

GRANTS MANUAL



ADS-South Rift

To honour God and serve people



FOREWORD

Anglican Development Services – South Rift (ADS SR) is committed to fulfilling its mission of transforming society by empowering communities to holistically address their needs and glorify God.

This grants policy intends to help ADS SR to manage grants in line with its mission & vision, other written policies and in adherence to its donors' regulations and requirements.

The development of this grant's manual was a team effort that benefitted from the time, commitment, expertise, and resources from many individuals from the ADS SR board and staff, NPI Expand team and the H.K Enterprises Kenya Consultants. The leadership of H.K Enterprises Kenya Consultants ably steered the development of this manual and in addition provided critical technical inputs.

We wish to acknowledge the generous support from USAID NPI EXPAND project who provided the financial and logistical resources that supported the entire process of developing this Strategy. We acknowledge and greatly appreciate the contribution of the NPI EXPAND technical team who provided invaluable inputs and guidance at all stages. Lastly, the enthusiastic participation and input from the committed team from ADS SR Board and staff members is recognized and sincerely appreciated.

Rt. Rev. Ernest Ngeno
BOARD CHAIRPERSON

Date _____

PREFACE

This is the first grants manual to be developed by ADS SR.

The purpose of this manual is to provide guidance to staff when exercising their authorities to award and administer sub-grants on programs from different donors.

ADS South rift, the development arm of the ACK Diocese of Kericho, has made key strides since its registration in 2015. Key among them included development of various policy documents. As the organization reached the acceleration stage, it was important to revise/formulate this policy document to support its next stage of growth.

This grants manual provides an exciting opportunity for ADS SR to reenergize our work with and for the communities we serve. The manual takes cognizance of and is aligned with the county and national plans 2022-2027, the provincial decade strategy, Diocesan 2022-2026 strategic plan and the ADS SR 2023-2027 Strategic Plan.

This was developed in consultations with key stakeholders in ADS SR, ACK Diocese of Kericho and in the region. We appreciate the informative input and feedback that culminated in the final plan. We reiterate our commitment to the spirit of collaboration and partnership that is critical to successful implementation of the manual and call upon all stakeholders to join us in this endeavor.

Date_____

Mary Naikumi
EXECUTIVE DIRECTOR

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1.0 INTRODUCTION

1.1 About ADS SR

Anglican Development Services (ADS) South Rift is the development arm of Anglican Church of Kenya Diocese of Kericho. It operates in Bomet, Kericho and Narok counties with a population of 3 million people in an area of 21,900 square kilometers. The organization has been working with both rural and urban communities in these three counties.

The organization has been in operation since 1983 as ACK Narok Integrated Development Program (ACK NIDP) and ACK Trans Mara Rural Development Program (ACK TRDP). To align with the expanded geographical coverage and scope, all the ACK programs in south rift consolidated and registered in 2015 as ADS South rift.

The organization has extensive experience in designing and implementing various projects through various community engagement processes such as Church and Community Mobilization (CCMP), Participatory Evaluation (PEP), Participatory Vulnerability Capacity Assessments (PVCA), Citizens Voice and action(CVA) and Community Based Adaptation (CBA) Approach. As a result, communities identify and prioritize their needs, opportunities and resources then take actions to address them integrating disaster risk reduction strategies.

Key strategic focus areas are in Health, Education, OVC care and support, Food security, Economic Empowerment, Water and Sanitation. The focus areas ensure that Gender, Disability, Peace building, Disaster risk reduction and Environment are integrated in all the programs interventions.

The organization has good structures and strong financial control systems .This has seen its local offices in Narok, Trans Mara, Sotik and Kericho manage over KES 120 million in annually with excellent audit ratings. A very competent team of management and technical staff manages the program with clear organizational policies that ensure proper management of resources. The strong presence of the organization in the community has led to transformational development among the Target beneficiaries.

Vision: A sustainable organization honoring God and serving people to achieve a dignified living

Mission: To transform society by empowering communities to holistically address their needs and glorify God.

1.2 Thematic Areas

1.2.1 ADS SR's Strategic Objectives

The 2023 - 2027 ADS SR strategic plan focuses on the following pillars and goals:

Pillar 1: Community Development

Goal: Empower communities in South Rift Region to be Self-reliant and self-sustained by 2027

Expected Outcome: Improved living standards for communities in the South Rift region.

