Official Q&A for Grants.gov Posting

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

Note: Questions 1-13 were answered previously. You can view or download them on Grants.gov under the "Related Documents" tab.

Q14: What happens if a project team member withdraws from the partnership after the project team has been selected and seed funding has been committed? Will the prime recipient be held financially responsible for the departing partner's share?

A14: No. The prime recipient does not automatically become liable for the full amount originally allocated to a project team simply because one team member withdraws or underperforms.

The prime recipient is responsible for managing its subawards and monitoring project team performance and expenditures throughout the award. If a project team member withdraws, underperforms, becomes unresponsive, or incurs unauthorized expenditures, the prime should apply the same principles and procedures a Grants Officer would apply in comparable circumstances: stop further payments to that partner, recover any unspent funds already disbursed, and coordinate with the U.S. Embassy Riyadh Public Diplomacy Section on an appropriate remedy.

The prime should notify the Grants Officer and PDS Riyadh promptly in any of these scenarios. Because UNITE project teams are competitively selected by the prime recipient after award, rather than named in the prime's application, substituting a project team member does not by itself require Grants Officer prior approval. However, prior written Grants Officer approval is required before the prime may reallocate the departing team's unspent seed funds to other teams or activities, or before making any change that alters the scope or objectives of the award.

Note also that the 1:1 matching commitment is tied to each participating project team institution. If a partner exits, the prime must document the resulting change to that team's verified match and reflect it in performance and cost-share reporting.

Q15: The Executive Summary states Mission KSA will award to a "single U.S. academic implementing partner," while Section B.1 lists not-for-profit organizations, including NGOs and think tanks, as eligible and notes a preference for U.S. higher education institutions "or entities with robust academic networks." Can a U.S. 501(c)(3) nonprofit with demonstrated experience managing academic, technical, and commercial stakeholder networks serve as prime recipient?

A14: Yes. Section B.1 governs eligibility. It expressly lists "Not-for-profit organizations, including think tanks and civil society/non-governmental organizations" as eligible applicants, and states a preference for "U.S. higher education institutions or entities with robust academic networks".

The Executive Summary's reference to a "single U.S. academic implementing partner" describes the anticipated single-award structure and the program's academic character; it does not narrow the eligible entity types set out in Section B.1.

A U.S. 501(c)(3) nonprofit is therefore eligible to serve as prime recipient, provided the proposed program establishes the required university-led, faculty-driven U.S.–Saudi partnership networks described in Objective 1.

Applicants that are not themselves higher education institutions should expect the strength of their academic networks to be examined under the Organizational Capacity and Record on Previous Grants criterion (15 points) and the Saudi Partnership Strategy and Engagement Plan criterion (20 points).

The controlling restriction is entity type, not organizational form: for-profit organizations and for-profit educational institutions are ineligible as prime

recipients or subrecipients and may participate only as commercial vendors under 2 CFR 200 Subpart D.

Q15: Is the required 1:1 match calculated against the actual amount of Embassy-funded support provided to a partnership (e.g., a $10,000 technical package requiring a $10,000 match), or must every selected partnership demonstrate $25,000 in match regardless of the Embassy funding it receives?

A15: See Answer 11, which addresses this directly. The match is measured against actual Embassy-funded support received, not against the $25,000 ceiling.

As stated in A11, the "$25,000 per partnership" and "$100,000 to $125,000" figures describe Embassy-funded technical package support and "establish the base amount against which the 1:1 match is measured." Because $25,000 is a ceiling rather than a required amount (see A1 and A9), a project team receiving a $10,000 technical package would be required to demonstrate a $10,000 match, proportionate to the support actually provided.

The match is applied at the institution level: each institution within a project team that receives Embassy-funded technical package support must provide a 1:1 match against the support it receives. Applicants are responsible for proposing how the Embassy-funded amount is allocated among participating institutions and for demonstrating the corresponding matching commitments in the cost-share plan.

