SOUTH DAKOTA STATE UNIVERSITY
Policy and Procedure Manual

SUBJECT: Award and Budget Revision to Sponsored Projects
NUMBER: 5:39

1. Purpose

This policy provides guidance to the Principal Investigator/Project Director (PI/PD) and staff for requesting revisions to sponsored project awards or budgets in accordance with sponsor terms and conditions, federal requirements, and University policies.

2. Definitions

   a. Budget: The financial aspects of the project, as approved by the funding agency or pass-through entity during the award process and as modified by any subsequent amendments approved by the funding agency or pass-through entity.

   b. Budget Revision: Budget adjustment to reallocate funds from one budget category to another to reflect the needs of the project.

   c. Budgetary Changes: Revisions to the award budget that require prior federal agency approval per 2 CFR 200 subpart E and 2 CFR § 200.308—resulting in budget impacts (e.g., award reduction/de-obligations, need for additional federal funds), carry-forward of funds, and cost share reductions.

   d. No-Cost Extension: A no-cost extension extends the project period beyond the original project end date with no additional funding required.

   e. Sponsored Project: An activity funded by a non-University entity requiring the University, by written agreement, to conduct certain work under a set plan, a set schedule, and a set budget, typically for the purpose of supporting research, instruction, or public service through tangible or intangible deliverables that are the ultimate result of the project.

   f. Prior Approval: Documentation demonstrating consent prior to taking action on proposed changes to award or Budget.

   g. Institutional Approval: Consent from an authorized official of the University to take action on proposed changes to the award or Budget.
3. Policy

a. Revisions to a sponsored project award or budget may include:

   i. Budgetary changes;

   ii. No-Cost Extensions;

   iii. Changes in scope or objective;

   iv. Changes in PI/PD or key personnel;

   v. Transfer of award or other changes.

b. If there are changes needed to a Sponsored Project award or budget, the PI/PD must submit a request to Grants and Contracts Administration (GCA) for review.

c. GCA is responsible for reviewing requests for revisions in accordance with federal requirements, SDBOR/University policies, and the sponsor’s terms and conditions, and then forwarding them to the Office of Research Assurance and Sponsored Programs (ORASP) for approval.

   i. If sponsor approval or notification is required, ORASP is responsible for submitting the official request or notification to the sponsor.

   ii. In addition to the above, there may be sponsor-specific program or budget-related requirements. Requests and approvals must conform to sponsor-specific requirements, such as specific forms or format, or the use of a particular submission portal.

   iii. If sponsor approval is not required, ORASP will institutionally approve and GCA will process changes and notify the PI/PD.

d. Changes must not be implemented on a Sponsored Project until they have been reviewed and approved in accordance with this policy.

e. Failure to obtain Prior Approval, where applicable, may result in the disallowance of costs on this basis alone.

f. All proposed costs in the revised budget must be allowable, allocable, and reasonable, in accordance with University Policy 5:32. Requests that do not comply with this requirement will be denied. In addition to changes in the direct costs, the revised budget must also take into account any changes in F&A costs that may occur as a result of the revision.

g. Budget Revisions less than 10% of the total award are exempt from this policy, unless required by the sponsor.
4. Procedures

a. The PI/PD will identify the need to revise the sponsored project award or budget, communicate the need with GCA, and provide supporting documents and justification to GCA, as necessary.

b. GCA will provide assistance to the PI/PD on sponsor specific terms and conditions and will review the request for compliance with sponsor terms and conditions, federal requirements, and SDBOR/University policies.

   i. GCA will submit requests to ORASP for Institutional Approval and provide instructions for additional sponsor requirements, as needed.

   ii. Upon approval, GCA will notify the PI/PD of applicable changes. For budgetary changes, GCA will input the revised categorical budget into the financial system. The revised budget will be reflected on internal financial reports and applicable reimbursement requests sent to the sponsor.

c. ORASP will review written requests from GCA for Institutional Approval. If sponsor Prior Approval is required, ORASP will request approval from the sponsor using the sponsor’s stated Prior Approval procedures or forms.

   i. If ORASP receives notification of the sponsor’s approval, they will notify GCA.

   ii. If sponsor Prior Approval is not required and institutional approval is granted, ORASP will notify GCA.

   iii. If the request is denied, GCA will notify the PI/PD and will work toward further resolution, if needed.

5. Responsible Administrator

   The Vice President for Finance and Administration, successor, or designee, is responsible for annual and ad hoc review of this policy and annual review of procedures. The University President is responsible for approval of this policy.

SOURCE: Approved by President on 01/03/2020.