



## **Making Changes to an Approved Sponsored Award Budget (Rebudgeting)**

### **Background**

The daily monitoring of expenditures and budget control is exercised in the administering unit of an award by the Principal Investigator (PI) and the department/center staff's assistance. The terms and conditions applicable to the award will be listed in the sponsoring agency's award and summarized on the Award Synopsis (distribution sheet) distributed by Sponsored Programs.

### **Review of Proposed Budget Change**

When it becomes apparent that a change in budget allocations may become necessary, departmental/center staff and the PI should review the terms and conditions of an award to determine if the sponsoring agency requires prior approval of the change. Also, PIs should consider the established cost principles in the Uniform Guidance (2 CFR 200) and UAH's Cost Policy. If the proposed change would violate these established cost principles, the change will not be made.

In general, resources referenced for terms and conditions of federal awards will include the sponsor's notice of award, policy documents issued by the sponsor, Uniform Guidance (2 CFR 200), and if appropriate, the Research Terms and Conditions (RTC), including any agency-specific RTC terms and conditions.

Some standard policy documents issued by federal sponsors include:

- NASA Grant and Cooperative Agreement Handbook
- National Institutes of Health (NIH) Grants Policy Statement
- National Science Foundation (NSF)
- NSF Proposal and Award Policies and Procedures Guide
- Grant General Conditions (GC-1)
- Cooperative Agreement Conditions
- Special Conditions

Please note that the above list is not all-inclusive, and a specific award should be reviewed to determine the applicable terms and conditions. Also, note that federal contracts generally do not reference a particular document, and the clauses within the contract itself govern the award.

For non-federal awards, most likely only the sponsor's notice of award and policy documents issued by the sponsor will apply.

## **Requesting Prior Approval**

When a project budget change requires prior approval from the sponsoring agency, a request should be drafted seeking prior approval from the sponsor before a change has been made. This request will be forwarded to the contract administrator in OSP and should include:

- the cost categories affected,
- the proposed change in budgetary allocations, and
- the technical/scientific justification is requiring such changes.

Requests are drafted by the PI, with a concurrence endorsement by an authorized official within Sponsored Programs who will then submit the request to the sponsor.

If approval for the change in the budget is granted, Sponsored Programs will prepare the budget change documents, obtain the Principal Investigator approval on the Document Approval Sheet (DAS), records the approval in Kualu. The budget change form and notification are sent to the Principal Investigator and their departmental/center support staff, and the Contracts and Grants Accounting office.

## **File Documentation**

When a budget change is made under the Principal Investigator's request granted by the terms and conditions of an award, the planned change in the approved budget will be saved in Kualu. This documentation should include a description of and justification for the expense. In addition, the award file must include the PI's approval of such costs.

## **Rejection/Denied Request**

In the event, a budget request is made, and the following applies (not all-inclusive):

- Violates established cost principles in the Uniform Guidance (2 CFR 200) and UAH's Cost Policy.
- Insufficient funds
- Participant Support to non-participant support categories
- Failure to provide adequate justification
- Less than 90 days left on the POP (equipment/materials)

The request for a budget realignment will be denied, and the PI will be notified of the reason for the denial.

Please check with your Contract Administrator to ensure a budget realignment is allowable and can be done based on available funding/POP.