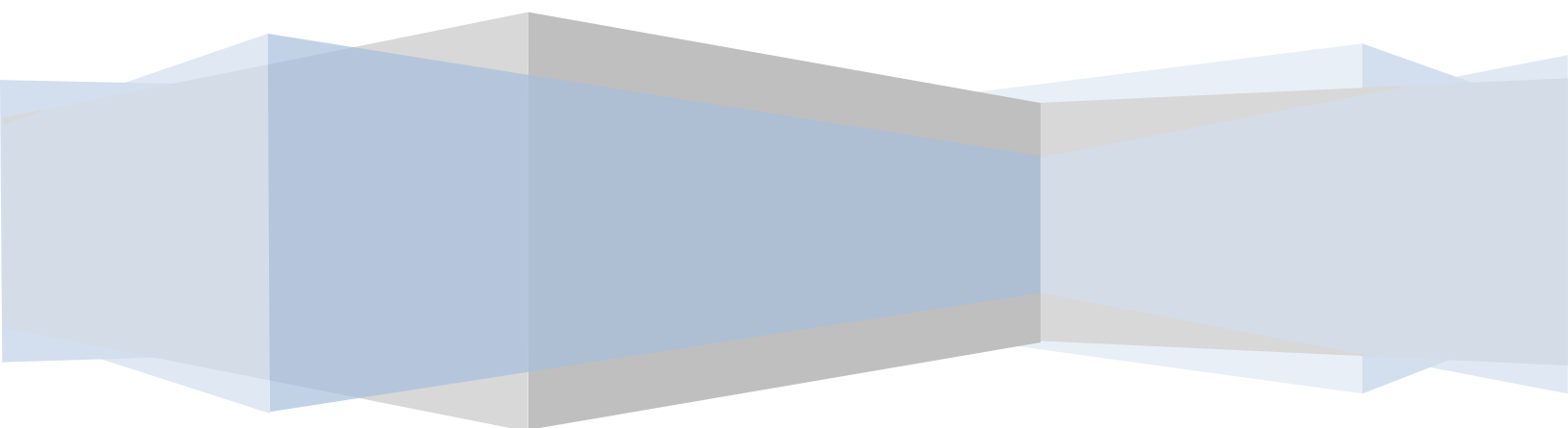




## Expense Forecasting



## Expense Forecasting

VPMi has introduced a new module for logging forecasted expenses against a project. As with actual expenses, VPMi has traditionally only allowed for entering one value for planned expenses against a deliverable on a project. We have revisited this and redesigned the process to allow for more detailed financial planning if desired. Expenses can be relevant for a variety of different projects, whether internal IT projects, construction, or consulting. This was designed so that whatever your type of business, you can define categories that are relevant to your business.

### **System Administrator Note**

*This functionality begins with the setup of key metadata in VPMi. This is done by a system administrator with access to the Maintenance section of VPMi. In that section, there is a tab called 'Project Codes'. Toward the bottom of the first column is a link to setup Expense Categories.*

### **Expense Category**

*These categories will be used for classifying forecasted expenses on projects. For example, a professional services firm might have categories such as hotel, meals, airfare, car rental, etc. When creating these expense categories, at least one category will be a default value. You can have multiple default expense categories. This flag defines which categories are selected by default when a deliverable is flagged for expense tracking on a project. As with many other maintenance codes in VPMi, the 'Value Name' field is what will display in VPMi, the 'Domain Name' field is a unique code used by the database. For example an expense category might have a value name of 'Meal Expenses – Reimbursable'. The Domain Name might be, 'MEALREIMB'. The domain name does not display anywhere for end users to see. The Order By field is available if you wish to display items in a particular order. If alphabetical order is sufficient, simply put a value of one (1) in this field for each expense category.*

## Setting Up a Project for Tracking Expense Forecasts

Once the necessary metadata is setup in maintenance, the end user can begin preparing his project for expense forecasting by setting up the workplan and defining deliverables against which expense forecasts will be tracked. In order to align forecasted expenses against a deliverable in VPMi, the following condition needs to be true about the project itself:

1. The project needs to have financials turned on. Financials can either be Internal Budget or External Profit/Loss. If the user selects 'None' for Financial Tracking Type, it will not be possible to flag deliverables on the workplan for expense tracking. This is defined when the project is first created. It can also be changed by updating the project record after creating the project.

