

POST AWARD CHANGES & REBUDGETING

Background:

Principal Investigators often want to make changes to the budget or do something which deviates from the proposal that was approved by the Sponsor. In some cases, it is necessary to request the prior approval of the Sponsor. In other instances, "internal" prior approval by the appropriate University or Management Center officials is sufficient. The level at which approval may be granted depends upon the type of grant or contract and the Sponsor's specific policies for that type of grant or contract. For simplicity, this section will delineate the types of grants as either federal or non-federal. Please contact the Office of Sponsored Project Administration or Management Center for specific questions or assistance in contacting a sponsor.

Scope of Work/Effort Reporting

In general, most Sponsors (Federal and non-Federal) require that they be informed of any changes that may affect the scope of the actual research to be performed. This includes an absence/change of the Principal Investigator, change of grantee institution, a change in the objective or emphasis of the study, applying a new technology, transferring substantive programmatic work to a third party, change of key personnel or a change in the approved use of animals or human subjects. Usually, a significant change in the percentage of effort devoted by the key project personnel to the project is considered as affecting the scope of the research. It is important that actual effort reflect effort planned in the proposal.

Rebudgeting Procedures:

Sometimes it becomes necessary to rebudget funds from one category to another to achieve better results for the project or to accommodate unexpected expenses not in the original budget. Most agencies approve this action as long as the scope of the Project will not be altered. Before considering changing the approved line items, review the agency's policy regarding rebudgeting. Some sponsors require that the approve major changes to the original budget (10% or \$1,000 whichever is greater), while others have given the University authorization to approve rebudgeting through the Internal Prior Approval System (IPAS). Some agencies strictly limit the amount of funds which can be expended for specified expense classifications such as travel and equipment.

Prior Approval Procedures:

When prior approval is required by the Sponsor, such requests should be in writing and in advance of the change. Requests for retroactive approval reflect poorly on the Sponsored Projects administration of the University, are less likely to be approved and should be avoided. All requests should be signed by the Principal Investigator and counter-signed by an authorized official from the Office of Sponsored Project Administration. Requests should include justification in terms of the impact on the scientific progress of the project. Until approval is granted, no action is taken to change the account. If approval is granted, documentation should be forwarded to Grants Accounting and the Office of Sponsored Project Administration, so that a revised Notice of Award can be processed.

If "internal" approval is sufficient for rebudgeting, a prior approval request form should be completed and routed through the Management Center and submitted to Grants Accounting. NOTE: Other requests for post award changes should be routed through the Management Center before submission to the Office of Sponsored Project Administration.

SIGNIFICANT REBUDGETING

Significant rebudgeting continues to be an indicator for possible change in scope. Significant rebudgeting occurs when the cumulative amount of transfers among direct cost categories for the current budget period exceeds 25 percent of the total amount awarded or \$250,000, whichever is less. When this occurs, the grantee shall consult with the Grants Management Official for a decision as to whether the

rebudgeting constitutes a change of scope. If it does constitute a change of scope, prior approval of the awarding component is required.

Accounts – Rebudgeting

Definition

Rebudgeting refers to the process of transferring funds from one budget category within an account to another category within the same account (e.g., from supplies to equipment. See Expense Classes for a listing of all of the categories contained within an account).

Policy

The terms and conditions of an award mechanism generally determine the allowability and/or procedure for changing the scope of a project. Most sponsors explicitly require that they be informed of any changes in the use of funds that may affect the scope of the research project that they sponsored. “Rebudgeting” often reflects a change in scope. Consequently, prior approval from a sponsor is often required before funds can be rebudgeted. Examples of changes that may affect “scope” include: Absence or change of the principal investigator, change of grantee institution, change in the objective or emphasis of the project, application of a new technology, transfer of substantive programmatic work to a third party, change of key personnel, change in the approved use of animals or human subjects, and/or change of the percentage effort devoted to the project by key personnel. All of these changes in scope may or may not be accompanied by a need to “rebudget” funds.

Procedure

1. Review the awards terms & conditions and the sponsor’s policy with respect to rebudgeting;
2. If the sponsor’s prior approval is required:
 - a. Request permission in writing and in advance of the change;
 - b. Include in the request a justification of the *change in terms of its impact on the scientific progress of the project*;
 - c. Have the principal investigator and an authorized signatory in OSPA sign the request;
 - d. Mail the request to the sponsor for approval;
 - e. Wait for written approval;
 - f. Once written approval is received, forward a copy to OSPA so that a revised NOA can be issued (if necessary);
 - g. OSPA will forward a copy to Grants Accounting.
3. If the sponsor’s prior approval is NOT required, internal approval must still be obtained:
 - a. Complete a prior approval request form and submit it to your Management Center for approval;
 - b. Your Management Center will forward the request to OSPA for processing;
 - c. OSPA will in turn forward the request to Grants Accounting.