission.

II. SPA Grant Program

A. INTRODUCTION

Consistent with the objective of the SPA Program, "to increase the capabilities of local communities to conduct low-cost, grassroots sustainable development," the SPA Grant Program supports the efforts of local communities to carry out projects that address their own priorities. Community organizations work with the support and assistance of a Peace Corps Volunteer to plan and design projects that focus on local development. Projects **should include a clear training or capacity-building component,** for community members to acquire skills necessary to continue working on their own to sustain the project, and/or maintain its benefits following the departure of the Volunteer.

A post-level committee reviews and approves grant proposals. If approved, the local community, as the grant recipient, is responsible for implementing the project, managing the funds, and for programmatic and financial reporting. The Volunteer assists the community at each step to plan and implement the project and to prepare the required reports, which are submitted to the Partnership Development Unit (PDU) in PC/Washington.

B. USES OF SPA GRANT FUNDS

SPA Grant funds can be used in various ways to support community-led development initiatives. In addition to basic SPA guidelines described in this manual, SPA Grants must be approved in accordance with any specific conditions and programmatic focus areas agreed upon with the contributing USAID Mission. Within these bounds, grants may support community-focused project activities in a wide-variety of programmatic areas, including agriculture, the environment, small enterprise development, education, water and sanitation, and health. Cross-cutting priorities of gender equity, youth development, girl's education, the prevention of HIV/AIDS, NGO development, municipal development, food security, volunteerism, and the integration of ICT can also be addressed.

All projects supported with SPA Grant funds must:

- be initiated, designed, and implemented by a local community organization or group, with the support of a Peace Corps Volunteer;
- promote sustainable, community development initiatives;
- include a clear capacity-building or hands-on training component, even when project activities include materials acquisitions, production, or construction efforts;
- include the local community organization or group's commitment of its own resources, cash or in-kind, to the project;
- not exceed US $10,000 in SPA funding;
- build local self-reliance and not encourage dependency on continued assistance from SPA funds or other external resources;
- support a discrete project, with a definite beginning and end date, and concrete goals and objectives;
- be scheduled for completion within one year, and end at least one month before the Volunteer's Close of Service (COS) date; and
- take into account potential environmental impacts, and include an environmental assessment and mitigation plan (see Section IV.C for more information).

Posts can also develop additional post-specific criteria to better reflect local community development issues and priorities. For example, a post can develop its own requirements regarding maximum grant size, minimum community contribution, or whether proposals can be submitted for projects outside of a Volunteer's primary assignment or sector. All SPA project criteria should be clearly communicated to Volunteers and their communities.

C. ALLOWABLE AND UNALLOWABLE COSTS

All costs funded with SPA funds must be reasonable, necessary, and justified in light of the project activities and objectives. In addition, the following limitations should be observed for all SPA Grants, except where a waiver is obtained from the PC/Washington SPA Program Manager in the PDU prior to the approval of a specific SPA project.

o **Giveaways, prizes, and celebrations:**
   SPA funds cannot be used to purchase giveaways (such as t-shirts), prizes, celebrations, or other similar items or activities. When these items are considered important to realizing the goals and objectives of a SPA project, the community or another third-party organization should contribute the items in-kind or through cash contributions.

o **Land and other capital assets:**
   SPA Grant funds cannot be used to purchase land. If SPA funds are approved to construct or equip a building, prior to approving the project, the SPA review committee must ensure that the community has clear title to the land on which the building will be located, or has a signed, long-term lease or other officially approved agreement providing long-term access to the land. If the land is under a long-term lease, the community organization must demonstrate that it will be able to cover any monthly rent required by the landowner.

o **Motor vehicles and other conveyances:**
   SPA Grant funds cannot be used to purchase motor vehicles and other transportation conveyances that are intended primarily for personal use. In limited circumstances, funds may cover the costs of bicycles or similar items that are intended for shared use and integral to the objectives of a project. Posts should contact the SPA Program Manager in the PDU prior to approving such costs.

o **Recurring costs:**
   SPA Grant funds cannot be used to cover regularly recurring monthly expenses (e.g., rent, telephone service, utilities) beyond an initial start-up period of three months. Calculations of in-kind contributions should not include recurring costs beyond three months.

o **Loan funds:**
   SPA funds cannot be used as loan collateral or to supplement a community organization's revolving credit or loan fund. However, if the community generates income as a result of SPA project activities, it may elect to use this income to establish a credit or loan fund in order to continue or expand project activities.

o **Contingency funds:**
   SPA Grant budgets should not include funds for "contingencies" or similar cost categories.

o **Travel/Per Diem/Food:**
   Costs associated with travel, including transportation, per diem, lodging, and food, may not exceed $1,000 (unless a waiver is obtained from the PC/Washington SPA Program Manager).

o **Labor:**
SPA funds may not be used to pay day laborers or other unskilled labor costs. SPA funds may cover fees for specialized labor and expert consultants/trainers but may not exceed $1,000 (unless a waiver is obtained from the PC/Washington SPA Program Manager).

o **Volunteer costs:**
Generally, SPA Grant funds may not cover costs to support or benefit Peace Corps Volunteers. SPA funds may not pay for per diem for Volunteers. Posts may request a waiver for SPA funds to cover modest travel, lodging, and food costs related to a SPA project, if the Volunteer is traveling with host country counterparts and where such costs are necessary for the success of the project.

o **Alcoholic beverages**
SPA funds may not fund the purchase of alcoholic beverages.

D. APPLYING FOR A SPA GRANT

Because SPA proposals are approved by post-level SPA committees and development conditions and practices differ between countries, the SPA Program does not require that posts use a specific proposal format or application template. Different formats can be used in writing proposals. However, a proposal should generally include: a local language summary; a statement of need; goals and objectives; a description of the project design and action plan; a budget and budget justification; and a monitoring and reporting plan. An acceptable proposal format is provided in Appendix 4.

In addition, several ICE publications have useful proposal writing materials:

- ▪ *The New Project Design and Management Workshop Training Manual* (ICE #T0107): see especially the proposal writing session agenda (pages 126-130), the handout on Parts of a Proposal for a Community Project (pages 131-133), and the guidelines on writing Capacity-Oriented Proposals (page 134)
- ▪ *Roles of the Volunteer in Development* (ICE #T0005): see especially Toolkit #5, "The Volunteer as Co-Planner")
- ▪ *SPA Idea Book: Supporting Sustainable Community Development* (ICE #M0082) for a longer discussion on the community development process.

All of these resources are available on the Peace Corps' website, in the Library section.

E. POST REVIEW PROCESS FOR SPA GRANT PROPOSALS

Each post must establish a SPA Committee to determine post-level review criteria and to review and recommend projects for approval.

1. SPA Committee

Typically, a post-level SPA Committees has four to six members and is composed of one or more of the following:

- • Country Director (CD);
- • Programming and Training Officer (PTO);
- • Associate Peace Corps Directors (APCD) or Program Managers (PM);
- • Administrative Officer (AO);

- Program Assistants and Training Assistants;
- Financial Assistants;
- Volunteers (Posts must take into consideration Volunteer safety and security and potential interference with community work before placing Volunteers on the SPA Committee. Volunteer members are typically third-year Volunteers, Volunteer Leaders, or Volunteers who have completed a SPA project);
- a USAID Mission Representative (at the Mission's discretion); and
- Host Country Nationals and/or NGO representatives, as appropriate or possible.

One member of the Committee should serve as SPA Coordinator. The SPA Coordinator is responsible for organizing meetings, collecting and distributing project proposals to committee members before review meetings, and submitting required reports to the PDU.

The SPA Committee establishes:

- post-specific project criteria or requirements;
- submission, review, and approval procedures;
- a review calendar and proposal submission deadlines; and
- post-specific SPA materials (e.g. local SPA Handbook, SPA funding announcements, training materials, etc.).

Posts must provide orientation and training to the members of the SPA Committee. It is important for longer-serving members to orient newer committee members.

