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**BUREAU FOR HUMANITARIAN ASSISTANCE
(BHA)**

DRAFT

**PIPELINE AND RESOURCE ESTIMATE PROPOSAL
(PREP) GUIDANCE FOR DEVELOPMENT AWARDS**



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Acronyms

AER	Annual Estimate of Requirements
ARR	Annual Results Report
AO	Agreement Officer
AOR	Agreement Officer's Representative
BHA	Bureau for Humanitarian Assistance
BHA/M/R	Bureau for Humanitarian Assistance Mission and/or Regional Office, as appropriate
BHA/W	Bureau for Humanitarian Assistance/Washington
CDF	Community Development Funds
CF	Call forward
C&F	Commodity & Freight (the cost of commodities plus ocean and inland freight)
CP	Commodity pipeline
DIP	Detailed Implementation Plan
ESR	Environmental Status Report
EST	Executive Summary Table
FY	Fiscal Year
ITSH	Internal transport, storage and handling
LOA	Life of award
M&E	Monitoring and Evaluation
MT	Metric tons
NICRA	Negotiated Indirect Cost Rate Agreement
PREP	Pipeline and Resource Estimate Proposal
ToC	Theory of Change
USAID	United States Agency for International Development



I. Background and Purpose

The Pipeline and Resource Estimate Proposal (PREP) describes an awardee's resource needs and interventions for a specific upcoming period of time agreed to by the partner and the Agreement Officer's Representative (AOR). All awardees currently implementing development and, if notified by the AOR, multi-year emergency food security activities that intend to operate past the end of the current fiscal year (FY) must submit a PREP, even if additional resources will not be requested. Awardees who have agreements made in the fourth quarter of the previous FY (July 1 – September 30) or that have an expiration date in the current FY should work with their AOR to determine which components of the PREP are required.

Each cooperative agreement explicitly outlines the life of award (LOA) resources, as applicable, for estimated costs (which may change): commodity tonnages, commodity costs, ocean freight, inland freight, program income, monetization proceeds, and fixed costs, including: Section 202(e) funds (both 202(e) and Enhanced 202(e) categories), internal transport, storage and handling (ITSH) funds, and community development funds (CDF), as applicable; as well as any other resources that were or will be provided by the United States Agency for International Development (USAID) during the LOA, and the awardee's cost share. Although the LOA is disaggregated into the fund categories named above, the Bureau for Humanitarian Assistance (BHA) is concerned primarily that awardees' multi-year budgets remain within the overall grand total of these categories. Any changes the awardee wishes to make to the allocation of the LOA among the fund categories should be discussed with the AOR and the appropriate contact in the BHA Mission and/or Regional Office (BHA/M/R) prior to drafting the PREP documentation. Moreover, exigent circumstances might compel an awardee to seek an increase in the LOA. Requests for increases in the LOA should also be discussed with the AOR and the BHA/M/R prior to drafting the PREP documentation. Note that only the Agreement Officer (AO) can approve an increase in fixed costs. Similarly, changes to activities must be discussed with the AOR and the BHA/M/R prior to drafting the PREP documentation.

PREP Check

Significant changes to an activity, such as adding, eliminating, escalating, or scaling back expenditures, targets, and/or activities, as well as changes to the LOA must be discussed with the AOR and the BHA/M/R ***prior to drafting the PREP***. Awardees must not introduce significant programmatic or budget changes as described above in the PREP. Consult with your AOR to determine when and how to request any significant award changes.

Two months prior to submission of the PREP, awardees should submit a complete updated M&E Plan and annual Environmental Status Report. The information in the Annual Results Report (ARR) should be used to guide the updates to the M&E Plan and Environmental Status Report (ESR), and inform the PREP. This update includes changes to indicators, targets, the Theory of Change (ToC), Logical Framework, Monitoring Strategy, M&E Staff Capacity Development Plan, and any other sub-components of the M&E Plan. More information can be



found in the [M&E Guidance and Policy document](#).

Awardees should work closely with their AOR in Washington (BHA/W) as well as contacts in the BHA/M/R, as appropriate, to determine a submission date and time period to be covered by the PREP. In making this determination, awardees should consider factors including, but not limited to: (1) when the commodity and cash resources are needed; (2) carry-over of commodity or cash resources from the previous year; (3) activity planning cycles; (4) the due date of the close-out plan; and, (5) the expiration date of the award. PREP submission dates will likely vary by country, activity, and/or AOR.

