



## IMPORTANT NOTE

### *THIS DOCUMENT IS A MODEL TEMPLATE*

*The following is intended to be used as an example for discussion purposes only. Actual terms and conditions of a final Success Fee and Cost Share Agreement may vary significantly from the terms and conditions in this document. All provisions contained in this document are expressly non-binding, and nothing in this document will be construed as an offer to enter into an agreement subject to acceptance by any party. There is no legal or other commitment by any party as to any of the provisions in this document unless and until the necessary internal approvals of USTDA have been obtained, and a formal agreement has been signed by authorized signatories of both parties, notwithstanding any oral or other statements to the contrary.*

[Date]

[Name]

[Title]

[Full legal name of U.S. entity]

[Address]

Re: [Country]: [Title of USTDA Activity]  
[Success Fee][ and ][Cost Share] Agreement  
USTDA Activity No. [Activity Number]

Dear [Name]:

We are pleased that [full legal name of Grantee] (the “Grantee”) has selected [full legal name of Contractor] (the “Contractor”) to [perform a feasibility study][deliver technical assistance][other activity] (the “Activity”) related to the [project description] (the “Project”), with funds to be [partially] provided by the U.S. Trade and Development Agency (“USTDA”). USTDA has conditionally accepted the selection by the Grantee of the Contractor to perform the Activity. USTDA’s final acceptance of this selection will be effective when the Contractor agrees with the [success fee] [and] [cost share] provisions described below in this letter agreement (this “Agreement”).

USTDA has approved a grant to the Grantee in the amount of US\$ [dollar amount of grant] (the “Grant Funds”) to [partially] fund the Activity. We expect that the Grant Agreement between USTDA and the Grantee (the “Grant Agreement”) with respect to the Grant Funds will be signed in the near future, and that the Grantee will negotiate a contract with the Contractor to perform the Activity (the “Contract”). We are hopeful that the completion of the Activity will lead to further business opportunities for the Contractor and other U.S. firms.

[The Terms of Reference for the Activity attached as Annex I to the Contract (as updated or amended from time to time, the “Terms of Reference”) and the budget estimate attached as Annex II to this Agreement (as updated or amended from time to time, the “Budget Estimate”) are based upon the proposal submitted to USTDA by the Contractor and USTDA’s review of the proposal. The Budget Estimate in effect as of the date hereof has been established at [*amount of the Budget Estimate spelled out in words*] United States Dollars (US\$ [*dollar amount of Budget Estimate*]). [*Note: Use the final Budget Estimate agreed upon by USTDA, the Contractor, and the DS/DM consultant.*]]

## **A. Success Fee**

- (1) Success Fee Basis. USTDA and the Contractor anticipate that the Contractor may have the opportunity to participate in the development and implementation of the Project other than through the Contractor’s involvement with the Activity. As such, the Contractor shall repay to USTDA certain amounts of the Grant Funds that have been previously disbursed to the Contractor in connection with the Activity (the “Disbursed Grant Funds”) as a reimbursement related to the continuing implementation of the Project (the “Success Fee”) in accordance with the following provisions:

*[Drafters should keep in mind that Contractors may not always be subject to both finance-based and revenue-based success fees; in the event that only one type of Success Fee applies, delete the inapplicable subclause below.]*

- (a) Finance-Based Success Fee. The Contractor shall reimburse to USTDA the total amount of the Disbursed Grant Funds if, in connection with the initial financial closing (involving funding in the form of debt and/or equity) with respect to the Project or any related project that is based substantially upon the Activity or that derived benefit from the Activity (“Financial Closing”), the Contractor or any of its parent(s), subsidiary(ies) or other affiliate(s) (each a “Contractor Party”, and collectively, the “Contractor Parties”):
  - (i) takes an equity position in the Project or such related project;
  - (ii) commits its own financial resources (as evidenced by an outlay of implementation funds) for the Project or such related project; or
  - (iii) whether or not such Contractor Party is a principal or equity holder in the Project or such related project, the Contractor Party receives proceeds from a drawdown of funds from a public or private financial institution, or other person or entity acting as a financier (the occurrence of any of the events in the foregoing subclauses (i) through (iii) collectively, a “Financing Event”).

