

Purpose

The purpose for the Policy is to provide guidance to Principal Investigators (“PIs”) and others responsible for the administration of sponsored projects on the requirements related to budget revisions to assure compliance with regulations, sponsor terms and conditions, and applicable cost principles.

Policy

The Award Budget must (1) delineate the entire cost of the project, including the amount requested from the sponsor and identify project costs that will be met by other sources, if applicable; and (2) accurately reflect necessary project costs that are allowable and reasonable. These costs must also be supported by budget documentation. As a result of a change in circumstances, PIs may determine there is a need to revise the budget. Budget Revisions should be requested in conformance with this policy. The approved revised budget is intended to be used as a guide for the remainder of the grant period.

Budget Revisions must be:

- Made in conformance to federal and/or state regulations as well as sponsor and university policy. Expenditures must be allowable, allocable, reasonable and consistent.
- Requested in a timely manner. Requests for revisions made within six (6) months prior to the end of the award period (particularly those involving equipment) may require additional reviews and/or approvals.
- Fully documented – revision requests must be submitted prior to the expenditure, and contain a reasonable justification
- Submitted by the PI, or Co-PI with PI’s approval.

Definitions

Award Budget: The financial expression of the scope of work and includes the financial aspects of the project, as approved by the funding agency or pass-through entity during the award process and as modified by any subsequent amendments approved by the funding agency or pass-through entity.

Budget Revision: Budget adjustments to the Award Budget which reallocate funds from one budget category to another budget category as to reflect a change in the needs of the project. Budget Revisions to the Award Budget of federally sponsored projects must be made in accordance with 2 CFR 200 subpart E and 2 CFR § 200.308.

Procedures

Each Principal Investigator (PI) is responsible for reviewing the Award Budget in a timely manner to ensure compliance with IIT policies, federal regulations, sponsor specific policies and guidelines, and the cost principles that guide fiscal activities on sponsored projects. The review process may identify the need for a Budget Revision, which should be requested following the steps below:

1. PI identifies a need to revise the Award Budget and communicates with his/her Research Administration Services (RAS) staff member.
2. RAS reviews the PI's request and any back-up documentation; and determines, if the Budget Revision requires prior sponsor approval. RAS member will make note that this review took place on the final documentation sent to GCA.
 - a. If RAS determines that the Budget Revision requires prior sponsor approval, RAS will submit the PI's request to the Office for Sponsored Research and Programs (OSRP) for review.
 - i. OSRP will review the request, and if OSRP also concludes that the request requires prior sponsor approval, submit the request, to the sponsor on behalf of the PI. OSRP will communicate the sponsor's response to the PI, RAS, and GCA.
 - ii. If OSRP determines that the request does not require prior sponsor approval, then OSRP, RAS and GCA will make a determination after review of the relevant regulations and policies.
 - b. If the RAS staff member determines that IIT has expanded authorities to approve the Budget Revision, the RAS staff member documents the Budget Revision, in accordance with the policy, and submits a revised internal budget to GCA.
3. GCA will review and input the changes into the Banner Finance system. If, upon review, GCA determines that the Budget Revision requires prior sponsor approval, GCA will consult with the Senior Director of RAS and GCA for further direction.

Guidelines

Uniform Guidance 2 CFR §200.308, "Revision of budget and program plans" defines the federal guidelines for Budget Revisions. The following nonexclusive examples illustrate improper and unallowable reasons for Budget Revisions between or to sponsored project:

- To circumvent award restrictions.
- To circumvent IIT policies related to procurement or salary
- To supplement other active grant award activities
- To enable rapid spending of unexpended funds at the end of the award period

Budget Revisions require monitoring for compliance with IIT policies, federal regulations, sponsor specific policies and guidelines, and the cost principles that guide fiscal activities on sponsored projects.

References

§200.308 Revision of budget and program plans.

Responsibilities

PI:

- Monitors budget and related expenses on the award, and initiates the budget revision process
- Reviews and confirms the revised proposed budget

Research Administration Services:

- Assists the PI in documenting the need for prior approval of budget transfers
- Quantifies and documents the transfer request and whether prior approval is necessary
- If prior sponsor approval is required, RAS submits the request to OSRP.
- Forwards completed transfer request to Grant and Contract Accounting for execution.
- The RAS administrator will provide the documentation in Cayuse.

Grant and Contract Accounting:

- Reviews and executes complete budget revision requests in the Banner Financial System. Retains a copy of back-up documentation.

Sponsored Research and Programs

- Obtains prior sponsor approval, if needed

Recommended Forms

Please submit your revision on the IIT OSRP [internal budget template](#).