2. The SPA Project Review Process

A post's SPA Committee is responsible for reviewing all proposals. **At a minimum**, all approved projects must follow the basic SPA Grant guidelines described on Section II.B. Approved projects must also fall within the scope of the program areas or elements under which the Mission has contributed SPA funds. At the beginning of each fiscal year, PDU staff sends each post a reporting workbook to assist in tracking funds and USAID indicators. SPA Committees should use this workbook to keep a running balance of available funding in each supported program area or element.

The SPA Grant Program is meant to function as an agile funding mechanism. Although project proposals must be considered for their capacity building potential, the proposal review process should be structured in such a way as to facilitate timely decision-making and distribution of funds, with minimal paperwork for Volunteers, Peace Corps staff, and USAID staff.

In managing the proposal review process and calendar, posts may find it useful to consider:

- the total amount of post's SPA Grant authority;
- seasonal activity calendars of Volunteers and their counterparts (e.g., education Volunteers might request funds for projects which will take place during school breaks);
- budget cycle realities and the potential effects of a continuing resolution; and
- dates of Project Design and Management (PDM) workshops or other similar trainings after which proposal submissions may be expected to increase.

Posts must ensure that SPA guidelines, deadlines, and review procedures are effectively communicated to Volunteers. Effective means of communicating SPA information include distribution of informational pamphlets, inclusion of SPA updates and reminders in Volunteer newsletters, and scheduling SPA orientation sessions at PST or IST.

Most posts use a SPA proposal checklist to help Peace Corps staff, Volunteers, and communities assess the strengths and weaknesses of SPA project proposals. Such a checklist should become part of any information guide that post disseminates to Volunteers and communities. A sample checklist is included in Appendix 6; additional examples developed by posts can be found on the SPA Intranet page.

F. FINANCIAL ADMINISTRATION OF SPA PROJECTS

1. SPA Grant Budget Authority

Transfers of SPA Grant budget authority begin at the beginning of the fiscal year, usually in mid to late October. On occasion, due to Agency-level budgetary and fiscal considerations, and especially during a Continuing Resolution (CR), OPATS may reduce the amount of the initial transfer and spread the transfer of budget authority across more than one fiscal quarter. Posts are advised **not to exceed** their SPA Grant authority by approving projects in excess of authority already transferred to post. If additional SPA Grant authority is needed, posts should contact the PC/Washington SPA Program Manager with as much advance notice as possible.

Although SPA budget authority expires at the end of the fiscal year in which it was issued, obligations for individual SPA Grants are valid for **one year** from the date of obligation. This means that while individual SPA Grants must be approved by posts and obligations must be created before the end of the fiscal year, the project may continue into the next fiscal year, as long as the project is completed within twelve months.

2. Creating Obligations for SPA Projects

The AO or financial assistant creates an obligation for **each** approved project against available budget authority. **Posts must not block obligate SPA Grant obligations.** The AO maintains an up-to-date accounting of SPA Grant obligations through FORPost. The **sponsor code for SPA Grants is 4003** and the **object class is 41020**. The *SPA Project Agreement* (Appendix 3) is the principal obligating document. In addition to the standard fiscal coding attached to the obligating document, each approved SPA project should be marked with a specific project number (see below).

Assigning Project Numbers
Once the SPA Project Committee approves a proposal, the post's SPA Coordinator assigns a number to the project. This number is used to track the project at post and at PC/W. The number identifies the fiscal year in which the project is funded, the post (by a three-digit country location code), and is the number by which the project will be tracked until it is completed and all programmatic and financial reports have been submitted. Post's SPA Coordinator should enter the project number into the *SPA Abstract* prior to submitting it to PC/W, and should ensure that the same number appears on all documentation and communication related to the project.

> Approved projects are numbered as follows, using the example of a project in Bolivia that was approved and obligated in October 2010:
>
> **10** = Fiscal Year 2010
> **511** = the Location Code for Bolivia
> **002** = the second project approved in Bolivia using FY-2010 funding authority.
>
> In this example, **10-511-002** becomes the assigned number.
>
> This number should **not** be confused with the obligation number, which will be assigned by the AO (see below).

Assigning Obligation Numbers for Approved SPA Projects

The SPA Coordinator sends the SPA Activity Agreement (signed by the appropriate community representative, the Volunteer, and the Country Director) for each approved SPA Project to the post's Administrative Unit. Either the AO or another financial staff member will create the obligation and assign an obligation number. When creating the obligation, the AO or financial assistant should **enter the SPA project number in the "item description" line.** In determining how funds should be disbursed, the admin unit should consult with the SPA Committee and consider the following options and preferred order of payment:

1. **Disbursement directly to community organization** – The preferred method of disbursement of SPA Grant funds is directly to the community organization. Depositing funds in the community organization's bank account gives the organization direct experience in managing money, strengthens the financial management capacity of the organization, and reduces the need for Volunteers to travel with or handle large sums of money.

2. **Disbursement into a joint account** – If the community organization does not have an account or if there are concerns about the organization's ability to manage funds on its own, the next preferred option is for the Volunteer and community organization to open up a joint account for the project funds.

3. **Disbursement to Volunteer in a separate project account** – If local banking laws make it difficult or impossible to open joint accounts, the next preferred option is for the funds to be deposited in a separate account the Volunteer opens for the project. This reduces potential accountability problems that can result from commingling of project funds and the Volunteer's living allowance.

4. **Disbursement to Volunteer in his/her primary account** – While this is the least preferred option, if payment cannot be made directly to the community organization and in-country banking restrictions make it exceedingly difficult to establish a joint or separate project account, funds may be deposited in the Volunteer's primary account. The AO must establish appropriate safeguards and procedures to ensure that all SPA funds are accounted for prior to a Volunteer's COS so that Volunteers do not leave the country with SPA funds.

While the majority of disbursements will be made using one of these four options, in some cases payment may be made **directly to vendors/service providers.** For major purchases

going to a single vendor, payment may be made by check or an electronic funds transfer (EFT) directly to the vendor or supplier.

3. Requesting Payment for Approved SPA Projects

To request payment for approved SPA projects, post's AO or Financial Assistant sends **copies** of the completed *SPA Project Agreement* and the appropriate *Consent and Liability Form* to the Office of Global Accounts Payable (OCFO/GAP). If funds will be disbursed directly to the community organization, the *Community Organization Official Consent and Liability Form* (Appendix 1) should be used; if the Volunteer will receive funds, then the *Volunteer Consent and Liability Form* (Appendix 2) should be used. The <u>original forms should be retained by post</u> in the SPA Project files.

Electronic Funds Transfers (EFT) are required for all posts with EFT capacity. For those posts without EFT capacity, checks may be ordered or in exceptional circumstances, and for cash only posts, imprest funds may be used based on a post-specific waiver provided by the Office of Global Accounts Payable (OGAP).

In general, EFTs are received five business days after processing, and checks are received 14 days after processing. Processing information is available in FORPost through the EFT confirmation report.

G. ACCOUNTING FOR SPA GRANT FUNDS

Funds provided through the SPA agreement are U.S. federal government funds. Under the SPA agreement, USAID may carry out an audit of the SPA Program at any time. In addition, Peace Corps' Inspector General may review SPA Program documentation during the course of an audit or program evaluation. Therefore, it is essential that all SPA funds remain accounted for and properly documented. The AO, in coordination with post's SPA Committee, is responsible for establishing appropriate procedures to safeguard SPA funds and for monitoring obligations for each SPA Grant throughout the life of the project.

1. Using the SPA Project Log and Verifying Receipts

As part of their orientation to the SPA Grant Program, or upon approval of a project, Volunteers and their community partners need to receive instructions on how to account for the use of SPA project funds and the documentation they are required to obtain to support purchases and procurements.

