

Annex 2

IA/ID.5/98

**INTER-AMERICAN INSTITUTE FOR GLOBAL
CHANGE RESEARCH**

**INITIAL SCIENCE PROGRAM – III
GRANT POLICY GUIDELINES**

March, 1998

AWARD REFERENCE NUMBER IAI-ISP III _____

This Award is between the Inter-American Institute for Global Change Research (hereinafter called the "IAI") and the

(name of the leading Institution, hereinafter called the "Grantee").

Statement of Work

The Grantee, under the direction of the Principal Investigator _____ (name)
shall conduct the Project entitled _____
" _____
" _____

Grant Period ¹

The grant period of this award is from ____/____/____ (day/month/year) to ____/____/____ (day/month/year). The Anniversary of the grant is the effective/starting date of the grant period

The grant period of the first year of this award is from ____/____/____ (day/month/year) to ____/____/____ (day/month/year)

Awarded Sum and Payment ²

The total amount of this award to be supported by IAI is US\$ _____

The fixed sum for the first year of this award to be supported by IAI is US\$ _____
Payment will be made following the Payment Policies and Procedures described in section 3 of the IAI-ISP III Grant Policy Guidelines

On behalf of the Grantee

Signature of Principal Investigator and Date

Printed Name and Title

Signature of Authorized Institutional Representative and Date

Printed Name and Title

On behalf of the IAI

Signature of the IAI Chief Scientific Officer (CSO)

Bradford Wilcox, CSO

Signature of the IAI Director

Armando Rabuffetti, Director

¹ Please consider the starting date of the project to be that of the beginning of the project activities. The IAI will send the fixed sum for the first year of the project to the PI and the leading institution approximately 10 business days after it receives the information requested in this form and in the request for payment form, provided that we have all the necessary and complete bank information.

² This is the IAI contribution only, please deduct from the total budget of the project any complementary financing.

Inter-American Institute for Global Change Research
ISP- III Grant Policy Guidelines

INDEX

1. BACKGROUND INFORMATION

- 1.1. Purpose and Applicability
- 1.2. Definitions
- 1.3. IAI-Grantee Relationships
- 1.4. Grant Instrument
- 1.5. Grant Periods
- 1.6. Annual Funding Renewal

2. GRANT ADMINISTRATION

- 2.1. Monitoring Project Performance
- 2.2. Grantee Notifications to IAI and Requests for IAI Approval
- 2.3. Disposition of a Grant when PI transfers
- 2.4. Changes in the Grant Budget
- 2.5. Technical Reporting Requirements
- 2.6. IAI Data Policy
- 2.7. Liabilities
- 2.8. Overhead Charges
- 2.9. Transfer of funds to other Institutions
- 2.10. Purchase of scientific equipment and travel of personnel

3. FINANCIAL REQUIREMENTS AND PAYMENTS

- 3.1. Standards of Financial Management
- 3.2. Payment Policies
- 3.3. Procedure for Request for Payment
- 3.4. Transfer of Funds
- 3.5. Financial Reporting
- 3.6. Definitions
- 3.7. Cash Surplus at Completion or Expiration of Grant
- 3.8. Records Retention and Audit
- 3.9. Termination of Award

4. SUSPENSION AND/OR TERMINATION

5. FORMS

- 5.1. Request for Payment
- 5.2. Annual Financial Report

1. BACKGROUND INFORMATION

1.1. Purpose and Applicability

This Grant Policy Statement sets forth the policies of the Inter-American Institute for Global Change Research (IAI) regarding the award and administration of grants awarded by the IAI under the Initial Science Program-Round III (ISP-III).

