

**THE U.S. DEPARTMENT OF STATE**  
**STANDARD TERMS AND CONDITIONS**  
**FOR**  
**OVERSEAS AWARDS**

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## **1. INTRODUCTION**

The recipient and any sub-recipient must, in addition to the assurances and certifications made as part of the award, comply with all applicable terms and conditions during the project period.

## **2. ORDER OF PRECEDENCE**

In the event of any inconsistency between provisions of the award, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable laws and statutes of the United States, including any specific legislative provisions mandated in the statutory authority for the award.
- Standard Terms and Conditions
- Bureau/Post Award Specific Terms and Conditions
- Other documents and attachments

## **3. CONTROLLING LANGUAGE**

It is the Department of State's policy that English is the official language of all award documents. If an award or any supporting documents are provided in both English and a foreign language, it must be stated in each version that the English language version is the controlling version.

## **4. DEPARTMENT OF STATE (DOS) RESPONSIBILITIES**

DOS has overall responsibility for DOS-funded awards, including providing oversight for technical, programmatic, financial and administrative performance.

- Agency Award Administrator - Grants Officer (GO)  
The GO is responsible for all action on behalf of the Department of State to enter into, change, or terminate an award. The GO is authorized by a warrant issued by the Procurement Executive in the Office of the Procurement Executive. In addition, the GO is responsible for administrative coordination and liaison with the recipient.

The GO is the only person authorized to approve changes in any of the requirements in the award. In the event the recipient effects any change at the direction of any person other than the GO, the change(s) will be considered to have been made without authority and no adjustment will be made in the amount of the award to cover any increase in costs incurred as a result thereof.

- Agency Program Contact - Grants Officer Representative (GOR)  
In accordance with DOS policy, the GO may designate technically qualified personnel to assist in the administration of grants. The GOR is responsible for the programmatic, technical, and/or scientific aspects of the award. Recipients should direct any correspondence related to programmatic and budgetary issues to the GOR.

## **5. GRANTS OFFICER'S REPRESENTATIVE ROLE AND RESPONSIBILITIES**

The Grants Officer Representative (GOR) is the person designated, in writing, by the Grants Officer to administer certain aspects of the assistance instrument post award. This authority is not re-delegable other than as specified in the Grants Officer's designation letter. The GOR is responsible for ensuring that the Department of State exercises prudent management and oversight of the award through liaison, monitoring, and evaluation of the recipient's performance.

The GOR does not have the authority to issue any technical direction to the recipient which:

- (1) modifies the general scope of the award;
- (2) modifies the budget, including line item allotment adjustments
- (3) changes or waives any of the expressed terms and conditions of the award
- (4) alters the key personnel delineated in the award
- (5) changes the period of performance of the award
- (6) interferes with the recipient's right to perform under the terms and conditions of the award
- (7) places the GOR as a supervisor of the recipient's employees

## **6. RECIPIENT RESPONSIBILITIES AND COMPLIANCE WITH FEDERAL REQUIREMENTS**

The recipient is responsible for notifying DOS of any significant problems relating to the administrative or financial aspects of the award.

The recipient has full responsibility for the management of the project or activity supported under the award and for adherence to the terms and conditions. Although the recipient is encouraged to seek the advice and opinion of the GO and/or the GOR on special problems that may arise, such advice does not diminish the recipient's responsibility for making prudent and sound administrative judgments under the circumstances prevailing at the time the decision was made and should not imply that the responsibility for operating decisions has shifted to DOS.

The recipient has responsibility for, and agrees to ensure that:

- Within thirty (30) days after the date of execution of the award, the recipient furnish names, titles, and brief biographical sketches (if these have not been previously furnished), including information on the education and experience of key personnel in charge of the award project and other key professional and supervisory personnel; i.e., the members of the professional staff in a program supervisory position engaged for or assigned to duties

under the award. The recipient also provides similar information concerning such new officer personnel as may subsequently be assigned by the recipient to duties in connection with the award. Any changes, prolonged absences, or significant adjustments of total time devoted to the award project of any listed personnel should be brought to the attention of the GO for prior approval.

