



Title: Budget Revisions Guidance Memorandum 2013-1

Purpose: Information in this GM seeks to clarify and provide detailed information related to 10A NCAC 97C .0208 BUDGET REVISIONS TO THE GRANT AGREEMENT for the purpose of ensuring consistency across North Carolina's network of CSBG sub-grantee agencies related to timely and accurate submission of Budget Change Requests.

Effective Date: October 25, 2013

Related (No Related GM)

Resources: 10A NCAC 97C .0208 BUDGET REVISIONS TO THE GRANT AGREEMENT; 2 CFR Part 230; Attachment G of the CSBG Contract

Background

To ensure that CSBG agencies in North Carolina comply with the budget revision requirements set forth in 10A NCAC 97C .0208 BUDGET REVISIONS TO THE GRANT AGREEMENT, the Office of Economic Opportunity (OEO) is providing guidance on Budget Revisions Requests. While the NC Administrative Code addresses requirements for Budget Revisions commonly referred to as Budget Changes additional information is needed in order to promote consistency and implementation throughout the network of CSBG sub-grantees.

State Interpretation

The following is applicable to Budget Change Requests:

- Budget Changes submitted to OEO require submission of the OEO Form 225 along with the OEO Form 225-B (cover page) which must be completed in entirety and signed by an authorized official.
- Budget Changes will either receive OEO approval, be accepted for information only or be disapproved.
- OEO determines the treatment of Budget Changes; however, as outlined, any change that:
 - Involves the transfer of amounts budgeted for direct cost to absorb increases in indirect costs
 - Involves transfer of amounts for items requiring prior approval
 - Involves the transfer of amounts because of changes in the work program
 - Involves the transfer of funds from the inception to the termination of the grant agreement between projects in excess of an aggregate of five percent of the total amount of the grant agreement
- OEO's expectation is that at a minimum, Budget Change Requests should be submitted on a quarterly basis when expenditures differ from the approved CSBG budget. All such requests should be submitted no later than 30 days before the end of the grant period which would be prior to May 31st of each State Fiscal Year unless otherwise prescribed.

Equipment Purchases & Capital Expenditures

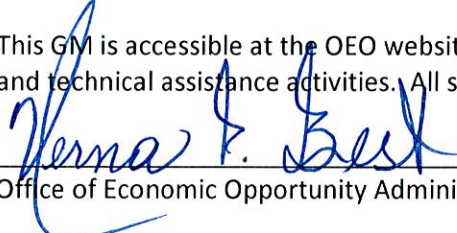
- 2 CFR Part 230 defines equipment as nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-profit organization for financial statement purposes.
- Attachment G of the CSBG Contract defines equipment as having a cost in excess of \$500 (\$500.01 or greater).
- Agencies that desire to purchase equipment as defined in the 2 CFR Part 230 and the CSBG Contract will be required to submit a Budget Change for OEO approval, prior to equipment purchase(s).
- Budget change requests proposing capital improvements, will be reviewed on a case by case basis and may require approval from the Federal funding source.

Additional Information

- A Final CSBG budget should be submitted no later than 60 days after the end of the grant year which would be August 30th unless otherwise prescribed. Final budgets are submitted on the OEO Form 225 and lists actual final CSBG expenditures expenses for CSBG for the previous fiscal year. Agencies that experience a 10% variance in actual expenditures from the most recently approved budget will be required to explain and/or justify these variances. Submission of quarterly Budget Change requests will assist CSBG sub-grantees with internal monitoring and management efforts to keep total year end expenditures within a 10% variance of the actual approved budget. OEO will use the most current, approved budget as a frame of reference to be used while conducting on-site and desktop monitoring.
- Space is provided on the OEO Form to detail the reason(s) that the agency is requesting a Budget Change. Preparers must include a comprehensive explanation which provides the rationale for all changes. If additional space is needed, attach a separate document to the Budget Change submission.

Budget Change Request forms can be found on the OEO website under the "Fiscal" heading in the "Reports and Forms" section.

This GM is accessible at the OEO website and will be sourced during OEO's ongoing monitoring, training and technical assistance activities. All sub-grantee agencies will be accountable to this information.


Office of Economic Opportunity Administrator

10/23/13
Date