💸 Azure Cost Alerts — Overview & Best Practices

◆ What Are Azure Cost Alerts?

Azure Cost Alerts are **automated notifications** that trigger when your Azure spending or usage hits specific limits you set. These help you stay informed and in control of your cloud costs.

You can create alerts based on:

Alert Type	Description
Actual Spending	Alert when your **actual charges** reach a set dollar amount (e.g., $500).
Forecasted Spending	Alert when your **predicted monthly spend** exceeds a budget threshold, based on current usage trends.
Resource-specific Usage	Alert on consumption for specific resources or services (e.g., VM hours, database usage).

◆ Why Use Cost Alerts?

- **Prevent Overspending:** Get early warnings to avoid unexpected bills.

- **Increase Cost Awareness:** Keep your teams informed about spending patterns.

- **Optimize Cloud Usage:** Identify waste or inefficiencies early.

- **Control Budgets:** React proactively rather than reactively.

◆ Tips for Setting Effective Cost Alerts

Tip	Explanation
Start with Realistic Budgets	Base initial budgets on past spending data for accuracy.
Use Multiple Thresholds	Set alerts at 50%, 80%, and 100% to give yourself plenty of warning time.
Regularly Review Alerts	Periodically check and adjust your budgets and thresholds as usage evolves.
Combine with Other Tools	Use alongside **Azure Cost Analysis** and **Azure Advisor** for deeper insights.

◆ How to Set Up a Cost Alert in Azure Portal (Quick Steps)

1. Go to **Cost Management + Billing**.

2. Select **Budgets**.

3. Click **Add** to create a new budget.

4. Define:

   - **Scope** (subscription/resource group)

   - **Budget amount**

   - **Time period** (monthly/quarterly)

5. Add **Alert conditions** at desired thresholds.

6. Configure **email recipients** or action groups for notifications.

7. Save and monitor alerts.

◆ **Pro Tip**

● Combine **cost alerts** with **automation** using Azure Logic Apps or Azure Functions to trigger automated responses like shutting down unused VMs or notifying a Slack channel.

📊 How to Create Cost Alerts in Azure Portal — Step-by-Step Guide

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Step 1: Sign in to Azure Portal

Go to https://portal.azure.com and sign in with your Azure account.

Step 2: Navigate to Cost Management + Billing

● In the left-hand menu, search for **Cost Management + Billing** and click it.

Step 3: Select Budgets

● Under the **Cost Management** section, click **Budgets**.

Step 4: Click Add to Create a New Budget

● Click the **+ Add** button.

Step 5: Define Your Budget Scope and Amount

● **Scope**: Choose your subscription or resource group to apply the budget.

● **Name**: Enter a friendly name for your budget.

● **Reset Period**: Choose Monthly, Quarterly, or Annually.

● **Start Date**: Choose the budget start date.

● **Budget Amount**: Enter your budget limit (e.g., $500).

Step 6: Set Alert Thresholds

- Scroll down to **Alert conditions**.

- Click **Add alert condition**.

- Enter a **Threshold** percentage (e.g., 50, 80, 100).

- Choose **Alert recipients** by entering email addresses.

- You can add multiple thresholds for multiple alert levels.

Step 7: Review and Create

- Review all settings.

- Click **Create** to activate your budget and alerts.

Step 8: Monitor Alerts

- When your spending reaches the defined thresholds, you (and other recipients) will get email alerts.

- You can view and manage your budgets anytime under **Cost Management > Budgets**.