REBUDGETING FUNDS ON GRANTS AND CONTRACTS

This procedure gives the general guidelines for rebudgeting funds on grants and contracts. Each award document and the corresponding sponsor guidelines should be reviewed carefully for specific sponsor restrictions and regulations.

Rebudgeting
In most circumstances awarding of the project constitutes approval of the expenditures in the proposed budget. However, since it may be in the best interest of the project to depart from the approved budget to meet an unforeseen requirement of the project, some sponsors permit awardee institutions to depart from the approved budget as long as the project funds are used in compliance with their policies and regulations. Rebudgeting may also be restricted by conditions imposed by the individual award.

Deviations from the approved budget must:
- enhance the project and
- must conform with the rebudgeting guidelines of the funding sponsor.

Prior Approval
Each agency varies in the degree of rebudgeting authority granted to institutions. This is specified in the award document. If any clarification on rebudgeting is needed, contact the appropriate pre-award office or the Office of Research and Sponsored Programs.

Most awards require prior written approval by the sponsor for the following purposes:
- Any purpose disapproved or restricted as a condition of the award.
- Change in scope, objectives, or purposes of the approved project.
- Change in key personnel whose expertise is critical to the approved project.
- Decrease in the total amount budgeted for training costs.
- Any rebudgeting of funds out of patient care costs; also, any addition of patient care costs if no patient care costs were in the approved budget.

Computation
When rebudgeting funds, one must consider the impact on Facilities and Administrative (F&A) costs. F&A costs are applied to all direct costs except equipment, student aid, patient care, interest, certain telephone expenses, subcontract amounts over $25,000, and non-salary cost sharing.

PROCEDURE FOR REQUESTING SPONSOR APPROVAL
If the rebudgeting desired requires the approval of the sponsor ORSP must submit a letter to the sponsor requesting approval of the rebudgeting. The letter must specify:
- the nature of the change (the budget categories to be increased and decreased)
- justification for the change
- the grant/contract identification number or agency identification
- the beginning and ending dates of the budget period(s) affected

PROCEDURE FOR UNIVERSITY APPROVAL
If the type of rebudgeting desired does not require the prior approval of the sponsor, the University is authorized to approve or disapprove the rebudgeting. Complete the form Request for Rebudgeting of Grant Funds.