

Research and 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 the project's actual 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 to change the approved budget that requires the sponsor's prior approval. Visit the [FDP 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 submitted in the form of a letter to the sponsor and must be submitted at least 30 days prior to the award's expiration. Some agencies require the request 45, 60, or even 90 days prior to the award's expiration. It is the PI's responsibility (with guidance from Research and Sponsored Programs) to be aware of whether prior approval is necessary and to seek such approval. Some sponsors have a threshold that allows internal rebudgeting without prior approval.

Important

- If the reallocation request is below the Sponsor's threshold, a formal rebudget request is not required.
- Failure to follow the sponsor's policy and processes for prior approval of rebudgeting could result in the 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 to approval from the sponsor.

3. Who Must Comply

This policy applies to all members of the University community involved in sponsored projects that include or may include fabricated equipment, including:

- Principal Investigators
- Project Personnel/Staff
- Department Personnel
- School/Institute/Center leadership
- Research Financial Services (RFS)
- Research and Sponsored Programs (RSP)
- 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 RSP Grant Specialist via e-mail, providing the following documents:

- Justification Letter detailing why the requested budget reallocation is needed and how it will benefit the project.
- Amended Budget & Budget Justification in the original proposal format (i.e., SF424, NSF Budget Format, etc.), including details 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

A. Internal Transfer – Change in Principal Investigator or Program Director

Department Personnel	<ul style="list-style-type: none"> • Support the PI in developing a sponsored program budget with accurate F&A, Fringe, etc. costs.
Principal Investigators	<ul style="list-style-type: none"> • Review the 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 the Grant Specialist to request a 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 the Sponsor on behalf of the PI for prior approval. (This action must be performed by a Grant Specialist.) • Document approval in the University RAPSS system by processing an Award Modification (Administrative Update), attaching the Sponsor approval notice, and related documentation.
Award Setup and Activation Partners	<ul style="list-style-type: none"> • Review Award Modification for completeness and accuracy. • Process to Research Financial Services for Oracle account update.

7. Resources

- [Research and Sponsored Programs website](#)



- [Requesting a Budget Reallocation](#)
- [FDP Prior Approval Matrix](#)

8. Contact

- [Research and Sponsored Programs](#)
- [Research Financial Services \(Award Setup and Activation Partners\)](#)