

Project Budget

Resources in project

Project budget, risk budget, change budget



**SILESIAN
UNIVERSITY**

SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

Project Management

Project budget



Today's task is to develop a project budget, which also includes a risk budget, a change budget. You will complete the risk budget after the risk analysis has been completed (it is an output of the risk analysis). We are working on (parts from seminar template):

- **2.6. Project costs - overview of project costs (start-up costs, operation, reserves, changes and risks)**
 - **2.6.1. Project budget - suitable tabular form, e.g. according to individual stages of the project or according to direct / indirect costs, etc. You use MS Project to determine the costs (resources)**
 - **2.6.2. Tolerance budget (reserves)**
 - **2.6.3. Change budget (for possible changes during project management)**
 - **2.6.4. Risk budget**
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Contents



1. PART (10 min.)

- Short introduction – work with MS Project - creating resources, modifying them (labor, material, cost). Example of creating resources and costs and assigning them to activities (tasks).

2. PART (70 min.)

- Student teams work on their projects in MS Project where they sequentially enter all resources required for the implementation of activities (individual tasks in the project). The objectives are to achieve the filling of the column (Resource Names) for tasks, to define the resource correctly and its financial requirements - it varies according to the type of resource.

3. PART (10 min.)

- Feedback and checking the progress of the project budget, whether the resources make sense and are set adequately.
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Learning and practice objectives



You should be able to:

- Understand the importance of the change budget, i.e. the anticipated possible future change requirements.
 - Determine the type of resource and establish cost requirements.
 - Understand the significance of the project budget and financial requirements by activity.
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- Use a seminar paper template that includes section „**2.6. Project costs - overview of project costs**“
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 - Use a MS Project for this part, MS Excel can also be used to provide clear spreadsheets of financial budget amounts (available in IS).
 - Apply your knowledge of 7. topic – **lecture**.
 - Use the supporting document Related to 7. Topic.
 - All materials are available in the IS.
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You can find support in the following sources:

- Book – Chatfield and Johnson (2016). MS Project 2016 Step by Step (Part 5 Set up resource, Part 6 Assign resources to tasks)
- Book – PMBOK Guide . Chapter 7 (p. 231 Project Cost Management)

MS Project – resources

Today's steps:

1. Create a list of resources (add them to the database gradually), whenever they can be added/deleted/edited.
2. After creating a resource, it is necessary to define the resource type - WORK, COST, MATERIAL.
3. Then, for each resource, indicate the cost intensity, e.g. for workers it is hourly rate, for material it is price per unit of measure, for costs it is one-time items (I purchase assets, equipment, pay invoices, etc.).
4. Resources must then be assigned to the tasks (activities) you have created from previous workshops.

Today's output is the tasks that contain the required resources. (Resources are also displayed in the Gantt chart). The output is then spreadsheets (reports from MS Project - all budgets).

Don't forget to save!!!

Name	Actual Work	Actual Cost	Standard Rate
Project Director	0 hrs	\$0,00	\$50,00/hr
Project Manager	0 hrs	\$0,00	\$40,00/hr
Acceptor	0 hrs	\$0,00	\$20,00/hr
Application Architect	0 hrs	\$0,00	\$100,00/hr
Technical Architect	0 hrs	\$0,00	\$50,00/hr
Quality Assurance Manager	0 hrs	\$0,00	\$40,00/hr
Contracts Manager	0 hrs	\$0,00	\$40,00/hr

MS Project – resources creating



The screenshot displays the Microsoft Project interface. The main window shows a Gantt chart with a task named 'Prepare Facilities' (ID 2.1) with a duration of 0,33 days, starting on Wed 05.07.23 and ending on Wed 05.07.23. The task is assigned to 'Project Manager'. A 'Task Information' dialog box is open, showing the 'Resources' tab. The dialog box lists the following resources:

Resource Name	Assignment Owner	Usage	Cost
Project Manager		100%	\$133,33
Application Architect		100%	\$133,33
Accepter		100%	\$26,67
Contracts Manager		100%	\$53,33
Material - wood		8 m3	\$80 010,00
Project Director		100%	\$133,33

