



Questions to Guide Project Budget Updates

The questions in this document guide the CRS project manager/chief of party in thinking through budget updates and confirmation during project start-up. While these questions were developed for use during start-up, many can also help to guide annual budget updates (see Project Management Standard 13, key action 1), and general project financial management.

INSTRUCTIONS

The project manager/chief of party reviews the checklist and puts a checkmark in the box to indicate “Yes” or “No” or “Unsure”.

- **Review the questions in black** at any time, including:
 - During final budget negotiations with a donor
 - After signing the award
 - During project start-up and as an input to detailed implementation plan (DIP) development
- ***Review the questions in blue italics*** during or after DIP development
- For questions answered “Yes” or “Unsure”, the project manager/chief of party reviews the implications, in consultation with the individual(s) listed for that question or set of questions, and finalizes budget updates accordingly.
- For questions answered “Yes” or “Unsure” where responses prompted budget updates, **the project manager/chief of party documents the change(s) made and the reason for each change** (document the changes in a “notes” column or “budget updates” sheet added to the approved budget file; in an updated budget notes document; and/or in an overall project change log).

NOTES

- This list is not exhaustive; consider other issues relevant to your project.
- Questions are grouped under standard U.S. Government budget categories. Budget categories and budget organization may be different for other donors.
- Some questions address issues unique to externally funded projects; skip these questions if using this document with a CRS discretionary funded project.
- For grant-funded projects, pay close attention to project line-item flexibility and focus on significant budget revisions to the donor-approved budget; the objective is **not** to make many small budget changes.



EXCHANGE RATE FLUCTUATIONS

DISCUSS WITH FINANCE MANAGER

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|--|-----|----|--------|
| 1. If you are receiving funds from a donor in a foreign currency, could exchange rate fluctuations mean the total amount you receive may differ significantly from what you expected to receive? | YES | NO | UNSURE |
| 2. Will exchange rate fluctuations (difference between the budgeted and current exchange rate) impact project expenses that will be paid in the local currency? | YES | NO | UNSURE |
| 3. Will exchange rate fluctuations have any impact on partner budgets? | YES | NO | UNSURE |

STAFFING AND FRINGE BENEFITS

DISCUSS WITH HUMAN RESOURCES AND COUNTRY REPRESENTATIVE AS NEEDED

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|---|-----|----|--------|
| 1. Have there been any changes to the CRS salary scale or benefits package since the budget was developed?
Based on discussions with human resources on offers extended, are any changes needed to budgeted salaries for CRS personnel? | YES | NO | UNSURE |
| 2. Have there been any changes to cost-of-living adjustments (COLA) or international staff salaries? | YES | NO | UNSURE |
| 3. Have any staff positions changed from national to international or vice versa? | YES | NO | UNSURE |
| 4. Have there been any revisions to the fringe benefits package (e.g., housing, education for children of international staff, utility expenses, etc.) or fringe benefits rates since the proposal was submitted? | YES | NO | UNSURE |
| 5. <i>Based on the updated detailed implementation plan (DIP) and discussions with human resources about any pending recruitment processes, will the number of months of salary and fringe benefits costs be either higher or lower than the number of months budgeted?</i> | YES | NO | UNSURE |
| 6. <i>Did the DIP update process identify any additional personnel needs or other changes to the number of personnel charged to the project?</i> | YES | NO | UNSURE |
| <i>If the DIP update process did identify additional personnel needs or other changes to project staffing, are there any issues with accommodating these changes within the overall personnel cost category?</i> | YES | NO | UNSURE |
| <i>Do any of these changes require donor prior approval?</i> | YES | NO | UNSURE |

TRAVEL

DISCUSS WITH HEAD OF OPERATIONS OR EQUIVALENT AND OTHER OPERATIONS STAFF AS RELEVANT E.G., FLEET MANAGER

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|--|-----|----|--------|
| 1. Are there any new travel restrictions (e.g., visa requirements, security concerns)? | YES | NO | UNSURE |
| 2. Are there any issues with the amount budgeted for travel costs associated with sub-recipient financial management policy (SRFMP) activities in light of sub-recipients' actual assessment scores (i.e., insufficient resources budgeted for a high-risk partner)? | YES | NO | UNSURE |
| 3. If travel costs associated with SRFMP activities were not appropriately budgeted, do you anticipate any problems accommodating higher costs associated with more frequent sub-recipient monitoring within the approved project budget? | YES | NO | UNSURE |
| 4. Have there been any changes to per diem rates? | YES | NO | UNSURE |
| 5. <i>Have any international trips been identified as necessary beyond those already pre-approved in the award (if any)?</i> | YES | NO | UNSURE |
| 6. <i>Did the DIP review identify any changes needed to the number or timing of anticipated trips?</i> | YES | NO | UNSURE |
| 7. <i>Are there any concerns about the number of estimated kilometers used for budgeting considering any updates to activities, geographic targeting, or the security situation?</i> | YES | NO | UNSURE |