Thematic Areas under this pillar: -

- i. Human Health
- ii. Livelihood and Economic Empowerment, Food security
- iii. Climate Change
- iv. Peace Building
- v. OVC Care and Support
- vi. Cross-cutting issues: Advocacy; Emergency Response, Disability and gender integration, Capacity building; Participatory Monitoring, Evaluation and Learning

Pillar 2: Organization Transformation & Sustainability

Goal: Establish & strengthen systems, structures, and policies to effectively deliver the organization Vision and Mission

Expected Outcome: Functional and reliable systems and processes.

Thematic Areas under this pillar: -

- i. Governance
- ii. HR Management & Development
- iii. Financial Management

Pillar 3: Property and Investment

Goal: Create a self- sustaining organization by enhancing income generating activities and initiatives.

Expected Outcome: Avail the resources to meet the vision and mission of the organization.

Thematic Areas under this pillar: -

- i. IGAs Development
- ii. Asset management
- iii. Compliance
- iv. Resource mobilization
- v. Monitoring and evaluation

1.3 Rationale of the Policy

It is ADS SR's intent and policy to manage grants in line with its mission & vision, other written policies and in adherence to its donors' regulations and requirements.

This manual governs ADS SR's management and administration of donor-funded grants passing through ADS SR to other partners/implementing organizations.

This manual contains ADS SR's policies and procedures on grants management and administration that are generally based on the policies of donors that are applicable to grants. As needed, this grants manual will refer to existing internal ADS SR policies and guidelines on operations that will include and not limited to: finance policy, human resources policy, procurement policy.

The layout of this manual is based on stages followed in grants management.

Grants management is summarized in the following six stages:

- a) Grants application
- b) Evaluation of applicants
- c) Pre-award process
- d) Grant Award
- e) Grant Implementation
- f) Closeout process

A regular review of this manual will be conducted to ensure that the information presented reflects prevailing grants management practices.

Any amendments to this manual will be communicated to the employees in writing after prior approval by the Management and where possible the board.

A grant agreement is a legal instrument used to transfer anything of value from ADS SR as the passthrough entity to another non-Federal entity to carry out a public purpose. A grant is NOT used to acquire property or services for ADS SR's direct benefit or use.

2.0 ROLES AND RESPONSIBILITIES

Member	Responsibilities
Executive Director	1. Approve all grants irrespective of size, and related documentations. 2. Approve of any restricted commodities that may be purchased under the program. 3. Approve the grants manual and any revisions thereto.
Grants Officer	1. Oversee implementation of the grant's facility. He/she is the overall person in management of grants and sub-granting processes. 2. Recommend changes to the existing grant agreement templates. 3. Supervise the process of soliciting and reviewing applications while ensuring compliance with donor and ADS SR policies and procedures. 4. Review all RFAs/APSs before issuance and submit to Executive Director. 5. Participate in the pre-award and feasibility assessments and grantee spot-checks. 6. Respond to requests from donors for information regarding the grant's facility. 7. Conduct trainings and build capacity of grants team and other staff in grants management and ensure compliance with the grants manual, donor rules and regulations, and ADS SR's relevant grant policies and procedures. 8. Collate reports from related projects for overall reporting of the grant's facility to donor as per reporting requirements. 9. Sets the evaluation committee team of minimum of 5 persons 10. Carry out our financial reviews
Programmes Coordinator	1. They include programme technical people like officers, Monitoring and evaluation etc.

	2. Provide technical management in the implementation of grants/sub-granting processes. 3. Provide technical input in the preparation of APS/RFA to be issued. 4. Review grantee action plans developed. 5. Participate in technical review and evaluation committees for proposals submitted under the guidance of the grants officer. 6. Conduct site visits together with the grants team.
Finance team	1. Review all financial transactions as guided by the grants team. 2. Provide support for all questions regarding the grant's financial implications. 3. Review to book/post all expenses incurred by grantees to ensure that are recorded in the accounting system. This is after the grants team have received and reviewed the reports and related necessary documentation to ensure are in compliance with ADS SR and donor rules and regulations. 4. Process financial reports and payments to vendors and grantees. 5. Review and book grantee costs documentation in the financial system.

