



Department of Homelessness and Supportive Housing HSH Contract Management Policies and Procedures Budget Revision Policy and Procedure

PURPOSE

The purpose of this policy is to outline the process by which budget revisions may be requested by the Department of Homelessness and Supportive Housing (HSH) grantee and contractor program providers.

Providers may need to revise their budget during the fiscal year to adjust for immediate and emerging program needs. Budget revisions occur when a provider must reallocate funds from one budget line item to another. For example, a provider may realize that due to an unfilled staff position, there are surplus funds in salaries and that those funds could be transferred to line items under an operating line item.

Providers are strongly encouraged to use the HSH invoicing system to track their unspent line items, especially throughout the first three quarters of the fiscal year.

POLICY

HSH programs funded by General Funds may invoice against 110 percent of budgeted line items without a budget revision, but cannot exceed their total budget amount. For any changes above 110 percent, and/or for programs funded by U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC), providers must request a budget revision in accordance with the below.

Non-General Fund Funded Programs:

Programs funded through sources other than General Fund may be subject to additional requirements. Per federal guidelines, deviations from the budget require prior approval from the federal awarding agencies.¹

For CoC funded programs, HUD must be notified of a change that is less than 10 percent of CoC funds from one approved activity to another. CoC major changes, a shift in a single year of more than 10 percent of the total amount awarded, require HUD approval.²

Budget Revision Types:

Beginning the approval date of this policy, HSH will allow three types of budget revisions that do not increase the overall budget:

1. Movement of unspent funds from one budget type to another (e.g. Operating to Salaries);
2. Movement of funds within a budget type; or
3. Movement of funds from one budget type or within a budget type that include reasonable program-related costs that were not included in the originally approved budget.

Budget Modifications, Carry Forward Requests and Other Requests:

¹ <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-308.pdf>

² Per 24 CFR part 578.105. Please also see:

<https://www.hudexchange.info/resources/documents/CoCProgramGrantsAdministrationUserGuide.pdf>

Budget revisions do not increase a budget. Requests that increase the total budget amount (e.g. budget modifications) or requests to carry forward (e.g. roll over) unspent funds from one year to the next follow separate processes and are subject to additional approvals.

Deadlines and Timelines:

HSH allows programs funded through General Fund dollars to file up to two budget revisions in the first three quarters of the fiscal year. Budget revisions may be made prior to the deadlines; however, no program may make more than one request per quarter.

1. The first budget revision must be submitted by **December 31st**; and
2. The second and last budget revision must be submitted by **March 31st**.

Providers funded through HUD CoC funding and those whose agreement terms do not coincide with the fiscal year, must submit budget revisions before the last three months of their annual term.

In order to ensure prompt payment to providers, beginning the approval date of this policy, HSH will no longer accept revisions to budgets for General Fund programs after March 31st each year.

More Information on Budget Revisions:

- Requests must be complete in order to be considered submitted by the deadline.
- HSH expects that budget revisions that request use of savings from temporarily unfilled staff positions to be spent on one-time expenditures.
- Budget revisions may only be retroactive up to one month prior to the submission of the revision. For example, a request submitted in March can be effective no earlier than February.
- Providers must be up to date on their invoicing in order for the request to be reviewed. For example, to submit a request in December, the October invoice must be submitted.
- HSH reserves the right to reject any request and may require additional time and steps for non-General Fund programs.

Budget Revision Request Process³:

1. **Request Initiated via Email:** The provider requests a budget revision by sending an email to both their assigned Contract and Program Managers that clearly outlines the changes requested. The clearer the request, the more quickly it will be processed. The Contract Manager determines the number of revisions the program has had per the fiscal year. The Contract and Program Managers may initiate a follow up phone call for more information.

³ The process is subject to change and timelines are goals.



2. **Appendix B, Budget Revision Form Created:** The Program and Contract Managers evaluate the request based on the following:

- Impact on client services
- Funding source requirements
- How the program plans to use the funds
- Impact on program if denied

If the requested revision is in compliance with the above and is approved by the Program Manager, the Contract Manager sends the provider the latest approved Appendix B and instructs them to make changes to the “Revision” columns and to complete within three business days and return via email to the Contract and Program Managers.

3. **Appendix B Revised:** The provider reviews and revises the Appendix B by filling in the “Revision” column(s) in the applicable fiscal years in the appropriate Salary, Operating and/or Capital Detail tabs and provides details on the budget changes in the Budget Narrative tab (including why the funds are being moved) and emails to the Contract and Program Managers within three days of receipt.

4. **Appendix B Reviewed/Approved:** Within two days of receipt, the Contract and Program Managers review the Appendix B revision to ensure the changes are:

- Cost neutral
- Clear
- Accurate (e.g. formulas are working)
- In accordance to funding requirements and funded activities

At any point, the Contract or Program Managers may request additional information. The Program Division Manager or Director approves the revised B in accordance with the above.

5. **Appendix B Budget Updated:** Within one day business day of receipt, the Contract Manager saves the final and approved revised Appendix B in the provider’s file folder and CARBON as the latest Appendix B. The Contract Manager emails the provider and Program Manager official notice that CARBON has been updated or unlocked, with any required instructions, and attaches the final Appendix B.

POLICY APPROVALS

Last Updated: October 4, 2018

Originated by: Gilda Kemper, Contracts Manager

Reviewed by: Gigi Whitley, Deputy Director for Administration and Finance

Approval Date: October 2, 2018

