

Project Budget Preparation and Monitoring

Boston, Massachusetts (USA)

15 - 19 March 2027

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Project Budget Preparation and Monitoring

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Introduction

Project budget preparation and monitoring are essential processes that enable organizations to use financial resources efficiently and maintain a balance between project scope, costs, and the approved implementation schedule. An inaccurate budget or weak financial monitoring can lead to cost overruns, operational disruptions, and delayed management decisions.

This course covers the practical methods used to prepare operating and project budgets. It begins with analyzing the project scope and identifying activities and resources, then progresses to cost estimation, budget allocation, and the establishment of an approved cost baseline. The course also focuses on monitoring actual expenditure, analyzing variances, preparing financial forecasts, and implementing corrective actions to ensure that projects remain within the allocated budget.

The course is designed for project managers, project team members, accountants, financial analysts, planning and budgeting professionals, cost controllers, operational managers, and professionals involved in budget preparation or project financial performance monitoring.

The course uses practical cases and applied exercises to help participants prepare an integrated project budget, connect financial performance with actual project progress, and develop clear reports that support cost control and informed financial decision-making.

Course Objectives

By the end of this course, participants will be able to.

- Understand the fundamental principles of project budget preparation and monitoring.
- Distinguish between operating, capital, and project budgets.
- Convert project scope and work plans into measurable financial requirements.
- Prepare a work breakdown structure and connect it with cost centers and work packages.
- Identify the human, material, and technical resources required to implement a project.
- Apply suitable cost estimation methods based on the project and available information.
- Classify direct, indirect, fixed, and variable costs.
- Prepare a project budget and allocate it across activities, phases, and time periods.
- Calculate contingency and management reserves according to identified risks.
- Establish an approved cost baseline and use it to monitor financial performance.
- Monitor financial commitments, actual expenditure, and forecasted costs.
- Analyze variances between the approved budget and actual expenditure.
- Use earned value indicators to measure cost and schedule performance.
- Prepare cost-at-completion forecasts and estimate the funding required to complete the project.
- Assess the financial impact of changes, claims, and potential risks.
- Design financial reports and monitoring dashboards that support decision-making.
- Develop corrective actions that control expenditure and prevent budget overruns.
- Apply financial governance controls to budget preparation, approval, and monitoring processes.

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Course Outlines

Day 1: Establishing the Project Budget and Analyzing Cost Requirements.

- The role of the project budget in planning, control, and decision-making.
- Types of budgets and their uses within organizations and projects.
- The relationship between project scope, schedule, and budget.
- Converting the work breakdown structure into financially measurable components.
- Identifying required resources and linking them to project activities.
- Classifying direct, indirect, fixed, and variable costs.
- Identifying the assumptions and constraints affecting budget preparation.
- Preparing a cost dictionary and linking it to work packages and cost centers.
- Practical exercise on analyzing the cost requirements of a selected project.

Day 2: Cost Estimation and Project Budget Development.

- Collecting the financial and operational data required for cost estimation.
- Applying analogous, bottom-up, and parametric estimation methods.
- Using three-point estimation when uncertainty levels are high.
- Evaluating estimation accuracy and documenting data sources and assumptions.
- Calculating the costs of resources, procurement, contractors, and services.
- Determining contingency and management reserves.
- Consolidating cost estimates and preparing the total project budget.
- Allocating the budget across activities, phases, and time periods.
- Preparing expected cash flows and the project funding plan.
- Practical exercise on preparing an integrated preliminary project budget.

Day 3: Budget Monitoring and Financial Performance Analysis.

- Establishing and using the approved cost baseline for monitoring.
- Recording financial commitments, actual expenditure, and accrued costs.
- Comparing planned expenditure with actual expenditure.
- Analyzing cost variances and identifying their operational and financial causes.
- Measuring actual progress and linking it with completion rates and expenditure.
- Applying planned value, earned value, and actual cost concepts.
- Calculating cost and schedule performance indicators.
- Distinguishing between temporary variances and variances requiring management intervention.
- Preparing a periodic project budget monitoring report.
- Practical exercise on analyzing cost performance using realistic project data.