Only bulk commodities can be called forward in September. August is the last month of the FY in which packaged commodities can be called forward. Also, typically, BHA cannot process calls forward under a continuing resolution.; This mainly affects the first quarter of the FY (October -December). Awardees should factor in these constraints as they plan the commodity pipeline (CP) and call forward (CF) schedule.

Please note, the PREP is intended for the obligation of incremental funding and approval of the work plan by the AO. ***Many elements of the PREP, referenced “as applicable”, can be officially approved outside of the actual PREP process by the AOR. If one of these documents has been recently approved (at the AOR’s discretion), it should be listed as “not-applicable” in the PREP paperwork and not submitted.***

II. PREP Format

The PREP will consist of the sections listed below and be submitted via the [Partner Portal](#). For information on how to attach documents in the [FFP Partner](#) Refer to the [Partner Portal PREP Resources](#) for guidance attaching documents. In an effort to streamline the approval process, BHA requests that you submit only initial and final documents into the portal; the AOR will communicate when a version should be considered final and thus submitted to the portal. Please submit interim versions in Word or Excel formats via email. **Note: Only submit documents that are required per the PREP guidance.**

PREP Check

A properly prepared PREP will not include a lot of information that was previously provided to BHA; the PREP information is focused on the coming year, particularly the changes that have been discussed and need to be approved. If information or documents that were previously provided are relevant, they should be referenced, not provided a second time.

All attached documents must adhere to the following::

1. All documents must be written in English and in 12-point Times New Roman font.
2. Narratives should be prepared in Microsoft Word (or equivalent), with print areas set to 8.5 x 11 inch, letter-sized paper, one-inch margins, left justification and a



footer on each page including page number, date of submission, awardee, host country and USAID award number.

3. All Word documents must include page numbers.
4. Spreadsheets should be prepared in Microsoft Excel (or equivalent), in at least 10-point font with print areas set to 8.5 x 11 inch, letter-sized paper. Only the detailed budget may be submitted on 8.5 x 14 inch, legal-sized paper.
5. When documents are revised during the review/approval process, the date on the document must be changed to reflect the submission date of the revision, and the changes should be made clear with highlighting or alternative font colors.
6. Please keep repetition to a minimum and only include numbers for requested resources when necessary.

III. PREP Approval

Annual resource approval is subject to the availability of funds and commodities. Contingent upon such availability and on successful implementation of activity¹ interventions, PREPs will be evaluated and approved based on the technical and financial clarity of the proposal as reflected in each applicable component detailed in Section IV. PREP Components. The PREP is considered approved when the AO has signed the award modification.

IV. PREP Components

A. PREP Documents to be attached in the [Partner Portal](#)

I. PREP Narrative

A complete PREP narrative includes a discussion of all the topics specified below in the order presented. The PREP narrative should be written concisely (15-20 pages) and address all the requirements outlined in the PREP narrative section of this guidance. Awardees who will need more than 20 pages to fulfill the requirements should discuss their reasons with the AOR. Awardees should use the templates provided, as applicable. Please include only the information requested. If no changes from the approved award are requested for any of the components below, then the awardee should state that the section is not applicable and provide an explanation on the *PREP Completeness Checklist* (see Annex II). Supplemental information should be provided only if it directly supports information requested in the PREP. Please direct any questions regarding these instructions to the AOR.

The following information and table should be included on the front page of the PREP narrative. If sections of the table are not applicable, please leave them blank. In some cases, commodities will not be provided or funds will not be obligated with the PREP, but later in the time period covered by the PREP. Contact your AOR if you have questions.

¹ Per ADS 201, an activity carries out an intervention, or set of interventions, typically through a contract, grant, or agreement with another U.S. Government agency or with the partner country government.



Awardee Name/Host Country/Activity Name
 USAID Award Number
 Submission Date

	MT (rounded to 10 MT)	MT C&F (\$)	202(e)	Enhanced 202(e) ²	ITSH	CDF	Other	Cost Share
Total approved MT:								
MT to be CF with PREP approval:								
MT to be CF later:								
Carryover MT from prior PREP:								
<hr/>								
Total funds for PREP period:								
Funds to be obligated with PREP approval:								
Funds to be obligated later ³ :								
Carryover funds from prior PREP:								

**Note, all fund requests should be rounded to the nearest dollar.*

Awardee HQ Contact Name
 Awardee HQ Contact Telephone
 Awardee HQ Contact Email
 Host Country Office Contact Name
 Host Country Office Contact Telephone
 Host Country Office Contact Email

² Section 202(e) and Enhanced 202(e) costs are described in [FFPIB 19-01](#).

