

Examples of Modular Calculations

How EGMS converts a detailed budget to a modular budget

Example 1: Budget detail **does not** include any one-time costs of \$25,000 or more (such as equipment) in any budget period.

Budget Year	Actual Direct Costs	Direct Costs in Modules	Carry Forward
1	171,741	175,000	3,259
2	167,857	175,000	10,402
3	172,402	175,000	13,000
4	177,096	175,000	10,904
5	181,932	175,000	3,972
Total		875,000	

Step 1. For each budget period, EGMS subtracts any one-time costs of \$25,000 or more from that period's total actual direct costs.

(No one-time costs are subtracted out)

Step 2. EGMS adds up the total actual direct costs for each budget period (less any one-time costs held out in step 1) for the entire project, then divides by the number of budget periods.

$$\$171,741 + \$167,857 + \$172,402 + \$177,096 + \$181,932 = \$871,028/5 = \$174,205$$

Step 3. EGMS adds back the one-time costs that were held out in step 1 to the average actual direct costs obtained in step 2 of the budget period in which they occur.

(No one-time costs are added back in)

Step 4. EGMS determines the direct costs in modules for each budget period. For budget periods that did not have one-time costs held out in step 1 (all 5 budget periods in this example), the average actual direct costs obtained in step 2 are rounded up to the nearest \$25,000.

$$\$174,205 \text{ for each budget period, rounded up to } \$175,000$$

Note on carryforward: The carryforward column reflects the difference (positive or negative) between total actual direct costs and direct costs in modules as they accumulate through the project.

Example 2: Budget detail **does include** one-time costs of \$25,000 or more in a budget period. In this example, a one-time equipment cost of \$25,249 is listed in budget period 3.

Budget Year	Actual Direct Costs	Direct Costs in Modules	Carry Forward
1	117,976	125,000	7,024
2	121,455	125,000	10,569
3	150,345	150,000	10,224
4	128,849	125,000	6,375
Total		525,000	

Step 1. For each budget period, EGMS subtracts any one-time costs of \$25,000 or more from that period's total actual direct costs.

$$\$150,345 - \$25,249 = \$125,096$$

Step 2. EGMS adds up the total actual direct costs for each budget period (less any one-time costs held out in step 1) for the entire project, then divides by the number of budget periods.

$$\$117,976 + \$121,455 + \$125,096 + 128,849 = \$493,376 / 4 = \$123,344$$

Step 3. EGMS adds back the one-time costs that were held out in step 1 to the average actual direct costs obtained in step 2 of the budget period in which they occur.

$$\text{For period 3: } \$25,249 + \$123,344 = \$148,593$$

Step 4. EGMS determines the direct costs in modules for each budget period.

- For budget periods that did not have one-time costs held out in step 1 (budget periods 1, 2, and 4 in this example), the average actual direct costs obtained in step 2 are rounded up to the nearest \$25,000.

$$\$123,344 \text{ (for periods 1, 2, and 4), rounded up to } \$125,000$$

- For budget periods that did have one-time costs held out in step 1 (budget period 3 in this example), the actual direct costs obtained in step 3 are rounded up to the nearest \$25,000.

$$\$148,593 \text{ (for period 3), rounded up to } \$150,000$$

Note on carryforward: The carryforward column reflects the difference (positive or negative) between total actual direct costs and direct costs in modules as they accumulate through the project.