

**CONDITIONS UNDER WHICH OWEB REQUIRES  
A BUDGET AMENDMENT  
Effective May 19, 2006**

The application budget and Exhibit A of the grant agreement are the grantee's and fiscal agent's statement of how OWEB funds will be spent on the project. Exhibit A shows only the budget categories, and they must mirror those in the application budget. If OWEB funds the project at a different rate, a new budget must be submitted before Exhibit A can be written and the grant agreement can be released. The new budget needs to be part of the permanent file.

As the project gets under way, changes to the project can occur, which can in turn impact the budget. In such cases, grantees may change the budget as necessary. However, there are three conditions under which grantees must seek prior permission from OWEB to change the project budget.

Grantees must submit a Budget Amendment form to their Project Manager for the Board (with a copy to their fiscal agent) whenever they seek to:

1. Add funds to a budget category that had none in the final approved application budget/Exhibit A;
- OR
2. Remove a budget category that exists in the final approved application budget/Exhibit A and seek to shift those funds to other funded OWEB budget categories, resulting in an increase to any of those other categories by more than 25% or \$5,000, whichever is greater;
- OR
3. Increase any OWEB budget category total amount by more than 25%, not to exceed \$5,000 (i.e., if the more-than-25%-increase exceeds \$5,000, a budget amendment is similarly required).

The addition or subtraction of line item(s) to a budget category require no budget amendment, providing the addition does not cause the budget category to meet condition #3, above. While line item changes typically will not require a budget amendment, they will require *prior* approval by the RPR and a justification in the project file in the form of an explanatory email from the grantee to the grantee's Project Manager for the Board. The written justification must address 1) what needs to be changed; 2) why the change is necessary; and 3) how the change enhances (or at least, does not detract from) the original intent of the project as funded by the Board.

Budget change amendments between Capital Lottery funds and Non-Capital funds are not allowed.

This policy is effective as of the above date, and applies to all regular grants (different conditions apply to the Small Grant Program). Changes to the policy will be considered by staff as issues arise.