

Budget Resource Adjustment Guidance

1. In response to a carefully developed funding opportunity by either federal agencies or other sponsors (not for profit, foundation, industry, etc.) a Principal Investigator submits a proposal towards the goals of the funding opportunity (solicitation) - developing program narrative, budget, budget justification, and performance measures. A well-prepared budget is key to a successfully awarded proposal - spending plan or work plan. Once awarded, the approved budget is then reflected in the financial system. Invoices and other financial reports can also reflect the same awarded budget.
2. This document is to assist you with knowing what the budget resources are and when you use them as they apply to KU's financial system, Financials in the Cloud (FITC), and when a budget adjustment will need to be submitted to be reflected in the financial system.
3. Please refer to specific terms and conditions of the award for re-budget thresholds that are allowable per the sponsor. This guidance is to be used for research support staff to submit a budget adjustment for processing within the financial system. Upon review of the budget adjustment request, PAS will determine if additional justification and/or sponsor approval is necessary. Adequate documentation is important to support the decisions to either seek sponsor approval from the sponsor financial officer and/or to process the budget adjustment.
4. This guidance is an overview and may not contain all scenarios possible. Please feel free to contact Post Award Services if questions regarding a potential budget adjustment.
5. Projects for sponsors that allow PI with full re-budget authority do not require a budget adjustment unless the change affects F&A or payroll lines.

Tips to assist with budget monitoring:

1. Use forecasting tools to determine what might be needed throughout the grant or budget period.
2. Correct budgets will result in correct invoicing - F&A needs to be correct in the system and should never be negative.
3. Enough budget is necessary to be available on the line to move, keeping in mind the project's (beginning, middle, or end). If planning to move expenses, that needs to happen first.
4. Cost share projects may have different parameters.

Budget Resource	Use For	Why? - To appropriately reflect awarded budget by sponsor	When Adjustment is Necessary in financial system (not inclusive of all situations):
Key Personnel	Principal Investigator Salary	All sponsored projects must have a PI identified.	Change in scope or by 25% committed effort of what sponsor approved or other sponsor threshold. Per FDP Guidance: Disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project by the approved PI/PD.
	Minimal PI % required in most situations	Equipment-only grants and other situations may not necessarily require a PI or PI salary line - consult at proposal stage.	
Unclassified Salaries	Co-Principal Investigators; Post Docs; research staff	Not the PI; not students; not administrative support staff.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
Student Salaries	Graduate Research Assistant; Student Hourlies	Student employees.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
University Support Salaries	University Support level staff - non-research staff	Full time employees who are administrative support level.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
State Bonus	State appropriated Bonus	Currently not in use. Only for State appropriated bonuses.	Should not be used
Fringe	Fringe Benefits	Institution policy to recover actual costs for fringe benefits.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
Supplies	Supplies required for execution of project	To appropriately categorize supplies within accounting structure.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.

Budget Resource	Use For	Why? - To appropriately reflect awarded budget by sponsor	When Adjustment is Necessary in financial system (not inclusive of all situations):
Other Expenses	Non-supply items such as printing, services, leases, etc.	To appropriately categorize other non-supply items within accounting structure.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
Domestic Travel	For travel within US for execution of project	To appropriately categorize domestic travel within the accounting structure.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
International Travel	For travel outside of the United States boundaries	To appropriately categorize international travel within the accounting structure.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
Equipment	Equipment items valued at time of purchase or at completion of construction of \$5000 or more	To appropriately capture costs of equipment for tracking, reporting and calculation of F&A on project.	Budget is not pre-approved by the sponsor; exceeds sponsor threshold for re-budgeting.
Tuition	Graduate Student tuition	To consistently apply tuition benefits to graduate students.	<ol style="list-style-type: none"> 1. When changes are required for tuition for graduate research assistants (GRAs) appointed to the project. 2. When reducing or adding budget resources to this line - and the other budget resource generates F&A. 3. When the budget is not utilized for proposed purpose. 4. If changes exceeds sponsor threshold for re-budgeting.

Budget Resource	Use For	Why? - To appropriately reflect awarded budget by sponsor	When Adjustment is Necessary in financial system (not inclusive of all situations):
Participant No F&A	Participant support expenses	Used to identify direct support of sponsor approved participant costs.	<ol style="list-style-type: none"> 1. When decreasing participant budget line and moving to other budget resources. 2. Increasing participant budget utilizing budget resources that generate F&A. 3. Any changes in this resource to other resources that will affect F&A.
Sub-award/Sub-recipient with F&A	Sub-recipients first \$25k generate F&A	Sub-recipients awarded dollars generate F&A up to \$25,000 > than \$25,000 does not generate F&A.	<ol style="list-style-type: none"> 1. When awarded dollars for all sub-recipients changes and funds are redistributed to other budget resources and F&A budget is affected. This ensures transparency and assists with overall budget balance monitoring. 2. If sub-awards are added after beginning of project, alerts to obtain sponsor approval and generate new contract. 3. To track commitments for all sub-awards and ensure budget is available. 4. Ensure F&A calculations for F&A rate assigned to project are accurate. 5. Ensure reporting for sub-recipient monitoring purposes is accurate.

Budget Resource	Use For	Why? - To appropriately reflect awarded budget by sponsor	When Adjustment is Necessary in financial system (not inclusive of all situations):
Sub-award/Sub-recipient with OUT F&A	Sub-recipients awarded dollars do not generate F&A	Per UG sub-recipients awarded more than \$25,000 F&A is not charged on awarded dollars more than \$25,000.	When awarded dollars for all sub-recipients changes and funds are redistributed to other budget resources and F&A budget is affected. This ensures transparency and assists with overall budget balance monitoring. If sub-awards are added after beginning of project, alerts to obtain sponsor approval and generate new contract. To track commitments for sub-awards and ensure budget is available; ensure F&A calculations for F&A rate proposal are accurate; ensure reporting for sub-recipient monitoring purposes is accurate.
F&A	To track budget awarded for F&A	To ensure enough budget is available for direct costs generating F&A.	When there are changes in budget categories that generate or do not generate F&A.
Scholarship/Fellowship No F&A	To track budget awarded for fellowships or trainee stipends	To ensure budget is available for students receiving designated levels of payments.	When budget is adjusted due to addition or removal of recipients receiving designated payment amount and changes will affect F&A if needing budget from other direct cost categories or will be moved to other direct cost categories generating F&A.
Rent	To track budget awarded for Rent of Space	To ensure budget is available for commitment of rental of space	In most cases requires sponsor's prior approval; both increase and decrease of budgeted amounts in this line will affect F&A if budget is being moved to a resource that generates F&A. Tip: If rent is added after project starts, there may be a change in F&A rate as well.