At a minimum:

o When a SPA project is approved, the Volunteer is given the Completion Report form (in MS Excel) that includes a Project Log as the final tab (a word document of this version is included in Appendix 7). Each disbursement of SPA funds must be documented on the SPA Project Log. Volunteers should work with the local organization to keep the Project Log up to date, thereby building the community's capability to manage and account for grant funds. If the community organization does not have computer access, the Volunteer should print out the Project Log and fill it in manually with the community organization. The SPA Project Log is incorporated into the SPA Completion Report to ensure consistency in financial reporting.

o Invoices should be obtained for all large purchases. Invoices should be legible, include an

English translation, and contain the name of the vendor, name of the purchaser, date of the purchase, an itemization of materials purchased including quantity and unit cost, and the total amount of the purchase. <u>Reminder: if an item costs $5,000 or more then the **Source and Origin** provision may apply (see Section IV.D for more information)</u>.

o   For goods and services where invoices are not traditionally used (e.g., artisan skilled labor), receipts should be collected to confirm the date the service was provided, the name of the service provider, the number of hours or days worked, an hourly or daily rate, and the total amount paid, converted to U.S. Dollars. *Remember that day laborers and unskilled labor should not be compensated with SPA funds.*

o   All invoices and receipts must be submitted by the community and Volunteer to the post's SPA Coordinator, along with the *SPA Completion Report* (including Project Log) upon conclusion of the project.

o   The final SPA Project Log should provide an accounting of **all** expenses. The SPA Coordinator or AO should review the Project Log to ensure that all funds are accounted for and that funds were spent in accordance with the approved budget. Discrepancies must be resolved prior to the COS date of the Volunteer.

2. Post-Approval Budget Changes to SPA Grants

Each post should establish a process for implementing changes to project activities or budgets after the project is underway. Where changes do not require the awarding of additional funds, are relatively minor, do not change the project scope or objectives, and do not entail significant revisions to the approved budget, then it may not be necessary for the Volunteer and community to contact the SPA Committee. However, where activities significantly change the approved activities, budget, or the scope or objectives of the project, then the Volunteer or community should receive prior approval from the SPA Committee to ensure that funds are being used appropriately.

For budget changes in particular, posts can set a threshold under which prior approval is not required. A suggested threshold is between 15%–25% change in any budget categories. For example, a post might require that if a budget reallocation would result in an increase or decrease of 20% from the approved budget in any budget category, then prior approval would be required. Such prior approval need not be a lengthy process and may be carried out by email or phone, depending upon available means of communication. Posts should ensure that post-approval changes are appropriately documented in the SPA Grant file.

3. Supplemental Funding Amendments

Posts generally should not approve amendments to add funds to existing SPA projects. Volunteers and their communities should receive sufficient orientation to the SPA Program (or participate in Project Design and Management (PDM) Training) to enable them to prepare budgets that include all necessary and appropriate costs. Volunteers may also consult with the SPA Committee or financial staff at post during the proposal writing process for assistance in preparing budgets.

In the case of budget shortfalls resulting from poor budgeting or incorrect calculations, the SPA Coordinator can suggest:

- the community contribute additional funds;
- the project be redesigned to stay within the original approved budget; and/or

- the budget be revised to eliminate unnecessary costs and cover the shortfall.

If post believes that, in an exceptional case, supplemental funding should be approved, the post should contact the PC/W SPA Program Manager for approval before proceeding to amend the project. Supplemental funding may be necessary and justified if there are significant price increases due to inflation or other factors after the project is approved. If the amendment is approved by the PC/W SPA Program Manager, the AO should increase the original obligation accordingly, keeping the same project number. When the project is completed and Volunteers fill out the *SPA Completion Report*, they should report on the total funding received for the project.

To offset the possible negative effects of inflation, posts are encouraged to obligate and liquidate projects as close as possible to their scheduled start date, so that there is the shortest possible time between project approval, payment requests, and transfer of funds from.

4. Unused Funds

In most instances, funds remaining at the end of the project should be returned to post. Volunteers or community organizations cannot use remaining funds to start new projects or to significantly expand the scope of the original project. It is important for Volunteers and their communities to learn that when a project is well designed and managed the approved project budget and project expenditures will closely correspond. However, at the discretion of the SPA Committee, if only a small amount of funds remain, they may be used to fund additional reasonable costs that fall within the scope of the original project.

Post's AO should follow standard Agency collection procedures to credit unused funds against the original obligation. When done in a timely manner, post will be able to use the 'recovered' budget authority to support additional SPA Grants during the same fiscal year.

5. Lost or Stolen Funds

If SPA funds are lost or stolen during the implementation of a project, the Volunteer must immediately notify the SPA Coordinator at post. The SPA Coordinator should notify the CD, Safety and Security Coordinator, and other staff as appropriate. The SPA Coordinator must ask the Volunteer to submit a memo explaining the circumstances of the loss or theft. The CD may ask the Volunteer or community to file a police report, or post staff may communicate directly with local authorities as appropriate. The CD should notify the USAID Mission of the incident, the amount lost, the steps taken to resolve the situation, and the possibility of recovering funds.

Based on the circumstances of the incident, the CD will determine whether or not the Volunteer was negligent and should be held liable for repaying all, or part, of the SPA funds. The CD will then prepare a memo to the PC/W SPA Program Manager of his/her determination of liability. This memo is to be submitted as soon as possible, along with a copy of the Consent and Liability Acceptance form (Appendix 1 or Appendix 2) that was signed at the time of project approval.

If the CD determines that the Volunteer was negligent, the Volunteer will be responsible for repaying the funds. The AO should initiate collection procedures at post to obtain repayment

as soon as possible by having a Bill of Collection issued to the Volunteer.

Generally, when funds are lost or stolen the Volunteer and the community work together to determine what can be accomplished with the remaining funds. Additional SPA funds may not be awarded to replace lost or stolen funds without the prior approval of the PC/W SPA Program Manager. When submitting the *SPA Completion Report*, the Volunteer must report on the full amount of SPA funding allocated to the project, including the lost or stolen funds.

6. Early Termination and Transfer of Project Responsibility

In the event of the Early Termination (including resignation, medical separation, administrative separation or interrupted service) of a Volunteer with an ongoing SPA Grant, post must determine whether the project can be completed. If all SPA Grant funds have been disbursed and used to carry out the major portion of project activities, post may allow the community to finish the project on its own, without the need to transfer responsibility to another Volunteer. However, if the project is not near completion, and major project activities remain incomplete or funds remain unspent, post should either cancel the project and collect unspent funds, or transfer responsibility to another willing Volunteer. (**Note:** In the case of an official evacuation or temporary suspension of a Peace Corps post, post should contact the PC/W SPA Program Manager for advice on closing out open SPA projects.)

Whether the project is transferred or cancelled, post should make every effort to obtain an update on the status of the project and an accurate accounting of the use of grant funds up to the date of termination. Accordingly, prior to the departure of the early terminating Volunteer, the SPA Coordinator or AO should verify receipts for expenditures already incurred against the Project Log.

Transfer of Project Responsibility
If post elects to transfer responsibility to another Volunteer, this transfer should be clearly documented using the *Transfer of Responsibility* (Appendix 8) form and, if the new Volunteer will be accepting funds directly, a *Volunteer Consent and Liability Acceptance* form. The new Volunteer must be accept the transfer willingly, be oriented on his or her responsibilities in overseeing the completion of the project, and agree to assume responsibility for all reporting obligations. An explanation for any discrepancies between funds allocated to Volunteer and receipts collected should be documented and attached to the Transfer form. Posts must send a copy of the *Transfer of Responsibility* form to PC/Washington SPA staff at spareports@peaceorps.gov.

Canceling a SPA Project
If the post elects to cancel a SPA project due to Early Termination, the post should attempt to recover all unexpended funds. The collection should be completed before the Volunteer leaves the country. If the Volunteer leaves the country without accounting for and returning unused SPA funds in his or her possession, the post will establish a claim with the Peace Corps' Claims Officer, who will then proceed to collect the debt directly from the Volunteer. The Claims Officer will send a Bill of Collection (which will include the appropriate fiscal coding) to the Volunteer, requesting repayment of the funds in question. When received from the Volunteer, these funds will be posted against the original obligation(s) and the Volunteer will incur no additional liability.

If possible, post's SPA Coordinator should obtain a *SPA Completion Report* for the project, regardless of whether the project is complete or not. The report should include information on the progress made toward meeting project objectives, the results or outcomes achieved, and a final financial accounting.

