BUDGET REVISIONS

Purpose
The following Process is established to provide information to the research community as it regards rebudgeting previously identified and/or approved costs for a sponsored project account. The Process ensures the consistent application of required and/or best practices in order to prevent disallowance of costs.

Specific Application
Budgets on sponsored project accounts, whether research, instruction or public service, are reviewed by the sponsors as part of the proposal process and reflect the fiscal expression of the technical aspects of the project. In this regard, budgets, both in their totality and their categorical specificity, are the investigator’s initial estimate of what is proposed as objectives and the associated costs.

While budgets have variation, depending on the objectives and methodologies to be used, they also have common themes, i.e., inclusion of salary, wages, employee benefits, travel, subrecipients, etc. How sponsors, particularly the Federal government, regard budget revisions is often a matter of the type of award and programmatic requirements. The following are common examples covering many federal awards.

- Grants and Cooperative Agreements:
  - Nine federal agencies have waived the requirements of prior approval before rebudgeting between budget categories unless it represents a change in scope. The ten agencies are NSF; ONR; USDA; AFOSR; ARO; AMRMC; NASA; EPA and DHS.
  - NIH requires prior approval for rebudgeting between categories on grants and cooperative agreements when it would represent a change of scope, i.e., when expenditures in a single direct cost budget category deviate (increase or decrease) from the categorical commitment level established for the budget period by 25% or more of the total costs awarded.
  - DOE requires prior approval for rebudgeting for all non-profits (non-university)

- Contracts almost always require prior approval for rebudgeting because they are reviewed and approved by the agency’s procurement process. Typically (but not always), sponsor approval must be obtained for any variation in budget costs that exceed 10% and many federal agencies allow 0 variance without prior approval.

PI RESPONSIBILITY
For grants and cooperative agreements, using the federal agencies listed in the SHARRPI as a guide, prior approval is not needed unless the rebudgeted funds represent a change in scope or it involves a non-profit (non-university) entity. If in doubt, the PI should always contact the OSP Account Analyst. For rebudgeting of funds on a contract, it’s likely that prior approval will be needed, but the OSP...
Account Analyst should be contacted for counsel. All requests should be made in writing via an email and forwarded to the Account Analyst.

**OSP ACCOUNT ANALYST RESPONSIBILITY**

The Analyst will assess any requests from PIs and forward allowable requests to the appropriate official named in the award. Upon receiving acknowledgement that the change has been approved, an administrative modification will be prepared and processed with a copy being sent to the PI. Additionally, a budget revision in KFS should be processed by the Analyst.