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Budget and Cost Resources

In our book, “Mastering Resource Management Using Microsoft Project and Project Server 2010” we concentrate on the tool itself and on Work Resources. This document is an addendum of sorts to that and is designed to better define specifically the Budget Resource Type and the Cost Resource Type that are available in Project.

From Chapter 5 of the book:

A Resource can be defined as a Work, Material or Cost Type. Material Resources are consumable items like concrete or paint. Cost Type Resources are meant for controlling or reporting costs such as airfare or lodging. Work Resources are people or equipment and can be generic or actual (sometimes called named). A Generic Resource is a resource identified by the skill set or type of resource and an actual resource is a person.

For example, a Generic Resource might be called something like Carpenter, Painter, System Administrator, DBA or Project Manager. The Generic Resource is then replaced by an actual resource with the appropriate skill set at a later time

To more deeply define the Cost and Budget Resources I have come up with this:

A Cost Resource is a specific cost that occurs that is usually related to a specific task. For example, to accomplish a specific task you may incur some airfare. But, throughout the life of the Project, there may be numerous times where airfare expenses are incurred – each one based on the deliverable for a specific task. (Yes, if you want to, you can be more advanced and spread a cost across multiple tasks but that requires a bit more effort on your part and we are going to stay simple in this document.)

And, each time you assign the Resource to a task, you can put in the amount of the cost as it pertains to that specific task. For example, I have created the Cost Resource named Airfare and on these two tasks have two different cost amounts for each ticket – the first one being \$750 and the second being \$250. I assign the same Resource (Airfare) but with different costing. When you enter the information into the Resources tab of the Task Information box the amount of the cost will appear in the Resource Name field.



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Task Name	Resource Names
Deliverable One	Airfare[\$750.00]
Deliverable Two	Airfare[\$250.00]

Budget Resources are designed to be used for the entire project and a Budget Resource can NOT be assigned to a task. It can ONLY be assigned to the Project Summary Task. For that reason, it is recommended that when creating a Budget Resource to put the word “Budget” in it so that it helps remind everybody that might work on the schedule where it can be assigned. The Budget Resource represents your overall planned amount to be spent on that item and to allow for reporting and tracking at the project level. It is also a great field to use to have information that can be more easily transmitted to other data systems or reporting tools that may not be directly connected to Project.

In this example, on the project called “Super Duper Installation” I have two budget items, one for Airfare and one for Rental Cars. Note also that this is not the Gantt Chart view, this is the Task view. And, I have added the “Budget Cost” column in that view. Normally, you can’t see or edit this information in the Gantt Chart view. I have budgeted \$10,000 for airfare for the entire project and \$2,000 for rental cars. And, the amounts roll up to the summary task so that the current budget for my entire project is \$12,000.

Task Name	Budget Cost
Super Duper Installation	\$12,000.00
<i>Airfare Budget</i>	<i>\$10,000.00</i>
<i>Rental Car Budget</i>	<i>\$2,000.00</i>

Now that we have the Budget Resource and the Cost Resource for airfare we can compare them against each other. In the Task View, I have now added the “Cost” column. By looking at the summary line for the Budget Cost and Cost columns I can quickly see the original budgeted amount and the amount spent so far. This view also shows me the Cost Resource on each task.



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Task Name	Budget Cost	Cost
<input type="checkbox"/> Super Duper Installation	\$12,000.00	\$1,000.00
<i>Airfare Budget</i>	<i>\$10,000.00</i>	
<i>Rental Car Budget</i>	<i>\$2,000.00</i>	
<input type="checkbox"/> Deliverable One		\$750.00
<i>Airfare</i>		<i>\$750.00</i>
<input type="checkbox"/> Deliverable Two		\$250.00
<i>Airfare</i>		<i>\$250.00</i>

The next step that most people want to do is to compare the two numbers against each other (the budget and the total spent). In my example it is easy to see that we have spent \$1,000 against a \$12,000 budget overall but that doesn't usually correlate so well for each individual cost. On a larger project than my sample file, it isn't as easy to see how much Airfare has been spent compared to the Airfare Budget. You can write complex formulas and VBA code that will resolve this issue for you and put the result into a custom field. But, in the interest of staying simple, I have added the Group on each Resource. In this case I went with "Airfare Group". Now when I look at the Task Usage I can filter by Group and quickly see the two numbers that matter to me – the amount of the original budget and what has been currently spent.

Resource Name	Group	Budget Cost	Cost
<input type="checkbox"/> Airfare Budget	Airfare Group	\$10,000.00	
<input type="checkbox"/> Airfare	Airfare Group		\$1,000.00

Or, I can look at the Group that I made for the Rental Car (and see that nothing has been spent).



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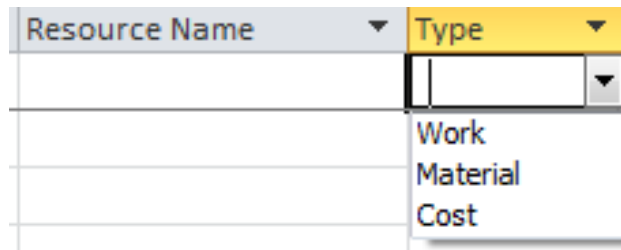
Resource Name	Group	Budget Cost	Cost
+ Rental Car Budget	Rental Car Group	\$2,000.00	

Now that we have seen how it looks, let's take a step back and briefly look at how these Resources are setup.

Note that all three types of Resources – Work, Material and Cost can be assigned as Generic or Budget Resources. However, when making a Resource into a Budget Resource the Calendar functions are disabled and the Costs table is disabled. Note that the Work Budget Resource can have its Working Time modified, even though the Calendar is disabled. It is most common for a Budget Resource to be used on a Cost Resource but you may have some internal reasons to do it differently.

Our book covers most of the gory details about the Resource setup for a Work Resource and the assignment process so I am not going to go into that in more detail here. But, this is specifically how you set up a Cost or Budget Resource.

For those who are familiar with the way that Microsoft Project works, you might recall that when you go to the Resource sheet to add or edit a Resource there are actually only three types of Resources – Material, Cost and Work. This is from the Resource Sheet view when adding a new Resource.



However, there are two more options available in the Resource Information box. After creating the Resource and selecting the Type, open the Resource Information box and on the first tab, General, is the Group and Budget options that are used in the examples above. To make this a Budget Resource all you have to do is select the Budget checkbox.



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Resource Information

General | Costs | Notes | Custom Fields

Resource name: Initials:

Email: Group:

Code:

Booking type: Type:

Material label:

Default Assignment Owner:

Resource Availability

Available From	Available To	Units

Generic Budget

Inactive

Note also that the “Change Working Time” button is grayed out since it is disabled, as are the Availability options and Costs tab.

Understanding Resources in Project Server is like peeling the onion – there is always a bit more when you get through one layer. It should be noted that it is also possible to use varying costs with Work and Material Resources. There is lots of functionality in the costing tables for Work and Material Resources and those can be used in addition to the Cost Resources to get a more detailed costing picture.