

Budget Modification Process

October 2015

When to do one?

When you receive the official grant award, the **approved** applicants need to submit a budget modification as soon as possible. This is required because allocation amounts change in the time period between planning numbers and official grant awards. This is particularly true if your allocation has increased and you have new expenditures on your budget that have not yet been approved by your reviewer. To ensure that you are using Carl Perkins funds appropriately, we require budget modifications as soon as possible so that you know if your additional spending plans will be approved.

After this initial required budget modification is submitted, budget modifications can be submitted throughout the grant (through June 30). If things have changed in your plan, you should complete a budget modification to ensure that we approve the change in use of funds. Remember anytime you are shifting money between object categories you need to complete a budget modification unless the 10% rule applies.

Please note that **conditionally approved** applicants need to wait until their application has been approved before submitting a budget modification.

What is the 10% rule?

The 10% rule means that no modification is necessary if you don't exceed 10% in an object category. For example, you have \$3,000 in purchased services and \$3,000 in capital objects. You could shift up to \$300 from one to the other and no budget modification would be needed.

But what if they are not in the same series? Using the example above, what if one is in the 200 series and the other is in the 130 series? The 10% rule still applies and no modification would be needed. *However, any shifting between the 223 series (admin) and another series always require a modification, even if the changes fall within 10%.*

But what if they are different amounts? Using the same example above, what if one was \$3,000 (purchased service) and the other was \$1,000 (capital). No modification would be needed if you took \$300 from the \$1,000 (capital) and shifted it to \$3,000 (purchased service) because that would increase purchased services by \$300 and that's within 10% so no modification would be needed. However if you took \$300 from the \$3,000 (purchased service) and shifted it to \$1,000 (capital) you would need a modification because that's a 30% increase to the capital object.

How to do one?

Complete a Budget Modification (PI-1303-A) form found on our website at <http://cte.dpi.wi.gov/files/forms/xls/fl1303-a.xls>. Make sure to select the correct fiscal year from the *fiscal reporting year* dropdown at the top of the form. Electronically submit the budget modification through Accellion secure file transfer to Denise Byrd at Denise.Byrd@dpi.wi.gov.

Why to do one?

A copy of your current budget is kept with our team and a copy is shared with Federal Aids and Audit. As claims are submitted to Federal Aids, they need to match your budget. Any discrepancy would hold up your claims.