The Gantt chart shows a task 'Prepare Facilities' with a duration of 0,33 days, starting on Wed 05.07.23 and ending on Wed 05.07.23. The task is assigned to 'Project Manager'. The Gantt chart also shows other tasks and their dependencies, including 'Set Up Project Environment' (4,58 days) and 'Organize Project Resources' (2 days). The task 'Prepare Facilities' is assigned to 'Project Manager' with a 50% allocation. Other resources listed in the task information dialog include 'Application Architect', 'Accepter', 'Contracts Manager', 'Material - wood', and 'Project Director'. The Gantt chart shows a task 'Prepare Facilities' with a duration of 0,33 days, starting on Wed 05.07.23 and ending on Wed 05.07.23. The task is assigned to 'Project Manager'. The Gantt chart also shows other tasks and their dependencies, including 'Set Up Project Environment' (4,58 days) and 'Organize Project Resources' (2 days). The task 'Prepare Facilities' is assigned to 'Project Manager' with a 50% allocation. Other resources listed in the task information dialog include 'Application Architect', 'Accepter', 'Contracts Manager', 'Material - wood', and 'Project Director'. The Gantt chart shows a task 'Prepare Facilities' with a duration of 0,33 days, starting on Wed 05.07.23 and ending on Wed 05.07.23. The task is assigned to 'Project Manager'. The Gantt chart also shows other tasks and their dependencies, including 'Set Up Project Environment' (4,58 days) and 'Organize Project Resources' (2 days). The task 'Prepare Facilities' is assigned to 'Project Manager' with a 50% allocation. Other resources listed in the task information dialog include 'Application Architect', 'Accepter', 'Contracts Manager', 'Material - wood', and 'Project Director'.

MS Project – assign resources, resource type



MS Project sample - 6. Topic (seminar, lecture) - Project Professional

File | Report | Project | View | Help | Format | Tell me what you want to do

Team Planner | Add Resources | Information | Notes | Details | Level Selection | Level Resource | Level All | Next Overalllocation

WBS	Task Mode	Task Name	Duration	Start	Finish	Pred	Resource Names	Add New
0		Project Management for MS Website	84,33 days?	Mon 26.06.	Fri 20.10.23			
1		Initiating	7,5 days?	Mon 26.06.2	Wed 05.07.23			
13		Planning	27,33 days?	Wed 05.07.2	Fri 11.08.23	1		
14		Set Up Project Environment	4,58 days?	Wed 05.07.2	Wed 12.07.23			
15		Prepare Facilities	0,33 days?	Wed 05.07.2	Wed 05.07.23		Project Manager	
16		Set Up Project Standards and Procedures	2 days	Wed 05.07.2	Fri 07.07.23	15	Quality Assurance	
17								
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20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								

Assign Resources

Task: Prepare Facilities

Resource list options

Filter by:

All Resources

Available to work 0h

Add Resources

Resource Name	R/D	Units	Cost
Acceptor		100%	\$26,67
Application Architect		100%	\$133,33
Contracts Manager		100%	\$53,33
Material - wood		8 m3	\$80 010,00
Project Director		100%	\$133,33
Project Manager		50%	\$53,33
Quality Assurance Manager			
Technical Architect			

Assign | Remove | Replace... | Graph | Close | Help

Hold down Ctrl and click to select multiple resources

Resource Information

Costs | Notes | Custom Fields

Resource name: Acceptor

Initials: A

Email:

Group:

Logon Account:

Code:

Booking type: Committed

Material label: rk

Material label: k

Material label: erial

Material label: active

Default Assignment Owner:

Resource Availability	Available From	Available To	Units
	NA	NA	100%

Help | Details... | OK | Cancel

Project Manager[50%];Applicat
Quality Assurance

see

MS Project – resources type – material



MS Project sample - 6. Topic (seminar, lecture) - Project Professional

File Task **Resource** Report Project View Help Format Tell me what you want to do

Team Planner View Assign Resources Pool Add Resources Information Notes Details Level Selection Resource Level All Next Overallocation Leveling Options Clear Leveling

