CARE USA Procedures implementing the CARE International Partner Funding Agreement Policy[1]

Effective Date: July 1, 2021

I. Scope

These procedures represent CARE USA's implementation of the CARE International Partner Funding Agreement Policy (the "Policy"), and apply to all staff and offices of CARE USA, including those located at CARE USA country offices and related sub-offices, regional offices, and headquarters and related offices in the United States.

II. Background Details

The purpose of the policy is to define CARE International's principles and management standards for CI partner funding agreements. The policy is in accordance with CARE's programming principles, CARE International's 2030 Partnership aspirations, and applicable donor laws, rules, and regulations. The policy outlines CARE's minimum requirements to guide funding relationships with partners. Funding sources with more restrictive requirements must be followed.

The CI Partner Funding Agreement Policy applies when CARE is providing funding to another organization(s). CARE and potential partners will identify and select each other through processes that are inclusive for potential partners and are in keeping with CARE's core values and with the principles outlined in Section I of the Policy. CARE USA and their offices will follow the Policy standards and requirements to ensure transparent, fair and open process throughout the CI partner funding agreement life cycle, making the policy available to partners and enabling the partners to apply the same level of scrutiny towards CARE as CARE applies to them.

This policy outlines the management requirements during the CI-partner funding agreement life cycle, which may be part of a broader partner relationship that CARE and the partner have cultivated. The life cycle includes:

Phase I - Pre-Award: Minimum eligibility requirements, partner selection, mutual due diligence and common risk assessment, capacity strengthening.

Phase II - Contracting: Types of contracting mechanisms and approval thresholds.

Phase III - Implementation and Monitoring: Including reporting, processing modification and amendments, periodic mutual performance and audit reviews.

Phase IV - Close-out

III. Procedures

A. Phase I Pre-award

1. **Planning and Identification of the Partner**: This can take place before or during the proposal development or after the donor award is signed. In keeping with CARE 2030 vision and our aspiration to become a partner of choice, CARE's proposal team and/or project management team should engage with potential partners in advance of the selection of

[1] This policy is applicable for all Individual Project Implementation Agreements (IPIA) when CARE USA plays the role of the CARE Member Partner (CMP) providing funding to another CARE Implementing Presence office. A CARE Implementing Presence office as defined by the CI Code is a CI Member / Candidate / Affiliate, and their country offices.

partners for a specific award. During this period the proposal team and/or project management team develops the following in consultation with the partner:

a. Partner's Scope of Work: The Partner should also provide input into the overall project design.

b. Project Budget: In addition to the partner's operational costs, the project budget should consider CARE's management structure of the partner funding agreement and its management oversight, the risk environment and complexity of the program, and resources for capacity strengthening of the partner, if needed.

c. Minimum Eligibility Requirements (MER): CARE should document partner's eligibility requirements. CARE staff will share this with potential partners. Partners should be encouraged to do the same towards CARE.

2. **Selection of Partner** – four key steps in this process:

a. Establishment of the CARE Selection Committee: The Country Office or US HQ unit should establish the selection committee. The selection committee is a cross functional, gender balanced body that will decide on partner selection. The partner may do the same.

b. Evaluation of Potential Partners against the MER: The proposal team and/or project management team will evaluate the potential partners against the MER. Qualified partner(s) is(are) selected for a Due Diligence Assessment.

c. Due Diligence Assessment (DDA): The proposal team and/or project management team must conduct a DDA before final selection of partner. The potential partner is encouraged to assess CARE to determine if they feel CARE is a suitable partner with the same level of detail as CARE requires of the partner. The DDA should be documented. Available DDA tools are located on the AMS CARE Shares site.

The result of the DDA will guide the final selection of the partner as well as inform the capacity strengthening budget and plan, and additional contractual provision(s), if any, that need to be included in the partner funding agreement. The partner may have also identified requirements that CARE would need to fulfill so that the partner can enter into the formal partnership.

d. Final Selection Decision of CARE and the Partner: If the results of the mutual DDA are satisfactory to both CARE and partner, the CARE proposal team and/or project management team recommends the partner for selection to the CARE selection committee. The selection committee approves the partner selection. The CARE proposal team and/or project management team informs the partner, communicates to the partner CARE's approach to partnership and encourages them to evaluate CARE and decide if they accept CARE's partnership offer.

B. Phase II Contracting

When the mutual decision to partner with each other has been reached, the Project Management will prepare the partner funding agreement document using the templates on the AMS CARE Shares site. CARE will share the partner funding agreement with the partner and explain why this particular mechanism was chosen.

The amount of the partner funding agreement will determine the review and approval required. (Please refer to Annex I "Authorization Table".) The Project Management must prepare the Partner Funding Agreement Review & Approval Checklist (see Annex II) and submit to the authorized CARE USA staff with the partner funding agreement for approval.

If the partner requests changes in the CARE partner funding agreement template, the Project Management must consult AMS who will reach out to Legal Counsel, as necessary to approve.

The end date of a partner funding agreement should be prior to the end of the donor agreement, except in the case of IPIAs.

If there will be delays in finalizing the partner funding agreement, a Pre-Authorization Letter (PAL) can be signed so that project start-up activities can commence. (Please refer to the AMS CARE Shares site for the appropriate PAL template.)

The signed partner funding agreement and/or PAL, the partner funding review and approval checklist, Project ID request form, Donor Approved Budget (DAB) form should be sent to CARE's Shared Services Center (SSC) to assign a Project ID and set up the agreement in PeopleSoft.

Modifications / Amendments: Any future changes to the partner funding agreement must be in writing and the modification/amendment must be signed by authorized CARE staff and the partner. The modification/amendment must be sent to the SSC accompanied by a revised Partner Funding Agreement Review & Approval Checklist and/or DAB, if necessary.