H. SPA GRANT REPORTING

1. Required Reports and Indicators

Volunteers and their communities must prepare and submit two reports for each approved project: (1) the **SPA Abstract**, submitted at the beginning of the project; and (2) the **SPA Completion Report**, submitted at the end of the project. Volunteers generally must report on one or more indicators derived from USAID's Foreign Assistance Framework. The *SPA Abstract Report* and the *SPA Completion Report* each contain a subset of standard indicators that correspond with activities that Volunteers typically engage in under the Program Elements under which Peace Corps posts frequently receive funds. The indicators found in these reports are not exhaustive. If a post and Mission agree to use different or additional indicators, such indicators may be added to the *SPA Abstract* and *Completion Report* forms.

2. Submission of Reports to Post's SPA Coordinator by the Volunteer

The Volunteer submits these reports to post's SPA Coordinator. The Volunteer submits the *SPA Abstract* either along with the project proposal or upon approval of the project. The Volunteer submits the *SPA Completion Report* as soon as the project is completed, and in no case less than one month prior to his or her COS date. **Posts should not establish a policy that allows Volunteers to wait until their COS date to submit SPA reports**. Failure to submit reports in a timely manner results in underreporting to USAID and reduces the opportunity to address problems that identified in the reports.

The SPA Coordinator should review the reports to ensure completeness, and verify that the Volunteer has entered Indicator data for the Program Element in the appropriate tab of the report. Remember: Program Elements are agreed upon by the USAID Mission representative and Peace Corps' Country Director during the annual funding discussions, and may not be changed without explicit approval of the USAID Mission.

3. Submission of Reports to PC/Washington by Post's SPA Coordinator

The SPA Coordinator sends reports to the PDU at Peace Corps/Washington throughout the year, as projects are approved and completed. Electronic submission of reports is highly preferred; however, posts may submit reports in hardcopy if the Volunteer does not have computer access. Electronic reports are submitted to spareports@peacecorps.gov. Posts may send reports as they are received, or may bundle reports and send them in batches monthly or quarterly. At the same time, the SPA Coordinator should also enter funding amounts and indicator data on the custom *SPA Reporting Workbook* that is issued by the PDU at the beginning of the fiscal year.

The only forms required by the PDU are the *SPA Abstract* and the *SPA Completion Report*. A complete SPA Grant file containing all documentation related to the project (including the proposal, the Project Agreement, consent forms, documented budget revisions, waivers from PC/Washington, reports, etc.) should be kept at post.. Such files should be maintained in

accordance with Peace Corps directives on file management and Inspector General (IG) audit guidelines.

I. MONITORING AND EVALUATION

1. Project Monitoring and Evaluation

Volunteers and their community partners should consider how they will monitor the progress of the project and how they will evaluate the project's results. Monitoring and reporting are also key components of the capacity-building process at the community level. Monitoring and reporting demonstrate how projects are building the capacity of individuals and families, organizations, and communities. When done in a participatory manner <u>with</u> the community, monitoring and reporting can also encourage greater ownership of a project by its participants.

USAID indicators are generally basic output indicators that often will not help the community to monitor and evaluate project progress and results. Therefore, a post may encourage or require that Volunteers and their communities devise project-specific outcome indicators. These indicators might describe and measure expected quantitative and qualitative outcomes of the project at the grassroots community level. Specific indicators can measure tangible results (e.g., the number of training events held or the number of individuals trained) or describe more intangible changes (e.g., observations of how the self-esteem of participants has changed because of their participation in a training, or how well they are applying their new skills and knowledge as a result of the training). A post can require that such indicators be included in a monitoring and evaluation plan to be submitted as part of the project proposal.

Note: In addition to these requirements, projects that provide training for HCNs longer than three days or 15 contact hours may be subject to the requirements described in Section IV.B.

2. Country Evaluation

Although evaluating individual SPA projects is sufficient for most purposes, from time to time, a post may also want to conduct a country-level evaluation of its SPA Program. Designing and conducting an evaluation of SPA projects can provide information on project outcomes over a longer period of time, perhaps four to five years, and is useful in identifying trends and major areas of accomplishment. Insights on integrating the SPA Grant program more fully into post-level programming and training can also be gained from a country-level evaluation.

Guidelines for undertaking a country-level SPA evaluation can be obtained from the PC/W SPA Program Manager. The SPA Program may be able to provide resources to help cover the costs involved in designing and implementing a country-level evaluation and the PDU staff at PC/Washington can support a post's efforts to carry out the evaluation with its own staff or local consultants. Posts can submit a *Field Assistance Request* along with their Operating Plan submissions to request a country-level evaluation (See Section III.B for more information).

III. SPA Field Assistance

A. INTRODUCTION

The SPA Field Assistance component is part of the inter-agency agreement with USAID, and was included to support and strengthen the Grant component. It does so by providing skills training and capacity building, with an applied community development focus, to host country and community counterparts to enhance their ability "to conduct low-cost, grassroots sustainable development."

SPA Field Assistance is managed through OPATS and offers the opportunity for Volunteers and their host country and community counterparts to increase their skills. All workshops supported with SPA funds must have an emphasis on the transfer of skills that can be directly applied to implementing sustainable community development activities and to build greater self-reliance at the local level. Supported activities may include:

- community-focused project design and management (PDM) workshops;
- technical training workshops, including training of trainers;
- training in monitoring and evaluation;
- other value-added training that enhances the ability of counterparts and Volunteers to work effectively to implement sustainable community development efforts; and/or
- SPA Country-level program evaluations.

To qualify for SPA Field Assistance funding, the activity must:

- provide an in-country training opportunity to strengthen the skills of host country and community counterparts in skills areas and/or topics related to community development and self-help;
- develop the capacity of host country and community counterparts to plan for and manage sustainable community development activities; and
- build long-term, in-country programming and training capabilities among Peace Corps' partner organizations in helping to address local development priorities.

B. PLANNING SPA FIELD ASSISTANCE THROUGH IPBS

As with the SPA Grant program, SPA Field Assistance is supported by resource transfers from USAID and is only available in posts where there is a USAID Mission that supports the SPA Program. SPA Field Assistance activities are planned through the IPBS process and are submitted along with OPATS *Field Assistance Requests* (FAR) with post's Detailed Operating Plan.

Requests are developed by post staff, in consultation with the Region and OPATS, and/or in response to specific requests from host country partners, including USAID. Each activity must fall within a program area under which funding is available from the USAID Mission, and must fall within the scope of the post and Mission's general agreement on use of funds. A separate *Field Assistance Request Template* is submitted for each activity. Each year, the template will be made available to posts with OPATS' Operating Plan Guidance in June or July.

Changes to approved field assistance activities, including scheduling changes, postponement, or cancellation of the activity should be communicated to the OPATS Champion and the PC/W SPA Program Manager. If the activity dates are changed, it is essential that post

notifies the PC/Washington SPA Program Manager and the assigned OPATS Champion assigned to the activity so that budget authority transfers can be planned.

C. Costs Covered by SPA Field Assistance Funds

o **Host Country National Training Attendance**
SPA funds may cover costs of host country national travel, lodging, and per diem associated with a field assistance activity. In addition, funds may cover reasonable venue and materials costs associated with the training. SPA Field Assistance funds can also be used to defray the cost of providing a specialized consultant or local technical expertise to help design and co-facilitate training workshops

o **Volunteer Training Attendance**
In general, posts are expected to cover the costs of Volunteer and staff travel, lodging, and per diem associated with any field assistance activity. However, where Volunteer attendance at a workshop will enhance HCN capacity building SPA funds can cover the costs of Volunteer attendance if the following criteria are met:

- the training is not part of the "basic training" of Peace Corps Volunteers, (including pre-service training, COS workshops, etc.);
- attendance by Volunteers will enhance short- and long-term capacity-building of host country counterparts;
- each Volunteer is accompanied at the training by a host country community counterpart or work partner;
- the total cost of attendance of all Peace Corps Volunteers does not exceed the total cost of attendance of all host country nationals; and
- the contributing USAID Mission has authorized, in writing (email is sufficient), that SPA funds may cover such costs for the specific workshop.

