



ADS 600 Series Funding Guidance Millennium Challenge Account

A Mandatory Reference for ADS Chapters 602
and 621

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This Mandatory Reference, details Agency wide guidance, via the attached matrix for Millennium Challenge Account authorized expenditures under Threshold Country Programs (TCP) and use of the MCC special operating expense allowance. This policy is effective for 2006 MCC funding going forward. TCP countries with residual un-obligated funding for authorization years 2004 and 2005 (Guyana, Tanzania, Albania, Kenya, Uganda, Malawi, Paraguay, Zambia, and the Philippines) must follow the guidance issued September 21, 2006 as announced through the EXO, OAA, and CFO networks. That guidance remains in effect for those prior year(s). Any operating units with residual 2004 or 2005 funding should contact ODP for the proper use of those funds.

In general, MCC Threshold Country program (TCP) funds may not be used by the Agency to hire personnel and pay their related support cost or provide management in support of TCPs. The use of TCP program funds for program intervention (e.g. Contracts, Grants, Cooperative Agreement or any bi-lateral method of obligating program funds) are subject to USAID full accountability and audit requirements.

See below for the matrix table.

**Salary and Benefit and Support Cost – Guidance Matrix
MCC Funding Guidelines for OE-MCC-X (no year) and Program Funding
Beginning Authorization Year 2006 and Forward**

	(A) OE-MCC Funded USDH	(B) OE-MCC- Funded PSCs (US TCN)	(C) OE-MCC Funded Locally Engaged Staff FSN / TCN / CCN	(D) Progra m Funded USDH	(E) Progra m Funded PSCs (US, TCN)	(F) Progra m Funded Locally Engage d Staff FSN / TCN / CCN
Obligation Instrumen and Benefits.	Not Applicable Footnote (1)	Individual PSC Contract (AIDAR Append D. Direct USAID Contract with a US Citizen or US Resident Alien for personal services abroad	Personal Svcs Contract (subject to Post LES Comp Plan) (AAPD to be issued)	Footnote (2)	Footnote (2)	Footnote (2)
Obligation		PO, Lease,	PO, Lease,	Footnote	Footnote	Footnote

Instrument Support Cost	Purchase Orders, Travel Orders, Lease agreements, ICASS, SF-1190 (non-payrolled allowances) etc.	ICASS, TA etc. (must be obligated separately from the PSC contract) AAPD 06-07 & ADS-621	ICASS, TA etc. (must be obligated separately from the PSC contract) (AAPD to be issued)	(2)	(2)	(2)
Forward Funding Guidelines Salary and Benefits	Not Applicable Footnote (1)	Life of the Threshold County Program (TCP)	Life of the Threshold County Program (TCP)	Footnote (2)	Footnote (2)	Footnote (2)
Forward Funding Guidelines Support Cost	Life of the Threshold Country program(TCP).	Life of the Threshold Country program (TCP).	Life of the Threshold Country program (TCP).	Footnote (2)	Footnote (2)	Footnote (2)

1. MCC funds will not be used for USDH OE funded salary and benefits as those costs are centrally funded
2. MCC TSP programs funds may not be use for USAID personnel and support cost.

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