

I. FISCAL SECTION
600. Budget Revisions and Amendments

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601. General Information

A Budget Adjustment Request (BAR) is required to revise any line items in a budget. For *Regional Network* contracts in FFY 2012, no BARs will be accepted from the contractors.

602. Requesting a Budget Revision

Historically, many *Regional Network* budget revisions were completed informally using a BAR Form. However, in some cases, these budget revisions required a formal contract amendment.

For *Regional Network* contracts in FFY 2012, no BARs will be accepted from the contractors. Additionally, requests for formal contract amendments will not be accepted from the contractors.

603. Budget Adjustment Request

Should a budget adjustment be requested by the State *Network*, the following provides guidance for which line items and amounts may be revised informally:

1. Line item shifts of up to fifteen percent (15%) of the annual contract total, not to exceed a maximum of one hundred thousand (\$100,000) annually are allowed, so long as the annual agreement total neither increases nor decreases.

Allowable changes include revisions to the budget detail that make up a given line item and changes that are programmatically justified and do not extensively alter the approved scope of work.

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., Invoice).

604. Formal Contract Amendment

Should a formal contract amendment be initiated by the State *Network*, the following provides guidance for when a formal contract amendment is required:

1. Line item shifts exceed the maximum allowed adjustment of up to fifteen percent (15%) of the annual contract total, or exceed a maximum of one hundred thousand (\$100,000).

2. The total contract agreement amount increases or decreases.
3. The change extensively alters the approved scope of work.

Formal amendments are effective only after they are processed by the State *Network*, the Contractor, the CDPH Contract Management Unit (CMU), and Department of General Services (DGS) if over \$75,000.

The formal contract amendment process is often time-consuming and formal contract amendments are subject to the same approval process as the original contract. No invoices can be processed for the time period being amended until the amendment is fully approved.