Reimbursement by the Contractor of the total amount of Disbursed Grant Funds must be made regardless of the amount or value of any such equity position, outlay of funds or drawdown occurring in connection with a Financing Event.

- (b) Revenue-Based Success Fee. If [the Contractor or any of its parent(s), subsidiary(ies) or other affiliate(s) (each a “Contractor Party”, and collectively, the “Contractor Parties”)] [any Contractor Party] earns revenue (other than the Grant Funds) in connection with the Project or the Activity, then the Contractor shall reimburse to USTDA an amount equal to [*number in words*] percent ([*number in Arabic numerals*]%) of the total gross revenue earned by any Contractor Party related to the Project and/or any related project that is based substantially upon the Activity or that derived benefit from the Activity (“Revenue”); provided, however, that [in the event (i) one or more Contractor Parties earns Revenue, and (ii) a Financing Event subsequently occurs, then] [*Include only if there is a both a Finance-Based and a Revenue-Based Success Fee.*] the aggregate Success Fee payable by the Contractor under this Clause A(1) will not exceed the total amount of the Disbursed Grant Funds.
- (c) Reporting Period. Subject to Clause A(2)(c) and Clause F (Effective Date), the period during which the Contractor’s obligation to pay a Success Fee to USTDA may arise as a result of [the occurrence of a Financing Event] [and/or] [the earning of Revenue] [*Revise as necessary depending on whether a Finance-Based and/or a Revenue-Based Success Fee is included above.*] (the “Reporting Period”) commences on the date on which this Agreement is signed by both parties (the “Signing Date”) and continues until the end of the year covered by the final Success Fee Report (as defined below) delivered to USTDA pursuant to Clause A(2), as set forth in the middle column in the table in Clause A(2)(b). The Contractor’s obligation to pay a Success Fee does not apply to [any Financing Event that occurs] [or] [any Revenue that is earned] before or after the Reporting Period.

(2) Success Fee Reporting.

- (a) First Success Fee Report. The Contractor shall provide to USTDA, on or before March 1 of the calendar year following the calendar year during which the Signing Date occurs, a brief statement (a “Success Fee Report”) indicating whether [any Financing Event has occurred] [or] [any Revenue has been earned] during the period commencing on the Signing Date and continuing through the end of the calendar year during which the Signing Date occurs.
- (b) Subsequent Success Fee Reports. In accordance with the table in this Clause A(2)(b), the Contractor shall provide to USTDA, on or before March 1 of each of the subsequent seven (7) calendar years following the calendar year when the first Success Fee Report is delivered to USTDA, a Success Fee Report indicating whether [any Financing Event has occurred] [or] [any Revenue has been earned] during the immediately preceding calendar year.

Signing Date Occurs During:	[Year]	
Success Fee Report	Period Covered by the Success Fee Report (Reporting Period)	Success Fee Report Due on or before March 1 of
First Success Fee Report	From the Signing Date through the end of calendar year 2021	2022
Second Success Fee Report	2022	2023
Third Success Fee Report	2023	2024
Fourth Success Fee Report	2024	2025
Fifth Success Fee Report	2025	2026
Sixth Success Fee Report	2026	2027
Seventh Success Fee Report	2027	2028
Final Success Fee Report	2028	2029

- (c) Delays in the Effective Date. In the event that the Effective Date (as defined below) occurs following the applicable March 1 due date for one or more Success Fee Reports, the Contractor shall deliver to USTDA any such previously undelivered Success Fee Reports together with the Success Fee Report due on or before the March 1 that immediately follows the Effective Date.
- (d) Format. All Success Fee Reports must be submitted to USTDA in the format set forth in Annex I to this Agreement, unless USTDA otherwise authorizes.
- (e) Confidentiality. It is the responsibility of the Contractor to ensure that any confidential information pertaining to these Success Fee Reports, or any other aspect of this Agreement, is clearly marked as such and is provided separately from a version which is suitable for public distribution. USTDA will maintain the confidentiality of such information, subject to and in accordance with applicable U.S. law.
- (f) Reimbursement in Full. Notwithstanding any other provision in this Agreement, in the event that (i) all Grant Funds are disbursed to the Contractor pursuant to the Contract, and (ii) all Disbursed Grant Funds have been reimbursed in full, no further Success Fee payments or Success Fee Reports will be required.
- (3) Payment Date.
- (a) [If a Financing Event occurs, the Contractor shall submit, within thirty (30) days following the Financial Closing, a Success Fee Report accompanied by a payment of the total amount of Disbursed Grant Funds.][*Delete this bracketed section if no Finance-Based Success Fee is included above.*]
- (b) [If any Revenue is earned, the Contractor shall submit a payment of the Success Fee calculated in accordance with Clause A(1)(b) with its next Success Fee Report

