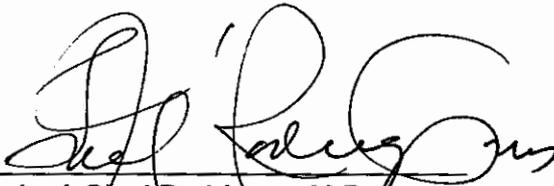


# Universidad Central del Caribe

## Sponsored Projects Budget Revisions POLICY

A handwritten signature in black ink, appearing to read 'José Ginel Rodríguez', written over a horizontal line.

José Ginel Rodríguez, M.D.  
President

February 2015

**Responsible Office:** Fiscal Resources Budget Office and Office of the Associate Dean for Research and Graduate Studies

## **Background**

In compliance with 2 CFR Part 200.308 (Revision of Budgets and Program Plans), most sponsors delegate on the recipient the responsibility to adapt their award spending patterns to match the changing circumstances of the research project. This flexibility minimizes the administrative burden associated with a revised budget and streamlines the sponsored program's management process at the recipient institution. In other circumstances, pre-approval from the sponsor is required for certain budget revisions. It is the policy of UCC to comply with sponsor requirements related to budget revisions and to show good stewardship in instances in which no prior approval is required.

## **Policy**

### **1. Basic Considerations**

Principal Investigators / Project Directors (PIs/PDs) are responsible for the ongoing fiscal management of the sponsored project to ensure that the budget is being spent in accordance to the terms and conditions of the award. Since the approved budget is the financial expression of the project, sponsors may evaluate the project against the budget at any time. PIs/PDs can make certain budgetary changes to enhance the project's productivity but are obligated to request prior approval when budget and program plan revisions indicate a significant change in scope. When considering budget revisions, the PI/PD must take in consideration that the sponsor may question or restrict expenditures that appear inconsistent with the approved project plan and budget.

### **2. Budget revisions that usually require written approval by the sponsor**

- Changes in the scope or the objective of the project.
- Change of the PI/PD specified in the application or the Federal award.
- PI/PD disengagement from the project for more than three months, or a 25 percent reduction in the time devoted to the project.
- The subawarding, transferring or contracting out of any work under the award.
- The transfer of funds budgeted for participant support costs as defined in 2 CFR 200.75 to other categories of expense.
- Changes in the amount of approved cost-sharing or matching committed by UCC.
- Expenses incurred more than 90 days before the official starting date of the award.
- The transfer of funds among direct cost categories when the cumulative amount of such transfers exceeds or is expected to exceed any threshold established by the sponsor.
- To carry forward unobligated balances to subsequent periods of performance.

### **3. Budget reallocation approvals usually delegated to UCC**

- Pre-award costs - Project costs incurred no more than 90 days before the award's official starting date. Any expenditures that precede the award are *solely* at the financial risk of the PI/PD requesting these expenditures since the Federal awarding agency is under no obligation to reimburse such costs if for any reason UCC does not receive the award or if the Federal award is less than anticipated and inadequate to cover such costs.
- One-time no cost extension of the award expiration date of up to 12 months - The funding agency must be notified of the extension at least ten days prior to the original termination date and the extension may not be exercised merely for the purpose of using any unobligated balance.

- Rebudgeting among budget categories as long as the change does not represent a change in the project's scope and the reallocation does not exceed the sponsor's budget transfer restrictions.

#### **4. Budget revision approval and documentation**

- The PI/PPD submits all requests for budget revisions in writing to the Budget Office and is responsible for assuring that the requested budget adjustments are consistent with the terms and conditions of the award. Budget requests should include the amount of the requested budget adjustment and the expense categories the budgeted amounts should be moved "To" and "From". If sponsor notification is required, the PI/PPD should include a written justification for the budget revisions.
- The Budget Office reviews budget revision requests and the supporting documentation provided by the PI/PPD for consistency with the terms and conditions of the award and the sponsor's requirements. If sponsor approval for the budget revision is mandated, the Budget Office solicits any additional information needed from the PI. When the documentation is obtained, the record is forwarded to the OADRGS, who will in turn contact the sponsor to request the budget revision. The OADRGS will forward the sponsor's decision to the Budget Office as soon as the sponsor's determination is known.
- The Budget Office will forward the sponsor determination to the Dean of Administration for approval of the transfer.
- The Budget Office finalizes the approved budget revisions and informs the PI/PPD in writing when the fund transfers have been completed.

#### **5. Roles and Responsibilities**

##### Dean of Administration

- Approves budget revisions delegated to UCC.

##### Fiscal Resources - Budget Office

- Review budget revision requests submitted by the PI/PPD for compliance with the terms and condition of the award.
- Approve budget revisions delegated to UCC.
- Make budget revisions within UCC's accounting system.
- Maintain documentation substantiating budget changes.
- Inform the PI/PPD when the funds have been transferred.

##### Office of the Associate Dean for Research and Graduate Studies

- Request permission from the sponsor in those instances where prior approval is required.
- Forward the approved budget request to the Budget Office.
- Ensure that approval of cost sharing commitments has been obtained.
- Maintain documentation of budget changes pertaining to the sponsored program.

##### Principal Investigator/Project Director

- Verify that the desired budget revision is allowed by the terms and conditions of the award.
- Identify the originating and recipient accounts and ensure that funds are available to

meet the obligation.

- Submit a written budget reallocation request to the Budget Office and provide the necessary justification to support it.
- Ensure that cost transfers are fulfilled and properly recorded and documented.