

GLOSSARY

Project Management Foundations: Budgets (2019)

With Bob McGannon

Use these terms and definitions below to understand concepts taught in the course.

Transcript Search: Note that you can search for terms directly within the course. To search video text, switch to the *Transcripts* tab, then press Cmd/Ctrl + F on your keyboard to run a search within the active transcript.

Term	Definition
budgetary estimate	A type of budget estimate. This is a refinement to the rough order of magnitude (ROM) estimate compiled after collecting high-level requirements.
capital costs	Also known as capital expenses, or CAPEX. The money that is allocated for buying things to create future benefit in an organization. Examples are spending for assets like buildings, machinery, equipment, software, or upgrading existing facilities.
definitive estimate	The third and final project estimation type, compiled when the detailed design for your project is done. This is a refinement of the budgetary estimate.
funding limit reconciliation	Refining the project budget, in compliance with the financial administration of the organization. These include how contract management is performed, how vendors are paid, and how cash flow is managed.
operating costs	Also known as operating expenses, or OPEX. The expenditures needed for the day-to-day running of the business. Examples are wages, costs for utilities, maintenance, and repairs.
project budget	The tool to ensure that your spending doesn't exceed your project funding limits.