

## BUDGET EXAMPLES:

Note to remember: The total budget amount must always remain the same when re-arranging budgets unless the granting agency grants an increase to the budget. All examples below have a total budget of \$76,470.

### Example 1 ORIGINAL BUDGET:

Original budget with IDC @ 44.5 % MTDC: To check IDC for MTDC, remember that MTDC is modified total direct costs so equipment, tuition/scholarships and sub-contracts over \$25,000 and of course IDC would be deducted from the base in order to check IDC. In the example below, take \$76,470 minus 20,470 minus 10,000 = 46,000. Base of \$46,000 times IDC rate of 44.5% = 20,470 which checks out and shows that IDC is correct.

Account	Type	Title	Budget
601340	L	Faculty-Research	25,000.00
601420	L	Prof (Exempt)-AL PO	10,000.00
605111	L	Benefits	7,000.00
71320	E	Lab Supplies	2,000.00
72910	E	Travel	1,000.00
74801	E	Professional Fees	1,000.00
781011	E	Indirect Cost	20,470.00
79110	E	Equipment /Furniture over \$5000	10,000.00
			<u>76,470.00</u>

### Example 2: Re-arranging Equipment to Supplies:

To re-arrange equipment to lab supplies: As a reminder, equipment carries no IDC but lab supplies does. Let's move \$5,000 from equipment to supplies. So, take \$5,000 and divide by 1.IDCrate to get the amount to move into supplies and the remaining will go into IDC. ( $\$5,000/1.4450 = 3,460.21$  to supplies and the remaining \$1,539.79 to IDC)

Account	Type	Title	Budget
601340	L	Faculty-Research	25,000.00
601420	L	Prof (Exempt)-AL PO	10,000.00
605111	L	Benefits	7,000.00
71320	E	Lab Supplies	5,460.21
72910	E	Travel	1,000.00
74801	E	Professional Fees	1,000.00
781011	E	Indirect Cost	22,009.79
79110	E	Equipment /Furniture over \$5000	5,000.00
			<u>76,470.00</u>

### Example 3: Re-arranging Salaries, Benefits to Equipment

To re-arrange salaries and benefits to equipment: As a reminder, equipment carries no IDC but salaries and benefits do. Let's move \$8,670 to equipment from salaries, benefits and IDC. ( $\$8,670/1.445 = \$6,000$  so take \$5,000 from salaries and \$1,000 from benefits and the remaining comes from IDC which is  $\$8,670-\$6,000=\$2,670$ )

Account	Type	Title	Budget
601340	L	Faculty-Research	20,000.00
601420	L	Prof (Exempt)-AL PO	10,000.00
605111	L	Benefits	6,000.00
71320	E	Lab Supplies	5,460.21
72910	E	Travel	1,000.00
74801	E	Professional Fees	1,000.00
781011	E	Indirect Cost	19,339.79
79110	E	Equipment /Furniture over \$5000	13,670.00
			<u>76,470.00</u>

# Instructions for Preparing Cost Share Budget Forms

There are two types of Cost Share budget modifications and they are handled differently.

## **1. Moving funds within a Cost Share Fund:**

Use form **FGAJVCD** and rule code **BD08**.

For Example:

Sequence 1: A BD08 7-FUND ORG ACCT PROG (-) Bank 07 Budget Period XX

Sequence 2 : A BD08 7-FUND ORG ACCT PROG (+) Bank 07 Budget Period XX

## **2. Moving funds between Cost Share and other unrestricted Funds:**

Use Form **FZAJVCQ** and rule code **BD04**. These transactions require 4 sequences because transfers are necessary and must also be budgeted. Remember that account code 790103 (transfer in) is one of the exceptions to the increase/decrease rule. In order to increase this account code, use a (-) instead of a (+).

For Example:

### **a. Moving from Cost Share to other Unrestricted (To return cost share after award is over. The example below is moving cost share to an 11000 fund and using account code 700001. The fund and account could be different.):**

Sequence 1: BD04 DECREASE (-) FUND-ORG-700001 (7FUND-ORGXXX-700001-200)

Sequence 2: BD04 INCREASE (+) FUND-ORG-790203 (7FUND-ORGXXX-790203-200)

Sequence 3: BD04 INCREASE (-) FUND-ORG-790103 (11FUND-ORGXXX-790103-XXX)

Sequence 4: BD04 INCREASE (+) FUND-ORG-700001 (11FUND-ORGXXX-700001-XXX)

### **b. Moving from other Unrestricted to Cost Share (To fund cost share. The example below is moving salary funds to cost share.):**

Sequence 1: BD04 DECREASE (-) FUND-ORG-602110 (11000-214271-601380-100)

Sequence 2: BD04 INCREASE (+) FUND-ORG-790203 (11000-214271-790203-100)

Sequence 3: BD04 INCREASE (-) FUND-ORG-790103 (72123-212401-790103-300)

Sequence 4: BD04 INCREASE (+) FUND-ORG-602110 (72123-212401-601340-300)

In one of the examples above, the 700001 pool was used as a source and target for moving funds. You will probably use other account codes (such as salary account codes). However, you will **ALWAYS** use **790203** and **790103** on the transfer sequences (2&3).