

# WELLESLEY COLLEGE

## FINANCE AND ADMINISTRATION

### **Policy and Procedures for Budget Revision**

The purpose of this policy is to ensure that Wellesley College complies with the Federal Office of Management and Budget (OMB) standards regarding post-award budget revisions on projects funded by agencies of the federal government. *This policy is approved by the Vice President for Finance and Administration to be effective on August 1, 2017.*

### **Policy**

In the event that a project budget requires revision during the post-award period, it is the responsibility of the Principal Investigator, with the assistance of the Associate Controller, to ensure that the budget revision meets the requirements of the sponsoring agency and, if required by the sponsor, receives appropriate approvals.

### **Procedures**

Budget Revisions are changes to an approved project budget where costs from one budget category are moved to a different category (i.e., costs for salaries and fringe benefits are moved to costs for consultants or sub-awards). Depending on the sponsor guidelines and the nature of the revision, this action may require prior approval from the sponsor.

1. After the award has been made by the sponsor, the Principal Investigator (PI) identifies a need to revise the approved project budget. PIs are required to report deviations from budget plans, and request prior approvals for budget revisions as necessary. Prior approval from the sponsor is required for the following:
  1. Change in a key person specified in the application or award document
  2. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
  3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
  4. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the awarding agency.
  5. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense
  6. Per the specified terms and conditions indicated in the sponsor's award notice.
2. PI contacts the Associate Controller to determine the sponsor's guidelines with regard to budget revisions to determine if prior approval for the revision is a requirement. The Associate Controller will review the request and compare it against the approved budget and requirements of the Uniform Guidance, 2 CFR Part 200 or sponsor guidelines.
3. The Associate Controller creates a revised budget that clearly indicates the budget line items where funds are being reduced and where funds are being increased.
  1. a) All proposed costs in the revised budget must be reasonable, allowable, allocable, and in accordance with the College's policy.
  2. b) In addition to changes in the direct costs, the revised budget must also take into account any changes in indirect costs that may occur because of the revision.



4. Working consultation with the PI, the Associate Controller creates a budget narrative to support the revision, clearly identifying the reason(s) for the revision.
5. If required by the sponsor, the Associate Controller sends the request for budget revision to the sponsoring agency for approval.
6. Budget revision requests that do not require prior agency approval, where the request meets Uniform Guidance 2 CFR 200 guidelines and sponsor guidelines, can be approved by the Associate Controller.
7. If the budget revision requires agency approval, it must first be approved by the Controller.
8. The Associate Controller updates the project budget in the accounting system.
9. The Associate Controller notifies the PI and the Office of Sponsored Research when the revision is approved and complete.

A sample budget revision request form is provided below for convenience; however the request may be made by other means, including by email, so long as the necessary documentation detailed above is included with the request.

# Budget Revision Request Form

**Use this form to re-allocate budget.**

Number: \_\_\_\_\_  
 Principal Investigator: \_\_\_\_\_  
 Grant Title: \_\_\_\_\_  
 Budget Period: \_\_\_\_\_ to \_\_\_\_\_

Have you (or the PI) contacted the Program Officer about this budget revision yet?

† Account Code	Budget Category	Original Budget	Change +increase /- decrease	Revised Budget
Net Change (total must be zero)				

**Explanation of why budget revision is necessary.**

\_\_\_\_\_  
 Signature of Principal Investigator                      Date

**FOR POST-AWARD USE**

- Is revision allowable from contract?
- Does the revision meet KYG policies?
- Will the revision require the 7cblfc`Y/ VP: 5's approval?

\_\_\_\_\_  
 Signature of \_\_\_\_\_ # \_\_\_\_\_ Date \_\_\_\_\_  
*This request has been reviewed and has been approved*

Date Revision Posted: \_\_\_\_\_

Notes:

Email to: _____@_____ .edu
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Rev. Date: