Smith College
Budgeting and Rebudgeting Guidelines

The budget plan is the financial expression of the project or program as approved during the award process. Once a grant has been awarded, the approved budget is entered into Banner. The awarded budget may be different than the proposal. Grants Accounting will always enter the budget as is awarded by the sponsor.

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

Most federal sponsors permit variances within budget categories without sponsor approval. As a rule of thumb, rebudgeting involving less than 25% of the direct costs of the project will not require sponsor approval. However, certain categories and/or agencies have more or less stringent requirements (e.g., NSF requires that any rebudgeting of Participant Support Costs be approved; prior approval to rebudget is not required on NIH modular grants if the scope remains unchanged).

Most awards require prior written approval by the sponsor for the following purposes:

- Any purpose disapproved or restricted as a condition of the award.
- Change in scope, objectives, or purposes of the approved project.
- Change in key personnel whose expertise is critical to the approved project.
- Decrease in the total amount budgeted for training costs.

If the Principal Investigator wishes to modify the awarded budget they should contact the Grants Accountant ext. 2218 for further guidance.