1.2. Definitions

- A. ISP-III Grants are one-time awards under which the IAI agrees to provide a specific level of support for 1-3 years. Funding will be provided upon an annual basis. Continued funding for the duration of the project is dependent upon satisfactory accounting of both financial and scientific activities by the Grantee and Principal Investigators
- B. A Grantee is the institution that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity. The Grantee will generally be an institution. The Grantee is the Principal Investigator's home institution and the leading institution of the project. Under exceptional circumstances, however, IAI recognizes that it may be necessary and prudent to design alternative mechanisms for managing project funds. These will be negotiated on a case by case basis. All ISP-III projects involve a collaboration of many institutions. It is expected that transfer of funds to the collaborating institutions will be made and managed by the Grantee.
- C. Principal Investigator (PI) is the individual designated by the Grantee and approved by IAI, who will be primarily responsible for the scientific and technical direction of the project, although it is expected that there will be strong interaction between the PI and the Co-Principal Investigators. The PI will be the principal contact with the IAI.
- D. Co-Principal Investigators (Co-PIs) are individuals approved by IAI who will be working with the PI in the implementation of the scientific and technical aspects of the project. Co-PIs may be from the same or different institutions than the PI.
- E. Authorized Institutional Representative (AIR) is the administrative official who on behalf of the proposing institution is empowered to make certifications and assurances and can commit the institution to the conduct of a project that IAI is being asked to sponsor as well as adhere to various IAI policies and grant requirements.

1.3 IAI-Grantee Relationships

IAI grants establish a relationship between the IAI and the Grantee in which IAI agrees to provide up to a specific amount of financial support for the project to be performed under the conditions and requirements of the grant. IAI will monitor grant progress and ensure compliance with applicable standards. The Grantee agrees to the performance of the project, to the prudent management of the funds provided and to carry out the supported activities in accordance with the provisions of the grant. Grantees are free to accept or reject the grant.

1.4 Grant Instrument

The following documents comprise an IAI grant:

- a) The grant letter, including any special conditions applicable to the award;
- b) The budget, which indicates the amounts, by categories of expense, on which IAI has based its support;
- c) The proposal referenced in the grant letter;
- d) Any IAI program announcement/solicitation or other document incorporated by the reference in the grant letter;
- e) The ISP-III Grant Policy Statement Form (page 2 of this document)

All rules and guidelines outlined in the ISP-III announcement of opportunity also apply to the IAI grant contract and management.

1.5 Grant Period

Definitions

- a) **EFFECTIVE DATE** is the date specified in the ISP-III Grant Policy Statement Form (page 2 of this document) on or after which, except for fixed amount awards, expenditures may be charged to the grant. Effective dates used by IAI are normally either on the 1st or 15th day of the month.
- b) **EXPIRATION DATE** is the date specified in the ISP-III Grant Policy Statement Form (page 2 of this document) after which expenditures may not be charged against the grant except to satisfy obligations to pay allowable project costs committed on or before that date.
- c) **GRANT PERIOD** is the period of time between the effective date and the expiration date of an IAI grant shown as the duration. An IAI grant gives authority to the Grantee to commit and expend funds for allowable costs in support of the project up to the grant amount specified in the ISP-III Grant Policy Statement Form (page 2 of this document) at any time during the grant period, and according to the annual budget and timetable of the scheduled activities proposed and approved by the IAI.

Change in Grant Periods and No-Cost Extensions

The effective date of the grant will not be changed unless it is justified by exceptional circumstances. Any request to change the effective date must contain such justification and be signed by the PI and endorsed by the AIR.

Requests should be made to the IAI Chief Scientific Officer (CSO). If approved, the CSO will issue an amendment to the grant.

IAI may authorize a no-cost extension of a project upon a formal request by the PI. This request must be received at least 90 days prior to the expiration date of the grant. The request must explain the need for the extension and include an estimate of the funds remaining and a plan for their use.

1.6. Annual Funding Renewal

As indicated above, each project will be evaluated on an annual basis. Subsequent annual funding during the grant period is dependent upon the PI adequately meeting the scientific and financial reporting requirements.

2. GRANT ADMINISTRATION

2.1. Monitoring Project Performance

- a. A Grantee has full responsibility for the conduct of the project or activity supported under an IAI grant and for the results achieved. The Grantee should monitor the performance of the project to ensure adherence to performance goals, time schedules or other requirements as appropriate to the project or terms of the grant. Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals that should be made in advance of the action. Organizational reviews are intended to help ensure that expenditures are allowable, necessary and reasonable for the conduct of the projects, and that the proposed action (1) is consistent with grant terms and conditions; (2) represents effective utilization of resources; and (3) does not constitute a change in objective or scope.
- b. IAI continues to encourage frequent and open communication between IAI CSO and the PI on the progress and/or difficulties of each project.
- c. IAI has the right, at all reasonable times, to make site visits to review project accomplishments, Grantee management control systems, administration and management of the grant, and to provide technical assistance as may be required.