³ This figure should be the remaining value of the award that has not yet been obligated, not including what is being requested with the PREP (i.e., LOA - amount previously obligated - amount to be obligated with this PREP).

PREP Check

The PREP should not exhaustively discuss prior year achievements. Achievements are reported in the ARR and in quarterly reports. Instead, the PREP should provide evidence that the activity is on track to meet the approved objectives or explain in detail why it is not.

a. *Introduction: Food Security Activity Implementation and Responsiveness*

A critical precondition to the approval of the PREP is the awardee's demonstration that the activity is making adequate progress towards achieving the approved objectives and targets. The PREP introduction should include a synopsis of the activity by program area or element⁴ (e.g., agriculture, maternal and child health, nutrition, etc.). The synopsis should highlight any progress, as well as challenges, adjustments, and changes to the country context or assumptions that have arisen and are likely to affect (either positively or negatively) the awardee's targets and/or results. Awardees whose activities are making only limited progress toward achieving objectives and targets should provide an explanation with a description of the operating environment, the extenuating circumstances that are impeding progress, and specific ways that the awardee plans to mitigate these obstacles in the upcoming year and in the out-years. Information that has recently been formally shared, for example in a quarterly report or annual results report (ARR), should be referenced instead of repeated.

PREP Check

Awardees are required to track and report on any concerns and/or recommendations that USAID provided in writing that will be addressed or resolved in the coming year. This includes the Environmental Status Report and updates to the M&E Plan.

The awardee should discuss how concerns and/or recommendations identified in the prior PREP, ARR, quarterly reports, Environmental Status Report, baseline or mid-term evaluation, learning events, and/or during field monitoring have been or will be resolved or addressed in the coming year. The awardee should also highlight any improvements to systems or internal controls that resulted from audits or investigations.

b. *Bellmon Analysis/Marketing Information*

[FFPIB 19-02](#) addresses the procedure to determine compliance with the conditions of the Bellmon Amendment. The Bellmon Determination is a formal declaration by BHA that a

⁴ Reporting requirements from State/F have been updated. Reporting is currently requested at the program area level in most cases, although BHA still utilizes the *Household-level WASH* program element which is found under the *Maternal and Child Health* program area. This change is not retroactive unless partners wish to bundle former program elements under new program areas. More information can be found on the [State Department website](#).



proposed Title II food and nutrition security activity is compliant, or not, with the Bellmon Amendment. A Bellmon Determination is required for any Title II food security activity that includes distribution of agricultural commodities, food procured outside of the United States, food vouchers, or cash transfers for food. Separate from the formal Bellmon Determination, BHA requires market analyses, consistent with current practice, for all Title II food and nutrition security activities.

To contribute to the soundness and thoroughness of the PREP, information should be provided annually showing that planned resource transfers (food distributions, vouchers, cash transfers and food commodities for monetization) or any other market-based assistance will not disrupt local markets or reduce incentives to local agricultural production. It is therefore incumbent upon the awardees to know their operating environment by monitoring short- and long-term developments in the local, national and international markets of the commodities being programmed, as well as to ensure that the proposed distribution and/or monetization efforts will not interfere in local markets or reduce incentives to local agricultural production. This information should be shared in the PREP.

For local and regional procurement, a market analysis must be done before implementation begins. To the extent possible, awardees should provide specific information about local markets in their implementation area. For example, does the lean season coincide with planned distributions? What is the projected availability of food in the markets, especially during the timeframe of the planned distributions? Provide data about price trends of key commodities in the local markets. Do market prices fall when food assistance distributions occur or increase when cash distributions occur? If so, for which commodities and to what extent? For those activities that have been providing in-kind food commodities from the United States, should a change to local and regional procurement of commodities, cash and/or vouchers be considered?

For monetization activities, awardees should provide sufficient assurances that the anticipated sales price approximates the import parity price for each commodity to be monetized.

For direct distribution of commodities, awardees should provide evidence (based on levels of food insecurity, malnutrition, household income, etc.) that the methodology used to determine participant populations ensures that the participants are indeed food insecure and the proposed distribution would be additive.

c. Commodity Justification and Calls Forward

Awardees must provide an explanation for the proposed quantity and type of commodities for the upcoming year, if different from the approved award. This section must also include an explanation of carry-over levels from the previous year, loans, and CF timing. For activities that have previously been approved to procure commodities locally and/or regionally, this section should include details about the commodities that will be procured, including tonnages, and



information about where the awardee expects to source the commodities.

d. Food Security Rations

Describe the ration for each commodity per participant type (if it has changed) and identify how often the rations are distributed. This can be presented in a table format, but please do not replicate information from the ration calculator table. Awardees must detail and justify any changes in the food security ration size, composition, and/or the target population(s) for the upcoming year. For voucher, cash, and food-for-assets transfer programs, indicate the value of the transfer, percentage of the kilocalorie needs it is intending to cover, as well as an indicative food basket showing how the transfer value was determined.

