Sponsored Project Administration Procedure

Procedure: **Re-budgeting of Funds on Sponsored Projects**
Owner: **Sponsored Project Administration**
Effective date: **01/17/2020**
Last Updated: **05/06/2020**

Background

The budget plan is the financial expression of the project as approved during the award process. After the sponsored agreement has been awarded, the Principal Investigator may determine that the approved budget allocations are not consistent with the actual project needs and may, under certain circumstances, request the formal reallocation of funds from one spending category to another that better reflects the project requirements. This process is called re-budgeting or budget revisions.

Re-budgeting terms and conditions can be found in the award document and/or proposal document. In an effort to streamline the approval process for budget revisions, some sponsors have authorized grantees to approve budget changes up to a certain threshold without seeking sponsor approval. This authority is limited and may not be exercised if the terms and conditions of the award prohibit. In addition to the award terms and conditions, all federal awards need to be managed in accordance with 2 CFR 200.308 - Revisions of budget and program plans.

Purpose

This document sets forth the procedure and guidelines for preparation, submission, approval of re-budgeting both sponsored funds and cost share funds on a sponsored project, whether or not it requires sponsor approval, and ensures adherence to sponsor and University requirements.

Roles and Responsibilities

Principal Investigator (PI):

- Understand the sponsor guidelines for governing of the award.
- Identify the need for a re-budget based on actual project requirements.
- Prepare prior approval requests, when required, and submit to SPA Financial Analyst for submission to the sponsor.

Unit Administrator (UA):

- Understand sponsor requirements concerning applicable re-budgeting terms and conditions of the award.
- Assist the PI in complying with the applicable terms and conditions of the award.
- Monitor expenses charged to each budget category to ensure compliance with the approved budget when re-budgeting restrictions apply.
- Assist PI with prior approval requests, if applicable.
- Submit re-budget requests to the designated SPA Financial Analyst utilizing the award modification request function in UVMClick.

Sponsored Project Administration (SPA) – Financial Analyst (FA):

- Review re-budget requests to ensure compliance with award terms & conditions, federal guidelines and University policies.
- Assist in interpretation of award terms & conditions, as needed.
- Submit prior approval request to the sponsor, if applicable.
- Assist with receiving a timely response from the sponsor.
- Perform re-budget actions in UVMClick and PeopleSoft.

Definitions

Sponsored Project: A project funded by a grant, contract, or cooperative agreement under which the University agrees to perform a certain scope of work, according to specified terms and conditions, and for specific budgeted compensation. Sponsored projects include funds from Federal, State, and private sources.

PeopleSoft: The University of Vermont's financial system of record.

UVMClick: The University of Vermont's grants management system.

Facilities and Administrative (F&A) Costs: Costs charged to the grant award that are incurred for common or joint purposes and that cannot be identified as readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with "indirect" or "overhead" costs.

Budget: A budget is a good faith estimate of the financial costs to complete the proposed scope of work on a project.

Budget Revisions (Re-budgeting): Formal reallocation of funds from one spending category to another that better reflects the project spending requirements.

Available Budget Balance: Remaining unspent or uncommitted portion of sponsor funding from the approved award budget period.

Chartstring: A set of chartfields "strung" together to represent the proper categorization of a financial transaction. The use of multiple chartfields allows for flexible reporting of the financial aspects of projects, activities, programs, events, etc., that occur across UVM organizations or funds.

UA: Unit Administrator (For the purpose of all procedures, Business Unit Administrator, Business Manager, Grant Administrator and Department Administrator are all used interchangeably and refer to the person assisting the PI in the Department.)

Considerations when Requesting a Re-budget:

- The net change of any re-budget must be zero.

- Re-budgeting between approved direct cost categories on the same project when F&A is not affected ***will not*** be performed unless sponsor budget restrictions apply and a new approved sponsor budget is received.