D. Financial Management of SPA Field Assistance Activities

Budget authority for each approved **SPA Field Assistance** activity is transferred to post at the beginning of the fiscal quarter in which the activity is scheduled to occur. If Peace Corps is subject to a Continuing Resolution, first quarter transfers may be delayed until the Continuing Resolution ends. Budget authority for approved SPA Field Assistance may be used for activities taking place only during the fiscal year in which it is issued. All obligations must be made before the end of the fiscal year, and the activity itself must be completed with all obligations liquidated by October 31.

At the beginning of each fiscal quarter, posts should verify that budget authority has been transferred for all approved activities scheduled to take place during that fiscal quarter. Once budget authority is received, the AO maintains an up-to-date accounting of SPA Field Assistance obligations in FORPost. The fiscal coding for approved field assistance activities (and all other reimbursable funding) should be consistent with the fiscal coding for appropriated funds. However, only certain budget line items are available to choose from when creating obligations for approved field assistance activities. Obligations should be established for each distinct expense or line item within the approved activity. Obligations should be made under the "project" number that matches the "CATS number" communicated to post in the Decision Memo that notifies post of OPATS support for the activity. The CATS number assigned to the activity should be included in the "Item Description" field of the

obligation to facilitate tracking of funds by both post and PC/Washington.

Budget authority for SPA Field Assistance is provided according to the budget in the *Field Assistance Request* submitted for the activity, and should not be significantly reprogrammed without prior consent of the PC/W SPA Program Manager. Careful management of funds should therefore be in place so as not to exceed the approved budget authority or its authorized use.

Budget authority for SPA Field Assistance activities issued during a given fiscal year **expires at the close of that fiscal year**. Any unobligated authority will be swept back and will remain available for post to access in the following fiscal year if the agreement under which those funds were transferred has not expired (see Section I.D for additional information).

E. SPA FIELD ASSISTANCE REPORTING

Within two weeks of completing a SPA Field Assistance activity, post must submit a final programmatic report to the OPATS champion assigned to the activity. Reports for approved SPA Field Assistance activities should be prepared using the report template sent with the activity approval. The information requested in the report form is used to increase Peace Corps' own learning and to inform USAID of ways in which the SPA Program contributed to the overall Program purpose of building host country capacity for sustainable community development.

As with SPA Grants, posts must collect and report USAID indicator data for all SPA Field Assistance activities. Both the Field Assistance Request template and report templates include tabs where posts enter target and final data.

Note: Training for HCNs that exceeds three days or 15 contact hours may be subject to additional reporting requirements described in Section IV.B below.

IV. General USAID Funding Provisions and Requirements

A. BRANDING AND MARKING

Peace Corps has agreed to co-brand or co-mark with USAID. This means where SPA-funded materials, equipment, construction site, etc. are branded with the Peace Corps name and/or logo, they must be co-branded with USAID in a similar manner.

There is no requirement to use the Peace Corps name or logo, but if you do then you must also use the USAID name or logo.

Waiver provisions must be followed where you do not co-brand, i.e., if you use the Peace Corps name or logo without the USAID name or logo. Specific instructions on waivers and the placement of the USAID logo are available via the USAID website at http://www.usaid.gov/branding/. Post should contact the USAID Mission for in-kind support (stickers, signs, etc.).

B. TRAINING

The SPA Agreement obligates Peace Corps to follow the standardized rules for reporting on all USAID-funded training, as found in USAID's Automated Directives System (ADS) Chapter 253. Local USAID Mission staff enter selected data on in-country training programs into the TraiNet database. *Training that is less than three consecutive class days in duration, or less than fifteen contact hours scheduled intermittently, do not need to be entered into the TraiNet database.* Posts should work with the local USAID Mission to provide the following data on relevant training activities for entry into the database:

- subject area of training;
- start and end date of training;
- total trainees per participant group, with gender breakdown; and
- total cost of training for each program.

For these purposes, **training** is defined as:

- A learning activity taking place in the U.S., a third country, or in-country in a setting predominantly intended for teaching or imparting certain knowledge and information to the Participants with formally designated instructors or lead persons, learning objectives, and outcomes, conducted fulltime or intermittently; or

- The transfer of knowledge, skills, or attitudes (KSAs) through structured learning and follow-up activities, or through less structured means, to solve problems or fill identified performance gaps. Training can consist of long-term academic degree programs, short- or long-term non-degree technical courses in academic or in other settings, non-academic seminars, workshops, on-the-job learning experiences, observational study tours, or distance learning exercises or interventions.

These reporting requirements are in addition to the regular SPA Grant and Field Assistance reporting required by the Peace Corps/Washington. Posts are encouraged to contact the local USAID Mission for specific country-level information on these requirements.

C. ENVIRONMENTAL CONSIDERATIONS

All USAID-funded activities must be designed to take into account potential adverse environmental effects. For SPA-funded activities, environmental assessment and mitigation requirements are set out in the Initial Environmental Examination (IEE), which is incorporated into the SPA Agreement and can be found on the SPA Intranet Page. According to the IEE, training and awareness activities (including training of community health workers, and basic education activities, democracy and governance activities, and gender and youth development activities) qualify for a "categorical exclusion" and are exempt from environmental assessment requirements unless the training directly involves an activity that affects the environment (e.g. a training that involves the actual construction of a latrine).

Activities that are not exempt require an environmental assessment and incorporation of appropriate mitigation measures in the project design. In particular, the following types of activities must include an assessment:

- o **Health and Water Sanitation activities**
    - Construction of household latrines
    - Construction of wells or water storage
    - Construction of other health infrastructure, such as health clinics
- o **Agriculture activities**
    - Community Gardens which do not include the procurement or use of pesticides, which should be avoided in **all** cases
- o **Environment activities**
    - Soil Conservation Structures
    - Reforestation/ Tree Nurseries

For non-exempt activities, Volunteers must identify, assess, and attempt to mitigate any adverse environmental impacts of the activity. This assessment should occur during the proposal design phase (for grants). The *SPA Abstract Report* includes a section in which Volunteers should describe potential environmental impacts and mitigation measures that will be taken in carrying out the project. Specific mitigation measures will depend on the project sector and the resources available, among other factors. Posts can design environmental assessment checklists to assist Volunteers in identifying and addressing potential impacts of SPA projects.

For further guidance, Volunteers and staff may:

- contact USAID environmental officers for advice (however, Volunteers should only do this in conjunction with their Program Manager/APCD);
- Refer to suggested mitigation measures in the IEE; and/or
- use the sector-specific reference materials detailed in the Environmental Guidelines for Small-Scale Activities, available via the internet at http://www.encapafrica.org.

D. SOURCE/ORIGIN/NATIONALITY

USAID has regulations on source, origin and nationality, which are USAID's version of "Buy America." These provisions apply to both SPA Grants and Field Assistance activities.

The relevant terms are defined as follows:

- o "**Source**" is either the country from which a good or commodity is shipped to the cooperating country, or the cooperating country itself if the commodity is located therein at the time of the purchase.
- o "**Origin**" is the country where a commodity is mined, grown or produced.
- o "**Nationality**" applies to services and is the country where a company is incorporated and has its principal place of business.

Under the SPA Agreement, the United States (Code 000) is the "authorized code" for all goods and services. This means that by default all commodities are to be made and shipped from the United States and all services must be furnished by U.S. contractors.

However, there are exceptions for "local procurement" that <u>should cover most Peace Corps procurement of goods and services under the agreement</u>. Local procurement in the host country that falls into any of the following categories is allowable:

(a) Commodities of Geographic Code 935 origin if the value of the transaction does not exceed $5,000. (Code 935 includes any country, including the cooperating country, except the foreign policy restricted countries).

(b) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed the local currency equivalent of $100,000 (exclusive of transportation costs).

(c) Professional services contracts estimated not to exceed the local currency equivalent of $250,000.

If a transaction does not meet any of the above local procurement exceptions, a post may request a **waiver**. Waivers may only be issued (a) if the goods or services are not available for purchase either in the U.S. or the host country; (b) to meet unforeseen circumstances, such as emergency situations; or (c) to promote efficiency in the use of U.S. foreign assistance resources, including to avoid impairment of foreign assistance objectives. Posts should send waiver requests to the PC/W SPA Program Manager. Each request must describe the goods to be procured and the country of origin, and must include a justification for the issuance of a waiver.