There are two places the user can flag a deliverable for expense tracking; workplan multi-add and workplan single update. When adding a new deliverable to a project, you will want to identify the record as a deliverable and then click the 'More' link to the right side. When updating a single deliverable, simply click the update icon to the right side of the record. In either case, the following will appear on the add/update screen:

**Description**

**Deliverable Title** ⓘ  
 VPMi Training

**Deliverable Description** ⓘ

Remaining Characters: 4000 ⓘ

**WBS Order** ⓘ  
 1

**Phase** ⓘ

**Parent Deliverable/Task/Milestone** ⓘ

**Initiated By** ⓘ  
 Gwynne,Annette - 3046

**Expense Tracking?** ⓘ

No  
 No  
 Yes

Note the field in the bottom left called 'Expense Tracking?'. This field allows the user to determine if forecasted expenses can be aligned to this deliverable on the project. Selecting 'Yes' will automatically update the page on the fly and add a new field as shown below:

**Description**

**Deliverable Title** ⓘ  
 VPMi Training

**Deliverable Description** ⓘ

Remaining Characters: 4000 ⓘ

**WBS Order** ⓘ  
 1

**Phase** ⓘ

**Parent Deliverable/Task/Milestone** ⓘ

**Initiated By** ⓘ  
 Gwynne,Annette - 3046

**Expense Tracking?** ⓘ  
 Yes

**Expense Category**

Airfare  
 Hotel  
 Meals  
 Mileage Reimbursement  
 Miscellaneous

Note that a new field is on the page for Expense Category. Here the default categories as defined in maintenance are pre-selected. The user can change that by selecting only the relevant categories in this multi-select box. Note that at least one category must be selected. Once the correct categories are selected submit the record to save the changes. The relevant expense categories on a deliverable are important for tracking actual expenses against the project. See the Expense Sheets user guide for details on tracking actual expenses. For expense forecasts, the expense categories are not relevant. It is only important that the Expense Tracking? field is set to 'Yes'.

Unlimited deliverables on a project can be flagged for expense forecasting. If the default expense categories are appropriate for all deliverables against which you will be forecasting expenses, you can quickly flag multiple deliverables for expense forecasting in the workplan multi-edit screen.

## Entering Expense Forecasts

Once the project's deliverables are setup correctly, the process of entering expense forecasts against a Project is very simple and begins with a new tool added to the project manager's toolbox called 'Expense Forecast'. Clicking on this brings the user to a multi-add screen where non-labor expenses can be forecasted by line item. The form is as shown below:

Expense Forecast Line Item	Expense Category	Estimated Cost	Date Of Expenditure	Associated Deliverable

Each line item can be associated to an expense category (defined in maintenance) and must be aligned to a deliverable on the project. Only deliverables flagged for expense tracking will show up in the drop-down list. The reason forecasted expenses are aligned to a deliverable is so that the planned value in the earned value calculations can remain as accurate as possible. It also aligns to the existing logic in VPMi for rolling up non-labor expenses to deliverables, which roll up to the project, program and across an organization. The Date of Expenditure is important as well. This is the date you expect the expenditure to take place. New reports in VPMi such as the Expense Forecast report will use this date to project expenditures by project by month in the future.

## Security

Only the following people can enter and update expense forecasts on a project in VPMi

1. Administrators (can add/edit/delete on all projects)
2. Users with Access Level 4 can add/edit/delete expense forecasts on projects to which they are assigned team members.
3. Team members with the role of 'Project Manager'. If you have the role of project manager on a project, you will be able to add/edit/delete expense forecasts on the project.

All other users will see this as read only. The exception is Level 1 users who have assigned work only access. These users will not see the Expense Forecast section at all.

## Expense Forecast Grid View

After the expense forecasts have been entered, you will be able to view the summary list of forecasted expenses on the project. Additional records can be added by clicking on the 'Add Budget Expense' link at the top of the grid view. Existing records can be edited individually by clicking on the update icon or in a multi-edit mode by clicking the 'Edit Project Budget' button at the top of the grid.

