

<p align="center">University of Kentucky College of Medicine Sponsored Research Administrative Services</p>	<p align="center">Identification M-SRAS 005 Version 2</p>		<p align="center">Contact: SRAS Manager</p>
<p align="center">Standard Operating Procedure</p>	<p>Date Effective:</p>	<p align="center">1/4/2016</p>	
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Requesting and Processing Budget Revisions on Sponsored Projects

Purpose: The purpose of this operating procedure is to clarify and define the roles of the Principal Investigator (PI), Department Administrator/Staff (DA), and the Sponsored Research Administrative Services (SRAS) staff (Grant Analyst (GA) and Reconciler), and the associated rules and regulations for requesting a budget revision on a sponsored project agreement.

Introduction: Grants and contracts for sponsored projects represent a contractual obligation between the grantor and the University for the performance of a specific activity through which the grantor, or sponsor, is entitled to receive some consideration or benefits. The contractual obligation is normally documented by a proposal and award combination, contract, or a written memorandum of agreement. The University assumes full legal responsibility for complying with all requirements imposed by the grantor or sponsor upon acceptance of grants and contracts for sponsored projects, including a requirement for a report of expenditures or a provision for an audit. In turn, the College of Medicine must ensure its faculty is in compliance with all University and sponsor requirements related to the financial management of these agreements.

During regular account review and monitoring, a PI, DA, GA, or Reconciler may identify a need for a budget revision. Also, as PI's plan their project expenditures, and plans change since the proposal and original budget was prepared, the PI or DA may identify a need for a budget revision. A budget revision should be processed by OSPA prior to the expenditure being incurred. Individual sponsors vary considerably in the amount of budgetary flexibility allowed. Some modifications require written approval of the sponsor. Information concerning sponsor restrictions could be included in the PADR remarks, general sponsor guidelines, and/or specific sponsor guidance on the funded project.

Procedure: To prepare, submit, and process budget revisions.

1. A budget transfer may be initiated as part of the regular grant account review process by staff in the SRAS (identified by either the GA or the Reconciler) or by a PI or DA identifying a project change that necessitates a revision. If that is the case, the PI or DA will contact staff in the SRAS

to prepare the budget revision request. See appendix for the form, "Prior Approval Request for Revision/Action on Sponsored Project Account," used for this purpose.

2. The SRAS staff will determine if the budget revision is necessary and can be justified. The SRAS GA will consult various resources to determine compliance with sponsor and University guidelines for the proposed revision.
3. The SRAS GA will determine if a budget revision can be processed based on the AVC Overview in SAP (this is a specific transaction in the University's financial system) and the PI Executive Summary in BW (this is a reporting feature associated with the University's financial system.)
4. The SRAS GA will work with the PI and DA to determine which categories funds should be transferred to and from, and if the transfer will affect F&A and determine the amounts that will need to be transferred.
5. If F&A will be affected, the GA will review the PADR to determine the F&A rate and type and calculate the appropriate amount of Direct and F&A funds need to make the transfer, and advise the PI and DA accordingly.
6. The PI will prepare a written justification for the budget transfer to include an explanation of how the anticipated expenditure(s) will directly benefit the project and why the costs were not included in the original proposal budget. The SRAS staff can provide guidance on the writing of this justification. If the request is for a budget category that included normally indirect cost items (also known as "CAS items"—see additional explanation in item 8), additional justification will be required. Also, budget revisions for CAS items require Dean's approval. The SRAS staff will arrange this review/approval once the justification is complete. The SRAS staff will also coordinate with OSPA if there is a need for sponsor approval.
7. The SRAS staff will submit the request to OSPA via email, with a cc: to the PI and DA, requesting the revision be processed. The SRAS will work with OSPA to resolve any concerns, involving the PI and DA as needed. This includes arranging for sponsor prior approval if required.
8. **FROM THE COSTING GUIDELINES FOR SPONSORED PROJECTS:** The following requirements apply to projects funded by federal agencies:
 - a. When a cost normally treated as indirect is approved for expenditure as a direct cost, the cost will be budgeted to the specific sponsored class.
 - b. If there is a need to incur a normally indirect charge on a sponsored project, but the cost was not included in the proposal and award, a formal re-budgeting request must be submitted by the PI, with the concurrence of the dean, to OSPA for review and approval. The request must include a justification for why the cost is required to accomplish the project, and an explanation of why the cost was not included in the original proposal budget. Guidance for how to provide a sufficient justification to comply with sponsor and University guidance is available on the OSPA and SPA websites. SRAS has sample justifications, and has access to additional resources related to writing compliant justifications, and its staff will provide assistance as needed with writing a sufficient justification.

