



Section 500: Award Management

OSR Policy 500.19 — Budget Revisions

Responsible Officer: Director
Responsible Unit: Award Management
Effective date: July 1, 2008
Last revised on: November 4, 2008

Policy Statement

Budget revisions for sponsored awards must be approved by the sponsoring agency, provided for either through budget revision provisions in the terms and conditions of the award notification or by agency approval of a budget revision request coordinated through OSR.

Budget revisions are to be based upon the financial plan and cost trends for the designated award budget period. To the extent possible, budget revisions must reflect all necessary reallocations of resources foreseeable to the end of the budget period.

Because the University is legally bound to operate within the terms and conditions of each award accepted by the Office of Sponsored Research ([OSR](#)) on its behalf, the following actions must be taken prior to submitting a budget revision:

1. Review of the award notification is imperative prior to submitting a budget revision, as it specifies restrictions on budget revisions.
2. Review of restriction codes to the award account. Restriction codes, which indicate the types of allowable budget revisions for the applicable award account, are based on the award terms and conditions. They are applied to the account when it is first established in the University's Financial Reporting System (FRS).
3. Preparation of a written request for permission to make a budget revision that is currently restricted in FRS or differs from those presented in the award notification. Written requests for such revisions must be signed by the Principal Investigator (PI) and submitted to the Pre-Audit Department in OSR. OSR is the sole designee that may officially accept approvals from a sponsoring agency on behalf of the University. Receipt of approval of budget revisions must be made to OSR before revisions can be completed.

The Pre-Audit Department of OSR requires a minimum of three (3) business days to process budget revisions that do not require prior sponsor approval. Sponsor-approved budget revision requests often



require a longer processing period unrelated to actions taken in OSR. Thus, PIs and DAs are encouraged to complete requests in a timely manner.

Reason for Policy

This policy defines and emphasizes the actions necessary for completing budget revisions to sponsored accounts.

Exclusions/Exceptions

1. The transfer of funds between award accounts is strictly prohibited.
2. Revisions solely for the purpose of coping with near-term problems (e.g., a \$35.00 overdraft in the supplies category) should be avoided. If resources in all categories are already substantially committed to known requirements, a budget revision can only serve to defer and likely complicate, not resolve, a financial problem. In such cases, reduction of the project scope and effort may be the only viable solution.
3. Under the Federal Demonstration Partnership (FDP), the National Science Foundation (NSF), the National Endowment for the Humanities (NEH) and the National Institutes of Health (NIH) have delegated prior budget revision approval authority to certain grant recipients.

Procedures and Related Policies

If prior sponsor approval is required for a budget revision, a request letter sufficiently detailing the revision and justification should be addressed to the sponsor administrator or program officer as designated in the award. The letter to the sponsor is routed to the appropriate OSR Administrator in the Pre-Audit Department. Any question regarding the proposed revision is resolved with the originator prior to the release of the letter to the sponsor.

A [Budget Revision Cover Sheet](#) and [Forms](#) are available for [revisions to single accounts](#) or [between prime and sub accounts](#).

Justifications regarding sponsored research must accompany budget revision requests and provide more than just a simple reason for the transaction. They must be clearly understandable by anyone who might read them. The following procedure assists in creating a full justification regarding transactions of sponsored funds:

- [OSR Policy 500.3](#) [Expanded Authority under the FDP](#)
- [OSR Policy 500.20](#) [Cost Transfers](#)
- [OSR Policy 500.20, Pro 1](#) [Creating Justifications for Sponsored Funds Transactions](#)

OSR Research Tool Kits

None.



Contacts

Questions and concerns can be submitted online at [Ask OSR](#) or by using the [OSR staff directory](#). Within [RAMSeS](#), the “*Speak to Someone*” option assists in locating the staff member best suited to address project-specific issues.

References

 [Research Administration Glossary at Carolina](#)

Revision History

Prior Revisions: The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill’s [Division of Finance](#).

