



**Purpose:** During the life of a sponsored award, it may become necessary to modify the budget. If the budget modification decreases the amount of F&A recovery, prior approval by SPA is required in certain instances. An established business process around Rebudgeting Affecting Recovery of F&A is necessary to ensure that the School is tracking and maximizing F&A recovery. Prior approval from SPA is required if:

- New equipment (> \$5K and useful life of > 1yr) is added that was not included in the approved budget
- A new subcontractor is added that was not included in the approved budget
- The equipment price increases by 25% or more
- The subcontractor budget increases by 25% of more
- In the event an award is cut, the subcontractor does not assume a proportional share of the cut

**Standards of Service:** If rebudgeting occurs at the award stage, requests affecting F&A recovery should be submitted by the department within 5 business days of receipt of the NOA if the award is not cut or within 10 business days of receipt of the NOA if the award is cut. If rebudgeting occurs at another time during the award lifecycle, requests will be submitted in a timely fashion once they become known to the grants manager. In the case of multiple rebudgets to one subcontract during the life of a project, the GM should keep track to ensure that if the total of the rebudgets exceeds 25% of the approved budget, then prior approval is requested.

**Process Steps for Rebudgeting Affecting Recovery of F&A**

Step	Role	Task/Activity
1	GM	Receives request from PI for a rebudget requiring prior approval.
2	GM	Enters rebudget request in GMAS using <Changes to Existing Segment> option. Includes an explanation as to why the funds are able to be moved from another line item.
3	GM	Chooses Kristie Froman as SPA approver and submits request.
4	K. Froman	Reviews the request.
5	SRA	Emails account setup information to <a href="mailto:gdgroup@hsph.harvard.edu">gdgroup@hsph.harvard.edu</a> and cc: GM.
6	OPS	Ops Team creates segment revision to update GMAS/create accounts. GMAS sends action memo to recipients -SRA, GM, PI, and others as requested (Administrative Team).
7	GM	Reviews Action Memo for accuracy.
8	GM	Updates budget in Wasabi.

**Example:**

The subcontract with BWH in the approved budget is for a total of \$30,000. However, at the time of award, the PI would like to increase the BWH subcontract by \$10,000 for a total of \$40,000. This will require prior approval because it represents a subcontractor budget increase of 33% ( $\$10,000/\$30,000 * 100 = 33.4\%$ ).