2.2. Grantee Notifications to IAI and Requests for IAI Approval

Below is a listing that highlights conditions under which specific notifications and requests for approval must be made. Any changes to the proposal must be presented to the IAI Directorate in writing with the proper justification for approval.

1. *Change in objectives and scope.* The objectives of the project should not be changed without approval from IAI. Such changes should be proposed to the IAI Scientific Officer by the PI in a written communication. The letter should also have original signatures of all the Co-PIs and AIR. The IAI may request, if deemed necessary, a new peer review of the project. If approved by the IAI Director, the IAI Chief Scientific Officer will amend the grant.

2. *Changes in methodology.* The IAI believes that the PI, operating within the established policies of the Grantee institution, should feel free to pursue interesting and important leads which may arise during the conduct of the research, or to adopt an alternative approach which appears to be a more promising means to achieve the project objectives. Significant changes in methodology should be reported to and subsequently approved by the CSO.
3. *Significant Changes, Delays or Events of Unusual Interest.* In the event that there are problems, delays or adverse conditions that will materially affect the ability to attain the objectives of the project or to meet such time schedules as may have been proposed, the PI should notify the IAI CSO.
4. *Changes in PI's or Co-PI's person-months devoted to the project.* The IAI decision to support or not to support a proposed project is based to a considerable extent upon its evaluation of the proposed PI's and Co-PI's knowledge of the field of study and their capabilities to conduct the project in an efficient and productive manner. The named PI and Co-PIs should be continuously responsible for the conduct of the project and be closely involved with the effort.
 - a. *Short-Term Absence of PI.* If the named PI will be absent from the project for short periods of up to three months, he/she shall notify the CSO of arrangements for the conduct of the project during his/her temporary absence, and forward the name of the Co-PI who will be in charge of the project during the absence of the PI.
 - b. *Long-Term Absence of PI.* In the event the named PI will be away from the project for a period greater than three months but intends to return, arrangements for oversight of the project, including the name of the Co-PI who shall be in charge, shall be sent to CSO for approval. This information shall be provided at least 30 days before departure. It should be indorsed by the AIR and addressed to the CSO. The CSO will provide written approval if the arrangements are satisfactory. If the arrangements are not satisfactory to IAI, the grant may be terminated.
 - c. *Change in Person-Months Devoted to the Project.* If the PI or Co-PIs will devote substantially more or less time to the project than anticipated in the proposal, the PI should consult with the IAI CSO. If the CSO determines that the increased effort will substantially affect the project proposal as approved or the reduction of effort will substantially impair the successful execution of the project, IAI may (1) request that the affected PI or Co-PI(s) be replaced or (2) terminate the project.
 - d. *Withdrawal of PI.* In the event the named PI relinquishes active direction of the project a substitute PI should be nominated by the remaining Co-PIs. The new PI may be one of the former Co-PIs or

a new individual to the project, but must be approved in writing by the IAI CSO.

2.3. Disposition of a Grant When a PI Transfers from One Institution to Another

When a PI plans to transfer from one institution to another, IAI may facilitate a transfer of the grant to the PI's new institution, if both the new institution and old institution agree. Agreement from both institutions to the change of PI or change of PI's institution must be sent to the IAI in written form. IAI may consider coordination of the project by one of the Co-PIs or an alternate PI proposed by the Co-PIs.

2.4. Changes in the Grant Budget

The salary portion of the budget may not be altered without prior approval by IAI. For other budget categories, if required in furtherance of the project, the PI is authorized to transfer funds from one budget category to another for allowable expenditures, as long as the total change is less than 10 % of that originally proposed. Changes greater than 10% per each cost-category will require prior approval by IAI CSO and Chief Financial Officer (CFO).

2.5. Technical Reporting Requirements

Annual Progress Reports: The PI should submit progress reports annually until the termination of the grant. These reports are due 45 days prior to the anniversary of the grant. Money for subsequent years may not be released until annual reporting requirements have been adequately met.

