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Your Budget was Cut! Now What?

Budgeting in Uncertain Times

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Read the NOA...

- Pre:
 - Prepared proposal and budget
 - Reviewed proposal and budget
 - Submitted proposal and budget
- Received NOA(fully executed)
- Review all terms/conditions of the award
- Review the budget
 - Was it what you submitted
 - Was it for what you submitted
 - Was the budget actually cut or was something else modified?

Start at the Beginning

- Talk to the PI

- It's important they know you know
- Open, Honest, Transparent communication is the best approach

- *But* before you talk to your PI.....

- Review what was submitted and what was cut
 - Were cuts across the board?
 - Were cuts project specific and prohibited expenses?
 - Did the project period of performance change? Budget period?
 - Will carry forward be allowed at the end of the budget period?

Where can you make adjustments?

- Decrease personnel?
 - Is it feasible?
 - Will the research be able to be completed with less?
 - Does the scope of project need to be reviewed?
- Decrease effort?
 - Is there mandatory effort required?
 - Is there a salary max?
 - Cost Share- scary, but is it necessary?

- Is the salary and fringe correct?
- Sub awards?
- Travel?
- Consultants?
- Other Categories?

How is this cut affecting the F&A?

Remember if you rebudget from certain excluded categories, F&A must follow.

Who is the sponsor?

- Always research the sponsor's terms and conditions
- For NIH:

NIH Specific:

NIH prior approval is not required to rebudget funds for any direct cost item that the applicable cost principles identify as requiring the Federal awarding agency's prior approval, unless the incurrence of costs is associated with or is considered to be a change in scope.

Reconcile: Doing more with less

Reconciling: Redoing the budget

- What are we reducing?
- Where can we rebudget?
- Communicate with the PI
 - Create a new budget
 - With the decreased personnel
 - With modified effort
 - Monitor and Manage - ProActive ly
 - Track and Review spending
 - [Utilize expanded authority](#)
 - Prior Approval waived
- New Notices being received
 - Make sure you are reviewing and are update to date

Be Aware:

- **1. Review the Grant Agreement**

- Check the terms of your grant to see if there are any provisions for budget adjustments or reallocation. Some grants allow for shifting funds between categories (e.g., from one line item to another) or give you leeway to request a revision.

- **2. Prioritize Your Spending**

- Make a list of your essential expenses. Focus on the core aspects of your project or program that absolutely need funding to continue. This will help you prioritize and potentially scale down non-essential activities or services.

- **3. Communicate with the Grantor**

- If you haven't already, reach out to the funding agency. Be transparent about your situation and ask if they can provide any flexibility or additional support. Some funders might be understanding and willing to reallocate some funds or offer extensions if it's a case of budget cuts.

Helpful Tips and Tricks

- **Cut Budgets are not new**
 - It happens, and it will be ok!
- **Take one step at a time**
 - Listen to PI, but rein it in, take a breathe and re work the budget to what works!
- **Don't be afraid to ask**
 - Talk to your PI, your sponsor, or any collaborators

Questions?

GRACIAS

(THANK YOU)

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