Rebudgeting

Purpose

After a project gets underway, a Principal Investigator (PI) may determine that funds are in need to be re-budgeted in order to meet project objectives.

There are two types of re-budgets:

- Re-budgets that require Office of Sponsored Projects (OSP) review, Sponsor approval and as required by OMB 2 CFR 200.308 Federal guidelines.
    - See opm:sponsor_approval_guidelines Sponsor Approval Guidelinesfor further information. BROKEN LINK
- Re-budgets for Budget Line Item checking(Budget Realignment) - Non Sponsor approval

Re-budgets that require OSP and/or Sponsor approval:

- Change of any named personnel
- Reduction of salary/effort
- Change in equipment costs (C8000)
- Addition of foreign travel (C6240)
- Change greater than 25% of budget item
- Change in student support (C7000)

OSP reviews any of the above revisions for compliance with the respective terms and conditions.

- If the revision is within the guidelines of the grant/contract, OSP approves and forwards the Revision to OPM and sends an email notification to the PI and department.
- If the revision requires sponsor approval, OSP acquires approval and notifies via email the PI and department of revision requiring Sponsor approval.
    - If the sponsor approves, OSP forwards to OPM the budget revision and notifies the department and PI that the request has been sent to OPM for processing.
    - If sponsor denies request, OSP forwards notification to PI and department.

OPM will retain the rebudget documention in the Office of Post Award Management (OPM) files.
Re-budgets for Budget Line item (Budget Realignment) checking:
The Department will request a Budget Realignment request if any of the following:

- If not, sufficient funds to cover that expense on the Budget Line item to where expense will occur
- It does not require OSP review and/or sponsor approval as stated in the "Re-budgets that require Office of Sponsored Projects (OSP) review, Sponsor approval and as required by OMB 2 CFR 200.308 guidelines" section above

NOTE: No written justification and retaining of documentation is required for Budget Realignments not requiring sponsor approvals.One of the roles of the OPM is to assist departments in monitoring grant expenditures. OPM reviews all expenditures and ensures that budget exists on the Budget Line item for that expense (Budget Line Item control).This budget line item checking procedure was put into effect due to the change, effective December 2014, of the OMB Circulars to a more Uniformed Guidance – <a class="wiki external" 2 CFR 200. One of the most significant changes is in which is the time frame of award closeouts that the non-federal must submit, no later than 90 calendar days after the end date of the period performance, all financial, performance and other reports as required by the terms and conditions of the federal award (CFR 200.343 Closeout). It has been stated by OMB that there will be a stricter adherence to this guideline.

This budget line item checking will better enable OPM, the Office of Finance, and Departments to ensure compliance with the proposed budget award terms, new Uniform Guidance requirements, ease of financial management throughout the life cycle of the award, and the above mentioned award close-out process/45 day policy.The Department will request a Budget Realignment request (NOTE: No justification or Sponsor approval is required) if the following:

- If not sufficient funds to cover that expense
- It does not require OSP and/or Sponsor Approval as stated in the "Re-budgets that require OSP and/or Sponsor approval" section above

Procedure

All revisions process in the order received. Please allow 3 business days.

Explination	

Step 1	Principal Investigator/Department determines a rebudget is required.

Step 2	Department submits re-budget request via email to the Office of Post Award Management.

- Justification for why the budget is not being spent in the original category.

- Amount to be moved

- "From" account code - Budget category

- "To" account code – Budget category

- Approval from the Principal Investigator (PI) named on the grant

Written request includes the following for Budget Line item(Budget realignment) if no sponsor approval is required (no justification is needed):

- Amount to be moved

- "From" account code – Budget category

- "To" account code – Budget category

- Approval from the Principal Investigator named on the grant

If the above revisions are missing any of these items, it will be returned to requestor for correction.

Step 3	OPM reviews re-budget request and determines if OSP review and Sponsor approval is required. Some items that meet the criteria for review and approval are as follows:

- Change of any named personnel

- Reduction of salary/effort

- Change in equipment costs (C8000)

- Addition of foreign travel (C6240)

- Change greater than 25% of budget item

- Change in student support (C7000)

If approval is required, OPM forwards rebudget request to OSP.

If no OSP/sponsor approval is needed, proceed to Step 7.

Step 4	OSP reviews re-budget request and gets sponsor approval, as needed.

Step 5	OSP notifies the PI, Department, and OPM if approved or denied. If approved, proceed to Step 6

If denied OSP emails OPM, PI, and Department of reason for denial of request.

Step 6	OPM recieves notification that rebudget request is approved.

Step 7	OPM notifies Department and PI when Revision is complete.

Facilities and Administration cost on re-budgeting:

Facilities and Administration (F&A) costs are those costs associated with providing and maintaining the infrastructure that supports the research enterprise (buildings and their maintenance, libraries, etc.) and which cannot easily be identified with a specific project.Certain budget categories do not generate F&A:

- Capital Equipment $5000
- Tuition/Scholarships/Fellowships
- Subcontracts over the first $25,000
- NSF Participant Support
- Rental costs of off-site facility

If the re-budget transfers money from a non-F&A bearing budget item(such as equipment) to an F&A bearing item (such as materials), the F&A dollar amount //increases// to maintain the contracted F&A percentage.

Re-Budgeting Example - Moving funds from non F&A account into F&A account

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Re-Budgeting Example - Moving funds from F&A account into Non F&A account

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Related Policies and Procedures

Allowable Cost on federally funded Contracts and Grants

opm:funding_cost_share Funding Cost Share -Procedure

Over-Expenditure policy

If you have any questions regarding this procedure, contact the Office of Post Award Management at ext. 4540 or via email at kellymc@utdallas.edu.

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