

University of Kentucky College of Medicine Research Sponsored Research Administrative Services	Identification M-SRAS- 012		Contact: SRAS Manager
Standard Operating Procedure	Date Effective:	12-14-2015	Page 1 of 4
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Sponsored Project Grants Mid-Year Budget Modifications

Purpose: The purpose of this operating procedure is to clarify and define the roles of the Principal Investigator (PI), Department Administrator (DA), and the Grant Proposal Specialist (GPS) in Sponsored Research Administrative Services (SRAS), regarding budget modifications initiated by the sponsoring agency (i.e. increases/decreases in available funding). The PI and DA will work with the GPS to define the budget changes requested, as well as to develop and finalize the budget justification for the mid-year modification. The Office of Sponsored Projects Administration (OSPA) has the final authority to approve all revised budgets being submitted for extramural funding and interpreting all federal guidelines and regulations.

The purpose of the modified line item budget and budget justification is to: (1) address changes in available funding as directed by the sponsoring agency; (2) to outline and detail the necessary modifications to anticipated expenses; and (3) describe the impact of these requested modifications on project aims and objectives. University of Kentucky budgets must comply with federal regulations, which are codified in the Office of Management and Budget(OMB) Uniform Guidance (UG), 2 CFR 200(as well as comply with any other sponsor and University policies). The UG provides standards to determine whether costs can be charged to federal grants and how those costs should be distributed between direct costs and facilities and administration (F&A) costs. The principles of the UG are rigorously applied to all federal grants and generally adhered to in administering non-federal awards.

The standards established in the UG require that all funded expenses must be (1) reasonable, (2) allocable to the project, (3) given consistent treatment, and (4) conform to any limitations or exclusions set forth in the sponsor’s award or contract.

Introduction: Grants and contracts for sponsored projects represent a contractual obligation between the sponsor and the University for the performance of a specific activity through which the sponsor is entitled to receive some consideration or benefit. 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 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 members are in compliance with all University and sponsor requirements.

Adjustments in available funding may be communicated to project PIs and staff by the sponsor (Project Officer) and may require submission of a modified line item budget and budget

narrative/justification. Per University policy, final versions of revised line item budgets and justifications must be prepared in coordination with the GPS, may require a revised eIAF, and must be approved by OSPA prior to the sponsor's submission deadline.

Procedure: Changes in the political or financial climate may result in mid-year changes of available funds for projects already in progress. These changes may result in an increase or decrease in funding for previously awarded projects and will require submission of a modified line item budget and budget justification to address this adjustment of funds. Approval of these modifications by the sponsor will result in a new/revised Notice of Grant Award or Signed Contract. The PI must ensure that the budget developed reflects the requested modification (addition or reduction of funds) and provides the best estimate of the costs necessary to complete the tasks outlined in the proposal. If the requested modification will affect the scope of work, work plan, or achievement of project aims/goals, the PI must ensure that these project changes are disclosed fully to the sponsor and addressed in the budget narrative/justification. A revised work plan may be requested by the sponsor to address changes in the proposed project.

Mid-Year Modifications

1. The PI/DA must alert the GPS of mid-year budget modifications requested by the sponsor due to changes in funding for previously awarded projects. Any communications that are presented directly to the PI/DA from the sponsor should be provided to the GPS immediately.
2. As soon as the GPS becomes aware of any requested modifications resulting in an increase or decrease in previously awarded funds, he/she will alert the Research Administrator (RA) in OSPA and share any relevant communications from the sponsor regarding this request.
3. If the sponsor requests a conference call to discuss project changes related to mid-year modifications in available funding for previously awarded projects, the PI/DA should notify the GPS to ensure his or her availability and participation on the call.

Define Budget Needs/Framework and Develop Budget Justification

1. The GPS will collaborate with the PI and DA to ensure the budget is revised in accordance with the UG, which identifies allowable direct cost categories and prescribes a standard distribution and allocation method for the recovery of F&A costs. Because the UG also establishes standards for consistency in the treatment of costs for institutional accounting, it applies to grants, contracts, and other types of awards accepted by the University.
2. The GPS will assist the PI in defining the framework and modifying the previously approved budget. Note that the PI will let the GPS know what adjustments need to be made to the budget based on the needs of the project. The GPS should refer to the "Budget Development SOP" regarding specific budget-related questions, if necessary

The GPS will use previously proposed/approved budget as a template to draft the requested budget modification. The detailed budget modification must provide the following information, as required on the initially submitted/approved budget. If salary figures are needed for faculty or staff outside of the College of Medicine, contact the other College's College Grants Officer (CGO) for the appropriate information.

