

## Mission Order 21 Compliance Manual

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## 1. Student Vetting:

### 1.1 Student Vetting Process:

- **VETTING** – Prior to the obligation of funds appropriated by this Act under the heading “Economic Support Fund” for assistance for the West Bank and Gaza, the Secretary of State shall take all appropriate steps to ensure that such assistance is not provided to or through any individual, private or government entity, or educational institution that the Secretary knows or has reason to believe advocates, plans, sponsors, engages in, or has engaged in, terrorist activity. The Secretary of State shall, as appropriate, establish procedures specifying the steps to be taken in carrying out this subsection and shall terminate assistance to any individual, entity, or educational institution which he has determined to be involved in or advocating terrorist activity.
- **PROHIBITION** – None of the funds appropriated by this Act for assistance under the West Bank and Gaza program may be made available for the purpose of recognizing or otherwise honoring individuals who commit, or have committed, acts of terrorism.

#### **PROCESS:**

1. Generate system spreadsheet of data from online MAT Program applications for all accepted students. Data includes all required information as indicated on the USAID vetting request form.
2. Review data for ineligible applications. The following criteria render an applicant ineligible:
  1. US citizenship or permanent residency
  2. Non-holders of Palestinian IDs
  3. (Are there other significant criteria to include here?)
3. Review data for missing information. Complete all required data for each application on the vetting request.
4. Complete vetting request form with total scholarship amount indicating the number of applications/scholarship recipients to be submitted for vetting.

## 1.2. After Receiving Results:

1. Using the Al-Quds University (AQU) system, enter vetting results for each application. Result status in the system is entered as: Eligible and Vetted, Ineligible, or Rejected. Data entered into this system also includes dates of vetting request and vetting result.
2. Using the AQU system, enter source of scholarship for each student. Eligible and vetted scholarship recipients should indicate USAID scholarships.
3. Ineligibility notices are sent to all cases that have been rejected by USAID.
4. Scholarship award letters are issued to all candidates who have been vetted and accepted to the Program.
5. All issued letters will be kept on record.
6. Establish MAT student archive with the following information:
  - a. Student selection criteria
  - b. Student interview minutes
  - c. Student vetting results
  - d. Signed eligibility/ineligibility notice by student
  - e. Award letters
  - f. Scholarship amount

## 1.3 Allocation of USAID scholarships:

1. After vetting results are registered into the AQU system, USAID scholarships will be allocated to those indicated as vetted and enrolled for that semester.
2. Al-Quds Bard (AQB) will issue a payment request to Bard College requesting to transfer the scholarship amount based on the agreed budget and the number of the enrolled and vetted students. This request will be sent at the beginning of each semester after the registration and withdrawal period at the university is over.
3. Once the university receives the scholarship amount, the Accounting Department at the university will credit the total scholarship amount on each student account, and then the Students Accounting System (SAS) will issue a Receipt Voucher for each student that shows the exact amount that was credited to his account from USAID grants.

4. The MAT administration team will keep on a report from SAS that shows the total allocated scholarships to all students that matches with the received amount from Bard College under the USAID award.

## 2. Sub-awardee vetting:<sup>1</sup>

### Rules of Applicability

- Any non-US organization or individual.
  - Housing or office space leases apply to this rule.
  - The \$25,000 threshold for contracts and subcontracts is cumulative for multiple awards to the same firm or individual within a 12-month period.
  - Vetting applies only to first-tier and second-tier recipients.
  - Palestinian government officials are subject to vetting.
  - Vetting applies to colleges, universities and other educational institutions.
  - No one under 16 will be vetted.
1. All procured items and supplies that will be covered by the USAID grant are procured according to USAID regulations as well as university procedures. Additionally, the advertisement clearly mentions that the procured items are covered by the USAID award are subject to USAID regulations.
  2. Before signing any commitment with contractors or suppliers under the USAID award, AQB will submit a vetting request to USAID to ensure that the concerned party has clearance and is eligible to receive compensation under the USAID award. The vetting request will be submitted to USAID in case the contracted or the expected contractual amount is equivalent or more than the US \$25,000 threshold.
  3. An eligibility notice will be sent to the vendors who successfully pass the vetting process.

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<sup>1</sup> Check annex no.2

### 3. Inclusion of special mandatory provisions<sup>2</sup>:

1. The three mandatory provisions, “**Prohibition Against Cash Assistance to the Palestinian Authority, Restriction of Facility Name, and Prohibition Against Support Terrorism,**” are integral parts of all written contracts funded by the USAID award, and there is a special reference to the three provisions in the signed contracts.
2. The procurement contracts at the university are signed either by the Vice President for Finance and Administration or the AQU Finance Manager in cooperation with the AQB Director of Finance and Administration.

### 4. Obtaining the Anti-Terror Certificate (ATC):

The ATC applies only to non-governmental organizations that receive awards of cash or in-kind assistance. The ATC applies to all first-tier and GUC assistance recipients and all second-tier assistance recipients of cash assistance, but it does not apply to lower-tier recipients.

#### **It does not apply to:**

- Individuals
- Public International Organizations
- Host government (including local government units)
- Contractors
- Subcontractors

Before engaging in any new commitment or partnership with any institution, the MAT Program Director, AQB Program Manager, and AQB Director of Finance and Administration will follow up with the concerned parties to obtain an ATC. A copy of this certificate will be provided to the ARO whenever it is needed.

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<sup>2</sup> Annex no.4

## 5. VAT Exemption<sup>3</sup>:

1. The AQB Director of Finance and Administration will work closely with the Finance Department at AQU to send a request to the Ministry of Finance at the PA to issue a VAT exemption letter for those transactions exceeding the US \$500 threshold.
2. After receiving the VAT exemption letter from the Ministry of Finance, the Program Administrator will follow up with the supplier to provide AQB administration with an official Zero VAT invoice stamped by the Ministry of Finance.
3. The Program Administrator will submit to the VAT department at USAID a monthly VAT refund sheet, which presents the small transactions that were covered by USAID grants and include VAT payments.
4. After receiving a VAT refund notification letter, the Program Administrator will work closely with the accounting department to reflect VAT refunds in the records.

## 6. Monthly Sub Award Reporting

The AQB administration team prepares the sub award report on a monthly basis; this report includes all commitments (oral and written contracts) that will be covered by the USAID grant. The monthly sub award report contains different fields regarding the beneficiary including:

1. Name of the organization or individual signing sub award.
2. Address of the organization/firm/individual.
3. U.S. or Non-U.S. sub awardee.
4. Amount of sub award.
5. Cumulative amount of sub award in case of cost amendments.
6. Type of sub award (if retail purchase with no written purchase order or contract, choose "oral contract").
7. Goods or services acquired for prime/program use (if prime's own use and no written contract/purchase order, leave out).

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<sup>3</sup> Check annex no.5

8. Purpose (if cost or time amendment, please indicate here which prior sub award in this report is being amended).
9. Start date of sub award/start date of amendment
10. End date
11. Contract including the special provisions:
  - "Proh. Against Support of Terrorism" included on same date as start date? (Yes/NO)
  - "Restriction on Facility Names" included on same date as start date? (Yes/NO)
  - Proh. Against Cash Assistance to the PA" included on same date as start date? (Yes/NO)
  - If NO, Reason for not including the special provisions on the same date as start date
12. ATC obtained?
13. Vetted prior to award/extension?
14. File documented with vetting result or decision not to vet?
  - AQB will submit the sub award report to Bard College at the end of each month in order to add to the expenses incurred at Bard-Annandale.

**Special Fields for the Cooperative Agreement with Bard College**

15. AQB/U or Bard (NY)
16. Scholarships or other budget lines

## 7. Foreign Tax Reporting<sup>4</sup>:

USAID requires annual information from Implementing Partners pertaining to Palestinian Authority value added taxes (VAT) and customs duties imposed on commodities financed with USAID assistance in excess of \$500 per transaction. The reporting period per award for FY 20XX will cover the period of October 1, 20XX through September 30, 20XX.

Reporting requirements follow:

### **Reporting of Foreign Taxes**

- a. Final and Interim Reports. The awardee must annually submit two reports:
  - An interim report by November 7; and
  - A final report by April 6 of the next year.
  
- b. Contents of Report. The reports must be in the format provided in attachment A and contain:
  - Contractor/ recipient name.
  - Contact name with phone, fax and email
  - Award number (s); separate report needs to be provided for each award.
  - Amount of foreign taxes assessed by the Palestinian Authority on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
  - Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance are to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for the Palestinian Authority involves the purchase of commodities in Israel using foreign assistance funds, any taxes imposed by Israel would not be reported.
  - Any reimbursements received by the awardee during the period in (IV) regardless of when the foreign tax was assessed plus, for the interim report, any reimbursements on the taxes reported in (IV) received by the recipient through October 31 and for the final report , any reimbursements on the taxes reported in (IV) received through March 31. Any refund from the Palestinian Authority that is received directly by the awardee

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<sup>4</sup> Annex no.6



should be reflected. For refunds processed by USAID, we will fill in the VAT refunded amount. If a VAT refund receipt was provided to USAID for refund processing the awardee will need to provide the month under which the claim was submitted to USAID and the serial number of the invoices as included in the claim.

