

II. FISCAL SECTION
1100 Budget Revisions and Amendments

 **State share requirements for Continuing Contracts:** State share is not applicable for the federal fiscal year (FFY) 2012 budget year of October 1, 2011 to September 30, 2012. Instead, a new type of contribution, “soft in-kind,” will be used to complement federal share funds.

State share requirements for Renewing Contracts: State share is not applicable for the FFY 2012 budget year of October 1, 2011 to September 30, 2012. Instead, a new type of contribution, “soft in-kind,” will be used to complement federal share funds.

Budget Adjustment Request (BAR) requirements for FFY 2012 renewing contracts will not have administrative relief; this means that no line item transfers will be allowed without executing a formal amendment.

The Network for a Healthy California (*Network*) will provide further guidance regarding in-kind guidelines for the upcoming FFY 2013 as information becomes available.

1101 General Information

For FFY 2012 continuing contracts are allowed to submit a BAR is required when reallocating funds from one line item to another in the United States Department of Agriculture (USDA) approved federal share budget. Revisions to budget line items must be submitted to, and approved by the assigned Contract Manager (CM) prior to implementation. The *Network* recommends contractors submit no more than one BAR per contract year. It is recommended that a BAR be submitted prior or during one of the first three quarters of the contract year.

1102 Requesting a Budget Revision

Most budget revisions regarding line item shifts can be completed informally by using a BAR. Contractors can submit a BAR, if the line item shift is up to 15 percent of the annual agreement total, and does not exceed \$100,000 annually.

To request a budget revision for a renewing contract, a contractor should:

1. Consult their CM prior to submitting the written BAR.
2. Email the CM and Program Manager (PM) the BAR (Appendix A23).
3. Provide a written justification/narrative as to why the budget revision is necessary.
4. Provide a revised Budget Justification (BJ), and revised Budget Cover Sheet (BCS) showing each line item that is impacted by the revision, utilizing strikethrough for deletions, and red color font for new additions/changes. For amounts that are a decrease use parentheses around the amount, rather than a minus sign before it. If there is no change in the amount for a line item, enter zero. Always revise the footer date on the BJ before submitting.

5. The original signatures of the authorized project coordinator and accounting representative, and date must appear on the BAR form.

Always maintain the approved total budget amount of the contract, increasing or decreasing the approved total budget amount is unallowable. Contractors should make sure that the change is programmatically justified, and does not extensively alter the approved Scope of Work.

1103 Formal Contract Amendment

In some cases, a budget revision may require a formal contract amendment. The assigned CM can determine whether the budget revision requested can be fulfilled as a BAR, or if it will require a formal contract amendment.

1. Renewing contracts for FFY2012 under the Direct Services/Subvention Contract Agreement require a formal amendment for a budget revision
2. The approved total budget amount in the contract agreement amount increases or decreases.
3. The change requested extensively alter the approved SOW.
4. The line item shift exceeds 15 percent of the annual agreement total, and exceeds a maximum of \$100,000 annually.

Submission of a contract amendment must be made prior to the end of the contract term. Amendments are effective only after they are reviewed, approved, and processed by the *Network*, the CDPH Contract Management Unit (CMU), and Department of General Services (DGS) if over \$75,000. The contract amendment process is often time-consuming. Contractors should contact the CM, as soon as it is determined that an amendment may be necessary.