

## Revising Budgets

This section provides guidance and information on budget revisions and how to revise an Annual Budget Detail.

To ensure timely review:

- Contact your assigned California Department of Social Services (CDSS) program analyst (PA) before submitting a revision to your Annual Budget Detail
- Submit budget revision requests via e-mail to your assigned PA
- Include information detailed in this document, including a revision date on all documents
- Submit your request as soon as possible so that reimbursement can be issued promptly. Requests that do not include all of the required information will not be processed
- A teleconference may need to be scheduled to clarify information regarding the request prior to approval. USDA review may also be required for certain changes.

## Budget Adjustment Request (BAR)

### Definitions

A BAR is a line item shift of funds from one budget line item to another budget line item in the Annual Budget Detail.

Ex. Shifting \$5,000 from the Personnel line item to the Operating Expense line item.

### Authority and Guidance

A BAR must be approved by your PA before changes can be made to your program.

Line item shifts of up to a cumulative maximum of \$20,000 or ten percent (10%) of the annual contract total, whichever is less, for all line item shifts over the life of the contract, are allowed, so long as the annual agreement total neither increases nor decreases.

### Submitting a BAR

- Consult with your PA prior to submitting a BAR
- When submitting your BAR, provide the following documentation:
  - Narrative letter requesting approval and explaining the changes to each line item that is being impacted
  - [BAR form](#)
  - Revised Annual Budget Detail and Budget Summary.

- Ensure that:
  - The annual contract total amount of your budget does not increase or decrease.
  - The change is programmatically justified and does not extensively alter the Scope of Work (SOW).
  - Line items on your BAR correspond to the line items on your approved budget.

## BARs at the Subcontractor Level

As a “best practice,” prime contractors are highly encouraged to utilize the BAR process with their subcontractors. Subcontractors’ BAR are reviewed and approved at the prime contractor level. All documentation must be kept on file with the prime contractor and do not need to be submitted to your PA, unless requested.

## Intra-Line Adjustment Request (ILAR)

### Definitions

An ILAR is a shifting of funds within your subcontractor line item. This may include shifting funds between subcontractors, adding subcontractors or dropping subcontractors.

Ex. Decrease \$5,000 from Subcontractor A and increase \$5,000 to Subcontractor B.

### Authority and Guidance

An ILAR must be approved by your PA before changes can be made to your program.

There is no limit to how much funds can be shifted within the subcontractor line item.

### Types of ILAR

Each section includes a list of the documentation that must be submitted with each type of request. All budget requests must be approved before subcontractor costs can be reimbursed.

## Moving Funds between Subcontractors

- [ILAR form](#)
- Narrative providing a justification for each proposed change
- Revised Annual Budget Detail and Budget Summary Page

## Adding Subcontractors

- [ILAR form](#)
- Narrative providing justification for each proposed change
- Revised Annual Budget Detail and Budget Summary Page
- Narrative description of the subcontractor's capabilities, including:
  - The subcontractor's current and past experience conducting outreach for the CalFresh Outreach program
  - Status of the subcontractor's relationship with their county welfare department, including a letter of introduction from the new subcontractor to CalFresh administrators in the county or counties in which they will be working
  - A brief description of the prime contractor's communication to date to orient potential subcontractor to the fiscal and program guidelines of the CalFresh Outreach program.

## Dropping Subcontractors

- [ILAR form](#)
- Revised Annual Budget Detail and Budget Summary Page
- Explanation for why the subcontractor is dropping out of the contract, including any actions taken by the prime contractor (e.g., technical assistance) to sustain the subcontractor's participation
- Exit letter from the subcontractor to the prime contractor (or from the prime contractor to the subcontractor) that clearly states the effective date of termination or cancellation and any final performance and/or payment invoicing instructions/requirements.

### How to Show Changes in a Budget Justification

**Additions:** Bold, underline, red font

Examples: Adding a new operating expense that was not in the approved budget, adding a new position that was not in the approved budget

**Removals:** Strikethrough, red font

Examples: Completely eliminating a position for which no expenditures will be billed; completely eliminating an other cost item and expense that will no longer be purchased

**Changes:** Bold, red font

Examples: Changing airfare in the travel line from the original amount to a new amount; changing an existing salary or FTE; changing the indirect rate

### **Budget Adjustment that Requires USDA Approval**

The following modifications to budgets require USDA approval and apply to both prime contracts and subcontracts:

- Requests for equipment totaling over \$5,000 in fair market value that was not approved in the original contract
- Revision in SOW that would impact the overall quality of program delivery, audiences reach, settings, or outcomes
- Requests for theft sensitive items, such as computers, cameras, etc., regardless of cost that were not approved in the original contract
- Requests for out-of-state travel or attendance at conferences that were not approved in the original contract.

Send a request to your PA to make any of the above changes to a prime or subcontractor budget. CDSS will contact USDA for their review and approval.