

Internal Budget Modification Guidelines

1st Step - A-21 Test for Allowability (See <http://www.mtu.edu/research/administration/sponsored-programs/office/proposal-preparation/develop-budget/direct-cost/allowable-costs/>)

2nd Step - Award Terms and Conditions (See notes on award activity sheet)

3rd Step - Internal Budget Modification Guidelines (See below)

	Federal & Fed Pass Thru Grants, Contracts & Coop Agreements	State (Including MDOT Pass Through)	Industry	"Other" Sponsors
Budget Category				
S & W	Yes if > 25%	Yes if > 25%	No	No
Equipment	Yes if > 25% *	Yes if > 25% *	No	No
Travel	No	Yes if > 25%	No	No
Subcontracts and External Service Agreements	Yes	Yes	Yes	Yes
Supplies, Services & Other	No	Yes if > 25%	No	No
Tuition	Yes if > 25%	Yes if > 25%	No	No

Yes = Request for modification required, determination to be made by the Sponsored Programs Office and may need Sponsor approval. "Yes if >25%" means if the original budget category is exceeded by more than 25% a Request for Budget Modification is required. This also means, if the original budgeted amount for a category is \$0, a Request for Modification will be required.

No = Request for Modification is NOT required (including when the original budget category is \$0).

*** Equipment purchases must be approved in advance by the awarding agency.**

The basic policy for determining when a Budget Modification is required is outlined in the matrix above. Where a YES is indicated in the matrix (colored yellow), a RFM (Request for Modification) will need to be filled out. When NO is indicated, there is no requirement for a RFM. When the noted % is exceeded from the original budget, a RFM will be required. The matrix refers to main budget categories, such as S&W, Equipment, Travel, Subcontracts and External Service Agreements, Supplies, Services, Other and Tuition.