- Terms and conditions flow down to all sub-recipients, and are appropriately addressed in the performing organization's sub-award instrument.
- All recipients shall comply with these terms and conditions unless otherwise specified in the award.
- All recipients shall comply with the applicable Federal requirements, terms and conditions, and prudent management of all expenditures and actions affecting the award. Documentation for each expenditure or action affecting the award must reflect appropriate organizational approvals that must be made in advance of the action.

Organizational approvals are intended to help ensure that expenditures are allowable, necessary, and reasonable for the conduct of the project, and that the proposed action:

- is consistent with the terms and conditions;
  - is consistent with DOS and recipient's written and established policies;
  - represents effective use of DOS resources; and
  - does not constitute a significant project change
- The principal investigator(s) or project director(s) receives a copy of the terms and conditions, including the award, bureau-specific requirements, and any subsequent changes in the terms and conditions.
  - The appropriate recipient officials are made aware of the terms and conditions made available by DOS in electronic form at <http://fa.statebuy.state.gov/> and may be duplicated, copied or otherwise reproduced as appropriate.
  - This provision does not alter the recipient's full responsibility for conduct of the project and compliance with all terms and conditions.

## **7. CONFIDENTIALITY OF INFORMATION**

(a) Confidential information, as used in this Provision, means: 1) information or data of a personal nature about an individual, or 2) information or data submitted by or pertaining to an institution or organization.

(b) In addition to the types of confidential information described in (a)(1) and (2) above, information which might require special consideration with regard to the timing of its disclosure may derive from

studies or research, during which public disclosure of preliminary invalidated findings could create erroneous conclusions which might threaten public health or safety if acted upon.

(c) The Grants Officer and the Recipient may, by mutual consent, identify elsewhere in this award specific information and/or categories of information which the Government will furnish to the Recipient or that the Recipient is expected to generate which is confidential. Similarly, the Grants Officer and the Recipient may, by mutual consent, identify such confidential information from time to time during the performance of the agreement.

(d) If it is established that information to be utilized under this award is subject to the Privacy Act, the Recipient will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, and implementing regulations and policies, with respect to systems of records determined to be subject to the Privacy Act.

(e) Confidential information, as defined in (a)(1) and (2) above, shall not be disclosed without the prior written consent of the individual, institution or organization (DOS).

(f) Written advance notice of at least 45 days will be provided to the Grants Officer of the Recipient's intent to release findings of studies or research, which have the possibility of adverse effects on the public or the Federal agency, as described in (b) above. If the Grants Officer does not pose any objections in writing within the 45-day period, the recipient may proceed with disclosure.

(g) Whenever the Recipient is uncertain with regard to the proper handling of material under the Cooperative Agreement, or if the material in question is subject to the Privacy Act or is confidential information subject to this Provision, the Recipient shall obtain a written determination from the Grants Officer prior to any release, disclosure, dissemination, or publication.

(h) Paragraph (e) of this Provision shall not apply when the information is subject to conflicting or overlapping provisions in other Federal, State, or local laws.

## **8. PERIOD OF AVAILABILITY OF FUNDS**

The project period under the award is indicated on the award cover sheet. The recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period under an approved budget by the Grants Officer.

Closeout activities can incur, only, for a period up to 90 days following the expiration date; however, funds **are not** permitted after expiration date of an award. Recipient closeout activities are limited to the preparation of final reports.

## **9. PRE-AWARD COSTS**

The GO is authorized, at their option, to waive required pre-award written prior approvals. This waiver may include the following, authorizing recipients to:

- Incur pre-award costs 90 calendar days prior to award. GO approval is required for pre-award costs that exceed the 90 calendar days. All pre-award costs are incurred at the risk of the recipient (i.e., the Department is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).
- Pre-award costs must be necessary for the effective and economical conduct of the project period and the costs must be otherwise allowable in accordance with prior approval requirements.