WBS	Task Mode	Task Name	Duration	Start	Finish	Pred	Resource Names	Add New
0		Project Management for MS Website	84,33 days?	Mon 26.06.	Fri 20.10.23			
1		Initiating	7,5 days?	Mon 26.06.2	Wed 05.07.23			
13		Planning	27,33 days?	Wed 05.07.2	Fri 11.08.23	1		
14		Set Up Project Environment	4,58 days?	Wed 05.07.2	Wed 12.07.23			
2.1.1		Prepare Facilities	0,33 days?	Wed 05.07.2	Wed 05.07.23		Project Manager	
2.1.2		Set Up Project Standards and Procedures	2 days	Wed 05.07.2	Fri 07.07.23	15	Quality Assurant	

Assign Resources dialog box:

Task: Prepare Facilities

Resource list options

Filter by: All Resources

Resource Name	R/D	Units	Cost
Accepter	100%	100%	\$26,67
Application Architect	100%	100%	\$133,33
Business Analyst	100%	100%	\$53,33
Business Analyst - wood	100%	100%	\$53,33
Business Analyst - Director	100%	100%	\$133,33
Business Analyst - Project Manager	50%	100%	\$53,33
Quality Assurance Manager			
Technical Architect			

Resource Information dialog box:

Resource Name: Material - v

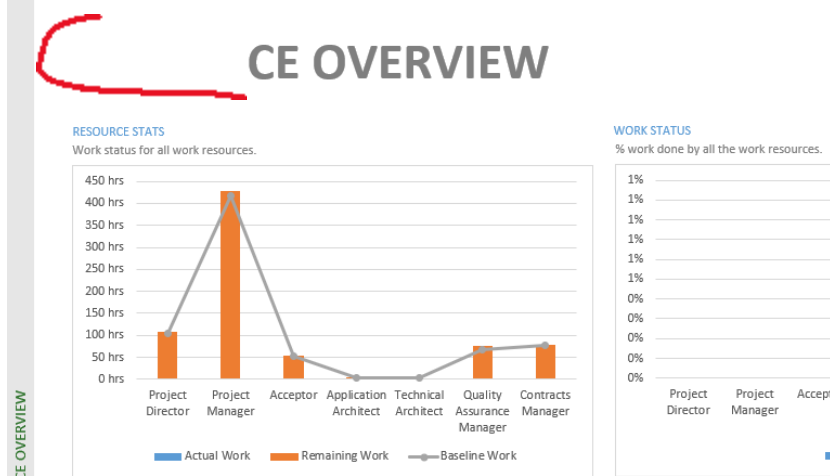
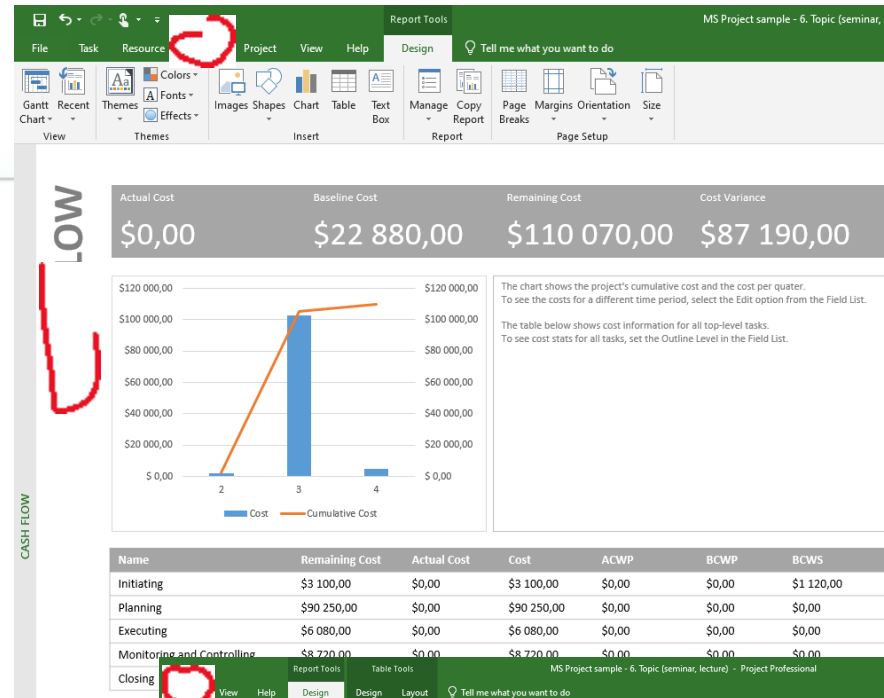
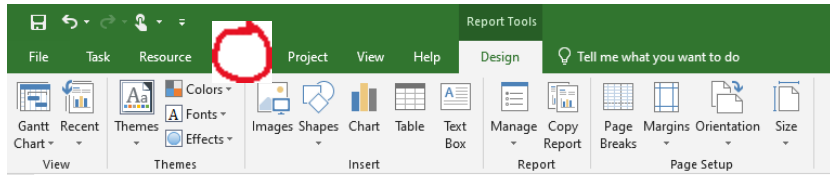
Cost rate tables

