

Cost Estimate & Budget *Workbook*

Turns work packages into a cost estimate, adds reserves, and spreads the result by month, so the cost baseline is traceable from every dollar back to the work it pays for.

USE WHEN	OWNER	APPROACH	TIER
The WBS (T22) and schedule (T28) are ready, before the cost baseline is approved	Project manager prepares with workstream leads and finance · sponsor approves	ALL	Standard

HOW TO USE THIS TEMPLATE

- 1. Enter every line, reserve, and monthly split in the Excel companion (T31 .xlsx). It does every calculation.
- 2. Follow the Financial (Cost) Management Plan (T30) for units, labor rate, methods, and reserves.
- 3. Copy the basis of estimates, reserve analysis, roll-up, and monthly budget from the workbook into sections 1 to 4.
- 4. Record approval here and attach both files to the PM plan (T16). The approved roll-up is the cost baseline.
- 5. Delete guidance text (italic) before sharing.

Project name	
WBS (T22) · schedule (T28) · cost plan (T30) versions	
Prepared by · finance reviewer	
Version · baseline date	
Workbook file name · version	

Two files, two jobs. The Excel companion holds the inputs and calculates totals, reserves, and the monthly budget; its formula cells are locked. This PDF holds the guidance, the summary results, and the approval. Change the workbook first, then copy results here and raise the version on both.

1 Basis of estimates

A basis of estimate records how each number was reached. List the lines that drive the budget: the largest, the riskiest, and every vendor or quote. Each needs a method and a basis someone else could check (hours, rates, quotes, past projects). Accuracy states the range you expect. Test: the lines listed here cover at least 80% of the work total in section 3.

[illegible]

2 Reserve analysis

Contingency for each identified risk = cost if it occurs × likelihood (expected monetary value, PMBOK® Guide 6th Ed.). Take the risks from the Risk Register (T43). Unknown risks belong to the management reserve, not here. Test: every High risk in T43 has a line or a reason it has none.

RISK ID	RISK	BASIS OF COST IMPACT	COST IF IT OCCURS	LIKELIHOOD	CONTINGENCY	MONTH NEEDED
Contingency reserve (total)						

3 Budget roll-up

A control account groups work packages for cost tracking. Control accounts roll up to the cost baseline (work plus contingency, PMBOK® Guide 6th Ed.), then add the management reserve for the total budget. Both workbook checks (every line assigned; total within authorized) must read OK. Test: the total budget matches the charter (T09) or the difference is explained in section 5.

CODE	CONTROL ACCOUNT OR BUDGET LINE · OWNER	HOURS	LABOR	MATERIALS	VENDOR	OTHER	TOTAL
	Work total						
	+ Contingency reserve (section 2)						
	= Cost baseline						
	+ Management reserve (outside the baseline)						
	= Total budget						
	Authorized budget (charter, T09) · difference						

4 Time-phased budget by month

Copy the monthly budget from the workbook, by control account. Write the month names in the first row. Contingency sits in the month each risk is most likely to need it. The cumulative baseline is the S-curve that planned value is measured against (T63). Test: funding headroom is never negative; if it is, move work or ask finance for funding early (T30 section 7).

LINE	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	TOTAL
Month													
Work by month													
Contingency													
Cost baseline													
Cumulative baseline													
Funding released													
Cumulative funding													
Funding headroom													

Formula key

Labor	Hours × rate (the line's own rate, or the blended rate).	Cost baseline	Work total + contingency reserve, time-phased by month.
Contingency	Cost if the risk occurs × likelihood, summed by risk.	Total budget	Cost baseline + management reserve. Not above the authorized budget.
Control account total	Sum of every line carrying that code.	Funding headroom	Cumulative funding – cumulative baseline. Negative means spend runs ahead of money.

5 Assumptions

Copy the workbook assumptions and give the source of each: rates, quotes, phasing, reserve sizing, funding. Test: each one could be checked, and the riskiest also appear in the Assumption & Constraint Log (T10).

#	ASSUMPTION	SOURCE
A1		
A2		
A3		
A4		
A5		
A6		

6 Approval

Approval sets the cost baseline. After this, the baseline changes only through an approved change request (T65), and a new version of both files.

Cost baseline approved · total budget		
Approved with (PM plan version, gate) · date		
Conditions or notes		

Project manager signature · date

Finance reviewer signature · date

Sponsor signature · date

COMPLETED EXAMPLE · ILLUSTRATIVE

Client Onboarding Portal · Northfield Creative Group (fictional marketing and design agency)

v1.0 · cost baseline approved by Dana Whitfield, CEO, with PM plan v1.1 on February 17, 2027 · prepared by Amy Price with the Northfield finance lead · workbook Northfield Example tab · WBS v1.0, schedule baseline v1.0 · internal effort at \$70 per hour · 22 estimate lines; 9 shown.