required pursuant to Clause A(2) above.][Delete this bracketed section if no Revenue-Based Success Fee is included above.]

- (4) **Timeliness of Reporting and Payment.** If the Contractor does not provide one or more Success Fee Reports or Success Fee payments in accordance with the deadlines set forth in Clauses A(2) and A(3) above, as applicable, or if the information or amounts contained in any such Success Fee Report are inaccurate, USTDA shall be entitled to a reimbursement from the Contractor of the total amount of Disbursed Grant Funds, less the amount of any Success Fee payments already made to USTDA. USTDA shall first provide written notice to the Contractor of such deficiency and shall allow the Contractor thirty (30) days to correct the matter before the amount of such reimbursement of the Disbursed Grant Funds becomes due.

## **B. Cost Share**

- (1) **Budget Estimate.** The Budget Estimate for the Terms of Reference is set forth in Annex II to this Agreement. The Budget Estimate represents the Contractor's fair and reasonable rates and level of effort to complete the Terms of Reference disaggregated into the categories of Direct Labor Costs, Non-Employee Labor Costs, and Other Direct Costs, and including the Cost Share contributed by the Contractor and/or its Subcontractors. The Budget Estimate provides the basis for establishing the Cost Share Ratio (as defined below) between USTDA and the Contractor and includes the requirements set forth below:
  - (a) **Fixed Labor Rates.** The labor rates indicated under the Budget Estimate for the Contractor's Direct Labor Costs (i.e., prime contractor labor rates) and Non-Employee Labor Costs (i.e., Subcontractor labor rates) constitute the fixed and binding rates agreed between USTDA and the Contractor. The Contractor shall use these labor rates for the duration of the Activity, unless otherwise expressly agreed upon with USTDA and memorialized in writing.
  - (b) **No Fee or Profit on Other Direct Costs.** Unless otherwise expressly approved by USTDA in writing, no fee or profit may be included as part of any Other Direct Costs included in the Budget Estimate.
- (2) **Cost Share Amount.** For purposes of this Agreement, the term "Subcontractor" means any individual, corporation, partnership or other legal entity having a contract, purchase order or other agreement, whether written or oral, with the Contractor for performance of any part of the Activity. Subject to the provisions of Clause B(4), in addition to the USTDA Grant Funds provided, the Contractor shall ensure that the Contractor and/or its Subcontractors fund at least [amount of the cost share spelled out in words] United States Dollars (US\$ [dollar amount of cost share]) toward the costs required to complete the full Terms of Reference (the "Cost Share"), [include a brief open-ended description of what the cost share will cover], as set forth in the Budget Estimate.

(3) Certified Statement of Expenditures.