In addition to the above requirements, special provisions may apply to Africa posts for purchase of certain commodities and services. Africa posts that plan to use SPA funds to purchase agricultural commodities, pharmaceuticals, pesticides, or fertilizers should consult the SPA PAPA, Schedule, Section F.3.d, or contact the PC/Washington SPA Program Manager for further guidance.

E. WORKING WITH FAITH-BASED ORGANIZATIONS

The SPA Program follows USAID's final rule ("the Rule") (69 FR 61716) on participation by religious organizations in USAID programs. The Rule was promulgated in furtherance of Executive Order 13279, which directs executive agencies to ensure equal protection of laws for faith-based and community organizations ("FBCOs") that apply for federal funds. Consistent with the Rule, FBCOs are able to compete fairly for SPA funding, and SPA programming decisions should be based on the program eligibility criteria, without regard to

the religious character or affiliation of applicants. Moreover, although FBCOs may not use direct SPA funds for inherently religious activities, FBCOs may continue to engage in religious activities as long as they are privately-funded, separate in either time or location from SPA-funded activities, and voluntary for beneficiaries of the SPA-funded activity.

The Rule's principal provisions, as applied to SPA programming, include:

1. FBCOs are eligible to participate in SPA programs on the same basis as any other organization without regard to their religious character or affiliation and may not be excluded from competition for SPA funding. Peace Corps may not discriminate for or against a program applicant on the basis of religious character or affiliation.

2. FBCOs may not use direct financial assistance from SPA (or any Federal agency) to support inherently religious activities, but are otherwise free to engage in such activities. Inherently religious activities would include worship, prayer meetings, religious instruction and proselytization. These activities must be separated either in time or location from SPA-funded programs, and participation by actual or potential program beneficiaries must be voluntary. Assistance furnished with SPA funding may not be conditioned on participation in any inherently religious activities. The separation requirement may be different for certain programs in correctional facilities, in recognition of the unique environment and needs of inmates.

3. FBCOs will retain their independence and may continue to carry out their religious mission. For example, they may continue to engage in inherently religious activities, provided they are separated in time or location from their SPA-funded activities. FBCOs may use their own space to provide SPA-funded services, without removing religious art, icons or symbols. Additionally, FBCOs may continue to govern themselves on a religious basis, select their board members on a religious basis, and include religious references in their organizations' mission statements.

4. SPA funds may be used for the acquisition or construction of structures, only to the extent they are used for eligible activities under the specific SPA program. For "dual use" structures, SPA funding may not exceed the proportion of the cost attributable to eligible SPA project activities. SPA funds may not be used for sanctuaries, chapels, or other rooms that a SPA-funded religious congregation uses as a principal place of worship.

5. FBCOs may not, in providing SPA-funded program assistance, discriminate for or against any actual or potential beneficiary on the basis of religion or religious belief.

V. Appendices

1. Community Organization Official Consent and Liability Form
2. Volunteer Consent and Liability Form
3. SPA Project Agreement
4. SPA Project Proposal Outline
5. Sample SPA Committee review questions
6. Sample SPA Project checklist
7. SPA Transfer of Responsibility
8. Establishing a SPA Program (SPA Starter Kit)
9. SPA Project Log

APPENDIX 1

**SMALL PROJECT ASSISTANCE (SPA) PROGRAM
COMMUNITY ORGANIZATION OFFICIAL
CONSENT AND LIABILITY ACCEPTANCE**

By signing this statement, I agree to accept SPA Grant funds on behalf of (*insert name of Community Group or Counterpart Organization)*, and for the purpose of implementing SPA Project (insert grant number). I assume responsibility for managing these funds in accordance with SPA Program guidelines, and for obtaining the necessary original invoices and receipts for all purchases or expenditures made in connection with this SPA Project. I will account for the use of these funds by returning to the Peace Corps Volunteer (*insert Volunteer's name*) at the end of the Project all allowable receipts and any remaining cash.

To the extent possible, all purchases and payments against the SPA Project will be made by check ordered through Peace Corps/_____. To decrease my own personal liability, I will work closely with my community or organization to establish a funds management system and/or community or Project bank account and, when possible, utilize bank transfers for major purchases. For any and all purchases or payments made with grant funds, I will obtain a signed, dated, and witnessed receipt, and record the expenditure in the SPA Project Log.

I understand that any loss of SPA Grant funds under my control, due to negligence on my part in not following these stated requirements, may result in me being held accountable to repay all, or a portion, of the grant funds.

I further understand that my liability to the Peace Corps with respect to this Project is limited to the management of funds secured through the SPA Project grant.

Community Organization Official (Printed Name) _____
Community Organization Official Signature   _____
Witnessed by Peace Corp Volunteer (Printed Name) _____
Witness Signature of Peace Corps Volunteer   _____
Date   _____

Check No. :	Check Amount:
SPA Project Number:	**Date of Check:**
SPA Project Title:	

APPENDIX 2

SMALL PROJECT ASSISTANCE (SPA) PROGRAM
PEACE CORPS VOLUNTEER
CONSENT AND LIABILITY ACCEPTANCE

By signing this statement, I agree to accept SPA Grant funds on behalf of (*insert name of Community Group or Counterpart Organization)* and for the purpose of implementing SPA Project (insert project number).   I assume responsibility for managing these funds in accordance with SPA Program guidelines, and for obtaining the necessary original invoices and receipts for all purchases or expenditures made in connection with this SPA Project. I will account for the use of these funds by returning to the Peace Corps/_____ SPA Coordinator at the end of the Project all allowable receipts and any remaining cash.

To the extent possible, all purchases and payments drawn against the SPA Project will be made by check ordered through Peace Corps/_____. To decrease my own personal liability, I will work closely with my community group or counterpart organization to establish a funds management system and/or community or Project bank account and, when possible, utilize account-to-account transfers for major purchases. For any and all transfer of grant funds to my community or counterpart organization, I will obtain a signed, dated, and witnessed receipt, and record the transfer on the SPA Project Log.

If funds are transferred into the same bank account through which I receive my Volunteer Living Allowance, I will take all necessary steps to ensure that SPA grant funds are not commingled with my living allowance. I will keep all SPA grant funds strictly accounted for and will take all necessary steps to ensure that I do not use any SPA funds for personal use.

I understand that any loss of SPA Grant funds under my control, due to negligence on my part in not following these stated requirements, may result in me being held accountable to repay all, or a portion, of the funds.

I further understand that my liability with respect to this Project is limited to the management of funds secured through this SPA Project grant. I do not agree to accept responsibility for community generated or third party contributions to the Project, nor any liability with respect to on-going activities after the objectives of the original Project grant are completed.

Peace Corps Volunteer (Printed Name)_____
Peace Corps Volunteer Signature   _____
Administrative Officer (Printed Name) _____
Administrative Officer Signature   _____
Witnessed by (Printed Name)   _____
Witness Signature   _____
Date   _____

Check No. :	Check Amount:
SPA Project Reference:	Date of Check:
SPA Project Title:	

APPENDIX 3

PEACE CORPS/*COUNTRY*
SPA PROJECT AGREEMENT

Community Organization:
Volunteer Name: COS Date:
Implementation Dates:

Budget:

Local Contribution	$	Local Currency	@	%
SPA Grant Amount	$	Local Currency	@	%
Third Party Contribution	$	Local Currency	@	%
Total Project Cost	$	Local Currency	@	

Fiscal Data:

Authority: This SPA Project Agreement is executed pursuant to the current Small Project Assistance (SPA) III Participating Agency Program Agreement between the U.S. Agency for International Development (USAID) and the Peace Corps (PC) governing Small Project Assistance Funds, signed on September 29, 2010.

IN WITNESS WHEREOF, the (*COMMUNITY ORGANIZATION*) and Peace Corps, pursuant to the terms and conditions of the PAPA referenced above, each acting through its respective duly authorized representative, have caused this SPA Project Agreement to be signed in their names and delivered as of this date and year.