WBS ID	WORK PACKAGE OR COST ITEM	ACCOUNT	METHOD	BASIS AND ASSUMPTIONS	HOURS	ESTIMATE	ACCURACY
1.1.2	Retention schedule	CA-A	Bottom-up	T22 dictionary: 40 h	40	\$2,800	±10%
1.3.1	CRM sync specification	CA-A	Three-point	T22 dictionary: 60 h (O 48, M 58, P 80)	60	\$4,200	±10%
1.3.2	Build and test CRM integration	CA-A	Three-point	O 40, M 48, P 66 h; Clearpath builds under fixed price	50	\$3,500	±15%
1.4.2	Trial migration	CA-A	Three-point	T22 dictionary: 72 h	72	\$5,040	±15%
1.5.2	Independent security test	CA-A	Quote	Fixed quote from testing firm	-	\$6,000	Quote
2	Clearpath portal configuration (fixed price)	Portal	Quote	Contract signed Feb 16; paid by milestone	-	\$95,000	Contract
2	Product owner and coordinator time	Portal	Analogous	Sprint events, refinement, UAT; two past Clearpath projects	140	\$9,800	±15%
3.2	Coordinator and studio lead training	CA-C	Bottom-up	T22 3.2.1 48 h plus 12 h studio lead briefings	60	\$4,200	±10%
4.2	Monitoring and reporting	PM	Bottom-up	T22 4.2.1 72 h status reporting plus 12 h steering	84	\$5,880	±10%

RISK	RESERVE LINE	COST IF IT OCCURS	LIKELIHOOD	CONTINGENCY
R-01	CRM integration delays (Mar)	\$12,500	40%	\$5,000
R-03	Vendor consultant turnover (Apr)	\$4,000	25%	\$1,000
R-04	Privacy findings in security review (Apr)	\$7,500	40%	\$3,000
R-02	Coordinator adoption (May)	\$5,000	40%	\$2,000
Est.	Estimate accuracy, A and C (Jun)	\$10,000	10%	\$1,000
Contingency reserve				\$12,000

ROLL-UP	HOURS	TOTAL
CA-A · Contracts, privacy and data migration (WBS 1)	380	\$32,600
Portal · Portal interface, Release 1 (WBS 2)	140	\$112,800
CA-C · Training and adoption (WBS 3)	200	\$17,800
PM · Project management (WBS 4)	140	\$9,800
Work total		\$173,000
+ Contingency reserve		\$12,000
= Cost baseline		\$185,000
+ Management reserve		\$15,000
= Total budget · authorized \$200,000 · check OK		\$200,000

COMPLETED EXAMPLE · ILLUSTRATIVE · CONTINUED

Time-phased cost baseline, January to July 2027

LINE	JAN	FEB	MAR	APR	MAY	JUN	JUL	TOTAL
CA-A	\$2,100	\$7,770	\$8,120	\$12,090	\$2,520	-	-	\$32,600
Portal	\$490	\$22,070	\$32,060	\$3,560	\$34,020	\$20,600	-	\$112,800
CA-C	-	-	\$560	\$2,240	\$10,800	\$4,200	-	\$17,800
PM	\$2,688	\$1,582	\$882	\$882	\$882	\$1,456	\$1,428	\$9,800
Work by month	\$5,278	\$31,422	\$41,622	\$18,772	\$48,222	\$26,256	\$1,428	\$173,000
Contingency	-	-	\$5,000	\$4,000	\$2,000	\$1,000	-	\$12,000
Cost baseline	\$5,278	\$31,422	\$46,622	\$22,772	\$50,222	\$27,256	\$1,428	\$185,000
Cumulative baseline	\$5,278	\$36,700	\$83,322	\$106,094	\$156,316	\$183,572	\$185,000	
Funding released	\$90,000	-	-	\$95,000	-	-	-	\$185,000
Cumulative funding	\$90,000	\$90,000	\$90,000	\$185,000	\$185,000	\$185,000	\$185,000	
Funding headroom	\$84,722	\$53,300	\$6,678	\$78,906	\$28,684	\$1,428	-	

Assumptions:

1. Internal effort costed at a \$70 per hour blended rate (Northfield finance; illustrative).
2. Clearpath's fixed price of \$95,000 is paid by milestone and recorded when each milestone is earned (T30).
3. Monthly phasing follows the schedule baseline v1.0 (T28); sprint dates February 17 to May 11, UAT May 12 to 21.
4. Contingency sized by expected monetary value from the Risk Register (T43) as of February 17, 2027.
5. Management reserve of \$15,000 is held by the sponsor outside the baseline and released only by change request (T65).
6. Funding released by quarter by Northfield finance: \$90,000 in January and \$95,000 in April.

Approval: cost baseline \$185,000 plus management reserve \$15,000, total budget \$200,000, equal to the authorized budget in the charter. Approved by Dana Whitfield with PM plan v1.1 on February 17, 2027, after the requirements baseline (February 9) and the Clearpath contract (February 16).

Reading the example: about 65% of the work total is the portal, and most of that is Clearpath's fixed price, paid in four milestones. March and May are the heavy months, so March leaves the least funding headroom (\$6,678). Later changes (CR-01 -\$2,500, CR-02 +\$1,200 from contingency) are recorded in the change log (T66), not by editing this baseline.