

	Budget Revisions
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	Effective Date: 10/16/2024

<p>Purpose</p> <p>The purpose of this Policy is to provide guidance to Principal Investigators (“PIs”) and others responsible for the administration of sponsored projects on the requirements related to budget revisions to assure compliance with regulations, sponsor terms and conditions, and applicable cost principles.</p>
<p>Policy</p> <p>The Award Budget must (1) delineate the entire cost of the project, including the amount requested from the sponsor and identify project costs that will be met by other sources, if applicable; and (2) accurately reflect necessary project costs that are allowable and reasonable. These costs must also be supported by budget documentation. As a result of a change in circumstances, PIs may determine there is a need to revise the budget. Budget Revisions should be requested in conformance with this policy. The approved revised budget is intended to be used as a guide for the remainder of the grant period.</p> <p>Budget Revisions must be:</p> <ul style="list-style-type: none"> • Made in conformance with federal and/or state regulations as well as sponsor and university policy. Expenditures must be allowable, allocable, reasonable and consistent. • Requested in a timely manner. Requests for revisions made within six (6) months prior to the end of the award period (particularly those involving equipment) may require additional reviews and/or approvals. • Fully documented – revision requests must be submitted prior to the expenditure, and contain a reasonable justification • Submitted by the PI, or Co-PI with PI’s approval.
<p>Definitions</p> <p>Award Budget: The financial expression of the scope of work which includes the financial aspects of the project, as approved by the funding agency or pass-through entity during the award process and as modified by any subsequent amendments approved by the funding agency or pass-through entity.</p> <p>Budget Revision: Budget adjustments to the Award Budget which reallocate funds from one budget category to another budget category in order to reflect a change in the needs of the project.</p> <p>Budget Revisions to the Award Budget of federally sponsored projects must be made in accordance with 2 CFR 200 subpart E and 2 CFR § 200.308.</p>

Procedures

Each Principal Investigator (PI) is responsible for reviewing the Award Budget in a timely manner to ensure compliance with Illinois Tech policies, federal regulations, sponsor specific policies and guidelines, and the cost principles that guide fiscal activities on sponsored projects. The review process may identify the need for a Budget Revision, which should be requested following the steps below:

1. PI identifies a need to revise the Award Budget and contacts the RAS Specialist assigned to their department via email and/or the Research Administration Services (RAS) office <ras@iit.edu> via email to make a re-budget request. The request must include an explanation as well as a justification for the budget adjustment.
2. The assigned RAS Specialist will review the PI's request and the explanation and justification to determine if the Budget Revision requires prior sponsor approval.
 - a. If the RAS Specialist determines that the Budget Revision requires prior sponsor approval, the RAS Specialist will submit the PI's request to Sponsored Research and Programs (SRP) via email <osrp@iit.edu> for review.
 - i. If SRP also concludes that the request requires prior sponsor approval, SRP will submit the request to the sponsor on behalf of the PI. SRP will communicate the sponsor's response to the RAS Specialist via email. If approval is granted by the sponsor, the RAS Specialist will approve the request.
 - ii. If SRP determines that the request does not require prior sponsor approval, then the RAS Specialist will make the final decision to approve the request.
 - b. If the RAS Specialist determines that the Budget Revision does not require prior sponsor approval, the RAS Specialist will approve the request after review of the relevant regulations and policies and significance of the change.
3. The RAS Specialist will prepare an internal budget adjustment, if required, after review of the relevant regulations and policies and significance of the change. The RAS Specialist will document the Budget Revision, in accordance with this policy. RAS will submit the request to GCA via email.
4. If, upon review, although no sponsor approval was deemed needed by RAS but GCA determines that the Budget Revision does require prior sponsor approval, GCA will consult with the RAS Specialist. If GCA insists that sponsor approval is needed then it will be sought according to step 2.a.i. Otherwise, GCA will input the revised budget into the Banner Finance system.

Guidelines

Uniform Guidance [2 CFR §200.308](#), “Revision of budget and program plans” defines the federal guidelines for Budget Revisions. The following nonexclusive examples illustrate improper and unallowable reasons for Budget Revisions between or to sponsored project:

- To circumvent award restrictions.
- To circumvent Illinois Tech policies related to procurement or salary expenses.
- To supplement other active grant award activities.
- To enable rapid spending of unexpended funds at the end of the award period.

Budget Revisions require monitoring for compliance with Illinois Tech policies, federal regulations, sponsor specific policies and guidelines, and the cost principles that guide fiscal activities on sponsored projects.

References

[§200.308](#) Revision of budget and program plans.

Responsibilities

PI:

- Monitors budget and related expenses on the award, and initiates the budget revision process
- Reviews and confirms the revised proposed budget

Research Administration Services:

- Assists the PI in documenting the need for prior approval of budget transfers
- Quantifies and documents the transfer request and whether prior approval is necessary
- Submits prior sponsor approval requests to SRP, if required
- Forwards completed budget adjustment request to Grant and Contract Accounting for execution
- Uploads revised budget and supporting documentation to Cayuse

Sponsored Research and Programs:

- Reviews the RAS request to confirm if prior sponsor approval is needed
- Obtains prior sponsor approval, if needed
- Communicates sponsor response to PI and Research Administration Services

Grant and Contract Accounting:

- Reviews and executes complete budget revision requests in the Banner Financial System
- Retains a copy of back-up documentation

Recommended Forms

[Budget Adjustment Template](#)