- The final report is an updated cumulative report of the interim report.
- Reports are required even if the contractor /recipient did not pay any taxes during the report period.
- Cumulative reports may be provided if the contractor/ recipient is implementing more than one program in a foreign country.

## 8. Annexes:

### Annex no. 1 (Student Vetting Form)

#### PARTNER INFORMATION FORM

| <b>Part I: Information About Proposed Activities</b>   |  |   |
|--|--|---|
| 1. Name of the prime contractor, grantee or recipient proposing the award or other assistance:   |  |   |
| 2. Type of proposed award or other assistance (check one):<br>_____contract or subcontract _____grant or sub grant    training _____equipment _____other   |  |   |
| 3. US\$ amount & estimated start/end date of proposed award or assistance:<br>Start: _____ End: _____  |  |   |
| 4. Purpose of proposed award or assistance:  |  |   |
| 5. Organization proposed to receive award or other assistance :  |  |   |
| a. Name: :   |  |   |
| b. Address:  |  |   |
| c. Telephone:  | d. Fax:  | e. Email:   |
| 6. Information on each individual to receive training, equipment, or other direct benefits or who is a key individual of the organization named in 5 above. Use continuation sheets as necessary.<br>** = mandatory information.   |  |   |
| A. Name (As in passport or other government-issued photo ID)**   | Government-issued photo ID number, type of ID and country of issuance:**             |   |
| Place of birth:**<br>(mm/dd/yyyy)  | Date of birth:**   | Rank or title in organization listed in #5 (if "key individual"):** |
| Other names used (may include nicknames, pseudonyms not listed under "Name"):  | Gender:  |   |
| Current employer and job title:  | Occupation:  |   |
| Address of residence:  | Citizenship(s):  |   |
| Email:   | Is the individual a U.S. citizen or legal permanent resident? ** Yes ____<br>No ____ |   |
| <b>Part II: Contractor/Grantee/Recipient Certification:</b>  |  |   |
| Contractor/Grantee/Recipient certifies in submitting this form that it has taken reasonable steps (in accordance with sound business practices) to verify the information contained in this form. Contractor/Grantee/Recipient understands that the U.S. Government may rely on the accuracy of such information in processing this vetting request. |  |   |
| Name:  | Signature:   |   |
| Title/Organization:  | Date:  |   |
| <b>Part III: Submission details (to be completed by USG official)</b>  |  |   |
| Request number   |  |   |
| Staff member who initiated request   |  |   |
| Project name   |  |   |





**Annex no. 4 Mandatory Provisions**

**Annex no. 4.1 PROHIBITION AGAINST CASH ASSISTANCE TO THE PALESTINIAN AUTHORITY**

**Ref.1**

This annex is a part of the commitment that was made between al-Quds Bard (AQB) and Organisation Name on Date to provide service for al Quds Bard College at al-Quds University. This annex includes 3 attachments that serves as an integral part of the agreement and will be read with it.

**PROHIBITION AGAINST CASH ASSISTANCE TO THE PALESTINIAN AUTHORITY**

U.S. legislation provides that none of the funding under this Award may be “obligated or expended with respect to providing funds to the Palestinian Authority.” In accordance with that prohibition, the Recipient/Contractor shall not provide any cash to the Palestinian Authority; to any ministry, agency or instrumentality of the Palestinian Authority; to any municipality or other local government unit; or to any full-time or part-time employee or official of any of the foregoing entities. This restriction applies to payments of any kind, including salaries, stipends, fees, honoraria, per diem, and so forth.

This restriction does not prohibit the provision of in-kind assistance, such as technical assistance, training, equipment, supplies, or the construction of public works to the extent it is not otherwise prohibited by U.S. law or the terms of this Contract/Agreement.

This provision shall be included in all contracts, subcontracts, grants and subgrants or any other instruments or awards issued under this Contract/Agreement. Upon request, the Contractor/Recipient shall promptly provide to USAID’s Contracting/Agreement Officer a copy of the pages from each subaward that contains this provision.

