



# ADULT REENTRY GRANT

## BUDGET MODIFICATIONS

# Topics To Be Covered:



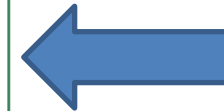
- What is a Budget Modification?
- Why are Budget Modifications Required?
- What is Not Allowed via a Budget Modification?
- Two Types of Modifications
- Overview and Steps of the Modification Process
- Examples of Both Modifications
- Mini Activities

# What is a Budget Modification?

A budget modification is a formal request to modify the grant approved budget that does not affect the scope or objectives of the project and does not require amending the grant agreement. This includes:

## ➤ Modifying grant approved budget narratives

2. Services and Supplies for Warm Hand-off Reentry Services		
Description of Services or Supplies	Calculation for Expenditure	Grant Funds
Example: Supportive Services (bus passes, gas card)	\$350 x 50 Participants	\$17,500
Supportive Services	\$500/participant x 200 participants	\$100,000
Office Supplies	\$100/month x 36 months	\$3,600
TOTAL		\$103,600
Services and Supplies Narrative for Warm Hand-off Reentry Services:		
Supportive Services- Supportive Services will include the following: food and beverages, clothing, transportation assistance, emergency housing assistance, toiletries and everyday necessities, gift cards, vital documents and government fees		
Office Supplies- general office supplies including paper, pens and pencils, staples, paper clips, drawers for organizing client files, stamps		




# What is a Budget Modification?

A budget modification is a formal request to modify the grant approved budget that does not affect the scope or objectives of a project and do not require amending the grant agreement. This includes:

- Moving grant funding between line item details in the same budget category



3. Professional Services for Warm Hand-off Reentry Services		
Description of Professional Service(s)	Calculation for Expenditure	Grant Funds
Example: Public Defender	Statewide Program Rate	
Data Consultant	\$100/hr x 4 hrs/month x 36 months	\$14,400
Mental Health Professional	\$125/hr x 5 hrs/month x 36 months	\$22,500
TOTAL		\$36,900



# What is a Budget Modification?

A budget modification is a formal request to modify the grant approved budget that does not affect the scope or objectives of a project and do not require amending the grant agreement. This includes:

- Moving grant funding from one budget category to another

 	
Project Budget and Budget Narrative for Warm Hand-off Reentry Services	
Name of Applicant: ARG Cohort III Grantee	
Project Budget for Warm Hand-off Reentry Services	
<i>Note: This table will auto-populate based on the information entered in the sections below.</i>	
Budget Line Item	Grant Funds
1. Salaries and Benefits	\$313,086
2. Services and Supplies	\$103,600
3. Professional Services	\$36,900
4. Non-Governmental Organization (NGO) Subcontracts	\$0
5. Equipment/Fixed Assets	\$800
6. Data Collection and Progress Reporting	\$10,000
7. Financial Audit	\$15,000
8. Local Evaluation Plan (LEP) / Local Evaluation Report (LER)	\$20,000
9. Other (Travel, Training, etc.)	\$3,600
10. Indirect Costs	\$40,000
TOTAL	\$542,986



# Why are Modification Requests Required?

The project budget your organization submitted as part of your proposal for ARG funding was one of the criteria rated and scored by the Executive Steering Committee—because this was an extremely competitive process, the budget modification process is required when changes to the budget or narratives are requested because your project was awarded in part for what was proposed in the initial budget. With this, some changes cannot be requested via a Budget Modification...



## Not Allowed via a Budget Modification:

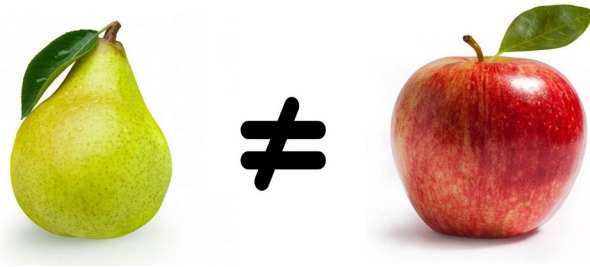


- Program modifications that affect the project scope
- Modifications that affect the proposed objectives for the project
- Modifications that affect specific program components
- Modifications that could impact your ability to implement the project as proposed
- Refer to your RFP to review narrative, goals, and objectives

# Two Types of Budget Modifications:

## Budget Modification:

- A Budget Modification is required when requesting to move funding from one budget category to a different budget category; *for example, if you request to move funding from Salaries and Benefits into Services and Supplies*



## Line Item Detail Change:

- A Line Item Detail Change Request is required when requesting to modify the narrative description of a budget category, or when requesting to reallocate funding within a budget category; *for example, if you want to move funding from the Office Supplies line item detail into the Supportive Services line item detail, both within Services and Supplies; or, if you are requesting to modify the narrative description for Supportive Services line item detail*



## Mini Activity #1:

**Would the scenarios below require a budget modification, or a line item detail change? Input your responses into the chat!**

1. We want to take funds from Other and reallocate them into Services and Supplies

2. We want to reallocate funding from the Program Manager line item detail to the Case Manager line item detail, both in Salaries and Benefits