EQUIPMENT

DISCUSS WITH PROCUREMENT STAFF AND REFERENCE THE PROJECT PROCUREMENT PLAN

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|--|-----|----|--------|
| 1. Are there any new or updated donor restrictions for equipment? | YES | NO | UNSURE |
| 2. Have there been any changes to the prices of equipment? | YES | NO | UNSURE |
| 3. Will any items previously identified as “supplies” now be classified as “equipment” due to price increases (e.g., motorcycles)? | YES | NO | UNSURE |
| Does this require prior approval from the donor? | | | |
| | YES | NO | UNSURE |
| 4. <i>Has the DIP development process generated any substantial changes to the equipment needed to carry out the project?</i> | YES | NO | UNSURE |
| 5. <i>Have there been any shifts of equipment procurements between CRS and partner budgets?</i> | YES | NO | UNSURE |

SUPPLIES

DISCUSS WITH PROCUREMENT AND/OR SUPPLY CHAIN MANAGEMENT STAFF AND REFERENCE THE PROCUREMENT AND/OR SUPPLY CHAIN MANAGEMENT PLAN

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|--|-----|----|--------|
| 1. Have there been any substantial changes to the prices of necessary supplies? | YES | NO | UNSURE |
| 2. Will any items previously identified as “equipment” now be classified as “supplies” due to price decreases? | YES | NO | UNSURE |
| 3. <i>Have there been any substantial changes to the number or type of supplies needed to carry out the project?</i> | YES | NO | UNSURE |
| 4. <i>Have there been any shifts in procurement of supplies between CRS and partner budgets?</i> | YES | NO | UNSURE |

CONTRACTUAL

DISCUSS WITH HEAD OF PROGRAMMING, HEAD OF OPERATIONS, AND/OR FINANCE MANAGER AS APPLICABLE

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|--|-----|----|--------|
| 1. Are there any changes to the number of partners or their role/scope of work? | YES | NO | UNSURE |
| 2. Are there any changes to how frequently partners will receive project advances? | YES | NO | UNSURE |
| 3. Are there any partners who will be contracted on a reimbursement basis? | YES | NO | UNSURE |
| Are any changes needed to the budget to reflect reimbursement frequency? | | | |
| | YES | NO | UNSURE |
| 4. <i>Have there been any changes to partner budgets based on partners' updated DIPs?</i> | YES | NO | UNSURE |
| <i>Do these changes require prior approval from the donor?</i> | | | |
| | YES | NO | UNSURE |
| 5. <i>Are there any changes needed to the number, duration, or price of consultants or service contracts based on the updated DIP?</i> | YES | NO | UNSURE |
| <i>Do these changes require prior approval from the donor?</i> | | | |
| | YES | NO | UNSURE |
| 6. <i>Have any activities been shifted from CRS to a partner, a consultant or other contractor?</i> | YES | NO | UNSURE |



OTHER DIRECT COSTS

DISCUSS WITH HEAD OF PROGRAMMING, HEAD OF OPERATIONS, PROCUREMENT AND SUPPLY CHAIN STAFF, HUMAN RESOURCES, AND/OR FINANCE MANAGER, AS APPLICABLE

1. Have there been any changes in geographic targeting that affect costs?	YES	NO	UNSURE
Have there been any changes to beneficiary numbers?	YES	NO	UNSURE
2. Have there been any changes to the lead time for project material procurements or commodities that will impact the budget period in which the payment will be made?	YES	NO	UNSURE
3. Have there been any changes to supply chain logistics arrangements or costs (e.g., warehousing, shipping, etc.), if applicable?	YES	NO	UNSURE
4. Are any updates needed to field office rent or utilities costs based on rental agreements in progress?	YES	NO	UNSURE
5. Are any changes needed to international staff allowances based on staff recruited [e.g., family size, age of children (if applicable), home of record]?	YES	NO	UNSURE
6. Have there been any changes to the Branding Strategy & Marking Plan, if relevant?	YES	NO	UNSURE
7. <i>Are there any activities that are no longer needed, or activities that are needed but not budgeted for?</i>	YES	NO	UNSURE
8. <i>Are there changes in the overall project schedule that affect the timing of specific activities?</i>	YES	NO	UNSURE
9. <i>Are there changes in government requirements for project approval or start-up that have implications for project timing, and/or specific budget implications (e.g., unanticipated translation costs)?</i>	YES	NO	UNSURE
10. <i>Have there been any changes to the number of workshops or trainings, or to the number of people attending workshops or trainings?</i>	YES	NO	UNSURE
<i>Do these changes require prior approval from the donor?</i>	YES	NO	UNSURE
11. <i>Have there been any changes to the materials needed to carry out the project or the prices of those materials?</i>	YES	NO	UNSURE

(ALLOCATED DIRECT) POOLED COSTS

DISCUSS WITH FINANCE MANAGER AND HEAD OF OPERATIONS

1. Are there any significant changes or expected changes in the country program total program value or pooled costs that will impact shared costs (e.g., program support, facilities, vehicle)? Pay special attention to changes in pooled personnel, as this is often a key driver of project support costs.	YES	NO	UNSURE
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INDIRECT COSTS (FOR EXTERNALLY FUNDED PROJECTS ONLY)

DISCUSS WITH FINANCE MANAGER

1. Have there been any updates to the indirect cost recovery (ICR), negotiated indirect cost rate agreement (NICRA), or support services recovery (SSR) that require negotiation with the donor?	YES	NO	UNSURE
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GRANTS VS. COST SHARE (FOR EXTERNALLY FUNDED PROJECTS ONLY)

DISCUSS WITH SENIOR MANAGEMENT TEAM

1. Have any items shifted between grant and cost share?	YES	NO	UNSURE
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