C. Phase III Implementation, Capacity Strengthening and Monitoring

A partner cannot begin implementation without a signed PAL or partner funding agreement with CARE.

In planning capacity strengthening, CARE should prioritize local actors familiar with the context to provide training, mentorship, and coaching. A capacity assessment should help CARE and the partner improve the partner's and CARE's ability to better implement the program. The capacity assessment may be prepared during pre-award to inform budgeting/project activities or during project start-up.

During project start-up, CARE and the partner should develop and agree upon a mutual monitoring process and plan that identifies the monitoring activities, the persons responsible of each party, the timing and the method of the monitoring. This plan can be used to ensure that monitoring activities of CARE and of the partner can be carried out in a timely manner.

CARE and partner staff should document monitoring activities and place this documentation in the relevant partner funding agreement file. Mutual monitoring can be done through the following methods:

a. Desk review and by site visits and must include both programmatic and financial activities and performed by both project support staff and program staff.
b. Review of program and financial reports to ensure effective progress toward program objectives and monitoring desk reviews and site visits should aim at validating the reports with the other party.

Corrective actions must be identified together and agreed upon in cases of non-compliance, where applicable, monitoring activities should consider revising capacity strengthening activities.

CARE and the partner should periodically evaluate the performance of both parties towards the achievement of intended outcomes and the respect of commitments in terms of the partnership and contributions to CARE's and partner's program strategy and expected impact. CARE and partner staff should develop a governance structure to provide mutual feedback on each other's performance.

Please refer to the Policy for guidance on when a DDA should be updated either by CARE or the partner.

D. Phase IV Close-out

For partner funding agreements of $150,000 or more, close-out planning should take place 90 days before the end of the partner funding agreement for non-emergency partner funding agreements, and 30 days for emergency response partner funding agreements.

Close-out must be done in accordance with applicable CARE, partner and donor requirements to account for program achievements described in the scope of work, funds disbursed, materials and assets provided under the partner funding agreement, and in compliance with applicable donors' rules and regulations.

The Project Management is required to use a close out checklist which may be supplemented by a donor required template. Please see AMS CARE Shares site for the Close-out template.

The program team should lead the close out process with active participation of program support staff and the partner among other stakeholders. A pre close-out joint planning meeting/communication to clarify and agree on responsible parties, requirements and procedures should take place.

Based on the checklist, actions should be performed by the required parties. Periodic check-ins should be done to ensure timely performance.

As part of the close-out process and in the spirit of learning and partnership, identification of partnership successes and challenges is highly encouraged.

Closeout procedures should finish at the end date of the donor agreement and should include a close out letter is sent to the partner.

IV. Emergency Fast Track Procedures

In the event of an emergency humanitarian response, emergency fast track procedures apply once the CARE Crisis Coordination Group (CCG) has declared a type 2, type 3 or type 4 emergency response. In such cases, emergency fast track will take effect for 90 days from the date of the CCG declaration. The Fast Track permits the approval of partner funding agreements by the CARE USA Country Director (in presence countries) and the Regional Director (in non-presence countries) without escalating the approval based on thresholds in **Annex I**.

Under Fast Track conditions, documentation of Partner Funding Agreement Review & Approval Checklist and other standard documentation must be completed within 90 days of signing the partner funding agreement. Fast track procedures do not waive responsibility for compliance with donor terms and conditions.

Annex I
CARE USA Authorization Table

Partner Funding Agreements (new and modifications)	Prepare & Review	Compliance Review[1]	Partner Funding Agreement Review & Approval Checklist Approval[2]	Partner Funding Agreement / PAL[3] Signatory
Partner agreement contracts	1. Grant Manager or Equivalent 2. CO: Finance Controller (finance review)	AMS	AMS CO: CD HQ: Unit Director	CO: CD HQ: AMS
Partner agreement grants $0-$299,999 (CO or unit level)	1. Grant Manager or Equivalent 2. CO: Finance Controller (finance review)	CO: ACD or Program Director HQ: Grant Manager	CO: CD HQ: Unit Director	CO: CD HQ: Unit Director
Partner agreement grants $300,000 and above	1. Grant Manager or Equivalent 2. CO: Finance Controller (finance review)	CO: AMS (regional) HQ: AMS	AMS CO: CD and RD HQ: EMT Representative	CO: CD HQ: Unit Director
IPIAs where CARE USA is the CARE Member Partner (CMP) providing funding to another CI Member / Candidate and their country offices	US HQ Grant Manager or Equivalent	AMS	AMS HQ Unit Director (< $300,000) HQ Unit Director's Supervisor (≥ $300,000)	HQ Unit Director

Definitions
CO: Country Office is contracting party with the partner
HQ: Headquarters unit is contracting party with the partner
IPIA: Individual Project Implementation Agreement

1. **Exceptions:** Exceptions to thresholds or policy require AMS review and approval.

2. **Modifications / Amendments:** The Partner Funding Agreement Review & Approval Checklist must be prepared and approved for all modifications / amendments.

3. **Pre-Award Authorization Letter (PAL):** A Pre-award Authorization Letter may be provided to a partner pending the finalization of the partner funding agreement. A PAL can be provided for up to $50,000 and for up to a three-month period. All PALs must be reviewed and approved by AMS.

4. **Delegations:** AMS may increase or decrease level of review, approval or signature authority for individuals. AMS decision to revise the review, approval or signature authority will be based on factors such as for example: Country Office annual risk assessments; CO capacity to respond to donor requirements; major new donor agreements; significant changes in operating context or CO capacity; CO Registry of Active Risks (ROAR) and effectiveness of risk/issue responses; CO internal and external audit report findings.

Annex II
CARE USA Partner Funding Agreement Review and Approval Checklist