PRIOR APPROVAL PROCESS FOR BUDGET REVISION

RELEVANT LINKS

HRSA Grants Management

EHB Contact Center

SF-424 Instruction and Guide

SF-424A Fillable PDF

*Click on the Icons for the website

RE-BUDGETING involves the transfer of funds to cost categories such as personnel, fringe, contractual, or indirect that were not previously approved in the funded application. A Prior Approval (PA) is required when there is a significant rebudgeting of grant funds or project activities, within a budget period.

FORMAL PA IS NEEDED IF:

- Rebudgeting equals 25% or more of the total approved budget, including federal and non-federal costs.
- Transfer of funds to cost categories that were not previously approved in the funded application.
- Changes in cost sharing or matching, such as a reduction of funds.
- Any budget revisions, regardless of amount, by recipients with a restricted status.

FORMAL PA IS **NOT** NEEDED IF:

- Items moved from one line to another are less than 25% of the total approved budget within or between a budget period.

- ✓ Discuss ***any*** budget changes with your PO regardless of the need for a formal request.
- ✓ Please contact your PO or GMO ***before*** initiating any changes or applying for a PA.
- ✓ PA requests are reviewed by the PO and GMS; and approval is ***official*** when a revised NoA is issued reflecting the approved request.

WHAT TO INCLUDE ON THE REQUEST

A. COVER LETTER

- On your organization's letterhead, signed by project director or authorized official, include the following:
  - A statement of assurance that there will be no changes to the approved award objectives, goals, or purposes, which would require a prior approval for a change in scope.
  - Information on the amount budgeted and brief explanation of the need for the budget revision and what costs are being re-budgeted.

B. LINE ITEM BUDGET AND NARRATIVE JUSTIFICATION [1]

Sample Line Item and Justification Template

- A document which includes:
  - Line item budget breakdown with detailed explanation of what costs are being re-budgeted;
  - Justification for the change and support for the re-budgeted;
  - Changes (*if any*) the revised budget will have grant activities, timelines, and data of change or anticipated date of change.
- The line item should align with the requirements outlined on the NOFO and the justification should describe how each item supports the achievement of proposed objectives, activities, and initiatives.

C. REVISED SF-424A [2]

1 See Textbox for Line Item Budget and Budget Narrative Template. This template is for guidance only, Grantees are NOT required to use this form or format. Modify the template as needs for your grant.

2 Click on the SF-424A Fillable PDF Icon to download a blank SF-424A

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SHIP- Specific Budget Reminders

- Awarded amount must be within the ceiling amount per hospital of the award (including Direct and Indirect Costs).
- Personnel costs only cover oversight of the award and do not include hospital personnel.
- Indirect cost rate is limited to the lesser of:
  - 15% of the amount of the grant for administrative expenses; or
  - state's federally negotiated indirect rate for administering the grant.
- Construction, Supplies, Travel, and Other are not allowable expenses.
- Budget and program activities should aligns with the SHIP's purchasing menu/investment categories.

Budget Revision FAQs

Are ***carry-over*** requests and ***re-budgeting*** the same thing?

NO, Carryovers are up to 25% of the total amount of the award of the budget period from which the unobligated funds may be carried over into the consecutive budget period for allowable costs within the original scope of the project.

Can I re-budget funds from one budget category to another after my award has been issued?

YES, it is generally permitted to re-budget within and between budget categories in the approved total direct cost budget of the project to meet unanticipated requirements or to accomplish certain programmatic changes.

How to Submit a Prior Approval?

Step 1: Go to **EHB** and click the **Tasks** tab.

Step 2: Click the **Create New Prior Approval** button, just below the page title. The **Grant Portfolio - List** page open.

Step 3: Click the **Grant Folder** drop-down in the **Options** column.

Step 4: Click the **Request Prior Approval** link. The **Prior Approval Request - Acknowledge Documentation Review** page opens.

- Click the link to the documentation provided to read or review.

Step 5: Click the **Acknowledgment** check box and then click the **Continue** button. The **Prior Approval Request Type - Select** page opens

Step 6: Click the **Prior Approval Rebudgeting;** then, click the **Create** button.

- Follow the screen prompts and upload the required documents

Step 7: The **Prior Approval - Status Overview** page opens displaying a "Success" banner.

- Update and attached the necessary information (see above)

Step 8: **Save and Continue,** when complete

- Click **Submit button** and the **Prior Approval- Submit Confirm** page opens
- Check the box to certify the document. Click **Confirm**

Unless an on-screen confirmation message stating that the request has been successfully submitted to