- (a) Before USTDA will make the final disbursement of Grant Funds, a financial officer of the Contractor must certify in a written statement that the Contractor has complied with the Cost Share requirement (the “Certified Statement of Expenditures”, or “CSE”). The Certified Statement of Expenditures must be submitted to [mail@ustda.gov](mailto:mail@ustda.gov) at the same time that the final report is submitted to USTDA. In addition, upon written request from USTDA, the Contractor shall prepare and deliver to USTDA a CSE within thirty (30) days following the date of receipt of such written request. In each case, the CSE must contain a detailed breakdown of all costs charged to the Activity in connection with completing the full Terms of Reference, including Direct Labor Costs, Non-Employee Labor Costs, and Other Direct Costs, and including the Cost Share contributed by the Contractor and/or its Subcontractors, and must follow the format set forth in Annex III to this Agreement. The CSE must include a written explanation of any Substantial Change between the CSE and the Budget Estimate. “Substantial Change” means any of the following: (i) any variation of twenty percent (20%) or more between any dollar amount presented in the CSE and the corresponding dollar amount presented in the Budget Estimate, (ii) any expense line items added to or removed from the CSE, or (iii) any differences in the set of personnel positions listed under the Direct Labor Costs portion of the CSE, in each case, as compared to the Budget Estimate.
- (b) If the CSE is not provided as required or is inaccurate, USTDA shall be entitled to a reimbursement from the Contractor of the total amount of the Grant Funds that have been previously disbursed to the Contractor in connection with the Activity (the “Disbursed Grant Funds”), less the amount of any Success Fee reimbursements already paid to USTDA. USTDA shall first provide written notice to the Contractor of such deficiency and shall allow the Contractor thirty (30) days to correct the matter before the amount of such reimbursement of the Disbursed Grant Funds becomes due.
- (c) Notwithstanding USTDA’s approval of the final invoice for payment, USTDA may later audit the costs listed in the CSE, and USTDA may be entitled to a reimbursement from the Contractor to the extent that the CSE is not accurate or the costs set forth in such CSE are not supported by adequate documentation, or the labor rates charged to the Activity do not agree with the USTDA-approved labor rates in the Budget Estimate annexed to this Agreement in Annex II. The Contractor understands and agrees that if USTDA notifies the Contractor that USTDA is commencing an audit, the audit will proceed on the basis of the CSE delivered to USTDA under Clause B(3)(a), and the Contractor will not have an opportunity to submit a revised or corrected CSE following receipt of such notice.
- (d) The Contractor understands and agrees that it will be the responsibility of the Contractor to ensure (i) the completeness and accuracy of the CSE, and (ii) that the

Contractor and any Subcontractors comply with the terms and conditions of this Agreement. USTDA will be under no obligation to review draft CSEs.

(4) Activity Cost Adjustments.

(a) The maximum amount of USTDA contribution to the Activity is equal to the amount of the Grant Funds, provided that, if the total cost of the Activity upon completion of the full Terms of Reference is less than the Budget Estimate, or if the Contractor does not complete the full Terms of Reference, then each of the maximum amount of USTDA contribution and the minimum amount of Contractor contribution to the Activity shall be adjusted to remain in proportion to the ratio of (i) the amount of the Grant Funds to (ii) the amount of the Cost Share, in each case as set forth under this Agreement (the “Cost Share Ratio”). As of the Effective Date, the Cost Share Ratio is equal to [*amount of the Grant Funds*]:[*amount of the Cost Share*], or [*ratio*].

(b) Notwithstanding the provisions of Clause B(2), if the total cost of the Activity upon completion of the full Terms of Reference is less than the Budget Estimate, then the Contractor shall (i) expressly include in the CSE the adjustments applicable to the total USTDA and Contractor contribution amounts, pursuant to the Cost Share Ratio, and (ii) either reduce the amount of the final invoice accordingly or reimburse to USTDA the appropriate amount of the Disbursed Grant Funds.

(c) Notwithstanding the provisions of Clause B(2), if the Contractor does not complete the full Terms of Reference prior to termination of this Agreement and/or the Activity, then the Contractor shall expressly include in the CSE the adjustments applicable to the total USTDA and Contractor contribution amounts, pursuant to the Cost Share Ratio.

(5) Previously-Incurred Costs. Activity-related costs that are incurred by the Contractor and/or its Subcontractors prior to the effective date of the Grant Agreement may not be reimbursed to the Contractor using the Grant Funds. Any such costs may be included as part of the Cost Share; provided, however, that such costs were incurred in respect of Tasks that are included within the Terms of Reference. No costs incurred in connection with preparing the proposal for USTDA funding (including any such costs incurred in connection with contracting for a consultant to represent the Contractor before USTDA) may be reimbursed to the Contractor using the Grant Funds or included as part of the Cost Share.

### **C. Books and Records**

The Contractor shall, and shall require its Subcontractors receiving Grant Funds to, maintain in accordance with generally accepted accounting procedures all books, records and other documents (including without limitation all bank statements, and receipts or proofs of purchase for all goods and services acquired in connection with the Activity), sufficient in form, content and level of detail to properly reflect all transactions and disbursements under or in connection with the

Activity and this Agreement. Such books, records and other documents shall clearly identify, track and describe [[any Financing Event that has occurred]][ and ][any Revenue that has been earned] [Revise as necessary depending on whether a Finance-Based and/or a Revenue-Based Success Fee is included above.]] [and] [the total cost of the Activity, including the Cost Share contributed by the Contractor and/or its Subcontractors as described in Clause B above].

