

Grant Budget Setup and Rebudgeting

1. High level budgets are submitted with proposals.
2. When funded, if the budget matches the award, the proposed budget will be used for setup in Banner.
3. If the award amount is less than proposed, but no detail is provided with the award, the budget will be proportionally allocated, and no request will be sent to the PI/BC for a new budget.
 - a. If there is a decrease in the total budget, the GCO will contact the PI before accepting the award to ensure that the work is still possible with the funds provided, or to determine what change of scope may be required. The GCO will negotiate solution with sponsor and set up budget according to the agreed revisions.
 - b. If the award is incrementally funded, the early budget segments may not cover expenses incurred in some spending categories, and future budget will continue to be allocated proportionately and will offset the category discrepancies.
4. If we have expanded authorities, allowing us to rebudget, the PI and BC will post expenses according to need, but Banner budgets will not be revised.
5. If we do not have authority (or limited authority) to rebudget, this will be noted on the PI letter.
 - a. Changes will be requested through the Sponsored Project Rebudget Form and approval request submitted to sponsor by OSRAA as necessary.
 - b. Sponsor authorized changes will be routed to setup for revision of the Banner budget as an amendment to the award.

This process change will save time, provide visibility of spending variances from the approved budget, and eliminate the vast majority of budget JVs to be entered or requested by business centers.

OSRAA will provide expanded authorities training, including reference materials on OSRAA website (Prior Approval Matrix) and Outreach and Education training. The Sponsored Project Rebudget Form provides a means to request OSRAA review of rebudget requests that may require sponsor prior approval.

Reference Materials:

- Expanded Authorities Matrix
- Rebudgeting Desk Reference
- Sponsored Project Rebudget Form

Expanded Authorities Matrix

Project Changes

When a project is funded, the sponsor expects the work to follow the plan presented within the proposal. However, the nature of research often results in unforeseen circumstances that require adjustments. Sponsors have different rules regarding these adjustments, with some being more permissive while others have strict policies regarding changes.

The project’s award document will provide details regarding the sponsor’s requirements for any project changes. Within Federal awards, certain sponsor written prior approvals have been waived, and certain sponsor written prior approvals are always required. The chart below provides a listing of the most common prior approvals for the National Science Foundation (NSF), the Department of Energy (DOE), the National Institutes of Health (NIH), the U.S. Department of Agriculture’s National Institute of Food and Agriculture (NIFA), the Department of Commerce (DOC) and the National Aeronautics and Space Administration (NASA).

While the chart is a guide, each project’s terms and conditions may contain award-specific requirements which must be followed. OSRAA’s PI letter will provide details on non-standard terms and conditions regarding budget changes and other project revisions.

Prior Approval Item	Waived/Required	Exceptions/Notes
Change in scope	Required	This applies to all awards
Change in PI specified in award	Required	NSF also requires prior approval for change in co-PIs
Disengagement from the project for more than 3 months, or a 25% reduction in time devoted to the project by the approved PI	Required	NSF also requires prior approval for co-PIs; NIH also requires approval for any other individuals specifically named in the Notice of Award
Subawards not included in the original proposal	Required	NIH waives the requirement for domestic subawards that do not change the scope of work; NIFA waives the requirement unless the subaward is another Federal agency or the subaward would be more than 50% of the total dollars of the award
Subaward based on a fixed amount up to the simplified acquisition threshold	Required	Note that OSU uses a simplified acquisition threshold of \$150,000 for Federal contract funding, and \$250,000 for other Federally-funded awards
Incur costs more than 90 days pre-award	Required	
Incur costs 90 days prior to the agency’s award start date (pre-award spending)	Required for Dept. of Energy	Note that Federal contract funding does not allow pre-award spending; incoming subawards may allow pre-award spending, but it needs prior approval

Initiate a one-time no-cost extension of the period of performance up to 12 months	Waived	Note that extension of Federal contact funding is typically unallowable
Initiate subsequent no-cost time extensions or an initial time extension greater than 12 months	Required	
Carry-forward of unexpended funds (balances) to subsequent budget periods	Waived	Note that NIH requires prior approval of carry-forward if the award is not subject to simplified non-competing award process (SNAP)
Transfer amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa	Waived	NIH requires prior approval if the transfer constitutes a change in scope
Rebudgeting among direct costs categories for Federal awards in which the cumulative amount of such transfers exceed or is expected to exceed 10% of the approved budget	Waived	NIH requires prior approval if the transfer constitutes a change in scope; this waiver does not apply to amounts budgeted for participant support costs
Rebudgeting funds to participant support cost categories	Waived	Note that NIH requires that participant support costs be mentioned in the Funding Opportunity Announcement (FOA) in order for them to be allowable; NSF requires prior approval if the rebudgeting is moving funds to the “other” category in participant support costs
Rebudgeting funds from participant support categories	Required	NIH waives this requirement unless there is a change in scope. Note that NIH requires that participant support costs be mentioned in the Funding Opportunity Announcement (FOA) in order for them to be allowable, however.
Changes in approved cost sharing or matching required	Required	NIFA waives this requirement if the change constitutes a reduction in the amount of approved cost sharing/match

