

Section 7.2.2: Budget Modifications

PURPOSE AND POLICY

Each agency should establish and follow a standard process for various grant adjustments, including budget modifications. Subgrantees may request modifications to approved budgets in order to reallocate dollar amounts among budget categories within the existing award amount. The original award amount may not be increased by this procedure. Movement of dollars between approved budget categories must be approved by the grant program manager. Changes in scope, activities, or other significant areas are changes that require prior approval from the grantor through a modification or amendment. The Office of Grants and Federal Resources (GFR) recommends that grant adjustments are processed via the eCivis Subrecipient Manager (SRM).

A formal request from the subgrantee is required:

- If any budget modifications are being sought, even if the total award amount remains the same or there is no change in the scope of the project;
- The budget modification also changes the scope of the project. Examples include altering programmatic activities, altering the purpose of the project, authorizing use of subcontractor or other organization that was not identified in the original budget, or contracting for or transferring of grant-supported effort; or
- If a budget adjustment affects a cost category that was not included in the original budget, a grant adjustment is required. For example, if the direct cost category, Travel, did not exist in the original budget, the adjustment to transfer funds from the Equipment to Travel requires a grant adjustment;
- Altering programmatic activities;
- Affecting the purpose of the project;
- Changing the project site;
- Change in organization with primary responsibility for implementation of the subgrant; and
- Contracting out, subgranting (if authorized), or otherwise obtaining the services of a third party to perform activities that are central to the purpose of the award.

PROCEDURE

1. **Submit grant adjustment request.**

The subgrantee submits a request for a change in the budget to the grant program manager in writing, preferably via the eCivis Subrecipient Manager (SRM).

2. **Review grant adjustment request.**

The grant program manager, consulting with the agency finance representative if necessary, reviews the grant adjustment request to determine if the requested change is allowable under the grant terms and conditions, is necessary and reasonable, is consistent with the goals and objectives of the grant, and complies with all applicable state (and federal policies if applicable) and regulations. [Uniform Guidance §200.308](#) (Revision of budget and program plans) is the

federal regulation governing budget revisions of federally funded grant programs. Grant program managers should consult with their agency leadership and follow internal policies regarding modification and amendment requests.

If the grant program manager has additional questions regarding the request, the grant program manager should contact the subgrantee. The subgrantee may then revise the grant adjustment request and re-submit it to the grant program manager.

If further internal research and discussion is needed that will result in a delayed decision to the subgrantee, then the request should be put on hold and the grant program manager should inform the subgrantee of the reason why it is being put on hold.

3. **Approve or deny the grant adjustment.**

Once the grant program manager has received the modification or amendment request and supporting documentation, reviewed the information with the appropriate internal staff (finance representative, supervisor, agency leadership) if needed or required, the grant program manager or other responsible party approves or denies the modification or amendment request.

If the request is denied, the grant program manager provides justification and e-mails the subgrantee the denial. The grant program manager records this information in the award file, preferably in the eCivis SRM.

4. **Record of grant adjustment disposition.**

Once the modification or amendment has final approval (or denial), the grants program manager records the change in the award file, preferably via the eCivis SRM.