Q16: May the required 1:1 match be satisfied through the combined eligible contributions of multiple members of a project team — e.g., for a $25,000 technical package, $9,000 U.S. faculty time + $6,000 Saudi faculty time + $4,000 Saudi lab access + $4,000 U.S. commercial partner SME time + $2,000 company software — rather than by a single institution?

A16: No, not in the manner described. This question is directly addressed by A11, and the answer is unchanged.

Answer 11 states: "Consistent with Objective 4's purpose of demonstrating 'genuine institutional commitment' from each partner type, every participating institution must contribute its own match. A single partner may not satisfy the matching obligation on behalf of the team."

The distinction matters. The illustrative allocation in the question pools five contributions from three institutions to reach a single $25,000 team-level figure. That is a team-level aggregation, and it is not what the NOFO requires.

The correct construction is institution-by-institution: where the Embassy-funded support is allocated among institutions, each institution that receives support must match the amount it receives on a 1:1 basis. Where all three institutions receive support, all three must match.

The individual types of contribution listed in the question are all eligible in principle. Objective 4 permits the match to be met through "direct corporate/academic financial contributions or comparable, audited in-kind support," expressly including "dedicated faculty time, facility and lab access, specialized training resources, corporate industry expertise, software licensing access, student/professional cohort management, or direct travel support".

The issue is not the eligibility of the line items but the attribution: each line must be traceable to, and credited against, the matching obligation of the specific institution providing it.

All contributions counted toward the match must satisfy 2 CFR § 200.306(b), verifiable in the contributing entity's records, not counted toward any other Federal award, necessary and reasonable, allowable under Subpart E, and provided for in the approved budget.

Valuation must follow § 200.306(d)–(j): volunteer and third-party services at rates consistent with those paid for similar work in the contributor's organization (including allowable fringe), donated equipment at no more than fair market value at time of donation, and donated space at no more than the fair rental value of comparable space. Under § 200.306(j), the fair market value of third-party in-kind contributions "must be documented and, to the

extent feasible, supported by the same methods used internally by the recipient."

One practical note for applicants: the U.S. commercial partner's contribution occupies a distinct position. Because for-profits may not receive subawards or direct financial assistance under this NOFO (Answer 6, Answer 7), a commercial partner's contribution functions as a third-party in-kind contribution toward the prime recipient's overall cost-share commitment rather than as a matching obligation attached to Embassy funding it has received as a subrecipient, a point made in Answer 11's closing note.

Applicants should be precise about this in the cost-share plan.

The prime recipient's role is to require, verify, and document the match, not to source it (A10). The prime is accountable to the Department for the cost-share reflected in its approved budget, including contributions originating from partner institutions, and should design the team-selection competition so that documented match commitments are an eligibility or scoring requirement at the team-application stage. As a pass-through entity, the prime must flow these requirements down and secure records access sufficient to verify them (2 CFR §§ 200.332(b), (e)).

Q17: Should applicants understand $25,000 as a maximum per partnership rather than an expected funding level, with applicants proposing the allocation of the $150,000 between project-level technical packages and program management? Or does Mission KSA anticipate each partnership generally receiving the full $25,000?

A17: See Answer 1, Answer 3, Answer 9, and Answer 13, which together resolve this. The first reading is correct: $25,000 is a ceiling, not an expected or required funding level, and the allocation is left to applicants to propose.

As stated in Answer 1, "the $25,000 amount is a per-partnership ceiling, not a target or a required pass-through amount," and the NOFO "does not require that a set dollar amount or proportion flow to the teams." Answer 9 confirms the NOFO "does not prescribe a fixed split between partnership-level support and prime-recipient management costs," and that applicants "may propose

lower per-team technical-package amounts if that produces a more executable overall design."

Applicants should propose an allocation they can justify as reasonable and sufficient to execute all four mandatory phases, mobilization and partner selection, onboarding and matchmaking, co-design and deliverable production, and transition and sustainability activation, plus final reporting and closeout.

