**Cost Management Plan**

**Shrine of the Five Wounds: A web-based Church Request Management System**

**Asia Pacific College**

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# Introduction

The methods and processes used to effectively manage costs throughout the project lifecycle are discussed in this Cost Management Plan, which is an essential part of the project management strategy for “Shrine of the Five Wounds: A Web-Based Church Request Management System.” The plan offers an outline for monitoring and discussing project expenses in addition to ensuring that the project is finished within the allocated budget.

The Cost Management Plan will include the following:

* Cost Management Responsibilities: With the support of the finance team, the project manager has overall cost management responsibilities.
* Authority to Approve Changes: All cost changes need to be approved by the project manager first before being implemented. However, if the cost change reaches more than 10% of the total project budget, it must be approved by the project sponsor first.
* Cost assessment and reporting: Using the schedule performance index (SPI) and the cost performance index (CPI), project expenses will be assessed and documented to the project sponsor monthly.
* Budget Format: Using a spreadsheet application like Microsoft Excel, the project's budget will be provided in a simple and straightforward way. The cost for each budget will be divided separately with an accurate cost estimate and will be updated every month, with indications for any changes made.

# Cost Management Approach

For a detailed study of project costs, the “Shrine of the Five Wounds” project will use a comprehensive approach to cost management. The first step is creating a detailed spending plan that breaks down expenses according to the number of tasks and responsibilities. This budget will serve as a starting point to evaluate how well the project is going.

To ensure effective cost management, the following would be established:

* Budgeting: The finance team will make smart choices, effectively distribute resources, and frequently review the budget and make changes as needed to make sure the project stays on schedule.
* Cost Monitoring: The finance team will continuously monitor costs once a week and report on and assess any changes that occur.
* Change Control: Any requests for financial adjustments will be handled through a formal change control process.
* Risk management: To address cost uncertainty, an emergency fund will be agreed upon.

# Measuring Project Costs

For accuracy and efficiency, the cost management plan will include a detailed approach for measuring project costs using a detailed Earned Value Management (EVM) approach when measuring project costs:

* Earned Value Measurements:
  + Planned Value (PV): The approved budget allotted to the planned tasks.
  + Earned Value (EV): The value of the tasks that are actually completed.
  + Actual Cost (AC): The actual expense incurred for the completed task.

The project's cost performance will be monitored over time using these metrics through cost variance analysis (CV), schedule performance index (SPI), and cost performance index (CPI).

* Cost Variance (CV) measures the difference between the project's actual and planned costs. It is calculated by subtracting the actual cost from the planned cost. When a CV is positive, it means the project is under budget, and when it is negative, it means the project is over budget.
* Schedule Performance Index (SPI) measures the project's schedule performance by comparing the planned schedule to the actual schedule. It is calculated by dividing the earned value by the planned value. A project is on schedule if its value is 1, behind schedule if its value is less than 1, and ahead of schedule if its value is greater than 1.
* Cost Performance Index (CPI) measures the project's cost performance by comparing the actual cost to the planned cost. It is calculated by dividing the value earned by the actual cost. A value of 1 means the project is on track; a value of less than 1 means it is over budget; and a value of more than 1 means it is under budget.

The project team will use a project management software that is able to monitor and report on EVM metrics to help with the collection of these metrics. In addition, cost performance across work packages or scheduled tasks will be reviewed, and future project costs will be estimated using the same software.

In accordance with the project objectives and stakeholder expectations, the implementation of these tools and methods will ensure a strong framework for tracking, monitoring, and reporting project costs.

# Reporting Format

Reporting on cost management will be included in the monthly project status report. The Monthly Project Status Report will include a section labeled, “Cost Management”. This section will contain the Earned Value Metrics identified in the previous section. All cost variances outside the thresholds identified in this Cost Management Plan will be reported on including any corrective actions planned. Change Requests which are triggered based upon project cost overruns will be identified and tracked in this report.

# Cost Variance Response Process

As previously stated in Measuring Project Costs, the CPI or SPI of 1 serves as the project's control threshold. If the project sponsor decides to take steps to fix things, they have the following options:

* Increasing the budget allotted to the project
* Improving the productivity or efficiency of the team members of the project

In addition to regularly updating the project sponsor on the project budget's status, the project manager will also supervise the execution of the necessary corrective changes. In case the project keeps going over the control thresholds, the project manager will notify the project adviser or sponsor for further steps to be taken.

# Cost Change Control Process

The cost change control process will follow the established project change request process. Approvals for project budget/cost changes must be approved by the project sponsor.

To ensure that any alterations to the project budget or expenses are quickly identified, evaluated, and approved, a cost change control procedure will be put in place. In addition to ensuring that the project stays on track to meet its goals, this will help to minimize the impact of cost changes on the project schedule and budget.

# Project Budget

The budget for this project is detailed below. Costs for this project are presented in various elements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Total Budget: | PHP 999,489.90 |  | Project Duration | 9.5 Months |
| **PROJECT COST ELEMENTS** | | | | |
| **MANPOWER COST ESTIMATE** | | | | |
| ROLE | UNIT  (1 UNIT = PHP 500) | NUMBER OF PERSON |  | TOTAL SALARY |
| Project Manager | 190 HOURS | 1 |  | PHP 95,000.00 |
| Scrum Master | 190 HOURS | 1 |  | PHP 95,000.00 |
| Web Designer | 100 HOURS | 1 |  | PHP 50,000.00 |
| Web Developer | 100 HOURS | 2 |  | PHP 50,000.00 |
| QA Tester | 10 HOURS | 1 |  | PHP 5,000.00 |
| Documentation Specialist | 100 HOURS | 1 |  | PHP 50,000.00 |
|  |  |  | TOTAL | PHP 395,000.00 |
| **HARDWARE** | | | | |
| ITEM(S) | PRICE PER UNIT | NUMBER OF UNITS |  | TOTAL COST |
| Desktop | PHP 12,597.00 | 2 |  | PHP 25,194.00 |
| Printer | PHP 5,495.00 | 1 |  | PHP 5,495.00 |
| NAS Storage | PHP 9,995.00 | 1 |  | PHP 9,995.00 |
|  |  |  | TOTAL | PHP 40,864.00 |
| **SOFTWARE** | | | | |
| ITEM(?) | PRICE PER LISENCE | NUMBER OF LISENCE | NUMBER OF MONTHS | TOTAL COST |
| MySQL Database | PHP 30,566.00 | 1 | 12 | PHP 366,792.00 |
| Shared Linode CPU | PHP 2,821.00 | 1 | 12 | PHP 33,852.00 |
| Domain Hosting | PHP 83.25 | 1 | 12 | PHP 999.00 |
|  |  |  | TOTAL | PHP 401,643.00 |
| **UTILITY COST** | | | | |
| Type | Average (Monthly) | Yearly |  | Total |
| Transportation | PHP 900.00 | PHP 10,800.00 |  | PHP 10,800.00 |
| Food Allocation | PHP 5,000.00 | PHP 60,000.00 |  | PHP 60,000.00 |
|  |  |  | TOTAL | PHP 70,800.00 |
| **CONTINGENCY COST** | | | | |
| ITEM(s) | PRICE |  |  | TOTAL COST |
| Estimated Contingency Cost | PHP 90,862.70 |  |  | PHP 90,862.70 |
| **ESTIMATED TOTAL COST** | | | | |
| Total Cost: |  |  |  | PHP 999,489.90 |

**Sponsor Acceptance**

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Description automatically generatedApproved by the Project Sponsor:

Date: June 26, 2024

Princess Malatag

Church Secretary