PREP Check

Changes to the Food Security Rations section should be discussed with the AOR and BHA/M/R prior to preparing the PREP.

If the number or type of interventions supported by food security rations changes from the approved award, the awardee must discuss the reason(s) for the change. If more than one implementer is distributing rations in the host country (including public international organizations such as the World Food Program), discuss whether and how rations are coordinated among the implementers, including the host government.

Similarly, any changes in food security ration eligibility criteria must be described by award intervention, where appropriate. For example, if the participant numbers expand or shrink based on changes in specific targeting criteria, include a brief description of this change and the impact on the food security intervention. Ration size and composition should correspond to the objective of the intervention, taking into consideration associated nutrition issues and logistical and financial constraints and costs.

For more information on recommended dietary and energy allowances used to determine food security rations, food security commodities, or substitutable commodities, please consult BHA's [Food Aid Product Descriptions](#). In addition, [NutVal](#), the general food security ration planning, calculation, and monitoring application developed by the United Nations, is also a useful reference for ration determinations.

Note: For in-kind programs, awardees must ensure that total metric tonnage levels per commodity described in this section match the commodities for direct distribution requested in the Annual Estimate of Requirements (AER). The ration calculator which can be attached as a supporting document to the PREP in the [Partner Portal](#) calculates total metric tonnage levels based on information entered into the ration calculator and AER.

e. Detailed Implementation Plan Narrative

The Detailed Implementation Plan (DIP) table and the DIP narrative must correspond to each other. The DIP narrative should not discuss previously approved interventions, except as outlined below. The DIP narrative should explain in detail, along with a clear rationale:

- Any new interventions that were not previously planned but which the awardee is adding in order to enhance the activity; elimination or revision of interventions resulting from lessons learned or other reasons. Note that significant changes, adding, or eliminating interventions must be discussed in advance of the PREP submission with the AOR and the BHA/M/R. For modified interventions, discuss with the AOR how these will be captured.
- Interventions that were planned for but not started in the prior PREP time period but that will be carried out in the upcoming PREP time period;
- Interventions that were planned for and started in the prior PREP time period but are behind schedule and will be completed in the upcoming PREP year;
- Interventions that were planned for future PREP time periods but that will be accelerated and started in the upcoming PREP year; and
- In reference to construction, any new geographical areas or new types of interventions that were not approved in the original award.

USAID will reimburse allowable costs for only the construction listed in paragraph D of the [Mandatory Standard Provision](#) entitled “Limiting Construction Activities”, not to exceed the amount specified in the construction line item of the award budget. The recipient must receive prior written approval from the AO to transfer funds allotted for construction to other cost categories, or vice versa. Construction-related changes that will affect the budget should also be detailed in the budget narrative.

f. Sustainability and Exit Strategies

This section should discuss the sustainability, exit, and graduation strategies of the program for the upcoming year. It should explain what has been updated or achieved in regards to these strategies. For example, building capacity of the host government for handover of interventions; participants working with the private sector to start micro businesses; or functioning water use committees around improved water sources.

Awardees are expected to implement activities that promote sustainability with a focus on participant graduation and the exit of the project. This includes interventions to improve service providers’ sustained access to resources and capacities, service providers’ sustained motivation to provide the services, communities’ sustained motivation to use the services, and interventions to create linkages between the service providers and capacity strengthening organizations, even after the project has ended. If the project design lacks robust interventions or strategies to strengthen these factors, awardees will be expected to refine the strategies to improve sustainability.

PREP Check

This section should specifically describe the steps that will be taken in the coming year to shift ownership of interventions to the beneficiaries and/or local government. For example, a shift away from providing seeds directly to farmers and toward linking farmers with input markets would be discussed in this section. Partners should identify any barriers to achieving full sustainability by the end of the activity.

Definitions of and guidance for graduation and exit strategies can be found in the publication [Effective Sustainability and Exit Strategies for USAID FFP Development Food Assistance](#), published by the Food and Nutrition Technical Assistance III (FANTA-3) Project. More information on sustainability can be found in the [Technical References for Development Food Security Activities](#).