Such books, records and documents must be maintained for a period of ten (10) years following the [Signing Date]. The Contractor shall, and shall require its Subcontractors receiving Grant Funds to, (i) afford USTDA or its authorized representatives the opportunity at reasonable times for inspection and audit of such books, records and other documents, and (ii) in the event of an audit of such books, records and other documents, reasonably cooperate with, and promptly respond to information requests from, any USTDA-appointed auditors. [In addition, the Contractor shall (a) cause the other applicable Contractor Parties to maintain adequate books, records and other documents that are sufficient to identify, track and describe [any Financing Event that has occurred]][ and ][any Revenue that has been earned], and (b) ensure that such books, records and other documents are made available through the Contractor for review by USTDA.]

#### **D. Notices**

- (1) Methods of Communication. Any notice, request, document or other communication submitted by either party to the other under this Agreement must be in writing and will be deemed duly given or sent when delivered to such party at the applicable address of record as set forth below:
- (2) Contractor. The following person shall be the point of contact for the Contractor for all reporting and payment matters under this Agreement:

Name: [Name]  
Title: [Title]  
Address: [Address]  
Phone: [Phone]  
Email: [Email]

If, for any reason, it becomes necessary for the Contractor to change the point of contact specified above, the Contractor shall promptly notify USTDA and provide USTDA with updated contact information.

- (3) USTDA.

Name: [Name]  
Title: [Title]  
Address: 1101 Wilson Boulevard, Suite 1100  
Arlington, VA 22209-2275  
USA  
Phone: (703) 875-4357  
Email: [Region's email address]

## **E. Collection**

In the event that the Contractor fails to pay to USTDA any required [Success Fee payments or] reimbursements of Disbursed Grant Funds that are properly due and owing under this Agreement, USTDA may refer the matter to appropriate collection services, including the U.S. Department of the Treasury or other United States Government departments or agencies.

## **F. Effectiveness**

Notwithstanding any other provision herein[, and notwithstanding the occurrence of the Signing Date], this Agreement will become effective on the date on which each of the following conditions is satisfied (the “Effective Date”):

- (1) Signature of the Grant Agreement by both the Grantee and USTDA;
- (2) Signature of the Contract by both the Contractor and the Grantee; and
- (3) Written approval of the executed Contract by USTDA.

## **G. Successors and Assigns**

This Agreement shall be binding upon the Contractor and its successors and permitted assigns; provided, however, that this Agreement shall not be assigned or assumed without the prior written approval of USTDA.

## **H. Governing Law**

This Agreement is governed by, and construed in accordance with, the applicable laws of the United States of America. In the absence of federal law, the laws of the State of New York shall apply, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of another jurisdiction.

## **I. Termination**

USTDA may terminate this Agreement at any time, for any reason or for no reason, upon written notice to the Contractor, and such termination will be effective thirty (30) days following the date of such notice; provided, however, that such termination will not relieve the Contractor from any liability or obligation under this Agreement arising prior to the effective date of such termination. This Clause I and Clauses C, D and E of this Agreement will survive any such termination.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

If you are in agreement with the foregoing terms and conditions, please so indicate by having a duly authorized representative sign below and returning one signed original to USTDA. We look forward to supporting your efforts to perform the Activity in furtherance of the objectives of the USTDA program.

Sincerely,

Accepted and Agreed on behalf of [*full legal name of the Contractor*]:

[*Name of USTDA Signatory*]

[*Name of Contractor Signatory*]

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[*Title*]

[*Title*]

[*Date*]

[*Date*]

[*Optional*]cc: [*full legal name of the Grantee*]



**CERTIFICATION:**

I hereby certify that I am a duly authorized representative of [*full legal name of Contractor*] (the “Contractor”) and that all information contained in this Success Fee Report is accurate, complete and in compliance with the terms of the [Success Fee Agreement][Success Fee and Cost Share Agreement][*Select the appropriate title of this Agreement, depending on whether there is a Cost Share component.*] between the Contractor and the United States Trade and Development Agency, dated as of [*date*].

