

Budget Modifications and the 10% Rule

Applicability

This rule/policy shall apply to all federal and state grants administered by ICJI with the exception of grants administered by ICJI's Traffic Safety Division and grant awards totaling less than \$10,000.

Rule

Subgrantees must initiate a PMR if the budget modification proposes to:

- Change the scope of the project;
- Add a new category that did not previously exist on the grant (for example, adding Travel as a budget category that did not previously exist.);
- Move grant funds from one category to another (for example, move funds from Personnel to Supplies and Operating); or
- Increase the amount of any existing line item.

If the subgrantee meets any of the above criteria, a budget modification must be submitted via ICJI's electronic grant management system in the form of a Project Modification Request ("PMR").

The Budget Modification PMR will be denied if it:

- *Exceeds 10%* - PMRs/Budget modifications are capped at 10% of the total grant award for the life of the grant. Once the subgrantee is authorized to move 10% of the grant award, subsequent PMRs will be denied. If additional grant funds are added to the grant via addendum or amendment, the budget modification cap raises by 10% of the additional monies. For example, if the grant amount increases by \$50,000 via amendment, \$5,000 would be potentially eligible for budget modification.
- *Inconsistent with the grant purpose* – If the budget modification would change the purpose of the grant appropriation.
- *Unallowable* – The proposed budget modification is for an unallowable item or activity.
- *Failure to supplement the program* – If the budget modification does not enhance the program, the budget modification will be denied (for example, a subgrantee cannot give everyone listed in Personnel raises).
- *Supplanting* - Another ICJI grant, direct federal funding, or local funds already pays for the item(s).
- *Within 30 Calendar Days of the End of the Grant* – Budget modifications submitted within 30 calendar days of the end of the grant will be denied.
- *Name Change with No Salary Difference* – There is no need to submit a budget modification if the only change is a name change. If one employee leaves and a new employee is hired for the same salary/pay rate, the subgrantee shall send an email to its assigned grant manager indicating the name change.

Exercise/Examples

Subgrantee A receives a VOCA grant of \$60,000 from ICJI to provide therapy services to crime victims. Sally Employee resigned from Subgrantee A. It took Subgrantee A three months to fill Sally's position, thereby leaving \$5,000 unencumbered. Subgrantee A wants to submit a Budget Modification to re-purpose the \$5,000. Which of the following budget modifications would ICJI consider approving?

- Redistribute the money to give other grant-funded employees bonuses (No)
- Create a new budget category for travel to send a grant-funded employee to a conference that would enhance his/her ability to serve victims (Yes)
- Move \$12,000 to create a new budget category (No)
- Use the \$5,000 to buy food and drinks for individuals who attend therapy at Subgrantee A. (No)
- Utilize the funds to pay for bed nights. (No)
- Add two budgetary line items for two temporary employees who are completing Sally Employee's duties. (Yes)
- Use the \$5,000 to start a new program, which would create a day care for victims of crime. (No)
- Move the \$5,000 from the Personnel budget category to the Supplies and Operating budget category to buy group therapy curriculum for grant-funded employees. (Yes – three bids)
- Order hats, t-shirts, and travel mugs with Subgrantee A's logo and hotline number to be distributed. (No)
- Host a training for the community concerning domestic violence. (No – VOCA is not prevention; change of scope. Funds were requested to do therapy.)
- Move the \$5,000 to the Benefits budget category to pay Betty Employee's benefits. Betty Employee is hired to fill Sally Employee's vacancy. Sally Employee did not take health care benefits from Subgrantee A, but Betty Employee needs health care benefits. (Yes)
- Increase the percentage of grant funds used on each of Subgrantee A's utilities (Maybe - supplanting)
- Take the children of the victims to the bowling alley for bowling and pizza. (No)
- Purchase 500 books concerning surviving domestic violence (one copy for each victim utilizing grant funded services) (Yes – supplementing services to victims after ICJI verification of book's purpose)
- Subgrant the \$5,000 to Subgrantee B, who is a fellow member of the Sexual Assault Multi-Disciplinary Team to buy a forensic camera. (No – out of the grant's scope, cannot subgrant money)