Re-Budgeting Sponsored Projects Process

The budget plan is the financial expression of the project or program as approved during the award process. After a grant or contract has been awarded, the PI may determine that the approved budget allocations are not consistent with actual project needs. The PI may request the formal reallocation of funds from one spending category to another spending category that better reflects the project requirements. This process is called Re-budgeting or a Budget Revision.

Many Sponsors allow re-budgeting without prior approval while others require approval when moving funds from one category to another, specifically if the re-budget exceeds a specified percentage of the award amount, or if the re-budget includes a restricted category.

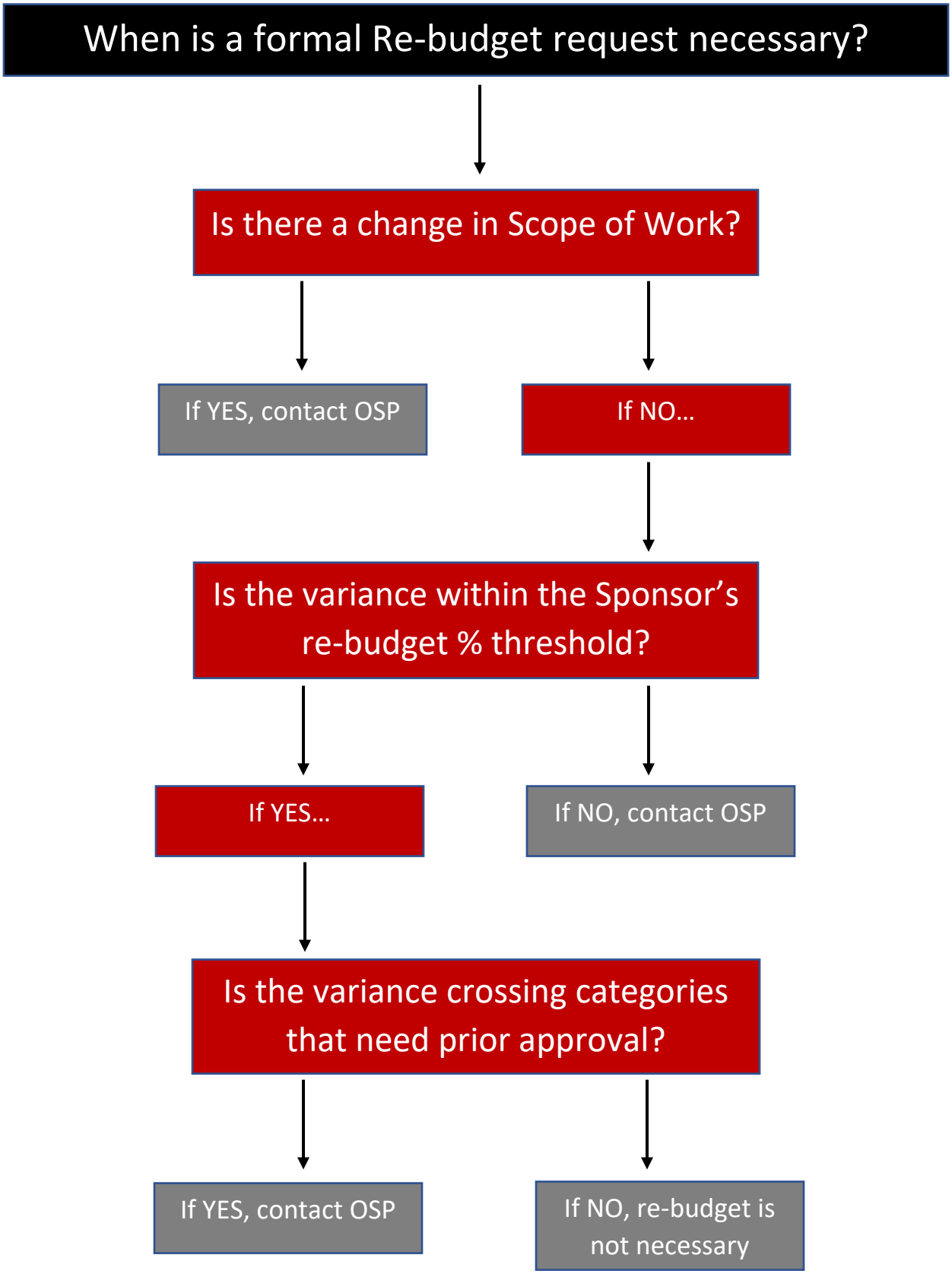
- Grants Accounting (GA) should be contacted *first* for questions on requirements for re-budgets – not the Sponsor, Program Officer (PO), or the Grants Coordinators (GC).
- Sponsors mandate that all requests are signed by the Authorized Institutional Signor (AIO). Tiffani Hix, Director for Research and Creative Activity is the current UNO AIO. **The PI is not an AIO.**
- To provide adequate and timely review of award and financial documents for re-budgets, all requests need to be emailed.

Procedure:
To determine if the Sponsor allows re-budgeting and whether prior approval is required:

- Complete the **Re-Budget Request Form** to UNO Grants Accounting (GA), providing the following project information:
  - WBS number and MavGrants Form number
  - Amount and budget categories to be re-budgeted
  - Budget years affected
    (i.e., one budget period change or for all remaining budget periods)
  - Justification for re-budget
    - This clearly identifies why funds are not needed in the category being reduced and why they are needed in the category being increased. The justification should include an overall statement as to how this revision will benefit or address the needs of the project.
  - GA will review the request using the following criteria:
    - Does the PI specify a change in scope of work?
    - Is the variance within the Sponsor-mandated % threshold?
    - Will the revision cross restricted categories that require approval?
      - This is dependent upon the Sponsor's Terms & Conditions.

