Contract & Grant Accounting 17 Budget Revisions for Sponsored Projects

The University of North Carolina at Greensboro
Approved by Steve Honeycutt, Interim AVC for Finance, July 1, 2021
Revised July 1, 2021

1. **Purpose**

Most sponsors understand the need for a degree of flexibility in the approved project budget and allow Principal Investigators (PIs) to make budget changes to meet project requirements without agency approval as long as the scope of work is not affected. Other sponsors may restrict budget changes by type of expenditures and/or amounts or require prior approval for any budget change. See Section 4 below for a description of the conditions under which rebudgeting is generally allowed.

In order to ensure that the university meets the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as well as other sponsor policies and procedures Contract & Grant Accounting (CGA) processes all budget revisions for sponsored projects.

2. **Scope**

Budget revision requests for sponsored projects in the fund range 200000 to 229999.

3. **Definitions and Roles and Responsibilities**

3.1 **Definitions**

*Budget plan* – the financial specifics of the project or program as approved by the sponsor during the award process, usually a line item (tabular) representation of the expenses associated with the project.

*Budget revision* – the process by which a change in the established budget is made in order to reallocate funds from one expense category to another to reflect the requirements of the project.

*Significant rebudgeting* – NIH Grants Policy states that “significant rebudgeting occurs when expenditures in a single direct cost budget category deviate (increase or decrease) from the categorical commitment level established for the budget period by 25 percent or more of the total costs awarded. The base used for determining significant
rebudgeting excludes the effects of prior-year carryover balances but includes competing and non-competing supplements."

3.2. Roles and Responsibilities

The Principal investigator (PI) is responsible for:

- Knowing the specific requirements for their award
- Approving all requests in accordance with the terms and conditions of the award
- Initiating budget revision requests to CGA if prior approval is required by the sponsor

The PI’s department is responsible for:

- Preparing budget revision requests in accordance with the terms and conditions of the award
- Obtaining PI’s approval for budget revision requests prior to expenditures being incurred
- Submitting budget revision requests to CGA prior to expenditures being incurred

Contract & Grant Accounting is responsible for:

- Reviewing and submitting all prior approval requests to sponsors
- Reviewing requests to determine if it is necessary, allowable, reasonable, and consistent
- Processing all budget revision requests in accordance with the terms and conditions of the award prior to expenditures being incurred

4. Policy

Sponsored project budget must be reflected accurately in UNC Greensboro’s general ledger and in accordance with the sponsors terms and conditions. Rebudgeting is required prior to expenditures being incurred to ensure timely processing of expenditures and compliance with sponsor, state, and university policies and procedures. When a sponsor allows rebudgeting between the direct costs and F&A costs it is necessary to provide for the increase or decrease in F&A that may occur when rebudgeting.

Most agencies allow the university a degree of flexibility for rebudgeting provided that:

- Expenditures are necessary for the successful completion of the project
- Expenditures are allowable under the governing cost principles and agency specific policies and procedures
- Scope of work is not affected
- Prior approval is obtained when required
Prior approval must be obtained directly from the sponsor for a change to the scope of work regardless of any amount to be rebudgeted. Change in scope of work must be communicated to the Office of Sponsored Programs, who will communicate with sponsors.

5. **Compliance wdwalter@uncg.edu and Enforcement**

   Contract & Grant Accounting is responsible for ensuring compliance with this policy.

6. **Additional Information**

6.1 **Supporting Documents**

   Uniform Guidance 2 CFR 200.308 Revision of budget and program plans
   OSP - Pre-Award Budget Revisions

6.2 **Approval Authority**

   This policy will be approved by the Interim Associate Vice Chancellor for Finance.

6.3 **Contacts for Additional Information and Reporting**

   - Responsible Executive: William Walters, Director Contract & Grants Accounting, 336-334-5824, wdwalter@uncg.edu