

Research & Sponsored Programs Procedure

Prior Approval Rebudgeting / Reallocation of a Sponsored Award

1. Overview

After a Sponsored Program has been awarded, the Principal Investigator may determine that the approved budget allocations are not consistent with actual project needs. S/he may request the formal reallocation of funds from one spending category to another that better reflects the project requirements. This process is called budget reallocation or rebudgeting.

A budget reallocation or rebudgeting is a request for changes in the approved budget that requires sponsor prior approval. Visit the [Prior Approval Matrix](#) for NSF, NIH, DOE, USDA/NIFA, DOC, NASA, DHS-GFAD and DHS-FEMA. For all other sponsors, review the terms and conditions included in the formal written agreement (grant, contract, cooperative agreement, Memorandum of Understanding (MOU), or Other Transaction Agreement (OTA)) issued by the Sponsor and executed by both parties (i.e. the Sponsor and Rutgers). These requests are generally in the form of a letter to the sponsor and must be submitted at least 30 days prior to the expiration of the award. Some agencies require the request 45, 60 or even 90 days prior to the expiration of the award. It is the PI's responsibility (with guidance from Research and Sponsored Programs) to be aware whether prior approval is necessary and to seek such approval. Some sponsors have a limited threshold that will allow internal rebudgeting without the need for prior approval.

NOTE: If the reallocation request is below the Sponsor's threshold, a formal rebudget request is not required. **WARNING: Failure to follow sponsor policy and processes regarding rebudgeting prior approval could result in disallowance of the costs.**

2. Purpose

Outline expectations for the rebudget of a sponsored award and provide guidance on how to request a rebudget/reallocation prior approval from the sponsor.

3. Who Must Comply

Principal Investigators (PI)
Project Personnel/Staff
Department Personnel
School/Institute/Center leadership
Research Financial Services
Research and Sponsored Programs
Office for Research

4. Definitions

Rebudgeting: Reallocation of costs within an approved budget from one category to another.

Prior approval: Advanced written approval of a specific cost or action to a particular award by an Authorized Official of the Sponsoring entity.

5. Procedure

If you require a budget reallocation or rebudget of your sponsored project, contact your Grant Specialist via e-mail providing the following documents:

1. **Justification Letter** detailing why the requested budget reallocation is needed and how it will benefit the project.
2. **Amended Budget & Budget Justification** in the original proposal format (i.e. SF424, NSF Budget Format, etc.) including detail for direct and indirect costs, calculated using the approved facilities and administrative (F&A) and fringe benefit rates, and any committed cost sharing.

6. Roles and Responsibilities

Department Personnel	<ul style="list-style-type: none">• Support the PI in the development of a sponsored program budget with accurate F&A, Fringe, etc.
Principal Investigators	<ul style="list-style-type: none">• Review award agreement for specific terms and conditions regarding budget reallocations• Develop an amended sponsored program budget with accurate F&A, Fringe, etc., using the Budget Template.• Obtain Departmental Approval• Contact Grant Specialist with request to rebudget and include the Justification Letter and Amended Budget.
Research and Sponsored Programs	<ul style="list-style-type: none">• Support the PI in the compliant development of a sponsored program budget as it relates to F&A, Fringe benefit rates, etc.• Review documentation for completeness and compliance with award terms and conditions.• Submit to Sponsor on behalf of the PI for prior approval. (This action must be performed by Grant Specialist.)• Document approval in the University RAPSS system by processing an Award Modification (Administrative Update) attaching Sponsor approval notice and related documentation.
Award Setup Team	<ul style="list-style-type: none">• Review Award Modification for completeness and accuracy.• Process to Research Financial Services for Oracle account update.

7. Resources

- a. [Budget reallocations](#)
- b. [Office for Research Prior Approval Matrix](#)