3.0 TYPES OF GRANTS FOR ADS SR

There are various grant instruments to be used by the organization for sub-granting purpose: Simplified, Fixed Obligation (FOG), Standard, and In-Kind. The descriptions in the sections below are aimed at helping the management to determine which tool, given its associated requirements and parameters, is appropriate and practical for each grant activity.

3.1 Simplified Grants

No indirect costs are allowed under simplified grants.

Simplified grants are cost reimbursable agreements whereby ADS SR will reimburse the grantee for costs. Because these are reimbursement agreements, the grantee will not receive payment until after presenting receipts showing actual costs.

Grantees may not receive more than 90 percent of the total budget amount prior to submission of the final program report, final financial report, and any required certifications. Upon submission of these documents, ADS SR will issue the final payment.

The grantee is required to sign the applicable certifications as required by any donor.

The grantee must also demonstrate adequate financial management capacity to be able to separately track all costs associated with the grant since the grant is cost reimbursable upon presentation of receipts.

3.2 Fixed Obligation Grants

This format allows for the award of a grant for very specific program elements without the need for ADS SR to monitor the actual costs subsequently incurred. It is intended to support specific projects where costs are certain, and where the accomplishment of grant "milestones" is structured.

Appropriate project milestones must be included in the documentation of the grant documents like negotiations and agreements. Payments is made upon demonstration of achieved results, and always made on a reimbursement basis.

The implementation plan must be drawn and form part of grants documentations.

3.3 Determining factors for FOG

Before issuing this grant, the Grants Officer should determine the below;

The grant meets the applicable conditions of the Simplified Grants listed above;

- The results are easily identified and quantified in form of milestones;
- There is very limited risk
- There is adequate cost information (historical or unit pricing) available to determine and negotiate the fixed price of the grant;
- It is essential that the Grants Officer has sufficient cost information to allow for negotiation of the payments;
- There should be enough justification and reasons to help Grants officer determine use of this instrument;
- Payments will be done in phases after submission of all requirements for a single milestone or at whole so long as it's within the period.
- At the end of the grant, grantees must certify in writing to ADS SR that the activity was completed.

3.4 In-Kind Grants

Under this type, goods and services are procured directly by ADS SR. Once purchased, goods and services are delivered immediately to the grantee. All procurement undertaken on behalf of the grantees' will be done in compliance with donor procurement regulations.

This is for local partners that are unable to demonstrate the minimum level of financial management capacity required to receive other type of grants.

No disbursements are made directly to the grantee. However, the grantee still owns the grant and has a deciding voice in the fund's utilization.

3.5 Standard Grants

The standard grant format allows for advances and requires detailed monitoring of actual costs incurred and to be reported.

Receipts and invoices must be submitted to ADS SR to reconcile or maybe reviewed at the monitoring visits to determine the true costs and any to be disallowed. The

successful organizations must demonstrate sufficient financial and management responsibility before this type of grant can be awarded.

Under these grants, ADS SR may advance grant funds to cover a certain period like 1 month or 3 months etc. of project costs.

Reporting will be done Monthly or as determined by the Grants Officer in the agreement.

In no case will the grantee be reimbursed for greater than 90percent of the total grant amount prior to submission of final financial and program closeout reports.

The schedule of disbursements will be determined by the grants officer and will be related to the requirements of the grant activities.

Monitoring be done frequently to manage risks and give guidance to the **grantee**.

3.6 Mixed Grants

In some cases, the grants officer may consider use of blended grants methods like in-kind and standard.

The officer will determine the factors to be followed.

4.0 THE GRANT MANAGEMENT PROCESS

4.1 Overview of the Grant Process

Competition in awarding grants will be strongly encouraged. Grant applications will mainly be solicited through the use of Request for Applications (RFA) and Annual Program Statements (APS) or other non-competitive means. The grants team needs to conduct vigorous awareness creation of the funding opportunities either publicly and/or targeted means to guarantee that eligible applicants learn about the purpose, potential activities, procedures and requirements of the calls for funding. The Grants Manager/officer will lead all processes and work closely with the grants and program staff in designing the call document, during the review process, approval, and execution of the approved grants.

