

**Finance & Operations Policy FO-ORA-4**  
**Budget and Budget Revisions Policy**

Sam Houston State University (SHSU) will adhere to federal and non-federal sponsor's guidelines for requesting budget revisions and carrying forward funds from year to year.

The PI must make a request to the Office of Research Administration (ORA) to revise budgets and request carry forwards when sponsor approval is not needed. The request must provide reasonable justification for the requested action. The ORA will review the request for compliance with the sponsor's specific rules governing administrative changes and relevant University policies, and will provide institutional approval for the request.

If sponsor approval is required, then the Office of Research and Sponsored Programs (ORSP) will process the request per Sponsor guidelines.

Reviewed by: TSUS – (03/20/2013)  
Cabinet - (01/22/2013)  
Susan Hurley Manager, Research Administration (7/23/2018)  
Amanda Withers, Controller (7/23/2018)

Next Review: As needed

## **PROCEDURES TO POLICY FO-ORA-4**

The ORA will assist PIs in ensuring sponsored projects are in compliance with the sponsor's contractual requirements. All PIs will be responsible for adhering to and monitoring budgets and expenses related to sponsored projects.

### **Budget Revisions:**

1. Budget revisions not requiring sponsor approval will be reviewed and approved by the ORA as deemed necessary or allowed, reasonable or allocable.
2. An explanation justifying budget revisions is required and must be documented via an email or other written request
3. All budget revisions for sponsored awarded projects will be entered into the grant budget module by the ORA.
4. Sponsor approval is generally required for the following conditions:
  - a. Re-budgeting funds between direct and indirect cost categories
  - b. The transfer of amounts budget for indirect costs to absorb increases in direct costs or vice versa
  - c. Transferring funds as a result of a personnel change
  - d. Purchasing equipment or specialized goods that were not included in the initial budget
  - e. Transferring funds between cost categories that are above 10% of the of the total award
  - f. The need for additional funding
  - g. Prior approval from the sponsoring agency must be obtained when the stipulation is indicated in the terms and conditions of the award

### **Carry Forward Requests:**

Multi-year project budgets may need to adjust spending throughout the life of the project. To preserve the funding necessary for future expenditures, the PI may request that the funds be moved from a previous or current period into a future period (carry forward). The sponsor can approve carry forwards with or without restrictions. Sponsor approval is generally required under the following conditions:

- The project has distinct budget amounts and financial reporting periods throughout the life of the project.
  - Carry forward amount exceeds the threshold established by the sponsor.
  - Use of the funds will be for activities that require a change to the approved Statement of Work (SOW).
1. The PI is required to work with the ORA to determine whether or not the sponsor requires notification and/or approval of carry forward requests.

2. Carry forward request should be prepared by the PI and submitted to the ORA for review and sponsor notification/approval.
3. The ORA will be responsible for adjusting the budget once the request is approved.