  - **For example**, *the sponsor approved budget includes $40,000 in lab supplies and $5000 in domestic travel. In cases where the award's terms and conditions allow UVM to re-budget without sponsor approval, the budget does not need to be changed to spend $10,000 in domestic travel and $35,000 in lab supplies. This allows PeopleSoft to maintain the integrity of the last sponsor approved budget and tracks the actual spending versus awarded budget more accurately for future reference.*

- The below budget categories exclude F&A and always require balancing between direct and indirect budgets when requesting a re-budget:

  - **For example**, *you need to add $5,000 to an approved equipment budget to cover the actual cost of a piece of equipment. Assuming the F&A rate for this award is 56%, you would reduce $3,205 from a direct cost category (i.e. F6050 – Domestic Travel) and $1,795 from F&A (F6600) and add $5,000 to the equipment budget (F6500). This ensures your direct and indirect budgets are balanced and eliminates any potential shortfalls in the future.*

    - ✓ F6532 - Tuition & Fees
    - ✓ F6127 - Patient Care Expenses
    - ✓ F6101 - Participant Expenses
    - ✓ F6521 - Sub-Award >$25k
    - ✓ F6500 - Equipment
    - ✓ F6350 - Non-UVM Facilities Rental
    - ✓ F6910 - Alterations & Renovations
    - ✓ F6450 – Acquisitions

- For federally funded awards, adding a budget category that is normally considered an indirect cost, requires additional documentation:

  - To comply with [2 CFR 200 Subpart E](#) and the University's [Cost Policy on Sponsored Agreements](#), opening up a budget category that would typically be treated as an indirect cost, requires completion and approval of a [Direct Cost Justification Form](#) for *federally funded* agreements. Below is a list of budget categories that require approval of this form prior to the budget line being opened in PeopleSoft:

    - ✓ F6002 - General Supplies & Services*****
    - ✓ F6020 - Computer Services*****
    - ✓ F6301 - Utilities
    - ✓ F6006 - Memberships & Subscriptions*****

    ✓ F6007 - Work Order Service
    ✓ F6320 - Telephone & Telecom Services*****

    *Exceptions apply for Extension (EXT), Experiment Station (EXP), and Capacity Fund grants. Refer to the Cost Policy on Sponsored Agreements for details.

- Foreign travel (F6052) on a federally funded agreement must adhere to the requirements of the Fly America Act and other UVM international travel processes. Please refer to the "Guidance on Fly America Act" for details. The PI/UA should include the following information on the budget revision form when requesting to open up a foreign travel budget line that was not originally budgeted for in the proposal.

  - ➢ Who is traveling and confirmation that they are currently paid from the project?
  - ➢ When are they traveling?
  - ➢ What is the origin and destination of the travel?
  - ➢ How does it relate to the scope of work?

- Examples of some common re-budget restrictions that may require sponsor approval are (*List is not inclusive, always refer to your award for specific re-budgeting restrictions*):

  - ➢ Re-budgets between direct and/or indirect cost categories.
  - ➢ Re-budgets that result in a change in scope or objective of the project.
  - ➢ Unless waived, budget revisions that exceed a specified percent of re-budgeting between direct cost categories (i.e. 10%, 25%). This limitation can be found either in the sponsored agreement or its applicable policies.
  - ➢ Transfer of funds budgeted for restricted categories (i.e. clinical trials, patient support costs, participant expenses).
  - ➢ Transfer of funds between constructions and non-construction activities
  - ➢ Use of funds to issue a subcontract that was not part of the approved budget.
  - ➢ Issuing a fixed price subcontract on federally funded awards.
  - ➢ Use of funds for international travel that was not part of the approved budget.
  - ➢ Use of funds for meals that were not part of the approved budget.
  - ➢ Change in sponsor required cost share.
  - ➢ Purchase of a unit of equipment exceeding $25,000 not originally budgeted and awarded.
  - ➢ Capital Expenditures or Alteration and Renovation of Facilities under non-construction awards.

