

SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY

Policy Manual

SUBJECT: Budget Revisions

NUMBER: Policy IX-15

Introduction & Purpose

When a proposal is created and submitted to a funding source it is based upon the best vision of what spending will be needed to accomplish the goals and objectives of the award. During the life of the award that vision may change, external events may cause a shift in the planned spending or some other event may occur that causes the proposed spending plan (budget) to no longer be the best programmatic way to achieve the goals and objectives of the award. This policy is designed to ensure that when this point is reached that the PI/Business Manager involved in the award follows the appropriate steps to revise their spending plan (budget) as the documentation of the change, the cause of the change and receiving approval from the funding source for the change are all essential components of best practices for research accounting.

Policy

When a PI/Business Manager determines that the accepted budget will no longer meet the goals of their award, they shall work with the Office of Sponsored Programs to create a revised budget for submission and approval to the funding source of the award. Failure to do so may result in progressive stages of disciplinary action that could eventually lead to dismissal from employment. Disciplinary actions may include but is not limited to: suspension of the right to carry out research on campus; dismissal from employment with the University; and other criminal sanctions which may apply.

Definitions

Business Manager – someone authorized to approve the expenditure of funds on behalf of the Institution and/or specifically designated by a Principal Investigator to approve expenses for their Award. For institutional administrative accounts: Department Chairs/Heads, Directors, Vice Presidents, Provost and President.

Principal Investigator (PI) - person designated by an award document as the lead on a specific award. This person is the de facto Business Manager for all Funds associated with the award.

Significant Deviation - a change in spending of more than 10% of a budget.

Regulations & Guidelines

OMB Circulars A-21 - Cost Principles for Educational Institutions
OMB Circular A-87 - Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-110 - Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
OMB Circular A-122 - Cost Principles for Non-Profit Organizations
OMB Circular A-133 – Audits of States, Local Governments, and Non-Profit Organizations
SDSM&T Accounts Payable Manual
SDSM&T Policies:
V C. 13 Basic Cost Principles
V C. 16 Cost Transfers
South Dakota Board of Regents Policy No. 5 et seq.
Specific Guidelines from funding sources (e.g., NSF FATCs)

Responsibility

PI: Contact Office of Sponsored Programs for assistance in revising budget.
Sponsored Programs: Review with PI/Business Manager budget along with changes that need to be made to the budget. Check award document to review how changes in budget must be properly handled. Work with PI/Business Manager to submit a revised budget and justification to the agency. Obtain PI request in addition to Business Manager if Business Manager is the one initiating the revision request. Process any budget changes in BANNER.

Procedures

- 1) As part of the Monthly Financial Reconciliation process a PI/Business Manager will be monitoring the spending occurring in their award. As soon as they can see a significant deviation in their budget or if they determine a programmatic need to change the planned spending associated with their award the PI/Business Manager will contact Sponsored Programs.
- 2) Sponsored Programs will work with the PI/Business Manager to determine the revisions needed and assist in determining whether the proposed changes are allowable under the award.
- 3) A revised budget will be generated and submitted to the funding source for review and approval.
- 4) Upon receipt of approval of the revision, Sponsored Programs will alter the budget in the financial system to reflect the approved changes.

Associated Forms

Revised Budget Justification

Related Training Modules

Determining the Need for and Revising a Budget