Acknowledgement: -----  
Signature: -----  
Printed Name: -----  
Title: -----  
Date: -----



**Annex no. 4.2 RESTRICTION ON FACILITY NAMES**

**Ref.2**

**RESTRICTION ON FACILITY NAMES**

- (a) No assistance shall be provided under this contract/agreement for any school, community center or other facility that is named after any person or group of persons that has advocated, sponsored or committed acts of terrorism. This includes any facility that has “shuhada” or “shaheed” (“martyr” or “martyrs”) in its name, unless an exception is approved by the USAID Mission Director. In any case where assistance is proposed for a facility that is named after, or is planned to be named after, a person or group of persons, the Contractor/Recipient shall provide to USAID’s Contracting Officer Technical Representative (COTR)/Agreement Officer Technical Representative (AOTR) written information about the person(s) or group and shall not proceed with the assistance unless or until the COTR/AOTR has provided written approval therefore. This restriction applies to all forms of cash or in-kind assistance, including construction services, equipment, supplies, technical assistance, and training.
- (b) In case of any failure to comply with this restriction, USAID may disallow any or all costs incurred by the Contractor/Recipient with respect to the facility and, if necessary, issue a bill for collection for the amount owed. This is in addition to any other remedies that may be available to USAID for such noncompliance.
- (c) This provision, including this paragraph (c), shall be included in all contracts, subcontracts, grants and subgrants issued under this contract/agreement. Upon request, the Contractor/Recipient shall promptly provide to USAID’s Contracting/Agreement Officer a copy of the pages from each subaward that contains this provision.

Acknowledgement: -----  
 Signature: -----  
 Printed Name: -----  
 Title: -----  
 Date: -----

**Annex no. 4.3 MANDATORY CLAUSE**

**Ref.3**

**MANDATORY CLAUSE**

**Prohibition against Support for Terrorism**

- (a) The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Contractor/Recipient to ensure compliance with these Executive Orders and laws.



- (b) One of the applicable orders is Executive Order 13224, dated September 24, 2001. The website of the Office of Foreign Assets Control (OFAC) of the Department of Treasury contains the text of that order and a list of the individuals and entities designated there under It also contains lists of individuals and entities designated under other anti-terrorism statutes, regulations and Executive Orders. See <http://www.treasury.gov/offices/enforcement/ofac/sdn/>.
- (c) USAID reserves the right to review and either approve or reject the following subawards if proposed under this contract/agreement: (i) any contract or subcontract in excess of \$25,000 with a non-U.S. organization or individual; and (ii) any grant or subgrant to a non-U.S. organization or individual, regardless of the dollar value. Furthermore, the written consent of USAID is required before certain other forms of assistance may be provided to a non-U.S. organization or individual. These include in-kind assistance such as renovation of an NGO’s facilities, repair or replacement of a company’s equipment, and certain training activities. The details of these requirements are described in notices issued by USAID/West Bank & Gaza from time to time. No approval (or failure to disapprove) by USAID shall relieve the Contractor/Recipient of its legal obligation to comply with applicable Executive Orders and laws.
- (d) USAID reserves the right to rescind approval for a subaward in the event that USAID subsequently becomes aware of information indicating that the subaward is contrary to U.S. law or policy prohibiting support for terrorism. In such cases, USAID’s Contracting Officer will provide written instructions to the Contractor/Recipient to terminate the subaward.
- (e) USAID reserves the right to terminate this contract/agreement if USAID determines that the Contractor/Recipient is involved in or advocates terrorist activity or has failed to comply with any of the requirements of this provision.
- (f) This provision, including this paragraph (f), shall be included in all contracts, subcontracts, grants and subgrants issued under this contract/agreement. Upon request, the Contractor/Recipient shall promptly provide to USAID’s Contracting/Agreement Officer a copy of the pages from each subaward that contains this provision.

[In addition to the clauses set forth above, the following clause shall appear in each award made directly by USAID and each subaward made by a USAID prime contractor or recipient.]

- (g) The Contractor/Recipient agrees to promptly notify USAID’s Contracting Officer Technical Representative (COTR)/Agreement Officer Technical Representative (AOTR) in the event of any change in the identity of its “key individuals” or in the identity of “key individuals” of any recipient of a subaward described in paragraph (c). For purposes of this requirement, “key individuals” means (i) principal officers of the organization’s governing body (e.g., chairman, vice chairman, treasurer and secretary of the board of directors or board of trustees); (ii) the principal officer and deputy principal officer of the organization (e.g., executive director, deputy director, president, vice president); (iii) the program manager or chief of party for the USAID-financed program; and (iv) any other person with significant responsibilities for administration of USAID-financed activities or resources. Note that this definition differs from the definition of “key personnel” under contracts and cooperative agreements.