## **10. PRIOR APPROVAL REQUIREMENTS**

The recipient must submit all requests, in writing to the GOR, before the project period end date indicated on form DS-1909. Final approval is subject to review and acceptance by the GO.

Unless otherwise specified in the award, provisions of the applicable Federal cost principles and other Federal administrative requirements for prior approval apply only to the activities and expenditures specified in the award.

- Written prior approval, by way of amendment, from the Department of State's GO is required for:
  - Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
  - Change in a key personnel specified in the application or award document.
  - The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
  - The need for additional Federal funding.
  - The transfer of amounts budgeted for indirect costs to absorb increases in direct costs.
  - Extension of the period of performance.
  - The transfer of funds among direct cost categories or programs, functions and activities for awards in which the Federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget.
  - Unless described in the application and funded in the approved award, the sub-award, transfer or contracting out of any work under an award.

- The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

## **11. UNALLOWABLE COSTS**

“Unallowable costs” means general or centralized expenses of a recipient that receives Department of State funds that are not allowable administrative costs to be financed by the Department of State award.

- a) Alcoholic Beverages. Costs of alcoholic beverages.
- b) Bad Debt. Bad debts, including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal costs.
- c) Contingencies. Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable. The term "contingency reserve" excludes self-insurance reserves; pension funds; and reserves for normal severance pay.
- d) Contributions (to other entities). Contributions and donations by the recipient to others.
- e) Entertainment. Costs of amusement, diversion, social activities, ceremonials, and costs relating thereto, such as meals, lodging, rentals, transportation, and gratuities
- f) Goods or services for personal use. Costs of goods or services for personal use of the recipient's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.
- g) Organization costs. Expenditures, such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the recipient, in connection with establishment or reorganization, are unallowable except with prior approval of the awarding agency.

## **12. INDIRECT COSTS**

Indirect costs will not be allowable charges against this Grant unless specifically included as a line item in the approved budget for this award.

Indirect cost recovery for any actual indirect costs incurred by the recipient which are greater than the indirect cost line item in the approved award budget is limited up to the award amount.

### **13. PAYMENTS UNDER THE AWARD**

- a) Advance Payments. The recipient may receive advance payments of Award funds, provided the recipient meets the financial management standards, as applicable.
- b) Immediate Cash Flow Needs. The amount of advance payments requested by the recipient must be based on actual and immediate cash needs in order to minimize Federal cash on hand.
- c) Invoices. Invoices for advances shall be prepared on SF-270, "Request for Advance or Reimbursement." The SF-270 shall be numbered consecutively and identified for the period for which payment is claimed.
- d) Discontinuing Advance Payments. If a recipient does not establish procedures to minimize the time elapsing between the receipt of the cash advance and its disbursement, the Department of State may, after providing due notice to the recipient, discontinue the advance payment method and allow payments in advance only by individual request and approval or by reimbursement.

### **14. REPORTING REQUIREMENTS**

Each recipient must submit progress and financial status reports by the due dates and/or frequency required in the award. Requests for extensions of reporting deadlines may be granted by the Grants Officer when the report(s) cannot be furnished in a timely manner for reasons legitimately beyond the control of the recipient.

**FAILURE TO COMPLY WITH THE REPORTING REQUIREMENTS MAY JEOPARDIZE ELIGIBILITY FOR FUTURE AWARDS OR WILL RESULT IN SUSPENSION OF ANY FUTURE PAYMENTS UNDER THIS AWARD UNTIL SUCH TIME AS THIS DEFICIENCY HAS BEEN CORRECTED.**

#### Report Formats:

Financial Status Reports must be submitted via the Standard Form (SF) 269. Performance Progress Reports must be submitted in a format either specified in the award or by the Grants Officer.

#### Final Reports:

The recipient must submit a final Financial Status Report and a final Performance Progress Report within 90 calendar days of the end of the period of performance delineated in the award.