Day 4: Cost Forecasting and Controlling Variances and Changes.

- Preparing periodic financial forecasts based on actual performance.
- Calculating the estimated cost at completion and the cost required to complete the remaining work.
- Estimating the expected final variance against the approved budget.
- Analyzing the financial impact of project risks.
- Assessing the financial impact of change requests and scope adjustments.
- Managing claims, additional costs, and potential liabilities.
- Determining corrective and preventive actions to control expenditure.

A graphic of a chessboard with several chess pieces. A large gold king piece is in the foreground on the right. Behind it are a silver pawn and a silver knight. The text 'UK Training PARTNER' is overlaid on the board. 'UK Training' is in a smaller font above 'PARTNER', which is in a large, bold, black sans-serif font.

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- Prioritizing expenditure when financial constraints exist.
- Applying what-if scenarios to support financial decisions.
- Practical exercise on addressing an expected project budget overrun.

Day 5: Financial Reporting, Governance, and Integrated Application.

- Designing budget monitoring reports according to stakeholder requirements.
- Selecting appropriate financial performance indicators for the project.
- Preparing dashboards that present expenditure, variances, and forecasts.
- Presenting financial information clearly to management and decision-makers.
- Applying controls for expenditure approvals, changes, and budget transfers.
- Distributing responsibilities among project management, finance, procurement, and senior management.
- Reviewing the budget and verifying compliance with policies and procedures.
- Preparing practical recommendations to address variances and improve financial performance.
- Completing an integrated case study on project budget preparation and monitoring.
- Evaluating final results and reviewing the submitted decisions and recommendations.

Why Attend this Course: Wins & Losses!

- Develop the ability to prepare realistic and measurable project budgets.
- Improve cost estimation accuracy and reduce reliance on undocumented assumptions.
- Connect the budget with project scope, schedule, and resource plans.
- Detect financial variances before they become significant cost overruns.
- Improve the quality of financial reports presented to management and stakeholders.
- Support decisions related to funding, expenditure, and resource reallocation.
- Strengthen control over changes, claims, and additional costs.
- Use quantitative indicators to measure cost performance and actual progress.
- Improve coordination between project, finance, and operational teams.
- Strengthen governance and accountability in managing project financial resources.

Conclusion

The Project Budget Preparation and Monitoring course provides an integrated and practical approach to managing the financial aspects of a project, from initial planning through project closure and final evaluation. The course begins by analyzing the project scope and identifying the required activities and resources. It then progresses to cost estimation, budget preparation, and budget allocation across implementation phases and appropriate time periods.

The course focuses on developing a budget based on clear data and documented assumptions while considering direct and indirect costs, contingency reserves, and potential risks. It also explains how to establish an approved cost baseline that can be used to measure actual performance, monitor expenditure and financial commitments, and identify variances as soon as they occur.

The course examines essential project budget monitoring tools, including earned value analysis, cost performance indicators, final cost forecasting, and the financial assessment of changes and claims. These tools provide a clearer financial view and enable management to implement corrective measures before cost overruns affect project objectives or continuity.

The logo for UK Training Partner features the text 'UK Training' in a small, black, sans-serif font above the word 'PARTNER' in a large, bold, black, sans-serif font. The background of the logo is a chessboard with several chess pieces, including a king, a queen, and a pawn, arranged in a strategic formation.



The course also covers the preparation of financial reports and monitoring dashboards, as well as identifying the information required by different departments and stakeholders. This includes presenting expenditure status, completion rates, variances, future forecasts, and recommended actions in a clear format that supports decision-making.

