1.0 Introduction

A. Federal regulations and agency grant guidelines generally permit rebudgeting funds within direct cost categories. The specific references to rebudgeting in OMB A-110 relate to the need to have approval to rebudget into capital acquisitions and printing categories. Individual grant/contract requirements may be more restrictive and the grant folder needs to be reviewed prior to the Grants Accountant authorizing any rebudgeting.

B. The Citadel's indirect cost rate is based on salaries and fringes; therefore, rebudgeting direct costs into the salary and fringe category has a potential impact on the amount of indirect costs that can be recovered.

C. Since the Principal Investigator has said that he requires a certain amount of direct costs in order to complete the work, it is the college's policy that in cases in which rebudgeting occurs and there is an increase in the direct salaries and fringes charged to a grant, the college will not rebudget from the direct cost categories into the indirect cost category to permit it to collect the additional indirect costs. The reason for this is that the college does not want to reduce the direct costs available to the Principal Investigator. In such a situation, the college will only collect indirect costs up to the awarded amount.

D. Most non research grants award indirect costs based on total direct costs and rebudgeting will generally not impact non research indirect cost recoveries. The college needs to be sensitive to collecting as much non research indirect costs as possible, since those funds go directly to the State's general fund and state regulations require recovering the maximum indirect cost possible.

2.0 Procedure

A. Federal grant budgets will be established by the type budget category indicated in the grant application/award.
B. Principal Investigators are not authorized to adjust the budget on a grant without contacting the Grants Accountant.

C. Should a Principal Investigator wish to rebudget, the Grants Accountant will review the documentation requirements for rebudgeting and inform the Principal Investigator of what needs to be done in order to rebudget.

D. When rebudgeting is approved into an overhead bearing category, the Grants Accountant will only charge indirect costs up to the initial amount authorized prior to the rebudgeting.

E. Should a Principal Investigator rebudget without obtaining approval from the Grants Accountant and subsequent rebudgeting approval can't be obtained from the granting agency then the Principal Investigators' academic account will be charged for the unauthorized cost.