

<b>II.</b>	<b>FISCAL SECTION</b>
<b>1200</b>	<b>Budget Revisions and Amendments</b>

### **1201 General Information**

A Budget Adjustment Request (BAR) is required to revise any line items in a State or Federal Share Budgets. Revisions to budget line items must be submitted to and approved by the assigned CM prior to implementation. The *Network* recommends Contractors submit no more than one BAR per contract year. Additionally, it is recommended that BARs be submitted during the first three quarters of the contract year. In some cases, like the **FFY 2007 nutrition education materials moratorium**, additional BARs may be requested during a contract year.

### **1202 Requesting a Budget Revision**

Most budget revisions can be completed informally using a BAR form (Form A19). However, in some cases, budget revisions require a formal contract amendment. The assigned CM can determine whether the budget revision requested can be accomplished as an Informal Budget Revision using a BAR or if it will require a formal Contract Amendment. To request a budget revision, Contractors should:

1. Email the CM with a BAR.
2. Provide a justification as to why the budget revision is necessary.
3. Provide revised Budget Justification showing each line item that is impacted utilizing strike out for deletions and bold for additions.

### **1203 Budget Adjustment Request**

A BAR may be used to revise line item amounts in State or Federal Share Budgets when:

1. The amount does not exceed a cumulative line item shift of up to \$25,000 or 10% of the annual contract agreement total, whichever is greater, up to a cumulative annual maximum of \$50,000.
2. The total contract agreement amount does not increase or decrease.
3. Allowable changes include revisions to the budget detail that make up a given line item.
4. The change is programmatically justified and does not extensively alter the approved SOW.
5. A narrative is submitted explaining the changes to each line item that is impacted.

The CM will communicate approval of the BAR or address any problems with the Contractor. After approval, the “Revised Approved Budget” on the BAR form should be used to replace the “Approved Budget” on any future budget documents (e.g., State Share Documentation Report or Invoice). See Form A19 in the Appendix Section for the BAR form and instructions. An electronic version is also available online at <http://www.cdph.ca.gov/programs/CPNS/Pages/FiscalGMAAppendix.aspx>.

### **1204 Formal Contract Amendment**

A formal contract amendment is required when:

1. The Federal Share Budget cumulative line item adjustments exceed \$25,000 or 10% of the annual contract agreement total; whichever is greater, **up to** a cumulative annual maximum of \$50,000.
2. The total contract agreement amount increases or decreases.
3. The change extensively alters the approved SOW.

Amendments must be submitted to and approved by the assigned CM and PM, prior to implementation. 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. Contract amendments may be limited due to Smart Growth Policy restrictions or compliance issues.