- If Sponsor approval is **not** required:
    - GA will respond to the request informing the PI that a formal re-budget request is not required, and the PI can proceed with the reallocation, purchase, or hire.
    - No further action is required for the PI.
    - Re-budgets not requiring Sponsor approval will **not** be reflected in SAP or monthly reports.
        - No internal budget adjustments will be made, but GA will note the file of intent to deviate from the original proposed budget. The budget in SAP *must* match the Sponsor approved budget at all times so that we are all operating from the same budget.

- If Sponsor approval **is** required:
    - GA will notify the GC on the MavGrants Form of the re-budget request, providing the initial request from the PI and the current SAP budget with expended categories. The GC will reach out to the PI requesting any additional information or to review the official request before submission.
    - GC will update the budget template and create the required document and will send the request to the sponsoring agency, per the terms of award.
    - If the Sponsor *approves*:
        - GC will upload the revised approved budget into MavGrants, notifying GA of the authorized change in budget categories. GA will update SAP to reflect the change.
        - The approval will be communicated to the PI, key personnel, chairs, and deans through an Award Notification in MavGrants.
    - If the Sponsor *disapproves*:
        - The GC will send communication to the PI and GA via email and upload a copy of the communication into MavGrants.


When is a formal Re-budget request necessary?
Is there a change in Scope of Work?
If YES, contact OSP
If NO…
Is the variance within the Sponsor's re-budget % threshold?
If YES…
If NO, contact OSP
Is the variance crossing categories that need prior approval?
If YES, contact OSP
If NO, re-budget is not necessary

FAQ's for Grants Accounting

Q: What categories are considered restricted?
A: By definition, restricted categories are those items in the budget that auditors consider to be high risk and focus on the most. (Examples are Human/Animal Subjects, Capital Equipment, Travel, Stipends, etc). At the award level, category restriction should be identified in the award's terms and conditions. If those restrictions are not explicitly stated in the award documents, then we will follow our threshold guidance.

Q: Is it possible to move summer salary to academic salary, or vice versa?
A: The personnel expenses already exist in the budget and were therefore, approved by the Sponsor already – so if the variance is within the allotted threshold, and there's no change in scope, and if the award's terms and conditions do not specify any further restrictions/requirements, then as long as we obtain the proper Internal approvals, we can allow the deviation without Sponsor approval. If any of these conditions are not met, an official re-budget request will need to be submitted to the Sponsor before approving for payment.

Q: Grad Assistants' personnel expenses are in the budget, but the corresponding tuition was not included. Can the tuition post to the project, or vice versa?
A: The GA's already exist in the budget and were therefore, approved by the Sponsor already – so if the variance is within the allotted threshold, and there's no change in scope, and if the award's terms and conditions do not specify any further restrictions/requirements, then we can allow the deviation without Sponsor approval. If any of these conditions are not met, an official re-budget request will need to be submitted to the Sponsor before approving for payment.
A: If the GA's were **not** originally budgeted for, but the PI now wants to hire GA's – refer to the award's terms and conditions to interpret the Sponsor's requirements and restrictions when crossing/creating new categories in the budget.

Q: Is it possible to use the leftover travel budget to cover summer salary?
A: If the employee's personnel expenses already exist in the budget and were therefore, approved by the Sponsor already, and if the variance is within the allotted threshold, and there's no change in scope, and if the award's terms and conditions do not specify any further restrictions/requirements, then as long as we obtain the proper Internal approvals, we can allow the deviation without Sponsor approval. If any of these conditions are not met, an official re-budget request will need to be submitted to the Sponsor before approving for payment.
A: If the employee's personnel expenses were **not** originally budgeted for, but the PI now wants to pay for some personnel – refer to the award's terms and conditions to interpret the Sponsor's requirements and restrictions when crossing/creating new categories in the budget.

Q: Is it possible to charge supplies to this project that is for personnel only?
A: If other direct expenses were **not** originally budgeted for, but the PI now needs supplies for the project – refer to the award's terms and conditions to interpret the Sponsor's requirements and restrictions when crossing/creating new categories in the budget.

Q: Is it possible to charge overload salary to the project?

A: In order to charge overload compensation to a federal project, the University's Overload Policy must be in place to enforce uniform application to all faculty members for services performed above and beyond the work covered by their Institutional Base Salary. Because the University does not have this policy in place yet, overload compensation is not allowed on the federal project. Once the University does have an Overload policy in place, the same re-budgeting guidance and criteria will apply that will require the proper Internal and Sponsor approvals.

Q: Is it possible to move supplies budget to cover capital equipment budget, or vice versa?

A: If capital equipment expenses already exist in the budget and were therefore, approved by the Sponsor already, and if the variance is within the allotted threshold, and there's no change in scope, and if the award's terms and conditions do not specify any further restrictions/requirements, then we can allow the deviation without Sponsor approval. If any of these conditions are not met, an official re-budget request will need to be submitted to the Sponsor before approving for payment.

A: If capital equipment expenses were **not** originally budgeted for, but the PI now needs this equipment for the project – refer to the award's terms and conditions to interpret the Sponsor's requirements and restrictions when crossing/creating new categories in the budget.