



Adjustments to Contracts

Only organizations that receive CDGB funding are eligible to receive an extension on their contract. If your organization receives City Tax-Levy funding, you must complete your contract activities within the initially-defined contract term.

CDBG-funded groups may request a contract extension for program activities that have been committed by June 30th of the contract year. "Committed" is defined as a designated purpose or anticipated expenditure for which your organization has earmarked funds. This should correspond to the specifics of the contract that you entered into with SBS.

A contract extension does not increase the amount of contract funds except as provided in accordance with your contract.

You must **submit all requests for a contract extension in writing to your contract manager**. You must **submit your contract extension request no later than 30 days prior to the contract end date** (i.e., by June 1 of the contract year). The requested extension should not be for a period of more than three months.

You can view or download a sample Contract Extension Request Letter by clicking on the link:

- [Sample Contract Extension Request Letter](#)

BUDGET MODIFICATIONS

The budget for your organization's contract may only be modified with the approval of SBS.

The following regulations apply to all budget modification requests during a contract's term:

- SBS must approve all budget modifications in writing.
- A requested budget modification cannot increase the total amount of funding that you receive from SBS.
- SBS will not approve any budget modification that increases an individual's salary rate (i.e., that raises his or her annual, weekly, or hourly pay).
- Your organization may only request a budget modification that involves the transfer of funds from a program line to "Other Than Personnel Services" (OTPS) after your organization has committed 60% of the amount identified in your contract as Program Funds.

OTPS expenses are expenses for items other than salaries and fringe benefits. OTPS expenses generally include items such as commercial rent, utilities, maintenance and repairs, supplies, telephone, and postage.



“Commitment” of funds refers to your organization earmarking funds for a designated purpose or anticipated expenditure. This should correspond to the specifics of the contract that you entered into with SBS.

- The maximum modification that your organization can request to any individual budget line may not increase that line by more than 10% of your total contract amount.

You must **submit your budget modification request in writing to your Contract Manager.** To request a budget modification, submit the following:

- A memo on your organization’s letterhead justifying your need for the modification.
- Two (2) signed copies of the completed Budget Modification Form

You can download the Budget Modification Form by clicking on the link:

- **[Budget Modification Form](#)**