

# GRANT POLICY

AFGHAN BUREAU COLLABORATION OFFICE

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# GRANT POLICY

## I. Purpose

This policy outlines the use of grants at ABCO. A grant is an ABCO implemented funding modality used to provide small financial contributions solely to develop or strengthen the capacity of an organization as defined below.

## II. Policy

This policy outlines ABCO's use of grants, identifies control actions to mitigate potential risks related to its use and establishes the following:

- Grants can only be issued to donor/client requested entities working in one or more areas of ABCO's mandate, solely for its own internal capacity development purposes as defined in this policy.
- Grants are to be used to build the capacity of an organization to undertake specific aspects of its agenda directly related to ABCO's or donor/client's mandate.
- A grant cannot be given to an organization to undertake any activity on behalf of ABCO, nor can there be any deliverable expected.
- Grants cannot be used for advocacy purposes; advocacy related activities must follow the implementing partner or ABCO programme route.
- Approved grantees must be registered in the Grantees Information Management System (GIMS).
- Grants cannot be issued to government, established non-government organizations (NGOs) who have the capacity to be an implementing partner.
- The following grant thresholds apply:
  - a) Grants are limited to amount specified by the donor/client per organization.
  - b) An organization cannot be a grantee for more than 2 consecutive years.
- Grants cannot be issued if the applying organization is on the Consolidated United Nations Security Council Sanctions List.
- An activity clearly identifying grants must be included in the ABCO-implemented workplan of the respective business unit and coded.
- All activities, including the budget, schedule and other details must be clearly stated in the Capacity Development Plan as annex I of the Grant Agreement.
- If the grantee sub-contracts any of its activities to a third party, all sub-contractors, and the activities they undertake, must be clearly spelled out in the capacity development plan prepared by ABCO, in consultation with the grantee.
- Grants will be subject to audits by ABCO, at its discretion, to ensure grants are administered in accordance with this policy
- Selection and administration of a grant must follow the procedures outlined below

The policy also reinforces adherence to the obligations under the ABCO Policy on Financial Disclosure and Declaration of Interest that no ABCO personnel, involved in the grant process, has any conflict of interest and is responsible for ensuring impartiality in selection and decision-making.

### III. Procedures

#### Selection

##### 1. Select Grantee

Grantee(s) are selected based on applications/proposals submitted to the business or the relevant unit and must follow a fair, robust, transparent and impartial selection process. A grant application/proposal must include a summary of capacity to be strengthened and a proposed set of activities to be undertaken. Submission of applications for grants can either be a) initiated by ABCO or b) the organization applying for the grant can approach ABCO on its own initiative. When ABCO initiates the process, it is recommended to advertise via the most common and easily accessible means of communication (e.g., ABCO website; local media, etc.).

The head of unit is responsible for ensuring funds are available and the requested amounts of individual grants do not exceed the set limits by client/donor threshold per entity per year nor the 10% of regular resources unit ceiling for the given year. In order to be considered for a grant, the application/proposal must meet the following eligibility criteria:

Criteria 1: The funds will be used solely for the applicant's own internal capacity building;

Criteria 2: The applicant is not currently an implementing partner (IP) with any business unit of ABCO;

Criteria 3: The applicant has the potential capacity to further ABCO's mandate and become a future implementing partner for ABCO;

Criteria 4: The grant request does not exceed the established thresholds per business unit per year across the entire ABCO, and less than 10% of the unit's regular resource ceiling) and the organization has not been given a grant for more than 2 consecutive years;

Criteria 5: The applicant is not on the list of the Consolidated United Nations Security Council Sanctions List;

Criteria 6: If the applicant was previously awarded a grant, its past performance was deemed satisfactory.

Any application/proposal that does not meet the eligibility criteria will be rejected.

The programme manager is responsible for reviewing all proposals and making a recommendation for selection to the head of unit based upon an entity's potential capacity to further ABCO's mandate through innovative ideas, new approaches, sustainability, impact, feasibility, ability to reach target audiences, collaboration, cost considerations, financial stewardship and reputation. The programme manager should complete a note to the file documenting the selection process. It is advisable for ABCO to notify applicants who were not selected.

## 2. Prepare Capacity Building Plan

Once the grantee is selected, the programme manager, in consultation with the grantee, prepares the Capacity Building Plan to clearly specify how the capacity of the grantee will be strengthened. The Capacity Building Plan must include activities, timeline and budget and must take the following into consideration:

- ✓ Acceptable capacity development activities can only include those that strengthen the knowledge, abilities, skills and behaviour of individuals in the existing organization and/or improve institutional structures and processes to enable the organization to efficiently a) meet its mission and goals in a sustainable way and b) have effective management and revenue control
- ✓ There must be a strong justification for how building the capacity of the organization helps ABCO to further its mandate.
- ✓ The following activities are not considered capacity development activities and therefore are not eligible to be funded by a grant: any activities undertaken on behalf of ABCO, workshops held on behalf of ABCO, research completed, report written and other similar activities with expected deliverables.

## 3. Include Grant activity in ABCO workplan

Any activities undertaken by the grantee are considered, for programming purposes, ABCO implementation. Therefore, once a grantee is selected, the business unit must include an activity clearly featuring the name of the grantee in its own ABCO implemented workplan (e.g., “Grant to CSO XYZ to strengthen capacity in the area of gender-based violence). If, at the time of ABCO workplan finalization, a grant is planned but the recipient grantee(s) is unknown, then the name of activity should clearly specify that it is for grant purposes (e.g., “Grant to CSOs to strengthen capacity in maternal health”).

