REBUDGET
Best Practices

Background and Purpose

The budget plan is the financial expression of the project or program as approved during the award process. After a grant or contract has been awarded, the PI may determine that the approved budget allocations are not consistent with actual project needs. S/he may request the formal reallocation of funds from one spending category to another spending category that better reflects the project requirements. This process is called Rebudgeting or Budget Revision.

Many sponsors allow rebudgeting without prior approval while others require approval. If prior approval is not required then formal rebudgeting is not necessary. For internal purposes, a rebudget request can be processed to rebudget funds so the SAP budget aligns with actual expenditures (when no prior approval needed).
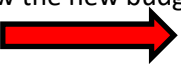
Sponsor prior approval is frequently required for:
- Changes in scope or objective
- Equipment purchases not included in the approved budget
- Adding a subaward
- Transferring participant support costs to other expense categories

The rebudget request should include a justification which clearly identifies what budget items are being adjusted, why funds are not needed in the line item being reduced, and why they are needed in the line item being increased. The justification should include an overall statement as to how this revision will benefit or address the needs of the project.

➢ Rebudgeting may have an effect on Facilities and Administrative (F&A) Costs
➢ Rebudgeting salary must also account for the associated fringe costs

For complex rebudgets, consider the following tips:

Tips:
- Creating a separate spreadsheet for rebudget calculations, and attaching that to the IPAR form is acceptable.
- The rebudget must be based off of the cumulative budget as shown in SAP.
- Running a 'Budget vs. Actuals' report in BUWorks and dragging in 'Sponsored Class' will give you a line item breakdown.
- Create an excel spreadsheet and copy the 'Cum Budget' and 'Balance' column (balance is for your own attention, not needed in actual calculations). Create a new column to show the movement of funds (+/-) and another column to show the new budget. Example to the right ➡

Sponsored Class	Cum Budget $	Rebudget $	New Budget $
02 SALARIES & WAGES	313,509	0	313,509
03 FRINGE	70,166	0	70,166
06 TRAVEL DOMESTIC	48,000	0	48,000
08 SUBAWARDS	105,380	(9,580)	95,800
26 PUBLICATION COSTS	20,000	0	20,000
33 OTHER DIRECTS	343,123	9,580	352,703
35 F&A	90,018	0	90,018

Process Flow

1. The department/school will complete the internal IPAR: Rebudget Request Form, obtain all signature approvals required.
2. The department/school will route the signed and completed IPAR: Rebudget Request Form and any sponsored required documentation to ospera@bu.edu, or directly to their assigned SP RA.
3. The SP RA will review the rebudgeting request for accuracy and to determine if it is allowable, based on the terms and conditions found in the award. If prior sponsor approval is required, the SP RA will submit the request directly to the Sponsor for their approval.
4. Upon receipt of Sponsor approval, or if approval is not necessary, the SP RA forwards the IPAR and any backup documentation (such as Sponsor approval) internally for processing.
5. The internal Grant account is updated and an internal Award Notification (AN) is emailed out to the PI, DA, SP – Post RA, and SP RA.

Abbreviations

Abbreviations	Meaning
AN	Award Notification
DA	Department Administrator
F&A	Facilities and Administration
IPAR	Institutional Prior Approval Request
SP – Post RA	Sponsored Programs Post Award – Research Administrator
PI	Principal Investigator
SAP	BU's accounting software
SP RA	Sponsored Programs - Research Administrator
SP	Sponsored Programs

Roles and Responsibilities

Role	Responsibility
Department Administrator/School Administrator	In consultation with SP RA, determine if the sponsor allows rebudgeting and whether prior approval is required or not. Complete the IPAR Rebudget form, attach any supporting documentation, obtain necessary approvals on form, forward complete form to SP RA
Principal Investigator	Alert DA that a rebudget is needed
SP RA	Upon receipt of IPAR Rebudget form: 1) review for completeness and check calculations to make sure net change is $0; 2) if needed, contact sponsor with Rebudget request; 3) Upon receipt of Sponsor approval, attach approval to IPAR and send to SP Award Set-Up team to update the internal grant account.

Reference Documents
- **https://www.bu.edu/researchsupport/project-lifecycle/managing-an-award/rebudgeting/**
- **IPAR Form can be found in the Research Support – Form Library: http://www.bu.edu/researchsupport/formsandpolicies/form-library/**

Screenshot from IPAR Form:

Rebudget	If rebudget requires sponsor approval, work with your SP RA to submit request to sponsor

☐ to / from subcontracts	YES	NO	
☐ to / from equipment	○	○	Will require F&A rebudget

Line Item Being Rebudgeted	Rebudget Amount (+)(-)
Net Budget Change (should equal $0.00)	0

Example

Line Item Being Rebudgeted	Rebudget Amount (+)(
Supplies	-$10,000.00
Equipment	$16,450.00
F&A	-$6,450
Net Budget Change	$0.00

Please include an Excel spreadsheet for rebudgets between more than 4 categories or across IOs