4.2 Solicitation/Application Process

ADS SR implementing partners/grantees may be selected through:

4.2.1 Issuance for Request for Application to Partner organizations (RFA)

This is where ADS SR announces to its members/field offices or any other organization a granting opportunity. It can be used when the intent is to provide grants for specific activities that support or are in keeping with prevailing activity objectives. The minimum period for the receipt of applications in response to this RFA is 15 days after the request is issued. However, longer response periods can be provided for sizeable activities or more detailed applications to ensure high quality applications. To be eligible for funding, grantees/partner organizations must meet the minimum eligibility requirements stated in the RFA.

The RFA will be developed by grants and program manager designate person. This process is managed by the Grants Manager/officer.

ADS SR will advertise its Requests for Application to Partner (RFAs) through many types of media.

The Application to Partner should include information such as:

- General description of the overall program and the range of activities that would be supported through grants to achieve the program's objectives.
- Statement that the grant will be administered in accordance with the applicable donor regulations.

- Range of funding available for the grants program and number of awards anticipated and regions. This will constitute information such as number of grants to be issued, grant period and amount per grant.
- Application format and deadline for submission e.g., proposal of 5 pages, pages for the budget, copy of organization registration certificate etc.
- Expected period of performance.
- Eligibility and qualification requirements of the organizations apply e.g., Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), Self Help Groups (SHGs), Private Companies, Faith Based Organizations (FBOs), etc.
- Cost-sharing requirement where applicable and its weight in the evaluation.
- Main contact person, including name, title, address, and phone number.
- RFA number.
- Evaluation process that summarizes how ADS SR will analyze the applications to determine those to be funded.

The Program Manager concerned, and the Grants Manager will approve the content of the RFA before it is published/shared.

Once the RFA is advertised, the Grants Manager/officer has the responsibility of answering all queries from the potential applicants.

All applications shall be submitted to the Grants Manager/officer.

The Grants Manager/officer then convenes an evaluation committee meeting for the selection process.

The Grants Manager/officer will set out the evaluation criteria beginning from the compliance, technical and finance. The grants team will play a key role at this stage.

4.2.2 Annual Program Statement (APS)

An APS is used when a project intends to support a variety of creative approaches towards developing methodologies and implementing development objectives. The APS will describe the activity objectives, including any areas of special interest and what information will be requested.

An APS is published at least once a year or quarterly or semi-annual. This may be either with an open-ended response time or a closing date of at least six months after issuance, reserving the right to close it if all funds have been obligated.

Information included in the APS is similar to that indicated under the RFA section above only that it can be to members organizations or open to other external organisations. This be clear when developing the scope.

The APS does not necessarily involve other members for review.

4.2.3 Limited Solicitation

This method may be used where ADS SR has ascertained the kind of organizations it would wish to work with. ADS SR will shortlist these organizations from its information systems and networks based on previous work/experience.

4.2.4 Single Sourcing

This applies when ADS SR has no options of competent organizations to work within a certain area or where the donor has dictated so.

Justification detailing the reasons of choosing such an organization shall be signed by the Grants Manager/officer and approved the Executive Director.

4.2.5 Unsolicited

This method is applicable where ADS SR receives a grant application but it may not have issues any request using any available means.

The application is deemed to possess uniqueness that could contribute to a program objective.

The donor needs to be informed of such a proposal to give its concurrence in addition to Grants Manager and Executive Director.

4.3 Evaluation of Submitted Proposals

All applications received will undergo a compliance, technical review, and financial reviews. The grants manager/officer will be in charge of putting up the team and supervising the exercise.

4.3.1 The Compliance Review

This review will evaluate adherence to the basic minimum administrative requirement of the call such as eligibility criteria, required documents, submission deadlines etc. The grants team will screen grant applications for technical review and forward to the evaluation committee for technical review those that only meet the minimum administrative requirements of the solicitation.

4.3.2 The Technical Review

This review will entail evaluating the submission against the evaluation criteria contained in the call for funding document or RFA. The grants team will be responsible for convening the evaluation committee. Applications received through an APS will be reviewed based on the submission cycles like semi-annual, annual etc. Only those proposal that have passed the compliance review will be subjected to technical review. The technical review committee will have a minimum of 3 members who are required to score.

The Grants manager/officer is the one responsible for setting up the review members. The Grants Manager/officer will have a concept detailing what is needed and requirements to deliver the task including the timelines and scoring criteria.

Grants Manager/officer will receive the scores from each of the reviewers and consolidate.