By signing this agreement, the Community Organization agrees to use funds to support only the activities and goals described in the "PROPOSAL NAME" proposal, and in accordance with the proposal budget. Equipment and goods purchased using funds awarded will be used to support the objectives of the project and in accordance with project proposal.

Signature: Signature:

Name: Name:
Title: Community Organization Official   Title: *Peace Corps Country Director*
Date   Date:

Concurrence (where applicable)
Name Title Organization Date

APPENDIX 4

SPA PROJECT PROPOSAL OUTLINE

There are many formats that can be used in writing proposals. In fact, each donor agency probably uses its own format and issues its own guidelines for writing and submitting proposals. **The guidelines that appear below are in a format that is acceptable to the SPA Program.** Posts, however, are free to develop their own proposal formats. Volunteers are also encouraged to consult *The New Project Design and Management Workshop Training Manual* (ICE #T0107), for information on the parts of a Community Project Proposal, pages 131-133, and for guidelines on writing Capacity-Oriented Proposals, page 134. Volunteers may also want to consult the *Roles of the Volunteer in Development* (ICE #T0005, Toolkit #5, "The Volunteer as Co-Planner") and the *SPA Idea Book: Supporting Sustainable Community Development* (ICE #M0082) for a longer discussion on the community development process. Both of these resources are also available on the Peace Corps' Internet site, in the Online Library section.

A. LOCAL LANGUAGE SUMMARY (if applicable)
- Brief summary of activity
- Indicate nature of community support for activity

B. STATEMENT OF NEED
Background Information
- Community demographics (size, # families, % women, youth, minority)
- Relevant social and economic data on context/beneficiaries
- Brief history of community (purpose, size, legal status, internal structure, nature of leadership, previous activities undertaken as a group, capacity to manage activity)

Description of the Priority/Need/Desire
- Describe the priority?
- Who is most directly affected?
- Why is this a priority?

C. GOALS AND OBJECTIVES
- Describe the goal of the project (longer-term)
- Describe the shorter-term objectives (objectives should be **SMART**: **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime-bound)
- Specify who the beneficiaries are and how they will benefit from the Project
- Specify how project will build on, or otherwise enhance, the community's assets

D. PROJECT DESIGN & ACTION PLAN
- List the tasks required to carry out the project
- Who will carry out each task? (PCV, counterparts, other community members)
- Describe how the project will be managed
- For required inputs (including labor, materials, transport), indicate where and how they can be acquired (utilize locally-available inputs whenever possible)
- If training is required, include training plan (human, material, and financial resources)
- Marketing plan (if applicable; include such aspects as storage of materials, where and when products will be sold, etc.)

- If activity will generate revenue, include plans for receiving and handling payments, for bookkeeping, and for distribution/use of revenue
- Discuss plan for group/community to cover recurring costs for continuing the project, and or sustaining its benefits
- Describe any potential problems which may arise, and plans to cope with them
- What, beyond your direct control, could cause this project to fail? (feasibility)
- Include any other issues of feasibility (e.g. appropriateness of proposed solution
    and technology, complexity of training or external technical assistance required)
- Include timeline for implementation of project.
- Discuss the likelihood that the group and the project will continue beyond the implementation period; mention any new activities that are likely to be carried out by the group.

E.   COST BREAKDOWN/BUDGET
- Demonstrate community contribution, and indicate whether contribution will be cash or in-kind)
- Demonstrate that all costs, especially equipment/material/labor costs, are reasonable and justified
- Indicate expected contributions from other sources (e.g. government, NGOs); indicate whether cash or in-kind
- Clearly detail total amount of SPA funds requested and provide detailed breakdown by line item
- Budget figures must correspond to pro-formas
- Include total project cost and provide detail (listed as a percentage of the total project cost) of funds requested, and funds contributed as counterpart

F.   MONITORING AND REPORTING
- Provide a monitoring plan for the project (including the indicators that will be used to track benefits/gains and the project's progress toward meeting its objectives; who will be responsible for monitoring; how and when   monitoring will be conducted)

G.   ADDENDA (include as applicable)
- Contracts/work agreements with appropriate signatures
- Diagrams/Blueprints/Maps
- Pro-forma invoices
- Letters of support from other organizations participating in or endorsing the activity, including a description of the type of support to be provided

APPENDIX 5

As committee members meet to assess potential SPA Grant proposals, the following questions may help guide the discussion:

1. Does the proposal respond to a community priority, desire, or need?
2. Did the community play a direct role in designing the project? Is the community directly involved in the implementation of the project?
3. Does the project benefit the community as a whole, one community group to the exclusion of another?
4. Does the proposed project seek to increase local skills and build capacity among one or more community groups?
5. Will the project use locally available resources?
6. Has the community organization contributed resources to the project?
7. Is the project technologically appropriate?
8. Does the project respect local cultural norms?
9. Is the project ecologically sounds? Consider USAID Environmental Assessment and Mitigation Requirements
10. Is the project consistent with or complementary to other development activities being supported by Peace Corps?
11. Is the project to be undertaken a part of the Volunteer's primary project assignment, or should the project be considered a secondary project?
12. Does the community have time to complete the project well before the COS date of the Volunteer?
13. Does the project promote a lasting solution to the priority, desire, or need?
14. Does the project have potential or replication or scaling out?

APPENDIX 6

SPA PROJECT CHECKLIST

The attached SPA Project proposal:

- ❑ Is community initiated and directed.

- ❑ Is part of a self-help initiative to address a community priority.

- ❑ Has clearly defined goal(s) and objective(s).

- ❑ Has a "capacity-building" component.

- ❑ Includes a complete and realistic budget.

- ❑ Demonstrates significant community counterpart contributions.

- ❑ Utilizes locally-available materials and technical resources insofar as possible.

- ❑ Shows community commitment and ability to cover recurring costs necessary to continue the project into the future.

- ❑ Describes the process for monitoring the progress of the project and chooses specific indicators for tracking expected outcomes.

- ❑ Is scheduled for completion within approximately one-year of approval.

- ❑ Is scheduled for completion well before the COS date of the Volunteer.

I (we) have reviewed the attached activity proposal and certify that it is well planned, accurately budgeted, and has the approval of the appropriate community leaders and government officials.

_____   _____

(Designated SPA Review Committee Official)   Date (Month/Day/Year)

APPENDIX 7

SPA PROJECT TRANSFER OF RESPONSIBILITY
PEACE CORPS /   (Post Name)

Project No. __-___-__   Project   Name   _____
__

We, respectively, the undersigned, _____ ("original PCV"), stationed in _____, and
_____ ("new PCV"), stationed in _____, both Peace Corps Volunteers (PCVs), hereby agree
to the following:

1. The purposes and objectives of this Small Project Assistance (SPA) project shall be
    completed by the new PCV along with the community organization because the original
    PCV is no longer able to complete the approved project;

2. The original PCV has passed on to the new PCV purchase receipts, project logs, and all
    other information related to SPA funds already expended in his or her possession;

3. The new PCV is aware of reporting and other obligations related to the management of the
    project and will submit the *SPA Completion Report* to the post's SPA Coordinator upon
    completion of project activities and well in advance of COS; and

4. The transfer of responsibility is undertaken willingly by the new PCV, responsibility for the
    project shall in no way hamper the regular duties of the PCV, and the site of the project is
    readily accessible to the PCV.

Status of funds and expenditures to date:

(a) Total SPA funds originally awarded ($US)	
(b) Expenditures to date, verified by receipts ($US)	
(c) SPA funds remaining ($US)	

If the sum of line (b) and line (c) does not match the amount in line (a), please attach an explanation and justification for the discrepancy.

Consent and liability

Is the new PCV accepting funds directly?   (Yes/No)
If the answer is **"yes,"** a signed *Peace Corps Volunteer Consent and Liability Acceptance*
form must be attached to this document

_____   _____   _____   _____

Original Peace Corps   Date   New Peace Corps   Date
Volunteer Signature   Volunteer Signature

_____   _____   _____   _____

Community Organization   Date   Associate Peace Corps   Date
Representative Signature   Director Signature

APPENDIX 8

ESTABLISHING A SPA PROGRAM

This document contains summary information about the types of activities SPA can support, establishing and running a SPA Grant Program, and planning and reporting on SPA-funded Field Assistance (i.e. training) activities. It also describes a number of documents and tools that are available to assist you in managing your SPA Program.

