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## Rebudgeting Policy & Procedures for Sponsored Programs

- I. **POLICY STATEMENT** - The purpose of this policy is to assist PI's, schools, departments, units and personnel of the University to effectively manage the finances of sponsored program awards by providing guidelines and procedures for making necessary budgetary changes.
- II. **SCOPE** – All UMB personnel must be aware of the complex and detailed rules provided under Federal, State regulations, as well as terms and conditions of individual sponsored activities.
- III. **POLICY** – The budget is the financial expression of the project as approved during the proposal and award process. During the course of a sponsored project, a Principal Investigator (PI) may determine that the approved budget is no longer consistent with actual project needs. In some such cases, a reallocation of funding from one spending category to another to better reflect the project financial requirements is required.

Budget revisions under federal awards will be processed in compliance with [2 CFR 200.308](#) ["[Revision of budget and program plans](#)"]. Many federal agencies have waived some prior approvals required for budget revisions under research awards using the principle of "expanded authorities." For all projects, the PI should review the terms and conditions of the award for information regarding budget revisions.

The following actions normally require processing by the Office of Research and Sponsored Programs (ORSP) Preaward Grants and Contract Administrator (GCA) and prior approval of the sponsor:

- Rebudgeting between categories exceeds a specified percentage of the award amount;
- Change in the amount of a restricted category, such as participant support costs;
- Change in the amount of approved cost sharing/matching;
- Change in a key person specified in the application or Federal award;
- Budget revisions which result in significant changes in the scope of the project;
- Budget revisions which result in a 25% or more reduction of effort for the principal investigator/project director (PI/PD);
- Budget revisions which result in a 10% overall change in the budget last approved by the federal sponsor;



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- The award terms and/or sponsor policy require prior approval for budget revisions; and/or
- The rebudget is to provide for costs that would have necessitated specific information be included in the original proposal submission.

The PI is responsible for reviewing the award documentation for any specific information as to prior approval requirements under the award. Also, the [Research Terms and Conditions Prior Approval Matrix](#) (pdf) provides information on standard prior approval requirements for many federal agencies.

Even if sponsor prior approval is not required, a rebudget must be requested when there is an impact on indirect costs such as in the following circumstances:

- Adding or removing capital equipment;
- Adding or removing participant support costs; and/or
- Adding or removing a subcontract.

In any of the above circumstances, the PI should request a rebudget following the procedures outlined below.

## IV. RELATED DOCUMENTS – [Budget Modification Worksheet](#)

## V. ACRONYMS AND DEFINITIONS –

**Rebudget** is the transfer of funds from one budget category or line item to another. Each sponsor may have different rules for how to request a rebudget or complete the rebudget process.

**Participant Support** is for the support of students or trainees (non-employees) receiving training or attending a conference or workshop.

**Sponsored Projects** are externally funded activities that must be separately budgeted and accounted for according to terms of the sponsoring organization, State regulation, and UMB policy. Sponsored activities are provided through grants, contracts, and agreements with any Federal Agency, State Agency, or non-Governmental Organization that supports research, training, instruction, public service and other activities.

**Sponsor-specific Requirements** include requirements stated within the sponsor rules/regulations, funding opportunity announcement, award/grant or contract/agreement and amendments.

## VI. STANDARD OPERATING PROCEDURE – The following information should be forwarded to the ORSP Pre-Award Grants and Contract Administrator (GCA) for review:

- The current award's UMB project number;



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- An updated budget on the most recent ORSP [Budget Modification Worksheet](#) that should reflect the awarded indirect cost rate (IDC) and should match the total awarded budget exactly; and
- A justification of why this budget modification is being requested and how it will benefit the project and/or impact the overall goals of the project.

The ORSP GCA will then review the request and if approved, will submit the request on the department's behalf or instruct the department to submit the change in the respective agency portal if sponsor approval is required. When the sponsor approves the budget revision, the GCA will submit the internal change order so that Summit reflects the new budget of record. If sponsor prior approval is not required, then the GCA will submit the internal change order for the Summit update after they approve the rebudget request.

Please note that PIs should not be submitting any rebudget requests directly to the sponsor. Additionally, if UMB is a sub-awardee on a project, the ORSP GCA will make the request to the lead organization once the PI has provided the required information.

## VII. COMPLIANCE – [2 CFR 200.308](#) ["Revision of budget and program plans"]