By:

Date:

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Name and Title of Signatory:

## **Annex II**

### **Budget Estimate**

*[Attach the final Budget Estimate agreed upon by USTDA, the Contractor, and the DS/DM consultant. Use the sample spreadsheets included as part of the form of Certified Statement of Expenditures in Annex III as a general format for preparing the Budget Estimate in terms of organization, structure and content, with the understanding that the Contractor may need to significantly deviate from this sample in order to tailor the Budget Estimate to a given Activity. The list of Requirements Governing Preparation of the Certified Statement of Expenditures set forth in Annex III applies equally to the preparation of the Budget Estimate.]*

## **Annex III**

### **Form of Certified Statement of Expenditures**

#### Required Certification Language

*[If the Contractor completed all of the Tasks under the Terms of Reference, use the certification below:]*

“As detailed below, *[full legal name of the Contractor]* (the “Contractor”) and/or its Subcontractors *[has][have]* covered at least US\$ *[dollar amount of total cost share]* of costs required to complete the full Terms of Reference as set forth in Annex I to the Contract between *[full legal name of the Grantee]* and the Contractor, dated as of *[date]*. *[Also as detailed below, the total cost to complete the full Terms of Reference was less than the Budget Estimate and, accordingly, the Contractor has applied the Activity Cost Adjustments pursuant to Clause [B(4)(b)] of the Cost Share Agreement.]*<sup>1</sup>”

*[If the Contractor did not complete all of the Tasks under the Terms of Reference, use the certification below:]*

“As detailed below, *[full legal name of the Contractor]* (the “Contractor”) and/or its Subcontractors *[has][have]* covered at least US\$ *[dollar amount of Contractor’s actual expenditures toward cost share]* of costs toward partial completion of the Terms of Reference as set forth in Annex I to the Contract between *[full legal name of the Grantee]* and the Contractor, dated as of *[date]*. As per the *[Notice of Termination]* from *[sending party]* to *[receiving party/parties]*, dated *[date]*, all work under the Contract was terminated as of *[date]*. The Contractor certifies that it has fully completed Task(s) *[Task number(s)]* and partially completed Task(s) *[Task number(s)]* under the Terms of Reference. Also as detailed below, because the Contractor did not complete the full Terms of Reference, the Contractor has applied the Activity Cost Adjustments pursuant to Clause *[B(4)(c)]* of the Cost Share Agreement.”<sup>2</sup>

“The undersigned supervised the preparation of the attached Certified Statement of Expenditures (“CSE”), and the CSE complies in all respects with the “Requirements Governing Preparation of the Certified Statement of Expenditures” set forth below. Without limiting the generality of the foregoing statement:

- (a) the labor rates for employees of the Contractor presented under the Direct Labor Costs reflect the fixed labor rates agreed upon under the Cost Share Agreement (including the Budget Estimate Annex thereto), in compliance with Clause B(1)(a) (Fixed Labor Rates) of the Cost Share Agreement;

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<sup>1</sup> Include this sentence if applicable. In such event, (i) the final dollar amount in the preceding sentence should reflect the actual cost share amount after the application of the Activity Cost Adjustments pursuant to the Cost Share Ratio under such Clause B(4) of the Cost Share Agreement; and (ii) the Contractor shall expressly include in the CSE the applicable calculations of any such adjustments.

<sup>2</sup> The final dollar amount in the first sentence of this paragraph should reflect the actual cost share amount after the application of the Activity Cost Adjustments pursuant to the Cost Share Ratio under such Clause B(4) of the Cost Share Agreement, and the Contractor shall expressly include in the CSE the applicable calculations of any such adjustments.