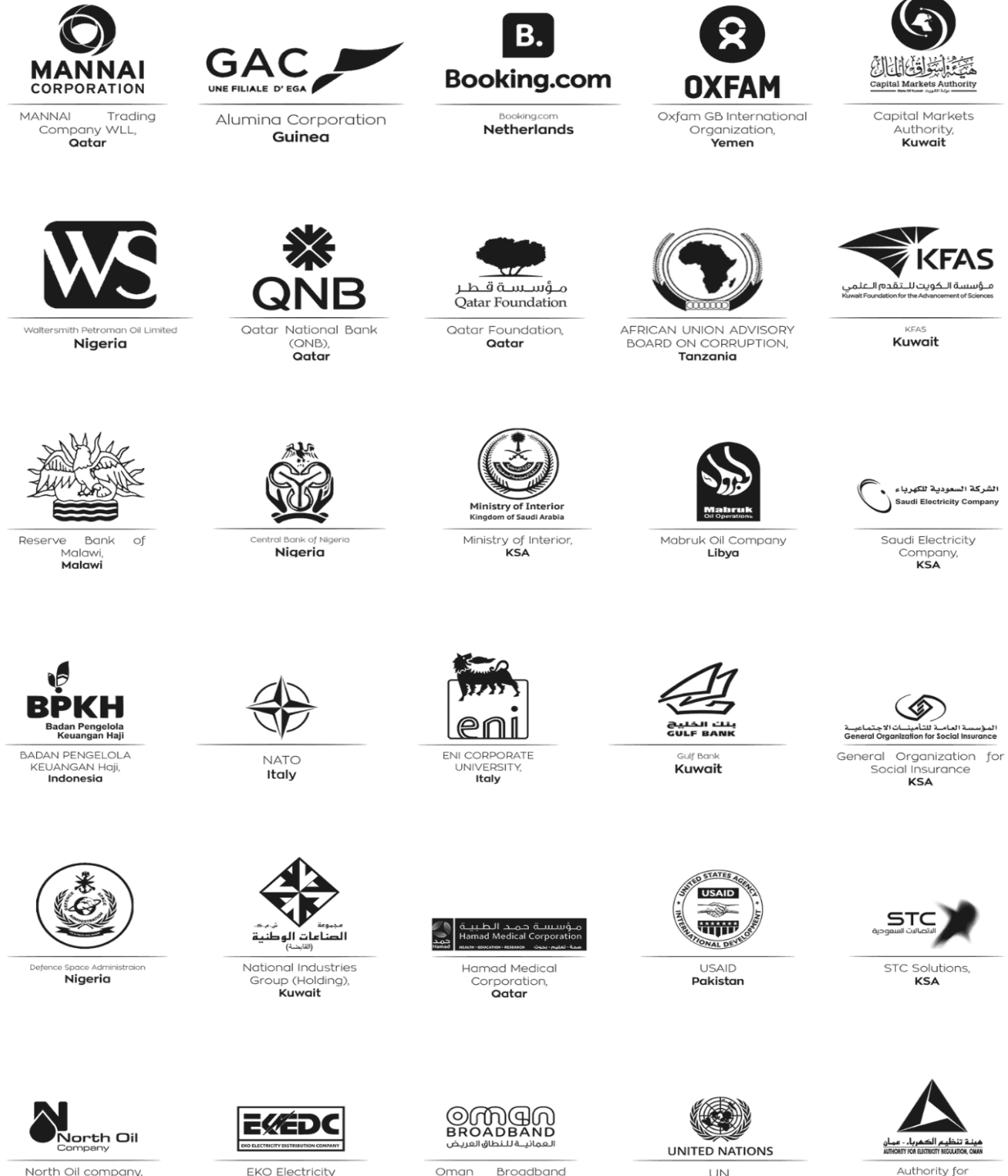
Through exercises and an integrated practical case study, participants apply the complete process of preparing and monitoring a project budget. This includes identifying cost elements, measuring performance, analyzing variances, and preparing final reports and recommendations. The course therefore supports stronger financial control, improved coordination between departments, and the successful delivery of projects within the approved budget.

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