Final Progress Reports: Within 90 days following expiration of the grant a final project report shall be submitted to IAI. This report will provide a complete accounting of scientific results and financial expenditures of the project. In addition, a summary written for non-technical audiences will be provided that summarizes the project and highlights policy-relevant accomplishments.

Final Technical Communication Items: As soon as they are available after completion, the following technical items shall be submitted for IAI program management use:

- a. Theses (1 copy)
- b. Conference Reports (1 copy)
- c. Abstracts of scientific presentations (1 copy)
- d. Reprints of publications (2 copies)

Principal Investigators failing to submit scientific and financial annual progress reports, as well as the final progress report, will not be eligible for further IAI funding.

2.6. IAI Data Policy

The IAI requires a continuing commitment from the Grantee to the establishment, maintenance, validation, description, accessibility, and distribution of high-quality, long-term data sets that may result from research supported by a grant. Principal Investigators may request initial periods of exclusive data use. For each particular grant, the Institute shall explicitly define the duration of the exclusive use period.

Grantees shall act to streamline administrative arrangements for exchanging data among researchers. International standards shall be used to the greatest extent possible for media and for processing and exchange of data sets.

Where applicable, a fully documented data set shall be submitted to the IAI for distribution on the IAI Data and Information System (IAI-DIS), or alternatively, the Grantee shall supply electronic pointers for the IAI-DIS.

2.7. Liabilities

The IAI, the United States National Science Foundation, the United States National Aeronautics and Space Administration, and the United States National Oceanographic and Atmospheric Administration, their Officers, and Member Countries and Institutions, shall be indemnified against any liability, including any additional costs, not previously approved by the IAI, or any costs resulting from unexpected accidents or the difficulties and failures in accomplishing the research work proposed in the development of the project and arising out of this grant.

2.8. Overhead Charges

No overhead charges are allowed under ISP-III. If any of the Grantee institutions, Co-PI institutions or subcontract institutions charge overhead costs, the IAI may decide to terminate the grant and these institutions will not be eligible to receive further IAI funding.

2.9. Transfer of funds to other Institutions

IAI will only make payments of the award to the Grantee institution. Such institution will be responsible for the accountability for any transfer of funds to Co-PIs working in other institutions.

2.10. Purchase, transfer, import or export of scientific equipment and travel of personnel

The PI and Co-PIs are fully responsible for any procedures, paperwork or activities necessary to purchase, transfer, import and export scientific equipment among participating institutions and countries in the research project, as well as

arrangements, including issuing visas, of personnel as part of the project activities.

3. FINANCIAL REQUIREMENTS AND PAYMENTS.

3.1. Standards for Financial Management

The IAI may require the Grantee to furnish, upon request, basic organization and management information to assist the Director in assessing their financial and managerial responsibility. The Grantee will assume legal and financial responsibility for the accountability both for the awarded funds and for the performance of the grant-supported activity.

The grantee will provide the name of an Authorized Institutional Representative as the financial official of the Grantee institution who has primary responsibility for the accountability and reporting on IAI grant funds

3.2. Payment Policies

- a) *Timing.* Advances to a grantee shall be limited to the amount needed and shall be timed to be in accordance with the cash requirements of the Grantee in carrying out the purpose of the approved project.
- b) *Withholding payments.* The IAI reserves the right, upon written notice, to withhold future payments after a specified date if the recipient fails to comply with the conditions of the grant.
- c) *Safeguarding funds.* In no case will IAI-furnished funds be commingled with the personal funds of, or be used for personal purposes by, any officer, employer agent of the grantee; nor will any of these funds be deposited in personal bank accounts for disbursement by personal check.

3.3. Procedure for Request for Payment

1. Grantees may receive payments from the IAI provided that the following conditions exist:
 - a) funds for the project period have been obligated by an IAI Officer in the form of a signed grant
 - b) the Grantee has established or demonstrated to the IAI the willingness and ability to establish written procedures that will minimize the time elapsing between the transfer of funds from the IAI and their disbursement by the Grantee
 - c) the Grantee has established adequate financial management systems for fund control and accountability
2. The Grantee's Authorized Institutional Representative must submit a "Request for Payment" form to IAI, according to the amount needed and timed to meet the anticipated cash requirements for allowable charges.