There are some less commonly used prior approvals, e.g., use of program income. Please contact OSRAA if there are any questions about required prior approvals.

While the prior approval matrix does serve for some of OSU’s larger sponsors, please note that a specific award may have different prior approval requirements than what is shown in the matrix. In addition, agency prior approvals will come from the sponsor’s grants officer. The one exception to this is that NSF’s project officer approves rebudgeting from the participant support costs budget category

For more information, see FDP Prior Approval Matrix:
https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix_a.pdf

Rebudgeting Desk Reference

QUESTION 1: Is this a rebudget or allowability question?

Allowability- Can we charge this to the grant regardless of what budget category it is charged to. (The answer does not depend on which budget category the charge will fall into, it requires review of award terms for allowability and allocability.)

Examples:

- (1) Can we pay for a deposit on a rental property, what if we lose the deposit. What if we pre-pay for a hotel room and it is not used?
- (2) Can we get computers/cell phones?
- (3) Can we pay for damage to the car/house/property?
- (4) Can we pay for half of this equipment charge on one grant and half on another grant?
- (5) Can we pay for moving expenses for this person?

Answers: Review allowability/allocability provision of the award terms.

For federal UG awards this includes:

- (1) §200.403 – Costs must be necessary and reasonable for the performance of the award, consistently treated, is not included in the indirect cost pool. Ask why was the deposit lost and why the hotel room was not used. Can we show that there was a direct benefit to the award?
- (2) § 200.404- Use the prudent person test (straight face test, front page of newspaper test).
- (3) § 200.404- Use the prudent person test (straight face test, front page of newspaper test).
- (4) §200.405- Costs are allocable in proportion to the relative benefits received to the project. Will want to have a methodology for the distribution.
- (5) §200.405- Costs are allocable in proportion to the relative benefits received to the project. Will the person be working on only this award, or should their moving expenses be split?

QUESTION 2: Is this a rebudget to OSRAA or the sponsor?

Review rebudgeting questions to determine if they are a rebudget in the eyes of the sponsor. Review proposal and award to determine what budget the agency considers our project budget and determine if costs will be moving between categories. The budget in Banner will now reflect the proposed/awarded budget.

First thing to determine is if it is a rebudget of the agency's budget?

Always need to document:

- (1) What budget category money is moving from
- (2) What budget category money is moving into
- (3) What amount is moving
- (4) How is this change furthering the goals of the project/what is the justification for the change

Examples of changes that are typically not a sponsor rebudget and therefore do not require prior approval or change in Banner budget:

- (1) Move salary between Co-PIs
- (2) Move between different items in supplies category

- (3) Move budget in a fixed price awards. These do not need prior approval to move between budget categories (merely having a payment schedule does not determine a fixed price award)

QUESTION 3: If it is a sponsor rebudget- do we have authorization to make the change without prior approval?

First, always look for special terms in the award document that explicitly states rebudgeting authority and prior approval requirements.

If agreement is silent on rebudgeting authority, then determine if we have permission in relevant grant guidelines

- (1) For federal UG awards this includes §200.308 (note that the UG allows federal agencies to add to the prior approval list and many do this). Prior written approval from a grants officer is required for the following:
 - a. Change in scope of the project
 - b. Change in key personnel
 - c. Transfer of funds budgeted for participant support costs to other direct cost categories
 - d. New Subawards
 - e. Changes in cost share obligation
 - f. Moving costs from participant support to other categories
 - g. Adding a stipend
 - h. Large change to project budget that results in a fundamental change to the project goals
- (1) If not a federal award subject to uniform guidance and award document is silent on rebudgeting authority- seek sponsor approval.

QUESTION 4: How to seek Prior Approval?

OSRAA will contact the sponsor's grants administrator (or sponsor portal automated procedure such as Research.gov) for permission to rebudget with an explanation of where money is being moved from, where it is going to, the amount of the change, and the project need for the change.