Requesting a Re-budget:

- PI/UA identifies a project that requires the use of funds against a budget category that meets one of the following criteria:

  - ➢ The budget category was not part of the approved budget that was initially setup;
  - ➢ The anticipated spending in an existing budget category exceeds the amount currently setup <u>and</u> budget restrictions apply;
  - ➢ The budget category is excluded from indirect costs <u>and</u> the anticipated spending exceeds the approved budget amount that was initially setup.

- Once it is confirmed that a re-budget is necessary, the PI/UA perform the following actions:

- Determine if the re-budget is allowable per the terms of the award. If unsure, contact your [assigned SPA FA](#) for assistance.
- Verify the available budget balance and confirm the requested re-budget is possible
- Determine whether sponsor approval is required to complete the re-budget.
- If sponsor approval ***is*** required, submit an Award Modification Request in [UVMClick](#) with the following information:

  - ✓ Written justification for the re-budget to be sent to the sponsor for approval;
  - ✓ Other required supporting documentation as outlined in the award document;
  - ✓ The applicable SPA [Re-budget Request Form](#) outlining the requested re-budget including additional documentation that may be required as outlined in Appendix A on the form.

- If sponsor approval ***is not*** required, submit an Award Modification Request in UVMClick with the following information:

  - ✓ The applicable SPA [Re-budget Request Form](#) outlining the requested re-budget including additional documentation that may be required as outlined in Appendix A on the form.

Processing a Re-budget:

- After receiving notification of the Award Modification Request in UVMClick and the Re-budget Request Form along with all required documentation, the SPA FA will complete the following steps:

  - Verify and ensure the request is in compliance with University and sponsor award policies and guidelines.
  - Verify the available budget balance and confirm the requested re-budget is possible.
  - If request is appropriate, approve the Award Modification Request in UVMClick and create an Award Modification to process the request.
    - ✓ If the re-budget request involves cost share or opening a budget line with "zero dollars", the re-budget will only be completed in PeopleSoft as no Award Modification needs to be created.
  - If sponsor prior approval is required, assemble all required documentation received from the department and submit to the sponsor per award requirements.
    - ✓ A status of Send for Sponsor Approval should be assigned to the Award Modification in UVMClick.
  - Once sponsor approval is received or if no approval is necessary, enter the re-budget in the appropriate system(s) and obtain the SPA Team Lead's approval, if applicable.
  - The department will either receive an automatic email notification from UVMClick or an email from the SPA FA once the re-budget has been completed and is reflected in PeopleSoft.

Re-budget of Funds Associated with Carryforward:

- Carryforward of funds from one project into another requires the re-budgeting of funds in PeopleSoft and UVM Click. See SPA's [Carryforward of Unobligated Balances Procedure](#) describing the specific roles and responsibilities required to complete a carryforward request.

- Once carryforward approval is received (if applicable), the re-budget is processed by the SPA FA as outlined in the above section utilizing the approved budget from the carryforward request documentation.

Helpful Links

University of Vermont
- UVMClick Award Mod Request Instructions
- Carryforward of Unobligated Balances
- Prior Approvals
- Cost Policy on Sponsored Agreements
- Travel Policy
- Business Meal, Hospitality and Amenity

External
- Federal Uniform Guidance: 2 CFR 200.308 - Revisions of Budget and Program Plans
- NSF, NIH, NIFA, Energy, NASA and Commerce, Research Terms and Conditions - Prior Approval Matrix

National Institutes of Health (NIH)
- 8.1.2 Prior Approval Requirements
- 8.1 Changes in Project and Budget
- 12.9 Rebudgeting of Funds

Health Resources and Services Administration (HRSA)
- How to Manage Your Grant

USDA NIFA
- Terms and Conditions

Document Change Record

Date	Version	Author	Change Details
01/17/2020	1	SPA	Initial release
5/8/2020	1.2	SPA	UVMClick Information Added