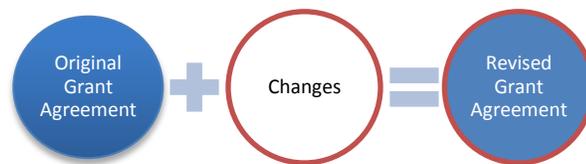


# Amendments

## Objectives

- Partners will have a clear understanding of when amendments should be considered
- Partners will better understand the process for Grantees to request amendments
- Grantees will receive better guidance on what problems can be solved with amendments



## Course Content

### 1. When Should an Amendment Be Considered?

A grant amendment is a substantive change to any part of the grant agreement documents. Amendments can be useful grant problem solving tools when certain problems arise, such as:

#### A. Budget issues

1. Grant purchases need to change and the budget doesn't have line items for the revised needs
2. Market prices or exchange rate increases make it difficult for the grantee to procure items with their current budget

#### B. Implementation issues

1. The grantee is significantly behind on the work plan
2. Circumstances change and Appendix A outputs, activities or other indicators need to be updated
3. Cash flow projections were not accurate and the CRG schedule needs to be changed

### 2. What Types of Amendments Are There?

A grant amendment is a mutual agreement between the grantee and the Foundation that can alter the amount of the grant, change the provisions/requirements in the agreement, change the grant activities, add or change a line item or category in the grant budget, or extend the life of the grant.

#### A. There are three types of amendments:

- (1) **Budget**- adds funds to the grant, changes or adds line items or categories
- (2) **Language**- changes the Appendix A targets, activities, CRG schedule, or other language in the grant documents
- (3) **Time**- changes the expiration date of the grant

- #### B.
- It is important to stress that an amendment does not reflect poorly on the grantee or Foundation. It simply provides for flexibility in dealing with the realities of project implementation.

### 3. Amendment Limitations

#### A. Budget:

1. Budgets cannot be amended to exceed USD 250,000
  - (a) USD budgets are calculated as the amount disbursed in USD on the day of disbursement plus the current USD value of the undisbursed local currency budget
  - (b) This limit is in ADF's founding legislation and is not flexible
2. Budget line items cannot be removed

#### B. Language:

1. Amendments must not conflict with rules of the grant type, such as working capital limits for EDIs.
2. Grantees cannot request amendments to the grant terms and conditions.

#### C. Time:

1. Expiration dates may be moved forward or extended.

# Amendments

---

2. Grants cannot be extended more than 2 years beyond their original expiration date.
3. Grant funds are available for disbursement for 5 years after the start of the grant. Extending the grant does not automatically extend the period for which disbursements are allowed.

## 4. How To Decide What Amendment is Needed

### A. Identify and Solve the Problem

1. Use the problem solving approach suggested in the site visit course as a guide to determine the problem and solution that the grantee wants to implement

*For more information see: Site Visit course* 

### B. Review Grant Documents

1. Look closely at the grant documents to determine what, if any, changes need to be made for the grantee to implement the solution and stay in compliance with the grant terms

### C. Ask for Help

1. If you are still unsure if an amendment is needed or what type, ask ADF Staff

## 5. How to Request an Amendment

- A. The grantee submits a letter or memo with the amendment request and a justification to the partner

(1) For **Budget** Amendments also include:

- (a) A table showing the original budget, the changes being requested, and the revised new budget

(2) For **Language** Amendments also include:

- (a) For Appendix A changes: the revised language or targets being requested
- (b) For CRG changes: a revised repayment chart
- (c) For other changes: a description of the changes needed

(3) For **Time** Amendments also include:

- (a) In the memo state the original end date of the grant, the revised grant expiration date, the period of extension, and justify how activities not completed during the normal grant period will be able to be completed in the extension period.

- B. The partner reviews the request and submits the grantee request to ADFW along with a review memo concurring with the request. The review memo should provide any additional background information necessary to make an informed decision on whether to approve the amendment. In making a recommendation, the Partner should consider the following:

1. Will the grantee be able to complete the project if the amendment is approved?
2. Is the amendment consistent with the Grantee progress to date and does it make programmatic sense?

- C. The RPD will review the submission and approve, reject, or suggest modifications to the request.
- D. Once approved, the RPD/PA will work with the ADF legal department to draft the amendment and send it to the partner to obtain the grantee signature.
- E. The grantee must sign and return the amendment.

## 6. Advice From the Experts

- Amendments often take weeks to review, refine, and draft the official changes so let grantees know and plan accordingly.
- Amendments can only be done while the grant is still active. (Any changes to the CRG after the end of the grant are done with a memo to file rather than an amendment.)
- Amendments have to comply with all grant development policies, so it is often a good

# Amendments

---

- idea to discuss any proposed amendments with ADFW before decided on a final solution.
- Submit time amendments AT LEAST 45 days prior to the end of the grant.
- In rare cases, a time amendment is used to shorten the grant period. In those cases, the memo should state why the full grant period was not needed.

## Handouts

Amendment Scenarios

Sample Budget Amendment Chart