All reviewers must sign a conflict-of-interest form. Where the reviewer has any vested interest in any organization, then it must be declared and not participate for that proposal review.

Example of Selection Criteria:

- ✓ Responsiveness of the proposal to the targeted activities.
- ✓ Uniqueness of an application
- ✓ Experience of an organization
- ✓ Consideration of the marginalized or the special groups
- ✓ Sustainability

4.3.3 Cost Review

This review shall evaluate the reasonableness, cost-effectiveness and value for money of the proposed budget for the project. This will be part of the review criterion and will be undertaken by the grants team.

This will be as per the budget template shared.

This is the evaluation of the applicant's financial application for reasonableness.

Cost analysis is the review and evaluation of the separate cost elements contained in the applicant's budget.

4.3.4 Selection Decision and feedback communication

Once the Grants Manager/officer has compiled the scoring, he will use other criteria to rank.

Grant's manager/officer will outline the process of selection to the end. He/she will sign and be approved by the Executive Director.

Grants Manager then sends out the communication to both successful and non-successful applicants (inclusion of the specific outcome of the evaluation is optional).

4.3.5 Conflict of Interest

Members of the evaluation committee should not have any conflict of interest with the organizations whose applications are under review.

An individual shall be considered to have the appearance of a conflict of interest if that person, or that person's spouse, partner, child, close friends or relatives, work for, are negotiating to work for, or have a financial interest like Board of Directors. In such cases, the committee shall carefully review the situation in consultation with the Grants Manager to determine the appropriate action required to avoid or mitigate such conflict and ensure impartiality in the award of grants under the program. All evaluation committee members shall be required to sign off conflict of interest disclosure form prior to the review of concept notes/applications. Members of the evaluation committee shall neither solicit nor accept gratuities, favors, or anything of monetary value from applicants.

4.4 Pre-award Processes

The selection of an application in accordance with established procedures does not guarantee an award. All applicants must demonstrate that they have the ability, the necessary management competence to practice mutually agreed upon methods of accountability for funds and other assets provided as the prime donor regulations. ADS SR shall conduct use several means to assess the organizations. The level of scrutiny and review shall be proportional to the complexity of the grant program and the total amount of the grant.

The following are the tasks to be conducted in pre-award stage:

4.4.1 Capacity Assessments

ADS SR shall conduct pre-award assessment before issuance of a grant. The assessment shall be through the process to check the organization capacity to manage the grant using a designed tool to assess various departmental areas like procurement, administration, programmes etc.

This will inform some capacity building areas during implementation.
The outcome will inform the grant tool/type of grant to be used.

4.4.2 Reference Checks

Although not a must, but in some cases, this can be undertaken.
It could be to the level of a donor or peers in the sector.

4.4.3 Terrorist Financing Searches

This will ensure that ADS SR does not award grants to applicants that have been blacklisted or suspended.

Before the applicants are awarded, they will be checked against the various Government's Excluded Parties List. Each donor has its own credentials that will be provided to the ADS SR for use. Verification will be for the organization and key top leadership officials like Chair, Executive Director etc. Where the search confirms involvement, then ADS SR may not proceed with the awarding of that grantee.

4.4.4 Risk Management at pre-award level

The measures and processes involved at the pre-award level should aim at lowering the risk across all levels of engagement. Some of the ways to manage the risks is by making sure that the organizations being supported by ADS SR have;

- Has adequate financial resources to be used during the performance of the award;
- Has the ability to meet the award conditions;
- Has a satisfactory record of performance. Where there were a few issues, there should be proof that the applicant has taken adequate corrective measures be able to perform satisfactorily;

- Is otherwise qualified to receive an award under applicable laws and regulations.

4.4.5 Management of high-risk organizations

If ADS SR evaluates the financial capabilities of a grantee and determines that they are deficient, ADS SR will classify them as high-risk organizations per USAID ADS 303.3.9.2, which allows closer monitoring requirements. Below are some ways to help in managing the risk organization:

- Use of special award conditions.
- Providing technical assistance to the grantee.
- Support the grantee on formulating the policies and organizational development process.

4.5 Grant negotiation and Memorandum of negotiation

Negotiation is the discussion between the applicant and ADS SR with an aim of agreeing on the content of the proposal and budget.