#### Sub-recipient Reporting Requirements

The Department of State requires each recipient to set its own sub-recipient reporting requirements. Recipients are responsible for monitoring sub-recipient activities and training needs, tracking progress

toward objectives, and identifying challenges. Sub-recipients must adhere to the reporting requirements outlined and communicated by its recipient for the program year.

## **15. FLY AMERICA ACT RESTRICTIONS**

(a) Public Law 93-623 requires that all Federal agencies and Government contractors, subcontractors and grantees will use U.S. Flag Air Carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available. It further provides that the Comptroller General of the United States shall disallow any expenditure from appropriate funds for international air transportation on other than a U.S. Flag Air Carrier in the absence of satisfactory proof of the necessity therefore.

(b) The recipient agrees to utilize U.S. Flag Air Carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available.

(c) In the event that the recipient selects a carrier other than U.S. Flag Air Carrier for international air transportation, a certification will be prepared to document such transportation essentially as follows:

### **CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS**

I hereby certify that transportation service for personnel (and their personal effects) or property by certification air carrier was unavailable for the following reasons: (state reasons).

(d) The terms used in this clause have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. Flag Air Carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board, approved by the President. authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(e) The recipient shall include the substance of this clause, including this paragraph (e), in each sub-award or purchase hereunder which may involve international air transportation.

## **16. TERRORISM**

### **Blocking Property and Prohibiting Transactions Who Commit, Threaten To Commit, or Support Terrorism, Executive Order 13224**

Executive Order 13224 designated 27 individuals and entities that commit or pose a significant risk of committing terrorist acts and authorized the Secretary of State to designate additional individuals and entities.

The Order also authorized the Secretary of the Treasury to designate additional individuals and entities that provide support or services to, are owned or controlled by, act for or on behalf of, or are “otherwise associated with,” an individual or entity who has been designated in or under the order. All property and interests in property of the individual or entity in the United States or in the possession or control of United States persons are blocked. The order prohibits all transactions and dealings in blocked property or interests in the United States or by United States persons, and also prohibits transactions with, and provision of support for, individuals or entities listed in or subject to the Order.

The recipients should be aware of Executive Order 13224 and the names of the individuals and entities designated thereunder. A list of these names can be found at the web site of the Excluded Parties List System (EPLS). The web site is: <http://www.epls.gov>

The recipients are reminded that U.S. Executive Order and U.S. laws prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient/contractor to ensure compliance with these Executive Orders and laws.

## **17. RELIGIOUS PERSECUTION**

With regard to religious persecution in particular, the recipient must ensure that its personnel take into account in their work the considerations reflected in the International Religious Freedom Act concerning country-specific conditions, the right to freedom of religion, methods of religious persecution practiced in foreign countries, and applicable distinctions within a country between the nature of and treatment of various religious practices and believers.

## **18. COPYRIGHTS**

Except as otherwise provided in this award, the author(s) or recipient(s) are free to copyright any books, publications or other copyrightable materials developed in the course of or under this award. However, the United States Government reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, translate or otherwise use, and to authorize others to use, for Federal Government

purposes, any rights of copyright to which a recipient, sub-recipient, or contractor purchases ownership with assistance support.

## **19. PUBLICATION FOR PROFESSIONAL AUDIENCES**

Any publications or articles resulting from the award must acknowledge the support of the Department of State and will include a disclaimer of official endorsement as follows: “This [article] was funded [in part] by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the author[s] and do not necessarily reflect those of the United States Department of State”. The recipient must ensure that this disclaimer be included on all brochures, flyers, posters, billboards, or other graphic artwork that are produced under the terms of the award.

### Seal/Logo

The Department of State’s seal may not be used by recipients without the express written permission of the United States Department of State.

## **20. PROHIBITION AGAINST ASSIGNMENT**

Notwithstanding any other provision of this award, the recipient shall not transfer, pledge, mortgage, or otherwise assign this award, or any interest therein, or any claim arising thereunder, to any party or parties, bank trust companies, or other financing or financial institutions.