2. Detailed Implementation Plan (DIP) Table

The detailed implementation plan (DIP) is a management tool that summarizes, by month, all of the interventions that will be implemented in the coming fiscal year. Awardees must ensure that activities planned for the coming time period are appropriately budgeted for. Awardees must also reflect interventions that were previously budgeted for the coming time period but were accomplished in a prior year, or those that will be delayed beyond the current PREP. In addition to regular activity interventions, the DIP must reflect:

- Training of staff, including sub-awardee staff, government counterparts, etc.;
- Meetings with sub-awardees and monitoring of their interventions;
- Learning interventions that create intentional opportunities for reflection to inform adjustments to implementation;
- Other noteworthy meetings such as with government officials, private enterprises, etc.;
- Studies and research;
- Environmental monitoring and mitigation interventions;
- Commodity CF;
- Ration distributions;
- Food-for-assets work; and
- Reporting deadlines (ARR, quarterly reports, next PREP, etc.)

3. Pipeline Analysis

The pipeline analysis should show actual expenditures, accrued expenditures, and the projected cost of the entire award for the upcoming period covered by the PREP. There is a [pipeline analysis sample](#) on USAID's website. The pipeline analysis should be explained in the budget narrative, including any variations from the example template.

BUDGET ALERT

The comprehensive budget - rather than the detailed - must be broken down by program area or element. **All sub-awardees must have separate detailed and comprehensive budgets and budget narratives**, and their budgets must also be broken down by program area or element). All expenses in the detailed budget must be calculated using formulas.

4. Comprehensive and Detailed Budgets and Budget Narrative

Notable changes to the budget should be highlighted for ease of review. Budgets, including the budget narrative, should be clearly linked to the technical narrative and DIP. Budget categories should remain consistent across the LOA, unless new or additional guidance is provided. For awards signed in FY 2017 and later, **comprehensive budgets must break down spending by program area/element**. Awards from FY 2016 and earlier can continue to break down detailed budgets by program area/element, or change it to comprehensive budgets if agreed to by the AOR. As previously noted, the awardee's adherence to the approved LOA budgetary levels as described in the approved award agreement helps to facilitate an expeditious review and approval of the PREP. The awardee should be certain that their funding streams are clearly defined and changes are highlighted in the budget. Awardees should ensure that the budget captures interventions and expenses related to food security activity sustainability, exit strategy, and close-out. A well planned budget, particularly in the final implementation year, will result in an organized close-out process. When preparing the budget for the upcoming PREP submission, awardees should reference the following, dependent on their award:

- [22 CFR 211 – Transfer of Food Commodities for Use in Disaster Relief, Economic Development and Other Assistance](#)
- [2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [2 CFR 700 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [2 CFR 230 – Cost Principles for Non-Profit Organizations](#) (applicable to awards made prior to December 26, 2014)
- [Food for Peace Information Bulletin \(FFPIB\) 19-01 – Eligible Uses of Section 202\(e\) and ITSH Funding, including the Budget Matrix attached to the FFPIB](#)
- [USAID Food for Peace Environmental Budgeting Guidance](#)

a. Comprehensive Budget

The comprehensive budget is a summary, by budget category, of the expenses that are included in the detailed budget. Examples of budget categories include: Salaries, Fringe Benefits, Overseas Allowances, Non-Employee Labor, Travel and Transport, Program Supplies, Other



Direct Costs, Staff Training, Branding and Marking, Sub-Awards, Equipment > \$5,000, and Indirect Costs. Totals shown for each category must be the same in both the detailed budget and the comprehensive budget. The comprehensive budget must be presented in the same format as the approved budget in the award. The names of categories and subcategories should not be revised. Any changes to the comprehensive budget categories of more than 10 percent of the single year's budget should be highlighted and explained. Budget figures should be rounded to the nearest dollar. The comprehensive budget should reflect the entire LOA of the award, broken down by year.

b. Detailed Budget

Awardees must submit a detailed budget for the upcoming implementation year. The AOR will notify awardees (in advance) if there is a reason to submit additional outyears' detailed budgets. Unless notified by the AOR, awardees should only submit detailed budgets for the upcoming implementation year. Detailed budgets are required for all sub-awardees. The detailed budget must be presented in the same format as the budget that was approved with the award, unless changes are made in regards to program areas/elements. Line items should not shift between budget categories. Do not use "Miscellaneous" and "Other" as line items in the detailed budget. Any substantial changes to the detailed budget, including the addition of new line items, should be highlighted. A detailed budget and detailed budget narrative are required for all sub-awards.