- 1) Personnel
 - a) Effort (expressed in percent effort, or calendar or academic

- and/or summer months)
 - b) Institutional Base Salary
 - c) Salary Caps/Cost Share
 - d) Fringe Benefits (projected rates will be used from OSPA's website, unless the PI or DA has specific details on an individual's fringe rates to be included)
 - e) VA Appointments
 - f) Role
 - Senior Key Personnel
 - Post-Doctoral Scholars
 - Graduate Students
 - Other Significant Contributors
 - Other Personnel
 - 2) Equipment
 - 3) Travel (domestic or foreign, by regular employee, student, other)
 - 4) Trainee Costs
 - 5) Other Direct Costs
 - a) Materials and supplies
 - b) Animal-Related costs (e.g. per diem, use fees, vet costs, etc.)
 - c) Publication costs
 - d) Consultant costs (non-UK employees)
 - e) Subawards/Consortium Costs
 - f) Computer Services
 - g) Alterations and Renovations (A&R)
 - h) Participant Incentives and Support (e.g. conference or training participant expenses)
 - i) Tuition
 - j) Patient Care Costs
 - k) Research Subject Payments
 - l) Lab Service/Core Costs
 - m) Other direct costs, as deemed necessary by the PI and/or sponsoring agency.
3. The PI will modify the budget justification based on the categories above as included in the budget modification.
 4. The PI will review the draft budget as prepared by the GPS. Depending on sponsor guidelines, the PI may need to assign costs to specific categories, such as Core Medical, Quality Management, or Support and Administration in certain HRSA projects, for example. The GPS will also edit/revise the budget based on PI input and comments.
 5. The GPS will prepare a final modified budget for PI and DA approval. Once the PI and DA provide approval, the budget can be used for submission to the sponsor, if necessary.
 6. The GPS will confirm details of any changes to previously established enrichment splits (a revised eIAF would be required for any enrichment changes) with the PI and DA.
 7. A revised eIAF may be required in certain instances (refer to eIAF SOP for the process). The

GPS will advise the PI and DA on the policy and process.

8. If the sponsor requests submission of the revised line item budget and budget modification via e-mail, hardcopy mail, or online upload, the GPS will work with OSPA to ensure the revised documents are submitted after completion of the revised eIAF (if one is needed) and approval of the modified budget by OSPA.

ROLES AND RESPONSIBILITIES

The **Principal Investigator (PI)** is responsible for:

- Notifying the GPS of requested budget modifications
- Revising budget needs and framework
- Completing the budget justification
- Reviewing GPS revisions as needed and providing final approval of the revised budget, justification, and any other related documents, including enrichment revisions.

The **Department Administrator (DA)** is responsible for:

- Approval of the modified budget and any enrichment revisions.
- Any other PI task that may be delegated to them by the PI.

The **Grant Proposal Specialist (GPS)** is responsible for:

- Reviewing Sponsor request for budget modification.
- Revising the budget spreadsheet based on discussions with the PI and finalizing after PI review.
- Reviewing budget justification submitted by the PI.
- Coordinating with OSPA for the submission of the revised budget, justification and any other related documents
- Initiating a revised eIAF if required by OSPA policy.

Abbreviations

CGO—College Grants Officer (other UK Colleges' counterpart to College of Medicine Grants Proposal Specialists)

DA—Department Administrator

eIAF—electronic Internal Approval Form

F&A—Facilities and Administration rate (indirect cost rate UK negotiates periodically with the federal government that is applicable to most grants)

GPS—Grants Proposal Specialist (located in Sponsored Research Administrative Services)

NIH—National Institutes of Health

OSPA—Office of Sponsored Projects Administration (located in the Vice President for Research Office)

PI—Principal Investigator

SRAS—Sponsored Research Administrative Services