(b) the labor rates for Subcontractors and other personnel who are not employees of the Contractor presented under the Non-Employee Labor Costs heading reflect the fixed labor rates agreed upon under the Cost Share Agreement (including the Budget Estimate Annex thereto), in compliance with Clause B(1)(a) (Fixed Labor Rates) of the Cost Share Agreement;

(c) Items presented under the Other Direct Costs heading do not include fee or profit and therefore are in compliance with the requirements under Clause B(1)(b) (No Fee or Profit on Other Direct Costs) of the Cost Share Agreement[; and

(d) no Grant Funds have been used to fund any equipment-related costs][*Include unless inapplicable; if subclause (d) is deleted, add the word "and" at the end of subclause (a).*]"

By:

Date:

\_\_\_\_\_  
Name and Title of Financial Officer of [*full legal name of the Contractor*]:

Requirements Governing Preparation of the Certified Statement of Expenditures

- Unless otherwise agreed by USTDA, Grant Funds may not be used to fund any equipment-related costs.
- Present the per Task amounts for each line item in columns across the top of the page. To the extent that the Terms of Reference include Subtasks, include separate columns and associated amounts in the CSE related to all such Subtasks.
- Labor rates for employees of the Contractor must be presented under the Direct Labor Costs heading, and must equal the fixed labor rates agreed upon under the Cost Share Agreement (including the Budget Estimate Annex thereto).
- Labor rates for Subcontractors and other personnel who are not employees of the Contractor must equal the fixed labor rates agreed upon under the Cost Share Agreement (including the Budget Estimate Annex thereto).
- Other Direct Costs must not include fee or profit.
- The CSE must clearly present the calculations for (i) labor costs for Contractor and Subcontractor personnel by showing the applicable labor rates (whether hourly, daily or otherwise) multiplied by the applicable time period, (ii) travel costs (encompassing costs for international air travel, in-country air travel and ground transportation) by showing the applicable average cost per trip multiplied by the number of trips, and (iii) *per diem* costs by showing the applicable *per diem* rate for the city and country stated in the CSE multiplied by the number of days.
- If more than one Subcontractor works on the Activity, include the name of the Subcontractor entity (or the individual person, as applicable) along with the job position.
- Costs presented under the Purchased Services and Contracts heading of the CSE may include engineering drawings, lab work, surveys, translation, etc., which would not be included under Non-Employee Labor Cost heading.
- Pursuant to Clause B(3)(a), the Contractor must submit an accompanying written explanation of any Substantial Change between the Budget Estimate and the Certified

Statement of Expenditures. “Substantial Change” means any of the following: (i) any variation of twenty percent (20%) or more between any dollar amount presented in the CSE and the corresponding dollar amount presented in the Budget Estimate, (ii) any expense line items added to or removed from the CSE, or (iii) any differences in the set of personnel positions listed under the Direct Labor Costs heading of the CSE, in each case, as compared to the Budget Estimate.

- The following pages illustrate only the general format of the CSE that is expected in terms of organization, structure and content, with the understanding that the Contractor may deviate from this format to the extent necessary to reflect the particular details and costs of the specific Activity in question. This general format is not intended to be over-prescriptive in terms of how the Contractor models the costs of the Activity or sets up the formula equations. All dollar amounts and calculations must be free of data entry inaccuracies, mathematical mistakes and formula errors.

<b>TOTAL ACTIVITY BUDGET<sup>3</sup></b>	[Task Name] Task 1	[Task Name] Task 2	[Task Name] Task 3	Total	Total Cost Share
<b>Direct Labor Costs</b>					
Position 1					
[Days][Hours]					
[Daily Rate][Hourly Rate]					
Position 2					
Position 3					
Total Direct Labor					
<b>Non-Employee Labor Costs</b>					
Position 1					
[Days][Hours]					
[Daily Rate][Hourly Rate]					
Position 2					
Position 3					
Total Non-Employee Labor					
Total Labor Costs					
<b>Other Direct Costs</b>					
Purchased Services and Contracts					
Contract 1					
Contract 2					
Total					
Travel					
International Air Travel					
Number of Trips					
Cost per Trip					
In-Country Air Travel					
Ground Transportation					
Per Diem-[City, Country]					
Days					
Daily Rate					
Interpreters					
Other (local travel, etc.) [be specific]					
Total					
Other Costs					
Courier Services					
Reproduction and Binding					
Telephone, Fax & Internet Charges					
Visa Services					
Total					
Total Other Direct Costs					
<b>Activity Total</b>					
Total U.S. Company Cost Share					
Amount of USTDA Grant Funds					

<sup>3</sup> Unless otherwise agreed by USTDA, Grant Funds may not be used to fund any equipment-related costs.