INSTRUCTIONS
FOR
MODIFICATIONS

Formal Budget Modifications
Informal Budget Modifications
Program Modifications
a) **Budget Modification Form** is the budget form that is required when submitting a formal budget modification. The first page of this form includes three columns: Most Current “Approved” First 5 LA, Amendment Amount, and Total Modified Amount. The Budget Modification Form is an Excel document that consists of 10 pages that are linked to the first page.

b) **Statement of Work** provides general information regarding grant activities. The front page includes service information, contact information, and the grant amount for current year. The front page requires the signature by an authorized signatory.

c) **Scope of Work** provides a visual link between short term objectives, activities, resources necessary and performance measures.

d) **Evaluation Plan** describes proposed grant evaluation activities.

e) **Narrative Justification** (Cover Letter) provides a detailed description of all changes proposed and the reasons why they are necessary. The narrative justification serves as the basis of approval for a modification and is required for all types of modifications.
TYPES OF MODIFICATIONS AND CRITERIA

1. BUDGET MODIFICATION
2. PROGRAM MODIFICATION

1) **Budget Modification** requests involve changes that directly impact the Budget (and may impact the Statement of Work, Scope of Work and/or Evaluation Plan).

There are two types of budget modifications: a) Informal and b) Formal

   a) **Informal Modifications**

   - The original line item is less than $5,000 dollars. You may increase/decrease any amount of the original budget line item up to the original amount.
   - If the original line item is greater than $5,000 and the change is less than or equal to 10% of the original line item.

   b) **Formal Modifications**

   - If the original line item is greater than $5,000 and the change is greater than 10% of the line item, grantee must obtain prior written approval before incurring any expenses requested in the modification.

2) **Program Modification** requests involve changes that directly impact the activities listed in the Scope of Work (and may impact the Statement of Work) but do not impact the budget. Any requested changes that impact the budget are considered budget modifications.
GUIDELINES AND PROCEDURES

General Information

- Submit one (1) signed original and (2) copies of modification documents to:

  **First 5 LA**  
  **Grants Management Department**  
  **Name of Initiative**  
  **750 N. Alameda Street**  
  **Los Angeles, CA 90012**

- Refer to the grant agreement for additional information regarding modifications.
- Eligibility for modifications is contingent upon grantee’s compliance status with First 5 LA.

1. **Budget Modifications** (See Section 9 of grant agreement: Payments and Expenditure Section)

   a) **Informal Budget Modifications**

      - **Guidelines**
        - Two (2) Informal budget modifications are allowed in a grant year.
        - Any informal requests in excess of the two (2) informal modifications will be considered a Formal Budget modification.

      - **Procedure**
        1. Attach a memo with the monthly invoice. The memo should discuss the change(s) in detail.

   b) **Formal Budget Modifications**

      - **Guidelines**
        - One (1) Formal budget modification is allowed in a grant year.
        - Formal modifications will not be accepted during the first 2 months and the last quarter of the agreement.
        - Formal modifications must be submitted on or before the first of the month prior to the month the in which the expenditures will be incurred.
        - Formal budget modifications can not be made retroactive.
• **Procedure**
  - Contact your program officer to discuss your planned modification prior to submission.
  - Submit the following forms to First 5 LA:

A. **The Narrative Justification with authorized signature**

  - Submit as a cover letter on agency/company letterhead.
  - Include the Grant Agreement Number and Project Name.
  - Sign by a member of your staff listed on the Authorized Signature List submitted to First 5 LA.
  - Address the questions/criteria listed below:

1. Discuss the changes requested using the order of the budget cost category, e.g. personnel, contracted services, equipment, etc.
2. Discuss/justify why the change(s) are necessary programmatically. What data do you have (from evaluations, needs assessments, etc.) to support the change?
3. What are the implications of the modification request? Explain how the change will affect each of the following components of your program and how your agency will minimize any potential negative effects.
   1. Objectives
   2. Project timeline
   3. Budget projections
   4. Staffing responsibilities (If personnel cost category is impacted, explain qualifications of staff to perform new functions or timeline for hiring new staff.)
   5. Number of clients served
   6. Type of service provided
   7. Frequency of services
   8. Zip codes where clients will be served
   9. Location of agency/services
   10. Client characteristics

4. How will the change be implemented?
   - What step do you need to take to make these changes?
What is your timeline for making the change?

How will you report to the Commission that you have completed the change?

5. What other documents also require revision?
   - Scope of Work
   - Statement of Work
   - Evaluation Plan

Note: The Most Current “Approved” First 5 LA Funds, and the Amendment Amount, are linked from the individual worksheets. The Total Modified Budget Amount is automatically calculated.

Helpful Hints

- The total on the “Amendment Amount” column on the Budget Modification Summary page must always equal zero.

- Make sure that you DO NOT INCLUDE MATCHING FUNDS.

- Make sure that the amounts listed under “Most Current Approved First 5 LA Funds” are the same as the First 5 LA Funds in your most current approved budget. (Do not include matching funds.)

- All required documents must be signed by an authorize representative of the agency for which First 5 LA has their signature on file.

2. Program Modifications (See Section 7 of grant agreement: Modification of Agreement Document)

   - Guidelines
     - Not more than two (2) Program modifications are allowed during the grant period.
     - Requests should be submitted at least one (1) month prior to the effective date.
     - Program Modifications may not be submitted during the first 2 months and the final 3 months of the Agreement period.
• **Procedure**
  - Contact your program officer to discuss your planned modification prior to submission.
  - Submit the following forms to First 5 LA:
    1. Narrative Justification with authorized signature (see the narrative justification steps 2-5 for formal budget modification)
    2. Scope of Work (as applicable)
    3. Statement of Work (as applicable)

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**QUESTIONS**

Feel free to call your program officer if you have any questions related to modifications.