3. We allocated more funds than needed to the Financial Audit and we want to use those funds for Participant Supports



# Budget Modification Process Overview

- The budget modification process starts by letting your ARG analyst know you need to complete a Budget Modification. Your analyst will help you determine if your request requires a Budget Modification or a Line Item Detail Change
- Once it is determined which type of modification is needed, your ARG analyst will provide you guidance/assistance while you work on the modification language, ensuring the amount of savings equals the amount of requested reallocations, and that the necessary justification is provided for these proposed changes. Once the modification language includes all the required information and the request balances out to 0\$ (if applicable), it will be sent to the Field Representative for review and feedback, or requested revisions
- Once the Field Representative reviews the modification language and if additional information or clarification is not needed, your ARG analyst will provide guidance on how to submit the modification request into the Invoice Workbook utilizing the Modification Request tab. You will be notified via e-mail once the Field Representative has formally approved the modification request
- **All modification requests require approval from your ARG Field Representative. Sometimes additional information or clarification will be required before the Field Representative can approve the request(s)**
- **If approval is not obtained, the grant reimbursement may be reduced by the amount of the unauthorized expenditure(s). Unauthorized expenditures may also result in audit issues**



# Steps for the Modification Process



1. Identify the amount(s) of savings, and the line item detail and budget category where the savings have been generated
2. Provide justification for the savings and confirm if it will have an impact on the project as proposed
3. Provide the current calculation and allocation for the line item detail, as well as the proposed updated calculation
4. Identify the amount(s) you are requesting to be reallocated and ensure it is the same amount of savings identified, and then identify the line item detail and budget category where you want to move the funds to
5. Provide justification for the reallocation and why it is beneficial for your ARG project
6. Provide the current calculation and allocation for the line item detail, as well as the proposed updated calculation
7. After you identify which invoice # the modification should be effective, include all this information in a Word document and send to your ARG analyst

# Budget Modification Example:

## *Budget Modification #1, Effective Invoice #2*

We have realized a savings of **\$2,242** in the *Salaries and Benefits budget category* because we noticed the annual salary for the *Program Manager* is incorrect. The current salary for this position is 10% FTE @ **\$60,000/year** for 43 months = \$21,500 + benefits @ 25.1% Fringe = \$26,897. The correct salary for this position should be: 10% FTE @ **\$55,000/year** for 43 months = \$19,708 + benefits @ 25.1% Fringe = \$24,655.

We are requesting to reallocate the **\$2,242** of savings to the *Participant Supports line item detail in Services and Supplies* because we have discovered an increased need for direct support among our ARG participants. Currently, this line item detail is allocated **\$300/participant** x 150 participants = \$45,000. The proposed updated calculation is **\$315/participant** x 150 participants = \$47,242



# Line Item Detail Change Request Example:

## *Line Item Change #1, Effective Invoice #3*

*We are requesting a line item detail change in the **Services and Supplies** budget category **because we want to expand the narrative description** for our **Supportive Services** line item detail.*

*Currently, our narrative description is:*

*Supportive Services include interview or work attire, work tools/supplies, stipends, gas cards, and bus passes. If a participant does not use all of the funds budgeted, funds will be used towards another participant.*

*We would like to expand it to read:*

*Supportive Services include interview or work attire, work tools/supplies, stipends, gas cards, and bus passes, as well as educational Supportive Services such as small tuition fees (under \$500), educational books, supplies and tools or uniform for work, legal supportive services such as court fees or DMV fees. If a participant does not use all of the funds budgeted, funds will be used towards another participant.*



## Mini Activity #2:

**What are the two mistakes in this budget modification? Input your responses into the chat!**

We have realized a savings of \$5,000 in the Cell Phones line item detail in Services and Supplies because we are removing this line item detail as cell phone service is no longer needed by staff and they will be utilizing company land lines. Funds have not been spent in this line item detail and this will not impact staff job duties.

We have also realized a savings of \$10,000 in Data Collection and Progress Reporting. Currently, we have \$5,714/year x 3.5 years = \$20,000 allocated to this line item detail. The proposed updated calculation is \$2,857/year x 3.5 years = \$10,000.

**Total savings: \$15,000**

We are requesting to reallocate the identified savings to the following:

- \$2,500 to a new line item detail in Equipment/Fixed Assets to purchase 2 laptops or desktop computers and a printer for our two full time ARG Case Managers so they can have dedicated work spaces and dedicated computers to serve all ARG participants. We are estimating \$1,000/computer x 2 computers + one printer @ \$500 = \$2,500 for the new computers line item detail.
- \$5,000 to a new line item detail in Other for Mileage Reimbursement for our two ARG Case Managers because they will need to meet with clients, probation officers, and other job-related travels to serve ARG participants and we did not include this in our original budget. We are estimating about 100 miles/month x 2 Case Managers x 40 months x .625 cents/mile = \$5,000.
- \$10,000 to the Mental Health Consultant line item detail in Professional Services because we have discovered there is a greater need among our participants for mental health services. Currently, this line item detail is allocated \$3,000/year x 3.5 years = \$10,500. The proposed updated calculation is \$5,857/year x 3.5 years = \$20,500.

**Total reallocations: \$17,500**





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**Total savings: \$15,000**

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**Total reallocations: \$17,500**



Questions?

