

§ 203.3

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organized primarily for religious purposes; and

(4) Conducts, or anticipates conducting, overseas program activities that are consistent with the general purposes of the Foreign Assistance Act and/or Public Law 480.

§ 203.3 U.S. PVO conditions of registration.

There are eight Conditions of Registration for U.S. organizations. The first four Conditions relate to whether an organization meets the definition of a U.S. PVO, as set forth in § 203.2 (p), while the last four Conditions establish standards by which the U.S. PVO is evaluated. An applicant must be registered with USAID as a U.S. PVO if USAID finds that the applicant has satisfied all of the following Conditions:

(a) *Condition No. 1 (U.S. based)*. Is U.S. based in that it:

(1) Is organized under the laws of the United States; and

(2) Has its headquarters in the United States.

(b) *Condition No. 2 (Private)*. Is a non-governmental organization (NGO) and solicits and receives cash contributions from the U.S. general public.

(c) *Condition No. 3 (Voluntary)*. Is a charitable organization in that it:

(1) Is nonprofit and exempt from Federal income taxes under Section 501(C)(3) of the Internal Revenue Code; and

(2) Is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization established by a major political party in the United States, organization established, funded and audited by the U.S. Congress, organization engaged exclusively in research or scientific activities, church, synagogue, mosque or other similar entity organized primarily for religious purposes.

(d) *Condition No. 4 (Overseas Program Activities)*. Conducts, or anticipates conducting, overseas program activities that are consistent with the general purposes of the Foreign Assistance Act and/or Public Law 480.

(e) *Condition No. 5 (Board of Directors)*. Has a governing body:

(1) That meets at least annually;

(2) Whose members do not receive any form of income for serving on the board; and

(3) Whose majority is not composed of the PVO's officers or staff members.

(f) *Condition No. 6 (Financial Viability)*. That it:

(1) Accounts for its funds in accordance with generally accepted accounting principles (GAAP);

(2) Has a sound financial position;

(3) Provides its financial statements to the public upon request; and

(4) Has been incorporated for not less than 18 months.

(g) *Condition No. 7 (Program Activities vs. Supporting Services)*. That it:

(1) Expends and distributes its funds in accordance with the annual report of program activities;

(2) Does not expend more than 40 percent of total expenses on supporting services.

(3) In order to maintain its registration, conducts international program activities within the last three years. For example, if a U.S. PVO did not have any international activities for 2004, the current year, or 2003, but did have activities in 2002, then it would remain registered. However, if it did not have any international activities in 2005, USAID would remove it from the Registry in 2006 because for the previous three years (2003, 2004, 2005), it did not conduct any international activities.

(h) *Condition No. 8 (General Eligibility)*. It is not:

(1) Suspended or debarred by an agency of the U.S. Government;

(2) Designated as a foreign terrorist organization by the Secretary of State, pursuant to Section 219 of the Immigration and Nationality Act, as amended; or

(3) The subject of a decision by the Department of State to the effect that registration or a financial relationship between USAID and the organization is contrary to the national defense, national security, or foreign policy interests of the United States.

§ 203.4 U.S. PVO initial documentation requirements.

(a) So that USAID can determine whether an applicant meets the Conditions of Registration, an application

must be submitted in duplicate. The application instructions and forms packet are available at USAID Web site <http://www.usaid.gov> Keyword: PVO Registration. The completed application must include:

- (1) A cover letter with
 - (i) The reason for applying for registration; and
 - (ii) A description of current or intended overseas program activities;
 - (2) Articles of incorporation on state letterhead with state seal and authorizing state official's signature;
 - (3) Bylaws establishing the applicant's corporate structure;
 - (4) IRS Form 990 and a copy of an IRS letter of tax exemption;
 - (5) Audited financial statements for the most recent fiscal year prepared on an accrual basis in accordance with generally accepted accounting principles (GAAP) by an independent certified public accountant (CPA); an Office of Management and Budget (OMB) Circular A-133 audit, if applicable;
 - (6) Annual report or similar document that describes overall program activities for the same year as the audit, including a list of board members;
 - (7) AID Form 1550-2, PVO Annual Return; and
 - (8) AID Form 200-1, PVO Classification Form.
- (b) In addition, each applicant must submit such other information as USAID may reasonably require to determine whether the organization meets the Conditions of Registration.
- (c) USAID may revise this list of documents from time to time.
- (d) Other USAID officials may request information similar to that submitted under these regulations for other purposes; for example, to determine an organization's eligibility for a particular grant or cooperative agreement.
- (e) The completed application must be sent in duplicate to the USAID Registrar, Office of Private Voluntary Cooperation—American Schools & Hospitals Abroad, 1300 Pennsylvania Avenue, NW., Washington, DC 20523-7600.

§ 203.5 U.S. PVO annual documentation requirements.

(a) To maintain its registration, each registered PVO must submit documents and forms annually. The submission instructions and forms packet are available at USAID Web site www.usaid.gov Keyword: PVO Registration. The completed submission must include:

- (1) Audited financial statements for the most recent fiscal year prepared on an Accrual basis in accordance with GAAP by an independent CPA; an OMB Circular A-133 audit, if applicable; or unaudited financial statements if total Support and revenue is less than \$50,000.
 - (2) Annual report or similar document that describes overall program activities for the same year as the audit, including a list of board members;
 - (3) AID Form 1550-2, PVO Annual Return; and
 - (4) AID Form 200-1, PVO Classification Form.
- (b) PVOs also must submit any amendments, if applicable, to its articles of incorporation, or bylaws and any changes in the tax-exempt status.
- (c) Submission is due within six months after the close of the PVO's fiscal year if the PVO does not prepare an OMB Circular A-133 audit.
- (d) Submission is due within nine months after the close of the PVO's fiscal year if the PVO does prepare an OMB Circular A-133 audit.

(e) In addition, each registrant must submit such other information as USAID may reasonably require to determine that the organization continues to meet the Conditions of Registration.

(f) USAID may revise this list of documents from time to time.

(g) Other USAID officials may request information similar to that submitted under these regulations for other purposes; for example, to determine the PVO's eligibility for a particular grant or cooperative agreement.