c. Budget Narrative

The budget narrative must correspond to the detailed budget and explain the pipeline analysis. Expenses that have not changed from the LOA budget that was approved with the award need not be included in the PREP budget narrative. Items to be discussed in the narrative include, but are not limited to, the following:

- Explain how the exchange rate was determined and applied if applicable. Awardees should discuss the exchange rate they intend to use with the BHA/M/R before preparing the budget.
- Discuss any new restricted goods, such as vehicles and pharmaceuticals, with the AOR if these were not initially included in the LOA budget. These items require special consideration and approval.
- As noted in the DIP narrative section of this guidance, any construction-related changes to the budget should be discussed in the budget narrative.
- Highlight requests for procurement of any equipment⁵ for the upcoming implementation year, with a description of and purpose for the equipment.
- Explain why there is carry-over from the prior year. All factors contributing to the carry-over should be discussed (e.g., international trips were not taken, some interventions were canceled or delayed, procurement of supplies or equipment was postponed or

⁵ *Equipment* means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established.



- canceled, etc.).
- Explain all shifts in the funding sources for a line item (e.g., a salary was previously funded with 50 percent Section 202(e)/50 percent ITSH resources, and the awardee is proposing to fund the salary with 75 percent Section 202(e)/25 percent ITSH resources). Highlight these shifts in the budget narrative.
 - Explain comprehensive budget category variances of 10 percent or more from the prior approved single year budget.
 - Note if the provisional or final Negotiated Indirect Cost Rate Agreement (NICRA) has been updated since the last submission or whether NICRA rate changes are anticipated.
 - Discuss any new policies and local laws that affect budget calculations (e.g., changes in benefits policies, insurance laws, laws with respect to employee separation/termination, that impact the budget). If no changes have occurred, simply note N/A.
 - Per [22 CFR 216, Environmental Procedures](#), budget line items that address environmental compliance requirements (including implementation of environmental mitigation measures, monitoring, and staffing), must be included in the detailed and comprehensive budgets and explained in the budget narrative. The budget narrative should particularly highlight environmental compliance costs for which a line item does not exist (or are integrated into line items) and where significant changes from previous years are made.
 - Cost narratives related to resource transfers (cash and vouchers) should include transfer value going directly to participants (not including transfer fees), number of transfers across budget period and number of individuals and/or households targeted.

Funding Sources Other than Title II

a. *Program Income*

Awardees with program income must specify the amount of program income received to date and any anticipated program income in the budget. If applicable, discuss reasons for any variation from the target.

b. *Cost Share*

Awardees who cost share must specify the amount of cost share funds provided to date vis-à-vis the cost share commitment approved in the award. If applicable, discuss reasons for any variation and the plan for meeting the commitment. For the upcoming year, specify the amount of cost share that will be provided and identify the expenses that will be covered.

c. *Other Funding Sources, e.g., Community Development Funds*

Most BHA development activities are not currently monetizing. In some cases cash requirements are being met with CDF or increased programming of Section 202(e) resources (as allowed under the Food for Peace Act). In this section the awardee should discuss any anticipated challenges associated with the programming of these funds.

5. Completeness Checklist

Awardees must submit the Completeness Checklist in Annex II to ensure all applicable PREP



components are included in the submission. If, for any reason, the awardee is not submitting a particular component, the awardee should explain in the Completeness Checklist why the component is not applicable to the PREP.

B. PREP Documents to be Attached (if applicable)

The following is a list of PREP components that the awardee will attach in the [Partner Portal](#) if they are applicable. This section contains a list of documents that the AOR has been delegated the authority to approve, or are only necessary if they have been changed since the last approval and therefore require a modification to the award. Please discuss with your AOR if you should submit these documents.

6. Evaluation, Studies, and Assessment List

If applicable, awardees must provide a list of any assessments and studies, such as baseline surveys, evaluations, formative research, and/or special studies planned for the time period covered by this PREP. The scope of work for the mid-term evaluation is due 15 months into the award or as indicated in the award language. As a reminder, awardees are required to attach all survey and evaluation data collected during the reporting *fiscal year* to the [Development Data Library](#). Awardees must submit the reports even when these evaluations, studies and/or assessments are conducted by third-party partners (e.g. an external evaluation team) or submitted with the PREP.

7. Review of Branding Strategy and Marking Plan

If applicable, discuss any updates or changes to the Branding Strategy and Marking Plan implementation for the coming year.

