

Template Guide

What is a Budget Plan?

The Budget Plan is a document that is used by the business to estimate, measure and manage project costs, within the parameters of the financial and profitability objectives of the organization.

Its purpose is to:

- *Provide an overview of the funding sources for the project*
- *Provide the details of the project costs, based on the Work Breakdown Structure*
- *Provide the details of the project costs by expense category type*
- *Provide the details of the project budget on a quarter-by-quarter or year-by-year basis*

When to use a Budget Plan

A Budget Plan is typically developed after the completion of the Project Estimate document and the initial Project Schedule document. The Budget Plan document is a tool that helps to ensure that all project components are delivered at or below the budgeted amounts set forth by executive management (in order to prevent budget overruns). The Project Manager can use the Budget Plan as a gauge to identify where adjustments to the techniques, resources, and/or technologies scheduled for the project are required, in order to deliver the project within the boundaries of the budget. Note: The Project Budget requires the entry of a Risk Contingency Budgeted Amount, which should be identified in the Risk Management Plan document. The Risk Management Plan document may be developed in tandem with the Budget Plan document.

How to use this template

This document provides a guide on the topics usually included in a Budget Plan. Sections may be added, removed or redefined at your leisure to meet your particular business circumstance. Example tables, diagrams and charts have been added (where suitable) to provide further guidance on how to complete each relevant section.

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1 Project Funds

[Provide the amount of project funding for each fiscal year from each funding source. Provide the total of funds available for each fiscal year in the appropriate box on the Funding Source Totals line. Also provide the Grand Total for all fiscal years on the appropriate line. Note: If the project has a duration of one year or less, you may enter the funding sources by fiscal quarter instead (you should also change the Funding Source Header Line to “Q1”, “Q2”, “Q3”, “Q4”).]

| Funding Source | FY1 | FY2 | FY3 | FY4 |
|--|---------------|---------------|---------------|---------------|
| [Enter Funding Source 1] | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| [Enter Funding Source 2] | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| [Enter Funding Source 3] | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| [Enter Funding Source 4] | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Funding Source Totals: | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Grand Total (all fiscal years): | | | | |
| | \$0.00 | | | |

2 Budget Expense Classifications

When providing the details of the Project Budget, expenses (costs) are generally classified into two broad categories: Capital Expenses (CAPEX), which includes the cost of developing or providing non-consumable parts for the product or system, which become long term fixed assets held by the business or Operational Expenses (OPEX), which are on-going costs for running a product, business, or system.

Examples of Capital Expenses:

- Hardware (e.g. Servers, Computers, Network Components)
- Office Equipment (e.g. Photocopiers, Facsimile Machines, Digital Scanners)
- Office Furnishings (e.g. Desks/Workstations, Filing Cabinets/Physical Storage Units)
- Owned Real Estate (e.g. Office Buildings, Raw Land)
- Software

Examples of Operational Expenses:

- Business Unit Expenses
- Contract Labor
- Depreciation of Plants, Machinery or Equipment
- Development Expenses
- Internal Labor
- Maintenance and Support Services
- Office Supplies and Materials
- Research and Development Expenses
- Sales and Administrative Expenses
- Training Expenses
- Travel Expenses