Roles and Responsibilities:

Principal Investigator (PI) is responsible for:

Contacting the SRAS if a need arises that may require a budget revision.

1. Working with the SRAS and DA determine from which categories the funds should be transferred to and from.

2. Writing a justification for the budget transfer to include an explanation of how the anticipated expenditure(s) will directly benefit the project and why the costs were not included in the original proposal budget. If the request is for a budget category that included normally indirect cost items (also known as “CAS items”), additional justification will be required.
3. Working with the SRAS GA to resolve any concerns raised by OSPA or to facilitate sponsor prior approval if it is required.

Department Staff/Administrator (DA) is responsible for:

1. Contacting the SRAS if a need arises that may require a budget revision.
2. Working with the DA and SRAS to determine from which categories the funds should be transferred to and from.
3. Working with the SRAS GA to resolve any concerns raised by OSPA.

Sponsored Research Administrative Services Office (SRAS) is responsible for:

1. Contacting the PI and DA should the need for a budget revision be identified during the regular account review and reconciliation process.
2. Consulting various resources to determine compliance with sponsor and University guidelines.
3. Determining if the budget revision can be processed base on the AVC Overview in SAP and the PI Executive Summary in BW.
4. Working with the PI and DA to determine from which categories the funds should be transferred to and from and how it will impact F&A.
5. If F&A will be impacted, reviewing the PADR to determine the F&A rate and type and calculation the appropriate amount of direct and F&A funds needed to make the transfer, and advise the PI and DA accordingly.
6. Providing guidance on the writing of the justification.
7. Arranging for Dean’s approval of any revision that involves CAS/normally indirect cost items once the justification is complete.
8. Submitted the revision request to OSPA and working with OSPA to resolve any concerns, involving the PI and DA as needed. This includes arranging for sponsor prior approval if required.

Abbreviations:

AVC Overview – Availability Control feature in the University’s financial system, SAP

BW – Business Warehouse reporting tool for the University’s financial system

CAS – Cost Accounting Standards

DA – Department Administrator/Staff

F&A – Facilities and Administrative costs

GA – Grant Analyst

OSPA – Office of Sponsored Projects Administration

PADR – Project Account Data Record

PI – Principal Investigator

SAP – University’s financial system

SPA – Sponsored Projects Accounting

SRAS – Sponsored Research Administrative Services

PRIOR APPROVAL REQUEST FOR REVISION/ACTION ON SPONSORED PROJECT ACCOUNT

This form may be used to request pre-award costs, budget revision or time extension.

Complete and forward to Office of Sponsored Projects Administration, 1st floor Kinkead Hall 0057 257-9420

Principal Investigator _____ WBS Element 304-_____

Approval is requested for: Pre-Award Costs Budget Revision Time Extension

Request may require sponsor approval

Description of Request for Budget Revision: Indicate the dollar amount to be transferred and the applicable budget categories. For example, \$500 from E511000/Salaries & Benefits to E530011/Travel. Note: Changes to some direct categories will effect the F&A cost budget.

Explanation and Justification: Please provide an explanation of the need for the requested action in relation to the programmatic effectiveness of the project. If the action is a budget revision indicate how the anticipated expenditure(s) will directly benefit the project. If the request is to rebudget into a cost which is normally treated as F&A it must meet the requirements outlined in the University policy "Costing Guidelines for Sponsored Projects." All budget requests should be approved PRIOR TO expenditure.

Certifications and Approvals: This request is consistent with the scope and objectives of the project as approved by the granting agency. The request has been reviewed for scientific and technical relevance and availability of funds. If the requested action is for Pre-Award costs the chair must sign indicating the department will assume responsibility for expenditures incurred if the award is not received. If the request is to rebudget into costs which are normally treated as F&A, Dean or Director concurrence is required. Approval is recommended by signature below:

Principal Investigator _____ Date _____

Chair or Director--*Required for pre-award costs* _____ Date _____

Dean or Director-- *Required when requesting rebudget into normally F&A cost* _____ Date _____

Office of Sponsored Projects Administration (OSPA)

Research Administrator _____ Date _____