8. Affirmation of Certifications

If applicable, awardees who already have up to date, signed forms in *Certifications, Assurances and Other Statements of the Recipient, an Additional Help for ADS 303* with the award approval may simply submit a signed Affirmation of Certifications. Refer to [ADS Chapter 303](#) for guidance. Awardees should also write-in the awardee, host country or region names, and USAID award number underneath the signatures.

9. Negotiated Indirect Cost Rate Agreement

A copy of the latest finalized NICRA must be submitted with the PREP.



C. PREP Data Attached as Supporting Documents

The following is a list of PREP components that the awardee will attach as supporting documents in the [Partner Portal](#). Instructions for attaching documents are provided in the [Partner Portal PREP Resources](#).

I. Commodity-related Information

The Ration Calculator, AER, CP, and Executive Summary Table (EST) are submitted with the PREP. The Ration Calculator, AER, CP, and EST can be attached as supporting documents to the PREP in the [Partner Portal](#) system. Periodic updates may be requested by BHA/W during the implementation year, but no more than quarterly, if necessary for resource management.

The Ration Calculator, AER, CP, and EST detail how one year of commodity and cash resources are programmed and details the resource request for the year. Totals provided in the Ration Calculator, AER, CP, and EST should match those provided in the PREP narrative, and the monetization tables, as applicable.

a. Ration Calculator

Awardees must enter all commodities being used in their activity, whether for monetization or direct distribution. The ration calculator allows awardees to enter food rations by program area or element and activity. Based upon the number of food assistance distributions, the ration calculator will then provide the total metric tonnage for one implementation year per commodity and program area or element.

b. Annual Estimate of Requirements

The commodities for direct distribution entered in the Ration Calculator will be reflected in the AER. Awardees should then enter metric tonnage for each monetization commodity, as applicable. Awardees should note that the disaggregation of program areas or elements by commodities for direct distribution and monetization is reflected in two corresponding sections on the AER.

c. Commodity Pipeline

The CP is a crucial tool for an awardee to justify when CFs must be made for its food security activity. It also shows planned distributions for the FY. BHA/W will refer to the commodity pipeline to make monthly resource allocation decisions, relying on the arguments put forth by the awardee to advocate for funding when resources are scarce. CP information will help BHA/W to better schedule and prioritize funding actions. The CP is not an official procurement mechanism for BHA, but rather an important planning tool for the office. It



presents the awardee's food security commodity and resource requests and projected usage for the existing commodities (carry-in) and those being requested in the upcoming fiscal year. Values entered in the CP are the approved values for the award, so it is essential to ensure their accuracy.

2. Executive Summary Table

The EST is a funding and tonnage snapshot. The EST generates the Section 202(e) costs and estimated commodity and freight costs associated with the commodities that the awardee is requesting via the AER and CP. Additionally, awardees can enter requested levels of Title II ITSH and cost share. The EST sums up all of the different cost categories to generate a total cost to BHA for the PREP request and for the LOA.

3. Development Assistance Summary/Project Funds

The Development Assistance Summary/Project Funds allows the awardee to present the levels of CDF cash resources or Enhanced Section 202(e) that the activity will be requesting during the time period of the PREP.



ANNEX I: Monetization⁶

PREP Documents to be Attached in the [Partner Portal](#)

For awardees who are monetizing commodities, please find specific information listed below in addition to the instructions in the guidance. Include a separate section in the PREP narrative that addresses the following topics.

I. Monetization Budget

The amount of monetization proceeds expected to be generated during the upcoming year should match the awardee's monetization budget. If the amount of expected monetization proceeds exceeds the amount from the approved budget, the awardee should reduce the request for monetization commodities. If the monetization proceeds exceed the amount in the awardee's approved budget, the awardee must discuss factors affecting resources tied to this windfall and obtain AOR approval to expend the surplus proceeds. Awardees should also note in this section any monetization information that is not yet available as well as the anticipated date for availability of the information.

BUDGET ALERT

As per 22 C.F.R. 211.5 (a), requests in the PREP for cumulative budget shifts of monetization proceeds, by program area or element, of ten percent or more require AO approval and should be discussed with the AOR prior to PREP submission.