The prime-recipient functions the question enumerates (competitive selection, onboarding, compliance and cost-share verification, monitoring, Mission coordination, transition support, market-entry toolkit development, performance monitoring, reporting, and closeout) are all legitimately budgeted within the $150,000.

All costs associated with the project teams must be included within the applicant's proposed budget under the $150,000; there is no separate pool of Embassy funding available to teams outside the recipient's award (Answer 13). Indirect costs, whether a NICRA rate or the 15% de minimis rate on Modified Total Direct Costs, must also be accommodated within the $150,000 (Answer 9), consistent with 2 CFR § 200.414(f).

Budgets must present complete scenarios for both four and five active partnerships and are scored on cost-effectiveness and scalability across both (15 points).

As Answer 1 notes, directing a higher proportion of funds to project teams is one way to demonstrate impact and cost-effectiveness, but it is not the only way, and PDS Riyadh welcomes submissions that deviate from the standard four-to-five partnership model provided dual budgets are included.

Q18: The NOFO refers to project-level support variously as "project seed awards," "technical package support," and a "$25,000 max contract per partnership." What is the intended mechanism? Is the prime expected to issue subawards to eligible nonprofit/academic institutions and/or procurement

contracts for technical services, or may the prime directly incur and manage allowable project-specific costs on behalf of each partnership?

A18: Answer 2 addresses the subaward-versus-procurement question in detail; the "directly incur costs" option is addressed here for the first time.

All three mechanisms are permissible, subject to the constraints below.

The NOFO's varied terminology reflects this flexibility rather than a single prescribed instrument.

1. Procurement (recommended default). As stated in Answer 2, 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," given that each project team is a tripartite group including a U.S. commercial/technical partner. Procurements must follow the recipient's procurement standards under 2 CFR 200 Subpart D and must be bona fide procurements of goods or services, not disguised subawards (Answer 7).

2. Subawards, to non-profit/academic institutions only. Support to a non-profit or academic project-team member may be structured as either a subaward or procurement, based on the substance of the relationship (Answer 2). Support to a for-profit team member must be structured as procurement and may never be a subaward, sub-grant, or direct financial assistance at any tier. This is a statutory Smith-Mundt constraint, not a preference.

3. Direct incurrence by the prime. The prime may also directly incur and manage allowable project-specific costs on behalf of a selected partnership, for example, paying for participant travel, convening costs, cloud computing credits, or contracted technical services in its own name, budgeted under the applicable direct cost categories. This is permissible where the prime retains programmatic and financial control over the expenditure and the costs are allowable, allocable, and reasonable under 2 CFR 200 Subpart E. Applicants choosing this route should note that costs incurred directly by the prime are not cost share and do not create a matching obligation for the partner institution; the 1:1 match attaches to Embassy-funded support received by an institution (see Answer 15/Answer 16). Applicants should be explicit about

which support is directly incurred versus passed to institutions, so the matching base is unambiguous.

Classification is substance-driven. Per 2 CFR § 200.331, the prime as pass-through entity is responsible for case-by-case determinations, and the substance of the relationship is more important than the form of the agreement. Subrecipient indicators include programmatic decision-making responsibility, performance measured against program objectives, and implementing a program for a public purpose. Contractor indicators include providing goods or services within normal business operations, to many purchasers, in a competitive environment, ancillary to the Federal program. Labeling an arrangement a "seed award" or a "technical package" does not determine its classification.

Consequences of the choice (from Answer 2): both subawards and procurement contracts are captured under the Contractual budget line. For indirect cost purposes, only the first $50,000 of each subaward is included in MTDC under 2 CFR § 200.1, since packages are capped at $25,000, a subaward-structured package falls entirely within MTDC, as do procurement services. 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, full pass-through obligations attach under 2 CFR § 200.332, including risk evaluation, financial and performance report review, corrective action follow-up, and audit finding resolution.

Applicants should clearly identify in the budget narrative which items are subawards and which are procurement contracts (Answer 2), and should now also identify any costs the prime intends to incur directly on a team's behalf.