This appendix is intended as a guide to posts that are establishing new SPA programs. It may also be useful for established SPA Programs undergoing a periodic review of internal processes and management. Posts should not use this document as a substitute for reading the SPA Handbook. It is critical that staff who manage the SPA Program at post become familiar with the contents of the entire handbook.

I.   Types of Activities That Can Be Supported with SPA Funds

The SPA Handbook describes the SPA Program in detail. Below are brief descriptions of the two types of activities funded under the SPA Program: Grants and Field Assistance activities. When approving grants and designing training activities it is important to remember that they must justifiably fall within the scope of a Program Element under which the USAID Mission has provided funds. Therefore, it is important that the Peace Corps post and USAID Mission discuss the scope of the funding and have a shared understanding of the types of activities that can be supported under each Program Element.

A. Small Grants Program

The SPA Grant Program supports community-initiated development projects. The small-scale projects are designed and implemented by community organizations working with Peace Corps Volunteers, and are small-scale. During FY09, the average grant size was approximately $2,000. Volunteers assist communities to identify development priorities and work together to implement the project. SPA projects transfer skills or otherwise strengthen the community's ability to carry out activities that will improve their quality of life by increasing economic and educational opportunities, improving local health conditions, or otherwise meeting locally defined needs.

B. Field Assistance (Capacity Building Training Activities)

SPA funds can also support training of host country and community counterparts to enhance their technical skills and empower them to assume greater responsibility for their own development. These training activities are organized and facilitated by Peace Corps staff; however, specific training topics are often developed in conjunction with USAID. Volunteers attend the trainings alongside their host country counterparts. As described in the SPA Handbook, where specific conditions are met and the contributing USAID Mission gives its approval, SPA funds may cover some Volunteer costs to attend technical training workshops. At the end of the training, both the Volunteer and the host country counterpart return to the community together, at which

point the Volunteer can continue to work with the counterpart to reinforce the training skills, monitor follow-up activities, and identify further training needs.

II. Key Steps in Establishing a SPA Program

Sections II and III of the SPA Handbook describe the Grant program and Field Assistance program, respectively. In addition, the SPA Intranet Page contains a document entitled "*Steps in Establishing a SPA Program at Post.*" This documents contains checklist of responsibilities that can be used as a reference when starting a SPA Program at post. Many of the items direct you to more specific information in the SPA Handbook. There are also links to the Intranet site with resources from other posts. Briefly summarized, a post must:

1. Designate a PC staff member as SPA Coordinator at post
2. Establish a SPA Committee (see SPA Handbook section II.E.1, page 8)
3. Establish the SPA review process (see SPA Handbook section II.E.2, page 9; Appendices 4 – 6)
4. Draft post-specific SPA materials (samples available on the "Post Resources" page of the SPA Intranet Page)
5. Review financial administration of SPA with the AO

III. Important Documents and Forms

A. SPA management at post

These documents describe official SPA program policy and contain tools used to manage a post-level SPA program. All documents are posted on the SPA Intranet Page.

1. **SPA Handbook:** This handbook contains the official SPA Program guidance that is applicable to all funds received through the SPA agreement. The primary audience for this handbook is PC post staff who are involved in the management of the SPA program. PC/Washington updated the SPA Handbook at the beginning of FY10 to include an overview of the SPA Program and relevant forms. Note: each post is responsible for creating their own post-specific handbook for Volunteers describing post-specific criteria and guidance. Examples of post-level handbooks developed by other posts can be found on the SPA Intranet Page.

2. **Function of the SPA Committee:** This document outlines who participates in the SPA Committees and the responsibilities of each member in reviewing grant proposals.

3. **FY11 SPA Reporting Workbook:** Each year we will send a post specific SPA Reporting Workbook which details the funding amounts for each Program Element. Attached is a sample Workbook. When you receive the post specific FY11 Workbook, please use it to track all grants and field assistance activities. You will need to include the amount of funds and indicator data pertaining to the relevant grant and field assistance activity. We request a copy of the workbook in March and then the final workbook is due in October.

B. SPA Grants

Below are listed the primary documents associated with each SPA grant. For every approved SPA grant, all of these documents must be submitted and originals must be kept in a grant file at post. Copies of the SPA Project Agreement, Abstract, and Completion Report must be submitted to the appropriate PC/Washington office as described below and in the SPA Program Handbook.

1. **Proposal:** There are many formats that can be used in writing proposals. These guidelines are in a format that is acceptable to the SPA Program. Posts, however, are free to develop their own proposal formats. Examples of SPA proposal formats developed by posts can be found on the SPA Intranet Page.

2. **SPA Project Agreement and Consent and Liability Forms**: For each approved project, a SPA Project Agreement and Consent and Liability Forms must be filled out and signed by the appropriate Peace Corps and recipient organization officials. These documents are located appendix 3 and 1 & 2 respectively of the SPA Handbook. The SPA Project Agreement is the obligating document and must be submitted to OCFO/GAP along with the voucher when requesting payment for a SPA grant.

3. **Abstract:** The Abstract should be completed by the Volunteer and his or her counterpart prior to the transfer of funds and initiation of the project. The SPA Coordinator should review the Abstract to ensure it is complete and accurate based on the proposal and then send it to spareports@peacevorps.gov

4. **Completion Report:** Within a month of the project's completion date the Volunteer needs to submit a Completion Report. Often posts request that the Volunteer submit the receipts and review the budget with the administration staff at the same time that they submit the Completion Report. The SPA Coordinator should update the project budget in the SPA Reporting Workbook and include the indicator data. The Completion Report should also be emailed to spareports@peacecorps.gov.

C. SPA Field Assistance:

Below are listed the primary documents used for planning and reporting on SPA-funded Field Assistance activities. Planning is done in conjunction with the FAR process in August. However, in the interest of keeping the SPA program flexible to meet changing needs at post, and will also accept ad hoc requests during the fiscal year if post needs to change plans or reallocate funds. However, ad hoc requests should be sent well in advance of the planned activity date to ensure there is sufficient time to transfer budget authority.

1. **Field Assistance Request (FAR):** For each Field Assistance activity that you would like to fund with SPA funds, you will need to submit a completed FAR template describing the activity and its budget. Please ensure that you fill out

the "SPA funded activities" tab. Any training that will be funded with SPA funds must fall within the scope of the program element that the funds come from. For example, a workshop funded with Safe Water and Sanitation funds must have a justified connection to Water and Sanitation. [Note: If you are planning on using all of your funds for SPA grants, then you will not need to fill out any Field Assistance Requests for your SPA funds; this only applies for the portion of funds you would like to allocate to training activities]

2. **Field Assistance Report**: Following the completion of any SPA Field Assistance activity, post must submit, within two weeks, a Field Assistance Report on the attached template, including the section that is specifically addresses USAID indicators for SPA-funded activities. The report is submitted to the OPATS Champion assigned to the activity.

If you require any assistance or have questions as you establish or review procedures for your SPA Program, please contact the Partnership Development Unit (PDU) in OPATS at Partnership_Unit@peacecorps.gov.

APPENDIX 9

Small Project Assistance (SPA)
Detailed Project Budget (Local Currency)

Project Information	
Project Title:	SPA Project Number:
Community Group:	Project Start Date:
APCD/Program Manager:	Project Completion Date:
SPA Amount (in local currency):	

Date	Receipt #	Item Description	Budget Category	Unit Cost	Quantity	Total Cost	Funded by SPA	Community Contribution		Third Party Contribution	
								Cash	In kind	Cash	In kind

Budget Categories: Labor, Equipment, Materials/Supplies, Land/Venue Rental, Travel/Per diem/Food, Materials Transport, Other

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Date	Receipt #	Item Description	Budget Category	Unit Cost	Quantity	Total Cost	Funded by SPA	Community Contribution		Third Party Contribution	
								Cash	In kind	Cash	In kind

Budget Categories: Labor, Equipment, Materials/Supplies, Land/Venue Rental, Travel/Per diem/Food, Materials Transport, Other