

# INTERNAL BUDGET MODIFICATION GUIDELINES

**1st Step** - A-21 Test for Allowability (See <http://www.admin.mtu.edu/research/sprot/policies/allowcosts.html> )

**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
<b>Budget Category</b>				
<b>S &amp; W</b>	Yes if > 25%	Yes if > 25%	No	No
<b>Equipment</b>	Yes if > 25% *	Yes if > 25% *	No	No
<b>Travel</b>	No	Yes if > 25%	No	No
<b>Subcontracts and External Service Agreements</b>	Yes	Yes	Yes	Yes
<b>Supplies, Services &amp; Other</b>	No	Yes if > 25%	No	No
<b>Tuition</b>	Yes	Yes	No	No

**Yes = Request for modification required, determination to be made by RSP 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.