Grant and Contract Accounting Office
Rebudgeting of Grant and Contract Funds

The budget plan is the financial expression of the project or program as approved during the award process. After a grant/contract is awarded, the Principal Investigator (PI) may determine that the approved budget allocations are not consistent with actual project needs. S/he may request the formal reallocation of funds from one spending category to another spending category that better reflects the project requirements. This process is called Rebudgeting or Budget Revision.

Informal rebudgeting occurs when actual expenditures exceed or fall short of the allocated amount budgeted in an account or when actual expenditures occur in an account that has no budget allocation.

Many sponsors allow rebudgeting without prior approval while others require approval when rebudgeting into or out of a spending category exceed a specified percentage of the award amount. If prior approval is not required then formal rebudgeting is not necessary.

Procedure for Rebudgeting on a Grant/Contract:
The PI with the support of the Grant and Contract Accounting Office (GCA) will determine if the sponsor of the grant/contract allows rebudgeting and whether prior approval from the sponsor is required. GCA will review the rebudgeting request to determine if it is allowable, based on sponsor regulations or contractual agreements in the award documents.

> For example: on NIH non-modular budgeted awards, sponsor concurrence is required when a single direct cost budget category deviates (increase or decrease) from the categorical commitment level established for the budget period by more than 25 percent of the total costs awarded.

If sponsor approval is required, the PI will formally submit electronic rebudgeting request to funding agency copying GCA. If approved by funding agency, GCA will use approved request to post rebudget in the Financial Management System (FMS). If the funding agency approval is not obtained, FMS rebudgeting will not occur.

If sponsor approval is not required, rebudgeting requests will be noted in Excel project spreadsheet/project file and monitored. Rebudgeting in FMS, other than opening up certain cost categories, will not occur. This is so thresholds or "swings" can be monitored.

Questions relating to grant/contract budget should be directed to GCA.