



Policies and Procedures for Budget Modifications

MEMORANDUM FOR: All Indian Health Services (IHS) Recipients of Federal financial assistance

FROM: Marsha Brookins
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This Alert provides guidance to the Indian Health Service (IHS) recipients of Federal financial assistance for making budget modifications to an IHS award subject to HHS grants policy.

At times recipients may find they need to adjust their direct cost categories during the budget period. These changes may be either minor or significant. To determine which category your budget changes fall into, please see the guidance below from the HHS Grants Policy Statement ([Post-Award, Budget and Scope Changes, page 22](#)).

Minor Budget Changes:

Within a budget period, you can adjust your budget *without* prior approval if:

- The change is within or between approved direct cost categories.
- Your award's federal share is below the simplified acquisition threshold (\$250,000), and your Notice of Award (NoA) doesn't include a prior approval need.

When you make a budget modification of 25% or less of the total direct costs of the last approved budget period, please work with your Program Official to ensure these modifications are within scope. Once completed, any modifications must be uploaded as a note in GrantSolutions so they are part of the official award file. (Modifications at this level do not require prior approval nor a formal budget modification request if they are within scope.)

Significant Budget Changes:

Significant budget changes require prior approval when they constitute a change of scope or exceed 25% of total direct costs of the last approved budget period. These requests must be submitted as a budget modification amendment in GrantSolutions. At that time, it will be reviewed by both DGM and the program office. You should not implement any changes until you have received a new NoA advising that your request for modification has been approved.

Projects operating under expanded authority do not need to seek prior approval for budget modifications although documentation of changes must be submitted into GrantSolutions as it is the official grant file.

Required Documents:

1. **Signed Letter:** A signed letter from the Authorized Official listed on the Notice of Award, requesting the budget modification that shall include:
 - a. Award number and recipient name
 - b. Effective date of change
 - c. Reason for the budget modification
 - d. An explanation of all the changes being made to the budget
 - e. The total amount of grant funds that are being adjusted within the budget
 - f. The Scope of Work that will be affected by these budget changes, and how you plan to accomplish your grant goals and objectives
 - g. Please indicate whether the budget modifications will alter your current Scope of Work
2. **Line-Item Budget:** A budget that shows the modifications to be made. Use Form SF-424A.
3. **Budget Justification:** A revised budget justification that highlights the changes being made.

How to Submit Your Request:

Recipients can submit a budget modification request by completing a new amendment in GrantSolutions.

1. Log on to <http://www.grantsolutions.gov>
2. Click on “Manage Amendments”, this link will be available under “My Grants List”
3. Click “New” button. You will then be prompted to select an Amendment Type
4. Select “Budget Modification (over 25%)”
5. Upload all the required documents mentioned above
6. After uploading all the forms, click on “Verify Submission.”
7. Click on “Final Submission.” Click on “OK” upon the prompt “Are you sure you want to submit application?”

The budget modification request is routed through the GrantSolutions process for approval.