Official Q&A for Grants.gov Posting

(NOFO DOS-SAU-2603-PD, UNITE)

Q1: The notice sets $25,000 max per partnership and your note says seed awards of up to $25,000. Should we read that as a ceiling most teams will not approach, or does the Mission expect the bulk of the award to flow through to the teams?"

A1: The $25,000 amount is a per-partnership ceiling, not a target or a required pass-through amount. The NOFO anticipates approximately four to five project teams with technical package support of up to $25,000 each but does not require that a set dollar amount or proportion flow to the teams. The grantor will offer flexibility on both package amounts and team counts so prime recipients can craft creative proposals for maximum program impact.

Note that the Budget criterion (15 points) directs reviewers to examine cost-effectiveness and scalability across the two mandatory scenarios:

Scenario A (four active partnerships) and,

Scenario B (five active partnerships).

PDS Riyadh welcomes submissions that deviate from the standard four-to-five partnership model, provided applicants include dual budgets outlining both lower- and higher-capacity scenarios. Directing a higher proportion of funds to the project teams is one way to demonstrate impact and cost-effectiveness, but it is not the only way.

Q2: Is that $25,000 a cash sub-award to the U.S. university partner, or a technical package the prime procures on the team's behalf? It changes the budget category, the overhead treatment and the reporting that attaches.

A2: It can be structured either way for eligible entities, but the correct classification depends on the substance of the relationship, not the label, consistent with 2 CFR § 200.331. A subaward transfers a portion of the federal

program to a subrecipient to carry out for a public purpose; a procurement contract obtains goods or services from a vendor for the recipient's own use.

Budget category: Both subawards (to non-profit partners) and procurement contracts are captured under the "Contractual" budget line, per the NOFO's budget guidance.

Indirect cost (overhead) treatment: Under 2 CFR § 200.1, only the first $50,000 of each subaward is included in the Modified Total Direct Cost (MTDC) base. Because each technical package is capped at $25,000, a package structured as a subaward would fall entirely within MTDC. Procurement "services" are also generally within MTDC. Applicants without a NICRA may use the 15% de minimis rate on MTDC as the NOFO provides.

Reporting: If structured as a subaward, the prime must monitor subrecipient performance and expenditures, flow down applicable terms and conditions, ensure the subrecipient obtains a UEI, and report subawards of $30,000 or more.

Critical Smith-Mundt constraint on this choice: Because this program uses Smith-Mundt Public Diplomacy funds, federal funds may not be issued as sub-grants, subawards, or direct financial assistance to any for-profit/commercial entity at any tier. Therefore:

Support to a for-profit project-team member must be structured as procurement (Contractual), never a subaward.

Support to a non-profit/academic project-team member (e.g., a U.S. university or a non-profit institution) may be structured as either a subaward or procurement, based on the substance of the relationship.

Given that each project team is a tripartite group that includes a U.S. commercial/technical partner, structuring the technical packages as procurement (a "technical package" procured by the prime) is the cleaner, more compliant approach and provides the prime greater oversight of purchases. Applicants should clearly identify in the budget narrative which items are subawards, and which are procurement contracts.

Q3: Does the $150,000 cover both the seed awards ($100,000–$125,000) and the prime's management costs?

A3: The $150,000 covers both. The total available funding is $150,000, and the award is expected to reach a maximum of $150,000. That single ceiling encompasses all program costs, the four-to-five technical packages (up to $25,000 each) and the prime recipient's full program-management costs across all four phases plus final reporting and closeout, including indirect costs

The grantor does not prescribe a fixed allocation between technical-package support and program administration. Applicants should propose an allocation appropriate to their program design and will be evaluated on cost-effectiveness and scalability across the two mandatory budget scenarios (four vs. five partnerships).

Q4: Should the $25,000 technical packages be budgeted as procurement subcontracts (Contractual) or as subawards?

A4: Applicant should classify each technical package based on the substance of the relationship per 2 CFR § 200.331, not the label:

- Support to any for-profit project-team member must be structured as procurement (Contractual), because Smith-Mundt Public Diplomacy funds may not be sub awarded to for-profit entities

- Support to a non-profit/academic team member may be structured as either a subaward or a procurement contract, depending on the substance of the relationship.

Budget structure: Both subawards to non-profit partners and procurement contracts are budgeted under the Contractual category

Indirect cost calculation: Under 2 CFR § 200.1, only the first $50,000 of each subaward is included in the MTDC base. Because each package is capped at $25,000, a package structured as a subaward would be fully within MTDC; procurement services are also generally within MTDC. If you do not have a

NICRA, you may apply the 15% de minimis rate to MTDC as defined in 2 CFR 200.1

Q5: May faculty/staff time spent on partner identification, team formation, and joint design during Phases 1–2 count toward the 1:1 match, or is the match limited to implementation-phase contributions?

A5: The match is not limited to implementation-phase contributions. Objective 4 expressly lists "dedicated faculty time" (along with facility/lab access, specialized training resources, corporate industry expertise, software licensing access, student/professional cohort management, and direct travel support) as eligible in-kind match. Phases 1 and 2 (mobilization/selection and onboarding/matchmaking/design) are integral, mandatory parts of the program and fall within the period of performance, so faculty/staff effort during those phases can, in principle, count toward the match.

All cost share (cash or in-kind) must meet the acceptance criteria in 2 CFR § 200.306 (verifiable in the recipient's/subrecipient's records; not counted toward any other Federal award; necessary and reasonable; allowable under Subpart E; and, when required, provided for in the approved budget.

Q6: May a non-U.S, for-profit company participate in a UNITE project team as an industry/implementation partner, without being Prime Recipient or Subrecipient?

A6: Yes. For-profit organizations and commercial firms are ineligible to apply as prime recipients or subrecipients, but they may participate as commercial vendors providing goods or services under 2 CFR 200 Subpart D, or by contributing their own voluntary cost-share. This reflects the statutory restriction applicable to Smith-Mundt Public Diplomacy funding, which does not permit assistance awards or subawards to for-profit entities, while permitting procurement/subcontract relationships with for-profit vendors.

Q7: May a non-U.S, for-profit company be engaged as a paid contractor/vendor for technical/implementation services using seed-award funds, if federal procurement requirements are followed?

A7: Yes, with conditions. A for-profit firm may be paid from award funds only as a vendor/contractor in a genuine procurement relationship, and the procurement must be conducted consistent with the recipient's procurement standards under 2 CFR 200 Subpart D

The relationship must be a bona fide procurement of goods/services and not a disguised subaward. Two NOFO-specific guardrails apply:

No capital/seed funding to the company: Federal funds may not provide direct capital, loans, or seed funding for commercial ventures, startups, or for-profit businesses.

Payment must be for legitimate services rendered, not investment in the firm.

Q8: May a non-U.S, for-profit company participate as an industry contributor/cost-share partner and pursue subsequent commercial agreements after the UNITE-funded activities conclude?

A8: Yes. A for-profit entity may participate by contributing voluntary cost-share, which the NOFO expressly permits; any such cost-share must meet the allowability and valuation criteria of 2 CFR § 200.306. Pursuing follow-on commercial arrangements after the seed-funded phase is fully consistent with the program's design, Objective 3 and the Phase 4 transition activities explicitly seek documented follow-on pathways, including corporate sponsorship and "commercial procurement tracks".