

Revisions to Program Plans and Budgets for Funded Awards

Office of Sponsored Programs Policy #03.00

Effective Date: 6/1/14

Authorized by the AVP for Research

Purpose of the Policy

After an externally funded award is made, the Principal Investigator¹ may find that revisions are needed to the proposed program or to the budget. This policy describes how changes to the funded proposal (e.g. program plan, scope of work, objectives, etc.) and/or the approved budget must be handled. This policy extends to all externally funded grants and contracts received by the university.

Detailed Policy Statement

According to [OMB Circular A-110](#), recipients of federal grants and agreements are required to report deviations from budget and program plans, and must request prior approvals for budget and program revisions. The budget plan is the financial expression of the project or program as approved during the award process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon Federal awarding agency requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

For nonconstruction awards, recipients must request prior approvals for one or more of the following program or budget related reasons:

- Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
- Change in a key person specified in the application or award document.
- The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
- The need for additional Federal funding.
- The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
- The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-21, "Cost Principles for Educational Institutions".
- The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
- Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

The PI must first contact the Office of Sponsored Programs (OSP) as soon as any changes in budget and/or program plans are anticipated. OSP will work with the sponsor and the PI to determine the process by which any changes in budget and program plans can be reviewed and approved.

¹ For the purposes of this policy, the term Principal Investigator (PI) is used to refer to Principal Investigators and Project Directors on externally funded awards.

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The PI must contact their Director/Chair/Dean/AVP (as applicable) to make them aware of the proposed changes so that they may provide oversight and support of the project in an informed manner.

Implementation Procedures

Change in Scope of Work or Objectives

- 1) When a PI determines there is a need to change the scope of work or objectives from those outlined in the funded proposal, he/she contacts the OSP Post Award Specialist identified on the FOP application.
- 2) The OSP Post Award Specialist reviews award terms and conditions and sponsor regulations to determine the acceptable process for requesting a change in scope of work or objectives.
- 3) The OSP Post Award Specialist works with the PI to submit the requested change. Depending on sponsor regulations, either the PI or OSP will submit the request to the sponsor.
- 4) Both the PI and OSP retain copies of sponsor approval for changes in scope of work or objectives.

Budget Revisions

- 1) When a PI anticipates a need to revise a budget – whether or not there is a change in the objectives or scope of work of the project – he/she contacts the OSP Post Award Specialist identified on the FOP application.
- 2) The OSP Post Award Specialist reviews approved budget, award terms and conditions and sponsor regulations governing the award relating to budget revisions to determine whether the budget change would be an **allowable cost** to the grant.
- 3) If the requested budget change **is an allowable cost**, the OSP Post Award Specialist then determines if sponsor approval is required for the budget revision.

If sponsor approval for budget revision is **required**:

- a) OSP Post Award Specialist works with PI to complete a budget revision request to the sponsor in accordance with sponsor's specific requirements.
- b) OSP Post Award Specialist submits budget revision request to the sponsor, with a copy to the PI.
- c) Once sponsor approval is obtained, the OSP Post Award Specialist forwards the approval to the Sponsored Programs Accountant and requests that the budget be moved from the current Banner account code to the new Banner account code. The PI, Administrative Assistant, and College Business Manager are copied on the request sent to the General Accounting Office (GAO).
- d) The Sponsored Programs Accountant in the GAO prepares and processes the budget journal entry.

If sponsor approval for budget revision is **not required** and the university is permitted to review and approve the request internally:

- a) If the budget revision **does not** affect more than one Banner Finance grant fund, the OSP Post Award Specialist notifies PI by e-mail that the cost is allowable and the PI can go

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- forward and incur the cost. Budget is **not moved** from one Banner account code to another. This enables those monitoring the fund’s budget and expenditures through Grant Insight Reports to tell if/when a limit has been reached and sponsor approval will be required.
- b) If the budget revision **does affect** more than one Banner Finance grant fund (FOAP), the OSP Post Award Specialist e-mails the Sponsored Programs Accountant requesting that budget be moved from one FOAP to the other FOAP. The PI, Administrative Assistant, and College Business Manager are copied on the request sent to the Sponsored Programs Accountant. The Sponsored Programs Accountant prepares and processes the budget journal entry.
- 4) If the requested budget change is **not an allowable cost**:
- a) The budget revision request is denied and the budget is not changed.
 - b) OSP Post Award Specialist notifies PI via e-mail, with a copy to the Sponsored Programs Accountant, the College Business Manager, and the Administrative Assistant, that the cost is **unallowable**. The e-mail will reference the award terms and conditions, sponsor regulations and university policy used in making the determination.
 - c) If the PI does not agree with the decision to deny the budget change, the Post Award Specialist will contact the sponsor’s Grant Management Officer to get further clarification as to whether the requested budget change is an allowable cost so the decision can be reviewed.
- 5) Documentation
- a) Careful records related to revisions in budget, scope of work, or project objectives will be kept. Correspondence between the sponsor and others (the PI, the OSP Post Award Specialist, the Sponsored Programs Accountant, the College Business Manager, Department/School Admin, etc.) will be retained and may be used as documentation for expenditure approvals and pay documents.

Summary of Roles and Responsibilities

Function / Responsibility	PI / Admin	OSP Post Award Specialist	General Accounting Sponsored Programs Accountant
1. Identify Need for Change	X		
2. Determine whether Sponsor approval is required		X	
3. Contact Sponsor when Sponsor approval is required	X	X	
4. Request budget be transferred		X	
5. Transfer budget in the financial system			X

Applicability

This policy applies to all individuals who propose or conduct externally supported (“sponsored”) projects at the University of Northern Colorado.

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Definitions

Allowable Cost – OMB Circular A-21, [Section J](#) lists costs that are allowable and not allowable as an expense on a Federal award. Many sponsors have policies that address costs that are allowable. A cost that is allowable must also be reasonable, allocable to the project, consistently treated throughout the institution, in compliance with any award restrictions (see OMB Circular A-21, [Basic Considerations](#)), and incurred during the project period.

Budget Revision - A budget revision is identified as any cost that will be expended in a budget category (i.e. Personnel, Travel, Supplies, Other) in a manner different from what was submitted and approved by the Sponsor.

Period of Availability of Funds – where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the awarding agency.

Project period – the period established in the award document during which sponsorship begins and ends.

Sponsored Project – a specific research, training, service, or similar activity for which funding or other support is provided by an external entity (sponsor) through an agreement with the university.

Contact Information

The Office of Sponsored Programs

Phone: 970-351-1907

Facsimile: 970-351-1934

Related Policies/References

OMB Circular A-21, OMB Circular A-110, sponsor regulations and award terms and conditions.