



USAID
FROM THE AMERICAN PEOPLE

An Implementing Partner's Guide to **ASSISTANCE AWARD AMENDMENTS**

USAID often must revise assistance instruments during the period of performance. When this occurs, the AO must prepare and issue a formal amendment to the grant or cooperative agreement. USAID policy requires that revisions to assistance instruments be in writing to a recipient and issued by the AO. This is the case whether or not the rights of the parties are affected. Amendments to grants or cooperative agreements may happen at any time during performance.

Amendments are sometimes the result of unexpected events that occur during the period of performance of the grant or cooperative agreement. These events necessitate some kind of change to the agreement terms and conditions to keep the objectives of the agreement aligned with USAID Development Objectives (DOs). This type of amendment is made on a case-by-case basis. In contrast, some amendments are routine and can result from events occurring exactly as anticipated, such as an incremental funding amendment.

What authority is required for amending an assistance instrument?

When two parties engage in a business relationship that is captured by a legal instrument such as a grant or cooperative agreement, they may decide to alter some aspects of their relationship by amending the award document. The Foreign Assistance Act authorizes USAID to use assistance instruments and grants authority to the AO to issue amendments to those assistance instruments.

Who may amend a grant or cooperative agreement?

Only a warranted AO may act on behalf of the government by signing an amendment to an assistance instrument. This is a particularly important issue to understand because AORs have certain authority under an assistance instrument that a recipient must recognize and heed; i.e., monitor and assess performance and in some cases, may provide analysis or interpretations of programmatic requirements or expected results. However, AORs are not authorized to modify the terms, conditions, or expected results of an assistance instrument and can not sign an amendment.

Are there different types of amendments? And for what reasons are assistance awards amended?

Generally, yes, there are different types of amendments. Amendments to legal instruments such as grants or cooperative agreements may either be unilateral or bilateral. As the two different terms indicate, a unilateral (one-sided) amendment is one that only the AO signs; while a bilateral (two-sided) amendment is one that both the AO and an authorized official on behalf of the recipient sign. Typically, a USAID AO will unilaterally sign an amendment to an assistance award if its purpose is to add incremental funds or to correct a typographical error. When an award needs to be extended, its program description revised, or a term and condition changed (such as revised, incorporated policy or regulation), the AO will amend the award bilaterally, signing and seeking the agreement and signature of the recipient.

USAID officials also often refer to amendments as “funded” or “no cost,” especially for amendments that will extend the period of performance of a grant or cooperative agreement. A “funded” amendment refers to a situation where the AO will extend the period of performance of an assistance award and the extension will require additional funding. A “no cost” amendment refers to when the AO will extend the period of performance of an award but no additional funds are needed (ie there is sufficient funding in the pipeline). The AOR plays a role in such amendment requests from the recipient in that he/she will advise the AO as to the need (or not) of the extension and will review any revised budgets or pipeline analyses at the request of the AO.

AOs will also amend grants and cooperative agreements for the following additional circumstances:

- Changes to the program description;
- Changes to milestones under a Fixed Amount Award (FAA) if the original milestones are not longer feasible or appropriate (due to circumstances outside the control of the grantee); and
- Changes to the terms and conditions of the award, for example if the amount of cost share needs to be increased or decreased.

When are amendments to assistance instruments effective?

In general, award amendments are effective upon signature of the AO, unless otherwise stated in the amendment document. USAID AOs will normally issue modifications to assistance instruments with the USAID “Modification of Assistance” form, which is generated by the Global Acquisition and Assistance System (GLAAS).

Can Associate Awards under Leader with Associate (LWA) instruments be amended?

Amendments to associate awards may be restricted to the recipient of the Associate Award, only if the amendment does not extend beyond the scope of the program area, project goal, project purpose, sub-purposes, outputs and overall results framework; period of performance; total amount; and other terms and conditions of the Leader Award. If the amendment to the Associate Award extends beyond the areas listed in the preceding sentence then the amendment must comply with the requirements found in ADS 303.3.6.5.

It is ultimately the responsibility of the AO to ensure that the above conditions are met; however, he/she will look to the AOR for advice and input regarding these conditions.

Unilateral Amendments

vs.

Bilateral Amendments

Incremental funding actions.

Administrative changes, such as correcting an inadvertent error in the text of the award or simple typographical error.

Extension to the period of performance – funded (“cost”) or unfunded (“no-cost”).

Changes to the program description, including targets, benchmarks, or expected results.

Changes to the milestones in a FAA.

Changes to the terms and conditions of the award, including updates to standard provisions and/or incorporated regulations; or an increase/decrease in amount of cost share.

Developed by USAID/India’s Regional Financial Management Office and Regional Office of Acquisition and Assistance and the Central and South Asia Acquisition and Assistance Lab in support of Local Capacity Building.