



## Budgeting and Finance Principles

### Course Overview

Understanding the basics of budgeting and finance principles such as capital expenditures prepares a project manager to be more effective in planning and managing cost effectively. Being able to budget and forecast budgets for projects effectively and in alignment with organizational and unit budgets is a key to success.

### Key Outcomes

Upon completion of this course, participants will be able to:

- » Develop a comprehensive project budget
- » Describe how project decisions impact budget planning
- » Measure project performance by analyzing the budget
- » Forecast project budgets

### Course Outline

#### The planning and budgeting cycle

- » How project planning leads to an effective budget
- » Why are budgets important
- » Describe different types of budgets and their purpose
- » Identify the types of budgets used in your organization
- » Explain your organizations budget planning cycle

#### Developing a budget

- » Develop labor hours for the project
- » Calculate resource requirements and costs
- » Develop vendor and overhead costs for the budget
- » Calculate total and per unit costs
- » Describe how to calculate operating expenses

#### Measure performance against budget

- » Calculate expected value of the project
- » Identify and analyze significant variances to the budget
- » Develop a project report that includes budget status
- » Identify when the budget needs to be revised based on project changes

#### Forecast project budgets

- » Identify repeatable budgeting processes
- » Define capital expenditures
- » Identify budget process improvements for your projects
- » Develop standardized financial information for projects

### At-a-Glance:

**Course Length:**

2 days

**Course Number & Level:**

313.BFP2 – Proficient

**Professional Development Units**

(PDUs): 14

**Continuing Education Units (CEUs):**

1.4

**PMBOK® Guide Knowledge Areas****Covered:**

- » Project Cost Management
- » Project Human Resource Management

**Path:**

- » Business Skills for Project Managers Path