# Budget Cost Baseline

From PMGT611

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PMGT 690

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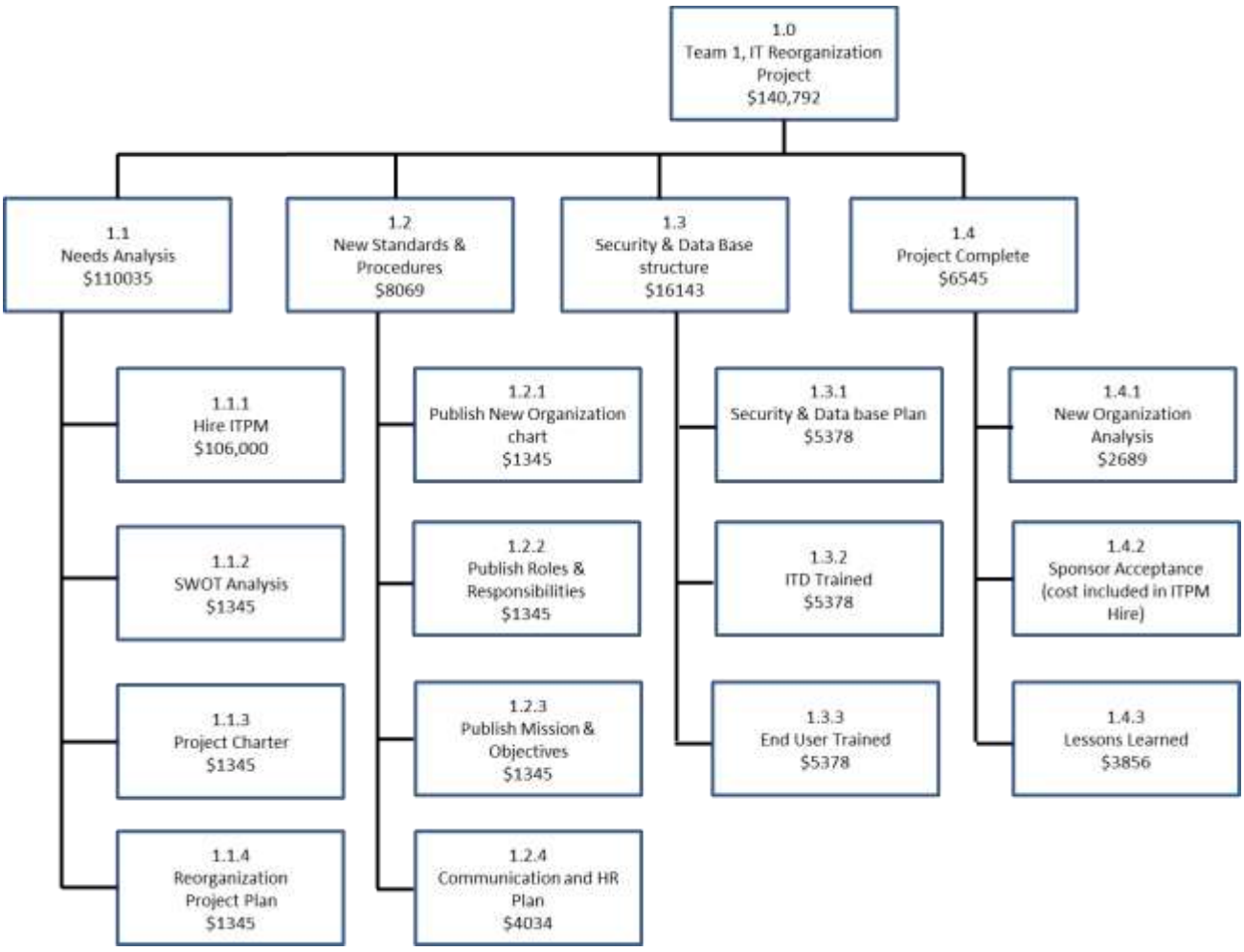
## Project Budget Baseline

The Project Budget is based on budget components outlined in PMBOK Figure 7-8. (2013) Except, the budget was calculated using "Work Package Cost Estimates" for each WBS element (See figure 1).

## Work Breakdown Structure (WBS)

The WBS for the project is dislplayed according to PMBOK figure 5-11(see Figure 1). A working WBS structure will be developed via MS Project13 to track the acutal project tasks using established PMI procedures.

Figure 1 Work Breakdown Structure (WBS) With Cost Breakdown



The Control Accounts for each WBS element are added together and contained in each milestone which were added to obtain the total project cost without reserves. A Contingency Reserves, of 20% was established. A management reserve of $16,044 was added, which includes the $10,000 equipment reserve discussed in the project charter. This brings the budget into agreement with the original $185,000 cost estimate.

Cost analysis was obtained from the internet for an average IT specilsist salary, the orginal estamate was $75000 the refered average was $77,000 since the figure were close we used the orginal figure. (IT Manager: Salary) The ITPM salary was obtained from the PMI website which estimated $84,500. (Project Manager, Information Technology (IT) Salary) The cost of annual healthcare, from Forbs Magazine, for the new hire $22,000. (Munro, 2013) This gave us a total cost of $106,000 for the new position. The remaining costs were calculated using three IT specailist, at above rate, time number of days in the deliverables schedule in the Project Charter. This number was then multiplied by 50% because each worker was to spend 50% of there day on the Project. The completed Budge Componets are listed below. (See Figure 2)

Figure 2 Project Budget Components

## References

How much does an Information Technology Project Manager make? Compare your salary with the national and state salaries for Information Technology Project Managers. (n.d.). Retrieved April 6, 2015, from https://www.recruiter.com/salaries/information-technology-project-managers-salary/

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Project Manager, Information Technology (IT) Salary (United States) United States Home Change Country Don't see what you are looking for?Get A Free Custom Salary Report ». (n.d.). Retrieved May 17, 2015, from http://www.payscale.com/research/US/Job=Project_Manager,_Information_Technology_(IT)/Salary

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