

**§ 151.31 Procedures: Grant agreement.**

(a) An offer by the Administrator, and acceptance by the sponsor, as set forth in §151.29, constitute a grant agreement between the sponsor and the United States. Except as provided in §151.41(c)(3), the United States does not pay, and is not obligated to pay, any part of the project costs that have been or may be incurred, before the grant agreement is executed.

(b) The Administrator and the sponsor may agree to a change in a grant agreement if—

(1) The change does not increase the maximum obligation of the United States under the grant agreement by more than 10 percent;

(2) The change provides only for airport development that meets the requirements of subparts B and C; and

(3) The change does not prejudice the interests of the United States.

(c) When a change is agreed to, the Administrator issues a supplemental agreement incorporating the change. The sponsor must accept the supplemental agreement in the manner provided in §151.29(c).

[Doc. No. 1329, 27 FR 12351, Dec. 13, 1962, as amended by Amdt. 151-8, 30 FR 8040, June 23, 1965]

**§ 151.33 Cosponsorship and agency.**

(a) Any two or more public agencies that desire to participate either in accomplishing development under a project or in maintaining or operating the airport, may cosponsor it if they meet the requirements of subparts B and C, including—

(1) The eligibility requirements of §151.37; and

(2) The submission of a single project application, executed by each sponsor, clearly stating the certifications, representations, warranties, and obligations made or assumed by each, or a separate application by each that does not meet all the requirements of subparts B and C if in the Administrator's opinion, the applications collectively meet the requirements of subparts B and C as applied to a project with a single sponsor.

(b) A public agency that desires to participate in a project only by contributing funds to a sponsor need not

become a sponsor or an agent of the sponsor, as provided in this section. However, any funds that it contributes are considered as funds of the sponsor for the purposes of the Federal Airport Act and this part.

(c) If the sponsors of a joint project are not each willing to assume, jointly and severally, the obligations that subparts B and C requires a sponsor to assume, they must send a true copy of an agreement between them, satisfactory to the Administrator, to be incorporated into the grant agreement. Each agreement must state—

(1) The responsibilities of each sponsor to the others with respect to accomplishing the proposed development and operating and maintaining the airport;

(2) The obligations that each will assume to the United States; and

(3) The name of the sponsor or sponsors who will accept, receipt for, and disburse grant payments.

If an offer is made to the sponsors of a joint project, as provided in §151.29, it contains a specific condition that it is made in accordance with the agreement between the sponsors (and the agreement is incorporated therein by reference) and that, by accepting the offer, each sponsor assumes only its respective obligations as set forth in the agreement.

(d) A public agency may, if it is authorized by local law, act as agent of the public agency that is to own and operate the airport, with or without participating financially and without becoming a sponsor. The terms and conditions of the agency and the agent's authority to act for the sponsor must be set forth in an agency agreement that is satisfactory to the Administrator. The sponsor must submit a true copy of the agreement with the project application. Such an agent may accept, on behalf of the sponsor, an offer made under §151.29, only if that acceptance has been specifically and legally authorized by the sponsor's governing body and the authority is specifically set forth in the agency agreement.

(e) When the cosponsors of an airport are not located in the same area, they must submit a joint request to the