Office/Contact: Grants and Contracts Administration
Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; University Policy 5:32
Link: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
https://www.sdstate.edu/sites/default/files/file-archive/2020-07/Charging%20Direct%20Costs%20on%20Sponsored%20Projects.pdf

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SOUTH DAKOTA STATE UNIVERSITY
Policy and Procedure Manual

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

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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 SDBOR and University policies, applicable laws, federal or non-federal requirements, and sponsor terms and conditions.

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. No-Cost Extension: Additional time to the project period beyond the original project end date with no additional funding.

   d. 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.

   e. Prior Approval: Documentation demonstrating consent and authorization prior to acting on proposed changes to award or Budget.

   f. Institutional Approval: Consent from an Authorized Official of the University to act on proposed changes to the award or Budget.

3. Policy

   a. Revisions to a Sponsored Project award or Budget may include:
      i. Budget Revisions;

ii. No-Cost Extensions;
iii. Changes in scope or objective;
iv. Changes in PI/PD or key personnel;
v. Disengagement from the project for more than three (3) months or a 25% reduction in time devoted to the project by the PI/PD;
vi. Transfer of award;
vii. Changes in the approved cost sharing Budget;
viii. Transfer of funds budgeted for participant support costs to other categories of expense;
ix. The adding or removing of capital equipment;
x. The adding or removing of a subaward; or
xi. Other changes as required per the award.

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

    i. Prior federal agency approval may be required prior to final Budget Revision for certain changes such as, but not limited to, award reduction/de-obligations, need for additional federal funds, carry-forward of funds, and cost share reductions pursuant to 2 CFR 200 subpart E – Cost Principals and 2 CFR § 200.308 – Revision of Budget and Program Plans.

c. GCA is responsible for reviewing requests for revisions in accordance with SDBOR and University policy, applicable law, federal or non-federal requirements, and sponsor's terms and conditions; then, GCA will forward requests to the Authorized Official for approval.

    i. If sponsor approval or notification is required, GCA or the Authorized Official will submit the official request or notification to the sponsor.

    ii. Requests and approvals must also 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, GCA will process changes and notify the PI/PD.

d. Changes may not be implemented to 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, and in accordance with University Policy 5:32 and sponsor guidelines. Requests that do not comply with these requirements will be denied. The revised Budget must also include any changes in F&A Costs, as defined in University Policy 5:32, that may occur as a result of the revision.

g. Budget Revisions for less than 10% of the total award are exempt from this policy, unless required by the sponsor or controlling policies and laws.

4. Procedures

a. The PI/PD will identify the need and justification to revise the Sponsored Project award or Budget and will communicate to GCA. The PI/PD will provide supporting documents to GCA.

b. GCA will provide assistance to the PI/PD and will review the request for compliance with SDBOR and University policies, applicable laws, federal or non-federal requirements, and sponsor terms and conditions.

i. GCA will prepare and submit a request to the authorized official for Institutional Approval and provide additional instructions for the sponsor as needed.

1. The authorized official will review the request for Institutional Approval.

a. If sponsor Prior Approval is required, the request will be forwarded to the sponsor for approval using the sponsor's approval procedures by GCA or the Authorized Official.

b. If Prior Approval is not required and Institutional Approval is granted, the request will be forwarded to GCA to process and notify the PI/PD.

c. If the Authorized Official processes or receives a notification of a change, they will forward the notification to GCA to process and notify the PI/PD.

d. Upon approval, GCA will notify the PI/PD of applicable changes. For authorized Budget 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.

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

ii. For all non-Budget changes, GCA will process the changes and provide notification to the PI/PD and the respective departments affecting the project.

5. Responsible Administrator

The Vice President for Finance and Budget, 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. Revised; Approved by President on 04/05/2024.