

Procedure for Budget Revisions when the Total Grant Amount Does not Change

A grantee may need to move funds in the approved detailed line item budget from one budget category to another or within a budget category during the grant year due to overspending or under spending in one or more of the budget categories. This guidance is intended to help grantees know when it is necessary to obtain DHHR approval for a budget revision. **Note:** a budget revision request does not increase or decrease the total grant amount. Increasing or decreasing the total grant amount requires a formal change order to the grant agreement, which requires the submission of a new detailed line item budget and budget narrative.

When is DHHR approval needed for a budget revision? Any circumstance when the grantee wishes to reduce personnel costs and/or fringe benefits in order to raise amounts in other categories must be approved by the DHHR.

Revisions to the approved DHHR grantee detailed line item budget, which require moving **ten percent (10%) or less** *within* a budget category or *between* budget categories, **DOES NOT** need approval from DHHR.

Revisions to the approved DHHR grantee detailed line item budget, which require moving **more than ten percent (10%) of the grant funds** *within* a budget category or *between* budget categories, **DOES** require the prior written approval, by DHHR, and submission of a completed **Budget Revision Request Form**.

Ten percent (10%) of grant funds refers to ten percent (10%) of a budget category *subtotal*, **not** ten percent (10%) of a specific line item total or the entire budget. **For example:**

G. <u>Other:</u>	
Item	Amount
1. Travel	\$2,000
2. Utilities	\$1,000
3. Insurance	\$1,500
Subtotal:	\$4,500

Suppose you need to revise your budget to move \$451 from Insurance (your rate went down) to Travel (you traveled more). You would need to request written approval from DHHR **because \$451 is more than 10% of the subtotal of that category** (Other). You would also need approval if you were moving that \$451 *out of* the "Other" category and *into* a different category, like "Materials and Supplies".

If you were moving \$450 from Insurance to Travel (within the "Other" category) **OR** moving \$450 from "Other" to "Materials and Supplies" (between categories), you would **NOT** need to have DHHR approval, as **this is 10% of the subtotal of the category, and revisions of 10% or less do not require approval from DHHR**. If you are moving from category to category, refer to the subtotal of the category you are taking the money *from* to determine if it is more than 10%. However, if money is taken from several line items or categories, and each subtraction is less than 10% of the line item or category, but the cumulative funds taken are placed in another line item or category, which causes that line item or category to rise by more than 10% of the line item or category, then the Budget Revision must be approved by the DHHR.

- 1) **Budget revision requests must be submitted in writing to your Contract Specialist.** In order for the Department to approve a request for a budget revision, the grantee must complete and submit a **Budget Revision Request Form** (with the **original** signature of a duly authorized representative of the grantee) **along with a brief explanation of the reason for the budget revision.**

Within 30 calendar days from the date of receipt of the request for budget revisions, the DHHR shall notify the Grantee **in writing** (typically by e-mail) whether the requested budget revisions have been approved. If the requested revision is still under consideration at the end of 30 calendar days, the DHHR will notify the Grantee in writing of the date when the recipient may expect a decision.

- 2) **Deadline for submission of the Budget Revision Request Form** is April 30 for all grants ending June 30 or sixty (60) days prior to the end date of the grant agreement.
- 3) **Expenditure Reports must show the amounts on the approved Detailed Line Item Budget.** Once a Budget Revision is approved, all future expenditure reports for that grant must show the revised amounts in column A Original Budget. Additionally, grantees must use the same figures from the approved Detailed Line Item Budget in Column A Original Budget, on all expenditure reports, unless a Budget Revision Request is approved by the DHHR.