

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. Revisions to budget line items must be submitted to and approved by the assigned CM and PM 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. For this reason, Contractors must project future spending patterns and adjust budgets on a regular basis to avoid multiple BARs. In some cases, like the FFY 2007 nutrition education materials moratorium, additional BARs may be requested during a contract year.

602. Requesting a Budget Revision

Most budget revisions can be completed informally using a [BAR Form](#). 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 assigned CM with a finalized 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.

603. Budget Adjustment Request

A BAR may be used to revise line item amounts:

1. Subject to the prior review and approval of the State, 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. This is new Cooperative Agreement language added to all *Network* contracts effective October 1, 2008.
2. Allowable changes include revisions to the budget detail that make up a given line item.
3. The change is programmatically justified and does not extensively alter the approved SOW.
4. 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., Invoice).

604. Formal Contract Amendment

A formal contract amendment is required when:

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 SOW.

Formal amendments must be submitted to and approved by the assigned CM and PM, prior to implementation. Submission of a formal contract amendment must be made prior to the end of the contract term. Formal amendments are effective only after they are reviewed, approved, and processed by the *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. Contractors should contact the CM and PM 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.