Effective Date	Standard Rate	Overtime Rate	Per Use Cost
	\$10 000,00		\$10,00

Cost accrual: Prorated

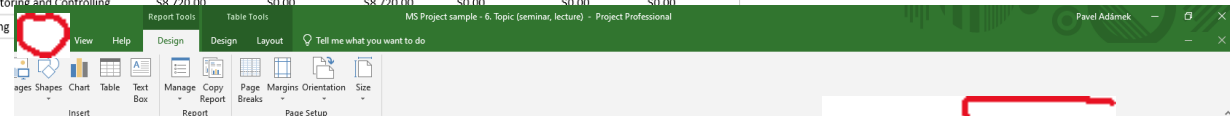
Project Gantt Chart: Project Management for MS Website (13.07 - 20.10.23)

MS Project – resources (view reports)



RESOURCE STATUS
Remaining work for all work resources.

Name	Start	Finish	Remaining Work
Project Director	Mon 26.06.23	Tue 10.10.23	106,67 hrs
Project Manager	Wed 28.06.23	Thu 19.10.23	427,33 hrs
Acceptor	Thu 29.06.23	Fri 06.10.23	53,33 hrs
Application Architect	Fri 30.06.23	Wed 05.07.23	3,33 hrs
Technical Architect	Fri 30.06.23	Fri 30.06.23	2 hrs
Quality Assurance Manager	Wed 05.07.23	Fri 29.09.23	76 hrs
Contracts Manager	Wed 05.07.23	Fri 20.10.23	77,33 hrs



Name	Finish	Start	ID	Standard Rate
Project Director	Tue 10.10.23	Mon 26.06.23	1	\$50,00/hr
Project Manager	Thu 19.10.23	Wed 28.06.23	2	\$40,00/hr
Acceptor	Fri 06.10.23	Thu 29.06.23	3	\$20,00/hr
Application Architect	Wed 05.07.23	Fri 30.06.23	4	\$100,00/hr
Technical Architect	Fri 30.06.23	Fri 30.06.23	5	\$50,00/hr
Quality Assurance Manager	Fri 29.09.23	Wed 05.07.23	6	\$40,00/hr
Contracts Manager	Fri 20.10.23	Wed 05.07.23	7	\$40,00/hr



How is your progress with costs and resources in the project?

How are you doing with budgets?

Do you have any questions??



Vevox questions

This screenshot shows a Vevox question slide. On the left, it displays the Silesian University logo and the text "Join at: vevox.app" with the ID "176-187-689" and a QR code. The main white area contains the question: "Which types of resources are in MS Project?". At the top right of the white area, there is a small icon and the text "0/0". The slide is set against a teal background with a building image.

This screenshot shows a Vevox question slide with four answer options. On the left, it displays the Silesian University logo and the text "Join at: vevox.app" with the ID "176-187-689" and a QR code. The main white area contains the question: "What is a change budget?". Below the question are four answer options: "It is an output of risk analysis.", "It is set as a percentage of the project cost.", "It is for exchange rate differences.", and "It is for possible changes in the future, it serves as a reserve." At the top right of the white area, there is a small icon and the text "0/0". The slide is set against a teal background with a building image.

Summary of today's seminar, what should be done



- You will have resources entered for all activities in MS Project.
 - You will generate a total project budget.
 - You will set a budget for changes (these can be financial items listed as resources for selected tasks in Project).
 - You also have a budget for any tolerances (as per the project customer's acceptance criteria).
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