

Budget Adjustment Form Q & A

Q: Why does the PI have to sign a Budget Adjustment form?

A: The Principal Investigator (PI) is responsible for overall management of any award on which they are PI. Shared Services Centers (SSCs) and Office of Research can assist in this management, but PIs bear overall responsibility and must approve any adjustment made to the budget. Budget Adjustment might be in the best interests of the project, but the PI should be aware of the implications of the Budget Adjustment.

For example, if a budget adjustment moves budgets from the lines not subject to F&A to the lines that are subject to F&A this will increase the amount of F&A. In most cases it will decrease the funds available to the PI to do the research. **Additionally**, PIs need to sign since we are going to track the agency limits (10%, 25%, etc.) so the PI is aware when they are approaching the re-budgeting limits.

Q: Can PI designate someone to sign these form for them?

A: No. At present time there is no official designation process established for Budget Adjustment forms.

Q: Doesn't this increase administrative burden on PIs?

A: Any increase in proactive administrative burden is outweighed by reducing potential future burden resulting from audit findings and/or disallowances. To reduce the potential administrative burden on PIs their Department / Research Center / SSC can present the completed Budget Adjustment form to them for signature during the regular discussions of the project projections (OAC Report).

Q: What constitutes a change in scope?

A: Change in scope [of the project] is a change in the direction of the project, change in deliverables, PI effort, named subrecipient, etc. For example, a significant decrease in funding or PI effort may make it impossible to complete all tasks originally proposed to the sponsor.

Q: When is it necessary to submit a Budget Adjustment?

A: PI needs to submit a form:

- If sponsor does not grant authority for y re-budgeting between budget categories. An official re-budgeting request will be submitted to the sponsor by PAS, if sponsor approval is requires.
- If sponsor grants authority re-budgeting up to a set threshold – the form is needed to help keep track of the thresholds. Once threshold is exceeded – an official re-budgeting request will be submitted to the sponsor by PAS, if sponsor approval is requires.
- If sponsor grants re-budgeting authority without limitations BUT there is a change in scope (see above).
- If sponsor grants re-budgeting authority without limitations BUT the re-budget affects the F&A..
- The budget adjustment results in additional Payroll lines.
- For additional scenarios please referrer to the Budget Resource Adjustment Guidance and / or contact PAS (pas@ku.edu).

Q: What does it mean when FITC provides a “warning” of “no budget line”?

A: There is no line corresponding to this particular expense in the budget in the system. Since budgets are controlled the project total levels, in majority of cases, not having a budget line will not prevent you from entering and posting the expenses to the project. A Budget Adjustment might be necessary depending on other details (see scenarios above, or the Budget Resource Adjustment Guidance).

Q: Can we send the Budget Adjustment form after the Purchase Order (PO) was submitted to Procurement?

A: In cases of a required prior approval, we recommend contacting PAS prior to submitting the PO with the justification. If prior approval is required by the sponsor, the re-budgeting should be done before the PO is placed as any purchase completed before approval is granted could be disallowed.