## **21. OFFICIALS NOT TO BENEFIT**

No member of or delegate to Congress or resident Federal Commissioner shall be admitted to any share or part of this award or any benefit that may arise there from; but this provision shall not be construed to extend to this award if made to a corp., education, or non-profit institution for its general benefit.

## **22. NOTIFICATION OF AWARD FOR SIMILAR PROGRAM**

The recipient shall immediately provide written notification to the Grants Officer's Representative and the Grants Officer in the event that, subsequent to this award, other Federal financial assistance is received relative to the project description within this award.

## **23. LIABILITY**

The recipient shall hold and save the Government, its officers, agents and employees. harmless from all liability of any nature or kind, including costs and expenses, for or on account of any or all suits for damage sustained by any person or persons or property by virtue of performance of this award.

## **24. PROTOCOL AND DECORUM**

During the term of this award, the recipient will be associated with the Government in such a manner that the recipient's actions will reflect upon the Government and the United States. Therefore, the recipient will be responsible to the U.S. Public Affairs Counselor in charge regarding protocol and decorum at all times.

## **25. LOBBYING RESTRICTION**

The recipient agrees that none of the funds provided by this agreement shall be used by the recipient for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any recipient to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such recipient does not use funds provided under this award in exercising such right.

## **26. CONTROLLED SUBSTANCES**

By acceptance of this award and any assistance (payment) hereunder, the recipient certifies that the recipient will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance during performance of the award.

## **27. SITE VISITS**

Recipients are responsible for managing and monitoring each project, program, sub-award, function or activity supported by the award. Recipients must monitor sub-awards to ensure that sub-recipients have met the audit requirements as delineated in award.

DOS reserves the right to make site visits to review and evaluate recipient records, accomplishments, organizational procedures, and financial control systems; to conduct interviews; and to provide technical assistance as necessary. Site visits will be made in the least disruptive manner possible.

## **28. PROPERTY**

The Department of State reserves the right to require transfer of non-expendable personal property acquired with assistance funds having a current, fair market value of \$5,000 or more after the period of performance of the award. Property specifically identified in the award where title is transferred to the recipient without further obligation to the United States Government (USG) is exempt from this provision.

Upon completion of the award, the recipient shall submit in writing within 30 working days a property disposition request. The disposition request shall list all non-expendable personal property with a fair market value of \$5,000 or more acquired during the award performance, all government furnished property regardless of value, and supplies with an aggregate value of \$5,000 or more. Property specifically identified in the award where title is transferred to the recipient without further obligation to the USG is exempt from this provision.

The list of property in the property disposition request shall, at a minimum, include: a description of the property; manufacturer's serial number, model number, or other identification number; and location, use and condition of the property. The Grants Officer will issue the recipient disposition instructions to the recipient, in writing, within 120 calendar days of the disposition request.

## **29. EXAMINATION OF RECORDS**

The recipient agrees that the U.S. Government or any of its duly authorized representatives shall, until after three years after the termination of this agreement, or from the completion of the project or the term of the agreement, whichever is later, have access to and the right to examine any directly pertinent books, documents, papers and records of the recipient involving transactions related to this award.

## **30. RETENTION OF RECORDS**

The recipients must maintain financial records, supporting documents, statistical records, and all other records pertinent to an award for a period of three years from the date of submission of the final expenditure report. For awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report as authorized by the DOS. The only exceptions are the following:

- If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken;
- Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition;
- When records are transferred to or maintained by DOS, the three-year retention requirement is not applicable to the recipient;
- Indirect cost rate proposals and/or cost allocations plans

