

## **FAQ: HHS Accelerator Budget Modification June 2020**

### **What is a Budget Modification?**

A budget modification is a zero-sum adjustment of line items in a fiscal year budget. A budget modification does not change the value of the contract. If your organization increased the budget in one area, a proportional decrease would need to occur on another line item in the budget.

### **How are Budget Modifications submitted in HHS Accelerator?**

A budget modification is initiated by the provider. Budget modification tasks are submitted in HHS Accelerator by locating the budget in the budget list screen, using the “I Need To” dropdown and selecting the “Modify Budget” option. This launches a modification task where the provider applies their increases and decreases in the Budget Modification Column provided in the task. Once completed and saved, the vendor submits the modification for review and approval to the Contracting Agency.

### **Are there pre-requisites to submitting a Budget Modification in HHS Accelerator?**

In HHS Accelerator, a budget modification can only be initiated on a budget that:

- Is in Active status, meaning that the budget has been approved and the contract has been registered;
- Does not have outstanding invoices, outstanding payments, updates or negative amendments currently in progress on the contract.

### **When should I submit a Budget Modification?**

If the pre-requisites described above are met, Providers may consider submitting a budget modification when variations in their actual costs and revenue result in a new projection. These new projections based on actual expenditures and receipts to date may indicate that a currently budgeted line-item or category of spending will create a budget surplus. This may present an opportunity to fund allowable expenditures within the scope of the contract. The [HHS Cost Manual](#) and Agency Fiscal Manuals can provide further guidance on allowable expenditures.

### **What back-up documentation is required with a Budget Modification?**

Contracting agencies may request back-up documentation to ensure that the submitted budget modification will not negatively impact the delivery of services under the scope of the contract. An agency may request documentation that substantiates the increased cost – for example, a new lease for increased rental expenses. Or, an agency may request documentation that programs are in compliance with mandated staff ratios.

Providers must follow all Agency policies and procedures regarding documentation requirements and pre-approval for certain requests. These are in place to ensure adherence to all City, state, and federal regulations related to program design and delivery.

### **What is an Auto-Mod?**

Starting in Fiscal Year 2019, all annual budgets managed in HHS Accelerator can be modified up to 10% of the sub-budget value using the auto-approval process, provided that the modification does not add new line item(s) to the budget or make a change to the Unallocated Tab. Auto-Mods can be viewed on the Budget List screen once they are Approved. Auto-Mods follow the submission process described above.

### **Are there pre-requisites to submitting an Auto-Mod in HHS Accelerator?**

A provider may use an Auto-Mod, pursuant to the pre-requisites provided above, to modify up to 10% of a budget, cumulatively. A modification that exceeds the available threshold would go through the regular review process. Additionally, an Auto-Mod may not be used for the following, in which cases the budget modification would require agency pre-approval:

- Add new lines to a budget;
- Allocate funding to a budget line where values have previously been allocated; or
- Adjust budget values into or out of the Unallocated Tab.

### **What oversight is applied to Auto-Mods?**

Providers are still expected to follow all Agency policies and procedure regarding documentation requirements, pre-approval for certain requests, and adherence to all City, state, and federal regulations related to program design and delivery. Failure to follow these guidelines will result in Agencies requesting providers to revert the changes, which may cause payment delays, as well as the potential loss of ability to use Auto-Mods in the future.

### **Additional Resources**

A step-by-step guide to submitting a Budget Modification in HHS Accelerator can be found here: [Managing Budgets](#).