

Budget monitoring

MONITOR THE PROJECT'S PERFORMANCE INDICATORS

What is budget monitoring?

It is a tool for monitoring the project budget, using performance indicators.

It makes it possible to follow the progress made related to the basic project references and its initial objectives.

When to use it?

CONTROL AND MONITORING PHASE

Budget monitoring is carried out during the control phase to ensure project management. It is also an effective reporting and communication tool with stakeholders.

It is updated according to the evolution of the project.

How to use it?

- To monitor the performance of the project, it is necessary to monitor the progress of the scope, the budget consumed, and the deadlines.
- To follow the budget and deadlines, you have to master the concepts following:
 - **Actual Cost (AC)**: Cost actually consumed for the performed work
 - **Planned Value (PV)**: Budgeted cost of planned work
 - **Earned Value (EV)**: Budgeted cost of performed work (The cost we were willing to pay for work done to date)
 - **Cost Performance Index (CPI)**: $\text{Earned value (EV)} / \text{Actual cost (AC)}$
 - **Schedule Performance Index (SPI)**: $\text{Earned value (EV)} / \text{Planned value (PV)}$
 - **BAC (Budget at Completion)**: Budget expected at project completion for each task
- The Excel file is provided with a detailed user guide that will help you to:
 - Use the file properly
 - Customize the file by modifying its parameters

Document structure

- | | |
|---------------------|--------------------------------|
| • Planned value | • Actual Cost and Earned Value |
| • Earned value | • Project performance metrics |
| • Actual cost | • Data graph |
| • Budget monitoring | |