The pre-award determinations, cost analysis, and the negotiation process shall be documented in a memorandum of negotiation. A memorandum of negotiation is used to document the negotiation process for a new grant or a modification of an existing grant.

A memorandum of negotiation for each grant shall be prepared and signed by Grants team and be approved by Executive Director.

The Neg Memo will include the below as minimum:

- a) Basic grant information/details
- b) The grant objectives and background
- c) Discuss the process of solicitation
- d) Discuss the evaluation and selection process.
- e) Show the cost analysis and document how the costs were determined to be fair and reasonable.
- f) Justify the type of grant that will be used

4.6 Award phase

Award stage involves selecting of the grant tool and signing of grants documents.

4.6.1 Selecting the Appropriate Instrument (type of grant)

Overview: The purpose of this section is to guide ADS SR staff in determining the appropriate instrument to apply when issuing a grant.

Basic documents that will be included when awarding will include;

- Grant agreement
- Description of Award
- Program Description
- Budget
- Standard Provisions as per ADS SR listing
- Mandatory Standard Provisions for Non-U.S. Non-Governmental Grantees
- Required as Applicable Standard Provisions for Non-U.S. Non-Governmental Grantees
- Required Certifications
- Grant Payment Application Form
- Financial Reporting format
- Narrative Report Format
- Cash Advance Form
- Branding and Marking Plan as per the Donor specifications

ADS SR will apply either of the following instruments:

1. **Standard grant:** This instrument entails advancing a grantee money periodically. The grantee is then required to submit liquidations on periodic basis as specified in the grant agreement.
2. **Fixed Obligation Grant (FOG):** This entails ADS SR and grantee setting some set of tasks (benchmarks) and their deliverables. Payments are done to the grantee upon completion of each benchmark and submission of expected deliverables.

3. **In-kind grant:** this type of grant entails ADS SR procuring goods and services on behalf of a grantee.
4. **Reimbursable grant:** this instrument/grant entails a grantee spending its own money then submitting a reimbursement request to ADS SR.

4.6.2 Summary on Instrument/Types of Grants:

No.	Type of instrument	Risk level	Payment type	Criteria for use
1	Standard grant	Low to medium-high risk	Advance method of payment	• Appropriate instrument where ADS SR intends to do capacity building on financial management. • Appropriate where grantee has basic systems and procedures in finance and admin operations.
2	Fixed Obligation Grant (FOG).	Low to medium-high risk; high risk under special circumstances	Funding via fixed payments for verifiable milestones	• Quantifiable accomplishments • No program changes likely • Adequate cost/price data to set prices for milestones
3	In-kind	High risk	Payments on behalf of the grantee	• Where grantee cannot buy goods and services by their own.
5	Reimbursable grant.	Low risk	Reimbursable	• Where grantee has resources • Where grantee has stable systems and procedures. • Where grantee has capacity to properly document all payments.

4.6.3 Involvement of the Grantee

ADS SR may where appropriate be substantially involved in one or a number of the following areas with the grantee;

- When ADS SR technical knowledge would benefit the grantee's accomplishment of program objectives, a grant may call for collaboration between ADS SR and the grantee. ADS SR grants and program managers must determine that the level of involvement is reasonable and tailored to specific elements of the program description.
- Approval of implementation plans (work plan)
- Approval of the grantee's monitoring and evaluation plans
- Sometimes be involved in approval of key personnel: Where in the view of Program and Grants managers it is critical to approve key personnel of a grantee, then such approval should be done before a grant is awarded.
- ADS SR may require its concurrence on the selection of sub-awards issued by grantees and/or the substantive provisions of the sub-award documents.
- ADS SR may provide direction or redirection of grantee activities based on considerations regarding interrelationships with other projects.
- ADS SR has the authority to insert a clause in the award giving itself the right to immediately halt a construction activity where identified specifications are not met. The specifications must be attached to the award upon execution.

4.6.4 Signatory

1. Before commencement of the partners/grantees' project, a grant agreement must be signed in full between the grantee and ADS SR the Executive Director is the designate ADS SR's signatory on these agreements/documents communicating between the grantee and ADS SR. A position equivalent to this on the grantee's side shall sign for the grantee.
2. Where the Executive Director is not there then the Chair of Board shall sign.

