

WWU Budget Revision Standards (Re-budgeting)

Principal Investigator / Program Director (PI / PD) Principal Investigators (PIs) and Program Directors (PDs) are WWU faculty or research faculty associates who have been awarded an externally sponsored agreement and are eligible to act as a Financial Manager per POL5320.03.

Sponsored Agreements Grants, contracts, cooperative agreements, and interagency agreements used by external sponsors to award funds.

Budget revision A budget revision (or re-budgeting) involves the transfer of funds to cost categories—such as personnel, fringe, travel, equipment, supplies, contractual, other, or indirect—that were not previously approved in the funded application.

Examples:

- Re-budgeting funds from supplies to travel
- Re-budgeting wages from faculty to students

Reasons for the Standards

The budget plan is the financial expectation of the project or program as approved during the award process. After a grant or contract has been awarded, the PI/PD may determine that the approved budget allocations are not consistent with actual project needs and may request the formal reallocation of funds from one spending category to another. Many sponsors allow re-budgeting without prior approval, while others require approval when re-budgeting into or out of a spending category or exceeding a specified percentage of the award amount. If prior approval is not required, then formal re-budgeting is not necessary, but the PI/PD may be requested to assist with budget revision information. Federal regulations and many other funders require appropriate monitoring of the budget categories.

The Standards

- 1) Re-budgeting should be performed at least quarterly, or more often, if required by specific funder guidelines, to ensure that major budgetary categories have positive balances.
- 2) A post-award amendment (or written funder permission) is required prior to re-budgeting if:
 - a. The total amount re-budgeted exceeds 25% of the approved total budget.
 - b. The re-budgeting would result in a change of scope
 - c. The re-budgeting would result in a change in key personnel
 - d. Is required by specific funder guidelines
 - e. The re-budgeting would change cost sharing or matching, such as a reduction in the amount of available matching funds.
 - f. The re-budgeting involves transfer of funds budgeted for participant support costs as defined in 45 CFR 75.2 to other categories of expense.
- 3) Re-budgeting may have an effect on Facilities and Administrative costs.

Process

Subject to the standards above, re-budgeting occurs at the request of the PI/PD, Department Manager or by RSP post-award staff in consultation with the PI/PD.