### **Awarding**

## 4. Sign Grant Agreement

Both ABCO and the grantee must complete and sign the Grant Agreement prior to the disbursement of funds. The grant agreement includes the detailed capacity building plan.

No funds can be disbursed by finance personnel or spent by the grantee before the Grant Agreement is signed by both parties. The agreement must be signed by a duly authorized official of the grantee and countersigned by the head of unit for ABCO. Any changes to the agreement template must be made in track changes and cleared via the Integrated Service Desk. The unit administering the grant must complete a grant amendment if there are any subsequent revisions to either the Grant Agreement or Capacity Development Plan in the grant activities, budget or duration (including no-cost extensions); ensuring the established thresholds are not exceeded. The grant amendment, and any related documents, must be uploaded in GIMS using the “edit Grantee” function.

## 5. Register and Upload Grant Agreement in GIMS

Once the Grant Agreement is signed, the programme manager must register the grantee (or update information if it is already registered) and upload the signed Grant Agreement, including the Capacity Building Plan in the GIMS. When uploading the Grant Agreement in GIMS, the programme manager must also complete the GIMS section entitled “Justification for selecting this organization”.

## 6. Disburse funds

Funds are disbursed to a grantee by financial personnel in a single instalment or based on millstones upon signing of the Grant Agreement by both parties or according to the date set out in the Grant Agreement. Grants issued by ABCO are recorded using a non-PO voucher.

## Monitoring

### 7. Monitor

Management of ABCO grants must be properly monitored by ABCO personnel as part of their regular monitoring activities. Regular monitoring of grants includes an assessment on how the Capacity Building Plan implementation is progressing compared to what was planned. Regular monitoring activities might include an office visit, meeting or conversation on the progress of Capacity Building Plan between the ABCO and the grantee. Any findings, particularly those requiring follow up action (e.g., no-cost Capacity Building Plan revision, no-cost Grant Agreement extension and etc.) must be discussed, agreed upon between the grantee and ABCO, and filed.

## Reporting

### 8. Collect Final Grant Report

The grantee must submit to ABCO a final financial and narrative report within 45 days of the expiration of the Grant Agreement. The report should summarize results achieved and activities the grant was used for. It is the responsibility of the ABCO programme manager to timely collect the report, confirm the activities were completed as planned and confirm funds were used for the intended purposes.

The programme manager should consult with the operations personnel to review financial reports. The programme manager must upload the final report in GIMS and ensure that any unspent funds are promptly returned to ABCO as indicated in the Grant Agreement, and credited to the same chart of account where the grant was charged.

#### **IV. Other - Audit**

As part of ABCO programming, the administration of grants is subject to possible audits by the audit committee and the Board of Directors, at their discretion. As such, the unit giving the grant is required to keep a file with reports and supporting documentation on the nature and selection of the grants, and documentation justifying the expenditures and demonstrating they are directly linked to the grant.

ABCO and grantee personnel associated with the grant must be available to cooperate with the auditors, if needed, and any requested documentation must be made available to auditors upon request. In line with ABCO policies, any alleged wrong doing in relation to the grant must be reported to the audit committee.

## V. Risk Control Matrix

Control #	Risk Description	Control Objective	Control Activity Description	Who performs
G-1.0	ABCO is exposed to loss of funds greater than acceptable amounts for grants.	No grants exceed the established thresholds	Head of unit confirms the grant will not exceed established threshold and checks to ensure the business unit does not give more than 10% of its regular resources ceiling in grants.	Head of unit
G-2.0	Grant are awarded to organizations who do not meet the eligibility criteria thus not fulfilling the purpose of the grant modality.	All grantees meet the eligibility criteria	All grant proposals are reviewed to ensure they meet the eligibility criteria	Programme Manager
G-3.0	Funds are issued inappropriately as grants, thus bypassing the programmatic and assurance requirements of the IP modality.	Programme funds are always given using the appropriate partnership modality	Programme manager reviews proposal to confirm activities are for internal capacity development purposes only with no expected deliverable.	Programme Manager
G-4.0	Grants are used for purposes other than what was intended, resulting in misuse of ABCO funds	All approved grantee activities are clearly articulated in a capacity development plan	Grantees and ABCO complete the capacity development plan	Programme Manager
G-5.0	Grant activities are not clearly identified in a ABCO workplan resulting in inability to track and monitor use of grant modality.	Grant activity and recipient is clearly identified in the ABCO workplan	A dedicated activity clearly identifying the grant and organization name (if known) is created in the ABCO workplan to enable better tracking of use of grants.	Programme Manager
G-6.0	Grant is given to organization who is currently also an IP, thus bypassing regular programmatic and assurance requirements of IP modality.	Partnership status is available and easily verifiable	Partnership status is checked in PIMS	Programme Manager of the business unit
G-7.0	Grantee fails to carry out the planned grant activities leading to a waste of ABCO funds	Grant results are achieved	Regular monitoring of Capacity Building Plan progress to ensure activities are carried out, and contribute to the intended results, as planned	Programme Manager
G-8.0	Fraudulent and inappropriate use of ABCO funds	Grantee performance information is easily accessible in a central system.	To ensure ABCO funds awarded to grantee are used for the purpose intended, the final grantee report is reviewed by programme manager who certifies objectives were met and uploads in PIMS	Programme Manager