4.6.5 Grant numbers

Each grant shall be allotted a unique number. The Grants Manager has authority to allot the numbers. This number should be recognized in finance system as unique too.

4.6.6 Grant period

The Grants Manager must always ensure that all grants issued under a certain program, end not less than two (2) months before the end date of the award from donor. This will ensure smooth closing process.

4.7 Implementation phase

The following are the activities accomplished in implementation phase:

- i. **Implementation of the proposed activities by the grantee:** The grantee is expected to implement the proposed activities in the approved project statement. Any substantial change(s) on the project statement shall be through writing and signed by both grantee and ADS SR.
- ii. **Submission of reports (both financial and programmatic) by grantee to ADS SR:** grantee and ADS SR shall agree on sequence of submission of reports. ADS SR shall share the templates applicable. The grant agreement shall document when, how and to whom the reports will be submitted. This may be monthly or quarterly etc depending on the outcome of the pre-award process or other factors like schedule for donor reporting's.
- iii. **Implementation of ADS SR's capacity building interventions by ADS SR to grantee:** ADS SR shall implement its capacity building interventions to the grantee depending on need basis.
- iv. **Conduct trainings:** these trainings may be in the form of workshops or one to one with grantee. Examples of trainings include: Monitoring & Evaluation (M&E), Resource Mobilization, Finance & Grants Management etc.
- v. **Financial review visits:** in instances where ADS SR has issued standard grant, ADS SR shall conduct financial review visits to ascertain whether the grantee is maintaining accounting records as per the Generally Accepted Accounting Principles (GAAP). Such financial reviews shall be conducted by grants staff quarterly or monthly depending on the initial pre-award outcomes. A report on the visit findings and recommendations shall be shared with the grantee and copy filed in the grant file.
- vi. **Program review and Monitoring and Evaluation (M&E) visits:** Program and M&E staff shall conduct visits to grantees to ascertain whether the activities are implemented as per the approved project statement. A report on the visit findings and recommendations shall be shared with the grantee and copy filed in the grant file. This be done on quarterly basis or according to how the grant was structured/designed. This process to follow the guidelines laid down in the programs, and monitoring policy.
- vii. **Midterm review (midterm evaluation):** in instances where grant period exceeds 12 months (but not less than 18 months), ADS SR shall conduct a

midterm evaluation or review after 12 months lapses. Such evaluation will determine whether there is need for realignment or amendment of project activities or budget.

- viii. **Monitoring of grantees' budgets:** it is the responsibility of Grants Manager to monitor the budgets of all grants issued. The Grants Manager shall use the accounting system or tools available within ADS SR to ensure budget limits are not exceeded. The tracking system shall track the grants pool, the advances to each grantee and their respective expenditures.
- ix. **Partner audits:** This can be incorporated into annual auditing through sampling. The partners may also budget to undertake the specific project audits annually. A programme audit can be done separately by inclusion in main budget. A donor specific audits can also be initiated.
- x. **Amendments of the project statement or budget where need be:** a grant amendment shall be written where the content of the grant agreement is being altered. for examples of: Change of grant dates, change of grant amounts, Change of more than 10% of budget from one budget category to another etc. A written justification shall be submitted by the grantee to ADS SR. If justified, the Grants Manager shall write an amendment to effect the changes and have it approved by the ADS SR Executive Director. The amendment shall be signed by the grantee as sign of acceptance of the changes made.
- xi. **Cancellation/Termination or suspension of grant:** if there is justifiable reason to terminate or suspend a grant, the same shall be done through writing.

4.8 Closeout Phase

This is the final stage.

Under this phase, the Grants and Program Managers shall confirm whether all grant activities and requirements have been met.

The following activities will be conducted:

- 1) Grantee refunds all amounts not accounted for and unallowable expenditure under the award.
- 2) ADS SR pays all amounts due to grantee
- 3) Resolution of issues relating to ownership and retention of property or/and copyrights

The Grants Manager or his/her designate reviews the grant file to confirm whether all relevant records are in place.

A grant closeout letter shall be signed by ADS SR's Executive Director and in the same capacity on the grantee's end.

5.0 GENERAL GRANT ADMINISTRATION PROCESSES

5.1 Cash Disbursements

ADS SR must ensure that the grantees have the ability to implement the activities. The organization shall incorporate the various requirements like The Mandatory and Required Applicable Standard Provisions for Non-U.S, cash disbursement process etc into the grant agreement for compliance.