3.4. Transfer of Funds

Payment of funds by IAI will be made in U.S. Dollars by electronic transfer from Bank Real S.A., New York. The Grantee will be advised of the amount and date of transfer.

Funds may be requested using the "Request for Payment" form, to be sent to the IAI Financial Officer by mail, fax (55-12-341-4410) or e-mail (chill@dir.iai.int)

A separate bank account must be opened in the name of the Grantee institution for which the PI works.

Under exceptional circumstances the IAI recognizes that it may be necessary and prudent to consider alternatives to having the account in the name of the institution and will negotiate on a case by case basis.

3.5. Financial Reporting

The IAI will require an annual financial report, prepared on a cash basis, showing how the money paid during that year has been spent, with details of the unobligated balance at the end of the grant year. (see attached form). The report should be submitted within 45 days of the anniversary of the grant.

If interest is earned on the money advanced, the annual financial report should explain how this money has been used. The earning of interest on funds advanced should not delay the implementation of the project.

A bank reconciliation as at the end of the grant year should be sent with the annual financial report.

3.6. Definitions

UNOBLIGATED BALANCE is the portion of the funds received by the Grantee that has not been obligated. It is determined by deducting the payments made and unliquidated obligations from the cumulative funds received.

UNLIQUIDATED OBLIGATIONS represent the amount of obligations incurred by the Grantee that have not been paid.

3.7. Cash Surplus at completion or expiration of grant

If towards the completion or expiration of the grant it becomes apparent that some funds will be unobligated, the PI shall inform IAI and present a plan for how the funds should be spent to further the aims of the project. If IAI is in agreement, these funds may be used for the stated purpose and such payments shall be reported in the Annual Financial Report form. Otherwise, the funds must be immediately returned.

3.8. Records Retention and Audit

Financial records, supporting documents, statistical records and other records pertinent to a grant will be retained by the grantee for a period of three years from the date of the submission of the Final Project Report.

The IAI Director, or any of his duly authorized representatives, shall have access to any pertinent books, documents, papers and records of the Grantee institution to make audits, examinations, excerpts and transcripts.

3.9. Termination of Award

The IAI reserves the right to terminate a project should it be judged that either scientific performance or financial management be inadequate. Should this occur all unobligated funds must be returned.

REQUEST FOR PAYMENT

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH
ISP III GRANTS

Period covered by this request: From:.....
To:

PI Name: IAI Reference No:.....
Institution:.....
Address:

ANNUAL PAYMENT REQUESTED	
Estimated cash outlays for payment period	US\$
Less: Payments previously requested for period	_____
Payment now requested	_____

Payment details for electronic transfer:
 Account name:
 Name of Bank:
 Address:

 Account Number
 Bank identification:-
 SWIFT:
 CHIPS:
 FEDWIRE:

Certification:
I certify that to the best of my knowledge and belief the data above are correct and that the information given above is in accordance with the grant conditions and that the payment is due and has not been previously requested.

.....
Signature of Authorised Institutional Representative Typed or printed name and title

.....
Signature of Principal Investigator Printed name

Date request submitted:.....

Telephone no:..... Fax:..... E-mail

ANNUAL FINANCIAL REPORT

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH
ISP III GRANTS

Period covered by this report: From.....

To.....

PI Name.....

Institution.....

		US\$
Opening balance at beginning of grant year		
Add: Grant received during year		
Add: Bank interest received		
sub-total		
Expenses:		
Payments made		
Unliquidated obligations		
total expenses		A
Unobligated balance at end of grant year		

Note: Please send a copy of the bank reconciliations as at the end of the grant year

Analysis of expenses:		US\$
Salaries		
Benefits		
Equipment		
Travel		
Other expenses (Details may be included on a separate sheet)		
Total expenses (to agree with A above)		

Certification:

I certify to the best of my knowledge and belief that the information shown above is correct and in accordance with the grant conditions

.....
Signature of Authorised Institutional Representative Printed name and title

.....
Signature of Principal Investigator Printed name

.....
Date report submitted Telephone number