

Escambia Children's Trust (ECT)

Policy: Provider Budget Adjustments

Policy Number: [Assign Number]

Effective Date: [Insert Date]

Approved By: Escambia Children's Trust Board of Directors

Responsible Department: Finance and Grants Management

I. Purpose

This policy establishes guidelines for budget adjustments by contracted providers to ensure financial accountability, program integrity, and effective stewardship of Escambia Children's Trust (ECT) funds.

Budget adjustments are permitted to provide flexibility in program implementation but must be justified, documented, and aligned with the approved scope of services and outcomes.

II. Policy Statement

Providers are expected to adhere to their ECT-approved budgets and use funds consistent with their contractual purpose. Budget adjustments should occur **only when necessary** to:

- Enhance program effectiveness or efficiency,
- Respond to an unforeseen, justified programmatic need, or
- Ensure full use of funds in support of contract deliverables.

Budget adjustments **shall not** be used to shift costs for convenience, cover unrelated expenses, or alter the approved scope, population, or objectives of the funded program. [should we define scope since that has been debated amongst board members?] Yes, I believe we have scope defined in another policy...I think.

III. Authority and Limits

1. Number of Adjustments:

- Providers may submit **up to five (5)** budget adjustment requests per fiscal year.

2. Adjustment Threshold:

- Each individual adjustment may reallocate **no more than ten percent (10%)** of the total contract budget.

- Cumulative changes from all previous budget adjustment requests in the same fiscal year that exceed 10% require **Board of Directors approval**.
 - Budget amendment requests that alter the program scope require **Board of Directors approval**.
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3. Approval Process:

- Adjustments within allowable limits may be approved jointly by the **Director of Finance and Executive Director**.
 - Requests must be reviewed for alignment with contract terms, fiscal integrity, and program outcomes before approval.
 - Any adjustments that exceed the 10% threshold, whether individual budget requests or the cumulative change for all requests for that fiscal year, must be presented to the Program Committee and full ECT Board of Directors for approval.
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IV. Required Justification

All requests must include a written justification that demonstrates:

- The **reason** for the adjustment,
- The **programmatic impact** and how it supports contract goals,
- That the adjustment **does not change** the scope, scale, or target population of the program,
- That the proposed use of funds remains **allowable and allocable** under ECT policy.

Requests lacking adequate justification or documentation will be denied.

V. Prohibited Uses of Budget Adjustments

Budget adjustments may not be used to:

- Shift funds between categories without a clear programmatic benefit,
 - Increase administrative or indirect costs **beyond approved rates**,
 - Create or fund new program activities not included in the original contract,
 - Cover cost overruns due to mismanagement or noncompliance,
 - Reclassify unallowable costs as allowable. **Scope?**
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VI. Submission and Documentation

1. Providers must submit a **Budget Adjustment Request in SAMIS** detailing the original and revised line items, justification, and signatures of the authorized representative.

Escambia Children's Trust (ECT)

Provider Guidance: Budget Adjustments

Purpose:

ECT recognizes that programs sometimes need to adjust their budgets to meet changing needs or improve program delivery. Budget adjustments are allowed to ensure funds are used effectively, but they must be justified, documented, and approved before any spending changes are made.

When a Budget Adjustment Is Allowed

Providers may request a budget adjustment **only when it clearly supports:**

- Enhancing the quality or reach of programming,
- Meeting contractual goals or deliverables, or
- Addressing a legitimate, unforeseen program need.

Budget changes **should not** be used simply for convenience or to shift funds without a program-related reason. **Scope?**

Limits and Approval Requirements

- Each provider may complete **up to five (5) budget adjustments per fiscal year.**
 - Each adjustment may reallocate **no more than ten percent (10%)** of the total contract budget.
 - Adjustments **within the 10% limit** can be approved by the **Director of Finance and Executive Director.**
 - Any individual adjustment **over 10%** or one that **changes the scope or intent of the program** must be approved by the **ECT Board of Directors.**
 - Cumulative changes from all previous budget adjustment requests in the same fiscal year that exceed 10% of the total contract budget require **Board of Directors approval.**
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What Cannot Be Changed or Funded

Budget adjustments **cannot** be used to:

- Add new program components or activities not in the original contract,
- Increase indirect or administrative costs beyond what was approved,
- Move funds between categories without clear programmatic benefit,

- Pay for unallowable or unrelated expenses,
 - Cover shortfalls caused by overspending or mismanagement.
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How to Request an Adjustment

1. Complete the Budget Adjustment Request in SAMIS.
 2. Include:
 - The **reason** for the change,
 - How the change **supports your program goals**,
 - The **specific budget lines** to be adjusted, and
 - Any **supporting documentation** (quotes, revised plan, etc.).
 3. Submit the request in SAMIS.
 4. Wait for approval before spending funds differently than your approved budget.
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Important Reminders

- Keep **all documentation** (form, approvals, updated budget) for audit purposes.
- Budget adjustments will be reviewed during **fiscal monitoring**.
- Frequent or poorly justified requests may affect future funding consideration.
- Contact your Program Manager before making any changes if you are unsure whether a revision is needed.