

Guidelines for Rebudgeting for the Purpose of Purchasing Equipment

All charges to a grant project, particularly in the final months of the project period, must be allowable and allocable as a direct cost to the grant, and be reasonable and necessary for the conduct of grant activities. Equipment may not be purchased simply to use an unobligated balance remaining at the end of the project. If the equipment is for use on the project, then ample time is required to purchase the item, use it and be able to report the results in the final report.

Equipment purchases (even if originally budgeted) should be completed well in advance to allow for use on the specific project.

Rebudgeting of grant funds from other budget categories to the equipment category within the final months of the grant cannot be approved except:

- When the rebudgeting and equipment purchase is specifically approved in writing by the funding agency program officer and fiscal representative, or;
- The project has been granted a no-cost extension prior to the rebudgeting

The purpose of the equipment to be purchased must be well documented and must be related to the research being supported by the sponsored project. It is not sufficient to claim, for instance, that the purchased equipment will benefit similar or related research that is unfunded or funded by another source.

If equipment is purchased during the last months of a project, additional justification will be required from the PI:

- Confirmation whether or not the PI will be requesting an extension.
- Date (or expected date) the equipment will be received and put into use.
 - Note: if the equipment is ordered, but not received by the end of the budget period, it will not be an allowable expense.
- What equipment the PI was using before the equipment purchase or a programmatic reason as to why the equipment was not necessary until now.

Refer also to the Project Closeout Guidelines document.