

Procedure on Rebudgeting of Extramural Award Funds

- The budget summarizes the financial aspects of the award as approved during the award process. After a grant or contract has been awarded, the PI may determine the approved budget allocations are no longer consistent with actual project needs. To better reflect the project requirements, the PI, in working with their business unit, may request the reallocation of funds from one spending category to another. This process is called rebudgeting.
- Rebudgeting falls under two broad categories. First, is rebudgeting under expanded authorities or under allowable limits set in the award document. Many Federal awards fall under expanded authorities (which can be found on the [NSF Expanded Authorities Matrix](#)). Second, is when pre-approved limits are set in the award terms and conditions. If the award document is silent on a rebudget ceiling, best accounting practices require prior approval when; rebudgeting over 10% of the total award or when a rebudget adds a new budget category as defined in the award.

If an award has no minimum ceiling for institutionally approved rebudgeting, or when the ceiling is reached, all rebudgeting must be approved through prior approval by the sponsor. There are other items to be aware of when rebudgeting. OSP and most likely Sponsor approval is also required when **rebudgeting includes a change in scope, new subaward, or moving funds from participant support costs.**

Procedures

Under Prior Approval Threshold

The Principal Investigator (PI) and designated departmental business personnel are responsible for the financial management of the sponsored award, including rebudgeting.

OSP has delegated to the unit rebudgeting; under expanded authority, under the allowable limits established in the award terms and conditions, or under the 10% cap (in cases where the award document is silent). Units must monitor the total level of spending under an award to track when any rebudgeting thresholds which require Sponsor prior approval have been reached. Rebudgeting under this delegated authority requires that the PI and unit discuss any needed rebudgeting and document decisions to rebudget funds. When any threshold or other condition requiring Sponsor prior approval is reached, the PI and the unit must file a request to rebudget with OSP (see over prior approval threshold below).

Over Prior Approval Threshold

If an award document requires all rebudgeting to have Sponsor prior approval or if a threshold has been reached such that Sponsor prior approval is required, a rebudgeting request must be routed to the OSP through Kualu. If the unit is unsure how to route this request they should either refer to the Kualu User's Manual or contact the Office of Sponsored Programs. All routings must be submitted to OSP in sufficient time for OSP to meet required deadlines. A rebudget request spreadsheet, justification, and a statement about any potential change in scope must be included in the routing. Attached to this procedure is a recommended budget format. OSP will submit the request to the sponsor per the terms and conditions of the award. The PI, unit and the Office of Contract and Grant Accounting (OCGA) will be notified of the sponsor's decision.

Effect of Rebudgeting on F&A

When a sponsor allows rebudgeting between the direct costs and F&A costs, it is necessary to provide for the increase/decrease in F&A that may occur when rebudgeting. Any rebudgeting between F&A and direct costs may require prior approval by sponsor so make sure you check the terms and conditions of the award.

An increase in F&A will occur when rebudgeting **from** direct cost categories *exempt* from F&A (do not incur F&A) **to** *non-exempt* F&A categories (does incur F&A) (i.e. from equipment to personnel), the amount of direct costs being rebudgeted is reduced proportionately by the associated F&A cost of the non-exempt category.

A decrease in F&A will occur when rebudgeting **to** an F&A exempt direct cost category from an F&A non-exempt direct cost category (i.e. travel to tuition remission) will result in a reduction to F&A costs that may be rebudgeted.