2. Timing and Maximizing Monetization Proceeds

In order to obtain the best sales prices, the awardee should provide justification for their monetization timing. The awardee should also discuss how the monetization corresponds to the agricultural sector of the host country, market cycles, information presented in the Bellmon Estimation Study⁷ and subsequent updates, along with the awardee's knowledge of the market. Additional issues to address include, but are not limited to:

- How will the awardee ensure that the value of the monetization proceeds will not diminish due to currency fluctuations and/or devaluation?
- How will the awardee compensate for a shortfall of monetization proceeds or modify the food security activity accordingly?
- Any shortfalls and modifications must be discussed with the AOR.

⁶ Most Bureau for Humanitarian Assistance activities are not currently monetizing.

⁷ For more information on the Bellmon Estimation Studies (BEST), please visit the [Development Experience Clearinghouse](#).



3. Monetization Expenditures

Spending available monetization proceeds should be prioritized over spending Section 202(e) funds and ITSH funds, if appropriate. However, an awardee should not arbitrarily increase the rate of spending in the final months of the award simply to expend remaining funds in any funding category. Unless previously discussed with the AOR and the BHA/M/R, expenditures are expected to stay within approved LOA budget levels. Awardees should explain any deviations from approved implementation year budget levels.

Data Attached as Supporting Documents in the [Partner Portal](#)

I. Monetization-Related Information

The monetization-related information can be attached as supporting documents in the [Partner Portal](#), in conjunction with the description in the PREP narrative, enables the AOR to determine whether monetization proceeds are on target for the approved budget, or whether changes are needed. Awardees should note that the monetization budget and request amounts should match the corresponding monetization amounts provided in the resource summary table, part of the tracking tables for resources and participants. Information provided in the narrative should correspond with and complement the monetization information attached as supporting documents in the Partner Portal.

a. Anticipated Monetization Proceeds and Cost Recovery

The actual monetization proceeds and cost recovery figures for the upcoming implementation period will be captured within the awardee's subsequent ARR and on a quarterly basis with the submission of the federal financial forms.

b. Life of Activity Analysis for Monetization Proceeds

Awardees should complete the LOA Monetization. LOA expenditures are expected to stay within approved LOA budget levels. Explain any deviations from the approved budget levels in the monetization narrative.



ANNEX II: Completeness Checklist Template
 United States Agency for International Development
 Bureau for Humanitarian Assistance
 Fiscal Year 202X: Pipeline and Resource Estimate Proposal Guidance
 Completeness Checklist

PREP Document	Details	Yes	No	If no, explain	N/A
Narrative	Introduction				
	Bellmon Analysis/Market Information				
	Commodity Justification and Calls Forward				
	Food Security Rations				
	DIP Narrative				
	Sustainability, Graduation, and Exit Strategies				
Pipeline Analysis					
Budget Narrative					
Detailed Budget					
Comprehensive Budget					
DIP Table					
Completeness Checklist					
Evaluation, Studies, & Assessment List*					
Branding Strategy & Marking Plan*					
Affirmation of Certifications*					
NICRA*					

*These components are as applicable, per the guidance.

Awardees should note that due to the PREP approval process, the PREP components should be submitted via the [Partner Portal](#).



ANNEX III: Budget Addendum

As referenced on page 11, PREP budgets include a narrative, comprehensive budget, detailed budget and budget pipeline.

All Bureau for Humanitarian Assistance partners (including Refine & Implement partners) are encouraged to submit single year budgets (for the prime and sub-awardees) for the PREP implementation period. The review will focus on budget changes from most recent previously approved budget including, but not limited to:

- Addition of new budget line items;
- Moving a budget line item from one funding source to another (e.g., a line item previously funded with ITSH funds now to be funded with 202(e) funds);
- Changes across cost categories of more than 10 percent of the single year's budget in the comprehensive budget (e.g., salaries, other direct costs);
- Changes requiring prior written approval in accordance with 2 CFR 200.407 and 2 CFR 200.308 (for U.S. organizations) or standard provision entitled, "Amendment of Award and Revision of Budget (for non-US organizations)"; and
- Other changes as mandated in the award (e.g., addition of new key personnel, changes to sub-awardees or contractors/consultants).

All of these changes should be explicitly highlighted in the budget narrative and detailed budget and explained in the budget narrative (e.g., why a unit cost has increased or why fringe benefits have changed). Key changes should also be discussed and justified in the PREP narrative. BHA's budget review for the PREP will only focus on these changes. All budget figures should match across the different budget documents.

BHA will not be reviewing or approving prior year budgets, nor proposed changes to out-year budgets. Actual and accrued expenditures incurred based on prior year budgets must be reflected in a budget pipeline. Out-year changes will be addressed in future PREPs. Corrections to past budgets can be made on an as-needed basis.