[In addition to the clauses set forth above, the following clause shall be included in any contract, grant or cooperative agreement awarded by USAID (i.e. USAID prime awards only).]

- (h) Before awarding any grant or similar instrument providing [cash or in-kind assistance under this contract][cash assistance under this agreement], the Contractor/Recipient shall (1) obtain from the proposed subawardee the certification required under USAID’s Acquisition and Assistance Policy Determination 04-14 (AAPD 04-14), “Certification Regarding Terrorist Financing Implementation E.O. 13224 (Revision 2),” and (2) provide a copy of the certification to USAID’s Agreement/Contracting Officer.

Acknowledgement: -----  
 Signature: -----  
 Printed Name: -----



Title: -----  
Date: -----

**Annex no. 4.4 MANDATORY CLAUSE**

**Annex no.4**

**PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION**

a) U.S. legislation provides that none of USAID's funding "may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation." In accordance with this prohibition, the Grantee shall not provide any assistance to the Palestinian Broadcasting Corporation.

b) This provision, including this paragraph (b), shall be included in all contracts, subcontracts, grants and subgrants issued under this grant.

Acknowledgement: -----  
Signature: -----  
Printed Name: -----  
Title: -----  
Date: -----

Annex no.5 (Ministry VAT exemption Letter)

|   |   |   |
|---|---|---|
| <p>State of Palestine<br/>Ministry of Finance<br/>Custom, Excise &amp; VAT</p>  |    | <p>دولة فلسطين<br/>وزارة المالية<br/>الإدارة العامة للجمارك والمكوس وضريبة القيمة<br/>المضافة</p> |
| Date: 26/2/2014 التاريخ   |   | الرقم: 634...2220014  |
| <p>السادة شركة الدلتا الحديثة للمقاولات المحترمين<br/>ممثل مرخص : 562137877</p> <p><b>الموضوع : إصدار فاتورة بتمسية صفر ضريبي لصالح جامعة القدس<br/>المشروع ممول من usaid</b></p> <p>قيمة العقد ( 1,491,111 ) شيكل غير شامل ضريبي.</p> <p>نود إعلام بأنه قد تم الموافقة على إصدار فاتورة بتمسية صفر % ضريبي عن المشروع المذكور اعلاه مع مراعاة التالي</p> <ol style="list-style-type: none"> <li>1- إبراز شهادة خصم مصدر صادرة عن دائرة ضريبة الدخل سارية المفعول</li> <li>2- مراجعة دائرة جمارك ومكوس المسجل لديها للمصادقة على الفاتورة قبل تسليمها .</li> <li>3- الحق في خصم ضريبة القيمة المضافة عن المشتريات القانونية المتعلقة بالعقد المذكور اعلاه.</li> <li>4- التصريح عن قيمة هذا العقد ضمن صكوكات بنسبة صفر في الكشف الدوري بعد المصادقة على الفاتورة.</li> <li>5- لا يتم المصادقة على أي فاتورة في حالة وجود ديون غير مختلف عليها على المشتكل ناتجة عن فروقات ضريبية أو فوائد أو وجود تعديلات ناتجة عن عدم تقديم كشوفات أو ظهر في ملف المشتكل مخالفت جنائية لم يتم إلحاقها، أو رسوم طوابع واردات لم يتم تسديدها عن كافة العقود السابقة.</li> <li>6- لا يتم الدفع للمشتكل الا بتلقيه فاتورة مصافق عليها من دائرة الجمارك والمكوس المتكتمة.</li> </ol> <p style="text-align: center;">مع الاحترام ..</p> |   |   |
| <p>لؤي حنشل<br/>مدير عام الجمارك والمكوس<br/>وضريبة القيمة المضافة</p>  |  | <p>نسخة / دائرة الجمارك والمكوس المسجل لديها<br/>نسخة / جامعة القدس</p>                           |
|    |   | <p>mirvat</p>   |
| Tel.: 02-2978741<br>Fax: 02-2978741   |   | تلفون: 02-2978741<br>02-2978741   |



## Annex no. 6 Foreign Tax reporting

Foreign Tax (VAT) Reporting

Organization Name: al-Quds University / Bard College

contract/ Agreement Number : Cooperative Agreement No. AID-294-A-12-0007

Period covered by this report : September 1, 2013- September 30, 2015

| Country   | Taxes Assessed During FY14 | Total Reimbursements Received during FY14 | Total Reimbursements Received on FY15 through March 31 |
|-----------|----------------------------|---|--|
| Palestine |                            |   |  |
| Israel    |                            |   |  |