



Development Objective Agreement (DOAG) Completion Date Guidance

A Mandatory Reference for ADS Chapter 350

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In 2017, the Offices of both the Chief Financial Officer (CFO) and the General Counsel (GC) were asked to provide guidance regarding timing of sub-obligations of funds obligated under a Development Objective Agreement (DOAG). The guidance specifically addresses whether sub-obligations under a DOAG may continue past the DOAG Completion Date. This guidance addresses legal and financial management aspects of programming funds obligated in DOAGs; for additional guidance on DOAG transitions in the program cycle, see [ADS 201, Program Cycle Operational Policy](#).

The DOAG is the binding obligation as defined in [ADS 621, Obligations](#). As a legal and accounting matter, a sub-obligation is a form of expending already obligated funds. In USAID DOAG practice, a sub-obligation is often an implementing instrument between USAID and a third party. A cash disbursement is also an expenditure of funds. In its essence, however, the question posed concerns expenditures for goods and services performed after the DOAG Completion Date. Further guidance is organized below (including in the infographic below) depending on when sub-obligating instruments are entered into; either before or after a DOAG Completion Date.

A. Guidance where sub-obligating instruments are made prior to a DOAG Completion Date:

- 1) **Prior to the DOAG Completion Date:** At any time prior to the DOAG Completion Date, USAID Missions may use DOAG funds to enter into sub-obligating instruments that have an end date after the DOAG Completion Date.
- 2) **As the DOAG Completion Date approaches:** Missions should review the status of expenditures of DOAG funds and formulate a plan for any sub-obligating instruments that have end dates after the DOAG Completion Date.
 - a) The standard DOAG is drafted in a way that permits much flexibility in:
 - Extending the DOAG Completion Date -- either through amendment to the DOAG or other form of mutual agreement to extend the Completion Date; or
 - USAID authorizing an exception to the DOAG Completion Date by an internal and unilateral Action Memo. This Action Memo is signed by the Mission Director to authorize expenditure of funds for goods/services provided after the DOAG Completion Date.
 - b) The Mission must document how it is addressing ongoing expenditure of DOAG funds after the DOAG Completion Date.
 - c) As a legal matter, if the DOAG at issue contains the following language, it may be unilaterally relied upon by USAID, with documentation thereof, to permit ongoing expenditures (within the period of availability of funds):

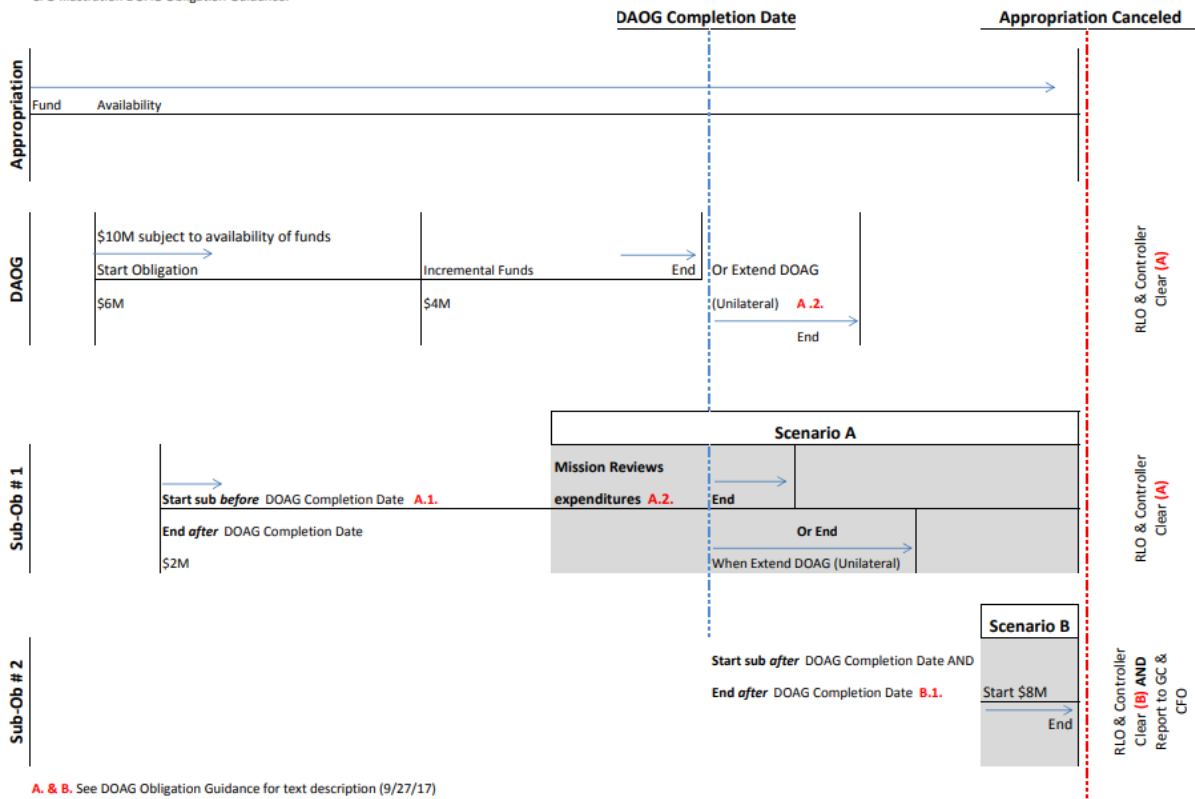
“Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation that would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

- d) It is generally preferable to extend the DOAG Completion Date by mutual agreement rather than unilaterally approve post-DOAG Completion Date expenditures because the former option ensures that the Grantee supports the ongoing program and expenditures thereunder and can be expected to cooperate in implementation (i.e., tax exemptions, visas, etc.).
- e) Missions must obtain clearance of their Resident Legal Officers (RLOs) and Controllers on extensions to DOAG Completion Dates and on any proposal to authorize continued expenditure of DOAG funds after the DOAG Completion Date. These matters are context-specific.
- f) Situations where a Mission unilaterally approves ongoing expenditure of DOAG funds after the DOAG Completion Date may raise significant policy and risk questions. This option may be appropriate where the ongoing expenditures are relatively small and time-limited.

B. Guidance where sub-obligating instruments are entered into after a DOAG Completion Date:

After the DOAG Completion Date: If a Mission intends to enter into new sub-obligating instruments using DOAG funds after a DOAG Completion Date, the Mission must obtain clearance of their Controller and RLO. In addition, the Mission must report its intention to CFO and GC. CFO and GC are available for consultation.

CFO Illustration DOAG Obligation Guidance:



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