ADS SR may verify financial responsibility and institutional capacity by inspections of annual financial statements, audit reports, letters from other donors, and/ site visits. Cash payments will be provided in such a way to minimize the potential waste or fraud as risk measures. For example; Payments based upon the recipient's incremental progress or reimbursement based on actuals etc.

The funds shall not be commingled with other recipient owned or controlled funds.

The grantees should liquidate any prior advances before new advances are released.

Advances shall be limited to meet the current needs.

5.2 Termination and Suspension

- These processes must be included in the grant agreement giving ADS SR and donor the right to terminate a grant, in whole or part.
- Suspension of payments or the grantee should be when the grantee becomes insolvent and when the grantee does not meet their responsibilities as set forth in the Grant Agreement.
- The suspension should not be more than 3 months before the verdict is determined. All other processes like verifications to be carried out within the period.
- During suspension, no activities will be carried out. Also, the grantee will not be allowed to utilize any grant funds for any payments.
- ADS SR grants office in consultation with the Executive Director should carry out all verifications and present a report with recommendations that explains the decision/determination of the verdict to either fully terminate or allow the grantee to continue with the grant award.
- The grants manager/office may also involve the external auditor or evaluator.
- Where the grants team feels the issues from the internal or external report need a legal process, then Executive Director will inform the board before the

issue is handed to the legal experts under the prevailing internal laws, donor laws and Kenyan laws.

A termination letter will include the following:

- The reasons for the termination.
- The effective date of termination.
- The portion to be terminated.
- The portion of activities and finances remaining in case of partial termination.

5.3 Record management

The grantee shall maintain financial records, supporting documents, and all other records related to the award in accordance with generally accepted accounting principles formally prescribed by the donor regulations, the cooperating country to sufficiently substantiate charges of the ADS SR award. The records should be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program. ADS encourages the grantees to keep records related to the agreement for a period of three years from the date of submission of the final expenditure report or as may be directed by other donors like USAID.

5.4 Publications

This is applicable when publications are financed under ADS SR grant.

At the end of the project, the grantees shall submit one electronic and one hard copy of final documents to ADS SR as per the details that will be provided under the grant agreement.

The grantee shall provide ADS SR with two copies of the published works.

5.5 Marking and branding provisions

All grantees must mark appropriately all programs work, communications and products funded by any donor. The regulations for the specific donor will prevail any other internal regulations. Where the donor don't have such procedures, the ADS SR will

state the procures and regulations to be followed when branding. For example, placement of the logos.

ADS SR will include the donor-approved marking provision in any grant agreements.

5.6 Travel management

ADS SR must obtain donor Contracting Officer approval to use grant funds in support of international travel where applicable and necessary for the grantees.

In case the grant is in-kind, then ADS SR must negotiate and purchases the tickets for the grantee.

5.7 Operations policies

ADS SR will ensure that the sub-grant has the following policies / guidelines/SOPs documents in place to support the administration of the grant: safeguarding, asset management, procurement, remuneration and wages policies. In the absence of these policies at the sub-grantee level, ADS SR will require that the sub-grantee adopts the ADS SR policies and present a plan for putting in place the required operations documents.

5.6 Content of a Grant File

Grant file should contain the following:

1. Proposal/Application including budget
2. Selection process and decision (Memorandum of negotiation)
3. Prior approvals and authorizations
4. Any pre-award correspondence
5. Sub-grantee legal documentation and other pre-award assessment.
6. Grant Agreement (signed and dated by both parties).
7. Site visit/financial/programme visit reports.
8. Benchmark/Milestones reports/Quarterly reports and Final Report.
9. Financial transactions records: cash requests and financial reports
10. Close out check list
11. Close out letter
12. Inventory and disposition documentation;

13. Reconciliation of expenses between the Grant and Finance should be documented

5.7 Management of Grantee Conflict of Interest

This is when an employee or other involved party may have a conflict of interest if the party has a direct or indirect personal interest, financial or otherwise.

In the process of implementing the grant, ADS SR reserves the right to investigate a grant due to any real or perceived conflict of interest.,

If the outcome confirms that there was conflict of interest, then the grant may be suspended or terminated and, in some cases, implicate the staff related.