

BUDGET REVISION GUIDANCE

Overview

Budget revisions requests must be made and approved in [OBIS](#) prior to changes in funding.

Budget revisions should clearly reflect:

1. Why the change is being requested. Examples include, but are not limited to:
 - An event will no longer happen and will be replaced by something else;
 - More or less staff time is needed for something,
 - All activities remain the same but projected budget numbers are just being updated with closer to actual numbers
2. What is changing. Examples include, but are not limited to:
 - The new percentages of effort for staff,
 - Types of goods and services you will buy now that you hadn't originally planned, etc.

Reasons for the budget revision should be reflected in the "Explanation" box if not explicitly clear in revised budget narrative responses

Budget narratives should be updated to reflect how funds will actually be spent if the proposed budget revision is approved. Delete outdated information and/or amounts and replace with updated information and/or amounts.

Examples

The following pages contain examples of budget revision requests.

In a budget revision request, SBCTC can see the existing approved narrative in one color and the proposed narrative in another color to compare what changes have been made, what funding has moved from one category to another, etc. This means you do not need tell us in the Explanations box that you moved money from one category to another. Instead, use that box to explain why your budget it changing.

Budget Revision Request #1: Not Approvable

The first example shows a budget revision with inadequate narratives and explanations.

Existing Budget

Activity	Salary & Wages	Employee Benefits	Goods & Services	Building Rental	Travel	Contracts	Capital Outlays	Indirect	Total
General	\$2,000	\$500	\$1,000	\$500	\$500	\$5,000	\$0	\$100	\$10,000
Total	\$2,000	\$500	\$1,000	\$500	\$500	\$5,000	\$0	\$100	\$10,000

Proposed Budget

Activity	Salary & Wages	Employee Benefits	Goods & Services	Building Rental	Travel	Contracts	Capital Outlays	Indirect	Total
General	\$2,100	\$400	\$1,100	\$100	\$500	\$0	\$5,295	\$105	\$10,000
Total	\$2,000	\$500	\$1,000	\$500	\$500	\$5,000	\$0	\$100	\$10,000

Budget Narrative	Feedback
<p>1A. Description of how funds will be used for SALARIES, WAGES, AND BENEFITS. Existing: Coordinator, .05 FTE, Student intake Proposed: Coordinator, .05 FTE, Student intake – + hours, - benefits</p>	<p>FTE amount should be changed but wasn't. Explanation doesn't belong in narrative.</p>
<p>1B. Description of how funds will be used for GOODS AND SERVICES. Existing: Office supplies, classroom materials, postage Proposed: Add Advertising</p>	<p>Original items are missing. Advertising needs more detail as it isn't generally an allowable expense.</p>
<p>1C. Description of how funds will be used for BUILDING RENTAL & UTILIZATION. Existing: Classroom at ABC Center at fair market value (FMV) Proposed: Classroom at XYZ Building.</p>	<p>Narrative must specify rent is at or below fair market value (FMV).</p>
<p>1D. Description of how funds will be used for TRAVEL. Existing: Staff travel to programmatic meetings.</p>	
<p>1E. Description of how funds will be used for CONTRACTS. Existing: Guest speakers Proposed: Speakers not needed</p>	<p>If budget is \$0, narrative should be blank.</p>
<p>1F. Description of how funds will be used for CAPITAL OUTLAYS. Existing: Proposed: Equipment</p>	<p>Capital outlays must clearly identify each specific piece of equipment that will be purchased.</p>
<p>1G. Description of how funds will be used for INDIRECT. Existing: 5% of salaries/wages Proposed: 5% of salaries/wages – increased due to increased salaries</p>	<p>Explanation should not be added here.</p>

Budget Narrative

Feedback

Explanation of Why Budget Revision Is Requested:

Salaries, Goods, Capital Outlays, Indirect increased; Benefits, Building Rental, Contracts decreased.

Explanation should explain why changes were made, not what changes were made.

Budget Revision Request #2: Approvable

The second example contains adequately updated budget narratives and an adequate explanation of why the budget revision is requested.

Existing Budget

Activity	Salary & Wages	Employee Benefits	Goods & Services	Building Rental	Travel	Contracts	Capital Outlays	Indirect	Total
General	\$2,000	\$500	\$1,000	\$500	\$500	\$5,000	\$0	\$100	\$10,000
Total	\$2,000	\$500	\$1,000	\$500	\$500	\$5,000	\$0	\$100	\$10,000

Proposed Budget

Activity	Salary & Wages	Employee Benefits	Goods & Services	Building Rental	Travel	Contracts	Capital Outlays	Indirect	Total
General	\$2,100	\$400	\$1,100	\$100	\$500	\$0	\$5,295	\$105	\$10,000
Total	\$2,000	\$500	\$1,000	\$500	\$500	\$5,000	\$0	\$100	\$10,000

Budget Narrative

Feedback

1A. Description of how funds will be used for SALARIES, WAGES, AND BENEFITS.

Existing: Coordinator, .05 FTE, Student intake
Proposed: Coordinator, .06 FTE, Student intake

FTE amount adjusted to reflect increased hours.

1B. Description of how funds will be used for GOODS AND SERVICES.

Existing: Office supplies, classroom materials, postage
Proposed: Office supplies, classroom materials, postage; brochures for student recruitment in ABC Program.

All items are included. New items are adequately described.

1C. Description of how funds will be used for BUILDING RENTAL & UTILIZATION.

Existing: Classroom at ABC Center at fair market value (FMV)
Proposed: Classroom at XYZ Building at fair market value (FMV)

Narrative specifies rent at or below fair market value.

1D. Description of how funds will be used for TRAVEL.

Existing: Staff travel to programmatic meetings.

1E. Description of how funds will be used for CONTRACTS.

Existing: Guest speakers
Proposed:

Budget is \$0, so narrative is not needed.

Budget Narrative	Feedback
1F. Description of how funds will be used for CAPITAL OUTLAYS. Existing: Proposed: XYZ welder for welding program	Specific equipment is identified.
1G. Description of how funds will be used for INDIRECT. Existing: 5% of salaries/wages Proposed: 5% of salaries/wages	No narrative change is needed as long as indirect still doesn't exceed 5% of salaries/wages.
Explanation of Why Budget Revision Is Requested:	
1A. More hours needed due to increased students in ABC program; benefits decreased to actual expenses 1B. Brochures needed to recruit students for new DEF program; will purchase more office supplies 1C. Items no longer needed 1F. Welder needed to replace failing equipment for welding program	Explanations for changes included and identified by each budget narrative.

Tips/Reminders

- Budget narratives must clearly reflect what has been purchased and what will be purchased over the course of the grant.
- If an existing budget narrative is still current even with a changing dollar amount, leave the narrative “as is” and simply include an explanation in the Explanation box that the organization will simply buy more (or less) of the item(s) already listed in the narrative.
- The final budget revision deadline for the grant is listed in the Grant Summary screen in OBIS.

Contact Information

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Washington State Board for Community and Technical Colleges

BUDGET REVISION GUIDANCE // April 2019