## **31. SUSPENSION AND DEBARMENT**

(a) This award is subject to Executive Order 12549, Debarment and Suspension. A person who is debarred or suspended shall be excluded from Federal financial and non-financial assistance and benefits under Federal programs and activities except to the extent prohibited by law or authorized in writing by the Department. The recipients should be aware of Executive Order 13224 and the names of the individuals and entities designated thereunder. A list of these

names can be found at the web-site of the Excluded Parties List System (EPLS). The web site is: <http://www.epls.gov>

(b) The recipient shall provide immediate notification to the Grants Officer if at any time the recipient learns that its certification, "Certifications Regarding Debarment, Suspension and Other Responsibility Matters; Drug-Free Workplace Requirement and Lobbying," was erroneous when submitted or has become erroneous by reason of changed circumstances. Sub-recipients in lower tier transactions shall provide the same updated notice to the recipient.

(c) Unless the Department authorizes in writing an exception, the recipient of this award shall not knowingly do business under a covered transaction with a person who is debarred or suspended, or with a person who is ineligible for or voluntarily excluded from that covered transaction. The recipient shall not renew or extend covered transactions (other than no-cost time extensions) with any person who is debarred, suspended, ineligible, or voluntarily excluded. Violation of this restriction may result in disallowance of costs, annulment or termination of award, issuance of a stop work order, debarment or suspension, or other remedies, as appropriate.

(d) The recipient shall require each applicant/bidder for a lower tier covered transaction (except subcontracts for goods or services under the \$25,000 small purchase threshold unless the subtier recipient will have a critical influence on or substantive control over) at any tier under this award to file a "Certifications Regarding Debarment, Suspension, and Other Responsibility Matters; Drug-Free Workplace Requirement and Lobbying, without modification, for it and its principals in any proposal/solicitation submitted in connection with the lower tier covered transaction. Certifications shall be retained by the recipient.

## **32. SUSPENSION OR TERMINATION**

### By Mutual Agreement

22 CFR 145 sets forth termination procedures.

The recipients may terminate their performance of a project in whole or in part. When both parties agree that continuation of the project would not produce results commensurate with further expenditure of funds or for any other reason, the award may be terminated by mutual consent.

The recipients may terminate the project after the authorized representative advises the GO in writing; and concurrently sends a copy to the GOR.

When DOS wishes terminate a project, the GO will issue, in writing, a termination notice to the recipient's authorized representative with a copy to the project manager and the GOR.

Within 30 days after receipt of a request by either party for termination by mutual agreement, the other party will provide an appropriate written response.

The two parties must agree upon the termination conditions, including the effective date, and, in the case of partial termination, the portion to be terminated. The recipient must not incur new obligations for the terminated portion after the effective date and must cancel as many outstanding obligations as

possible. DOS will allow full credit to the recipients for the Federal Share of the obligations that cannot be cancelled properly incurred by the recipients prior to termination.

#### For Cause

DOS reserves the right to terminate the award in whole or in part at any time before the project period end date, whenever it is determined that the recipients have failed to comply with the conditions of the award.

DOS must promptly notify the recipients in writing of the determination and reasons for the termination, together with the effective date. Payments made to recipients or recoveries by DOS awards terminated for cause must be in accordance with the legal rights and liabilities of the parties.

### **33. TRAFFICKING IN VICTIMS PROTECTION ACT OF 2000 (as amended by the Trafficking Victims Protection Reauthorization Act of 2003)**

Trafficking Victims Protection Act of 2000, as amended (TVPA), Section 106(g) of the TVPA, as amended, directs on a government-wide basis that:

“any grant, contract, or cooperative agreement provided or entered into by a Federal department or agency under which funds are to be provided to a private entity, in whole or in part, shall include a condition that authorizes the department or agency to terminate the grant, contract, or cooperative agreement, without penalty, if the grantee or any sub recipient, or the contractor or any subcontractor (i) engages in severe forms of trafficking in persons or has procured a commercial sex act during the period of time that the grant, contract, or cooperative agreement is in effect, or (ii) uses forced labor in the performance of the grant, contract, or cooperative agreement.” (22 U.S.C. § 7104(g))