<a href="#">Add Budget Expense</a> <a href="#">Filter</a> <a href="#">Download To Excel</a> <a href="#">Edit Project Budget</a>					
Expense Forecast Line Item	Expense Category	Estimated Cost	Date Of Expenditure	Associated Deliverable	
 Car Rental Expense for June Trip to Client	Car	\$150.00	6/25/2010	Travel to Client Site	 
 Hotel Room at Marriott - Client Preferred Rate	Hotel	\$620.00	6/25/2010	Travel to Client Site	 
 Airfare DEN to LAX - with 2 week advance	airline	\$280.45	6/4/2010	Travel to Client Site	 
 Meals (\$75 per day agreed by client as per diem)	Meals	\$375.00	6/25/2010	Travel to Client Site	 
	<b>Total</b>	<b>\$1,425.45</b>			
1      (4 Records)      4 ▼					

## Viewing Expense Forecasts on the Project

Once items have been entered and aligned to a deliverable, the costs are written to the deliverable as estimated non-labor costs. The deliverable will only show the sum of the line items on the expense forecast page. In the example above, all expenses are aligned to the deliverable, 'Travel to Client Site'. When viewing the details of the deliverable, the total shows up as the initial expense for that deliverable (note that the refined expense cost field is also populated with the same value):

**Non Labor Costs**

<b>Initial Capital Cost</b>	<b>Initial Expense Cost</b>
<input type="text"/>	1425.45
<b>Refined Capital Cost</b>	<b>Refined Expense Cost</b>
<input type="text"/>	1425.45
<b>Actual Capital Cost</b>	<b>Actual Expense Cost</b>
<input type="text"/>	<input type="text"/>

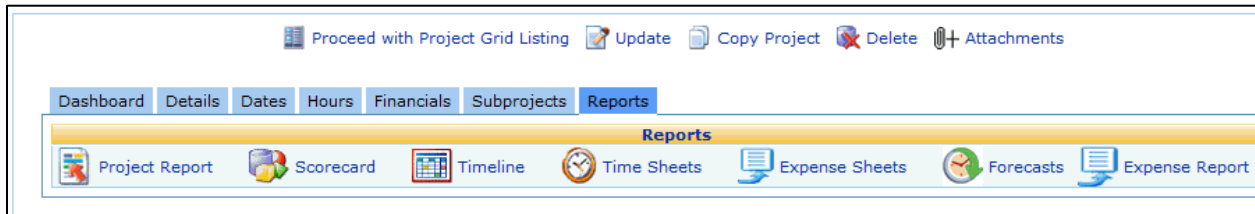
If a deliverable with expense forecasts is deleted, all expense forecast records associated to that deliverable are deleted as well. This is important to note when making changes to your workplan in VPMi.

The financial tab on a project shows the cumulative total of actual expenses across the project rolling up in the non-labor section and total costs sections as shown below:

Total Costs			
Budget	Capital	Expense	Total
	\$0	\$0	\$0
Planned	Capital	Expense	Total
	\$0	\$1,425	\$1,425
Baseline (Workplan)	Capital	Expense	Total
	\$0	\$0	\$0
Actual	Capital	Expense	Total
	\$0	\$0	\$0
Budget - Plan	Planned - Actual	% Complete	
(\$1,425)	\$1,425	0	
Labor Costs			
Labor Costs Rolled Up	Percent Labor Capitalized	Billing Type	
From Details	0		
Estimate	Capital	Expense	Total
	\$0	\$0	\$0
Actual	Capital	Expense	Total
	\$0	\$0	\$0
Non Labor Costs			
Initial Estimate	Capital	Expense	Total
	\$0	\$1,425	\$1,425
Refined Estimate	Capital	Expense	Total
	\$0	\$1,425	\$1,425
Actual	Capital	Expense	Total
	\$0	\$0	\$0

## Expense Forecast Reporting

VPMi includes two ways to report on expenses (both forecasted expenses and actual expenses). The first option is to view a summary report of expenses on a single project. This report compares forecasted non-labor expenses to actual non-labor expenses. Navigate to the project detail page and select the Reports tab as shown below:



On the dashboard, select the Expense Report icon to the far right. This will return the following filter:

The filter dialog box is titled 'Select' and contains the following fields and options:

- Start Month:** April (dropdown)
- Start Year:** 2010 (dropdown)
- End Month:** May (dropdown)
- End Year:** 2010 (dropdown)
- Expense Categories:** A list with 'All Expense Categories' selected. Other options include Car, General Expenses, Hotel, and Meals.
- Report Type:** A dropdown menu with 'Forecasts' selected. Other options include Actuals and Forecasts and Actuals.

At the bottom of the dialog are two buttons: 'Apply Filter' and 'Cancel / Back'.

This filter allows the user to select the date range for viewing a summary of expense (forecasts, actual or both) by expense category. Selecting both will compare the forecast to actual for each month. The screenshot below shows actuals over a 2 month period for all expense categories:

**The data below represents expenses between 4/1/2010 and 5/31/2010**

[Close This Window](#)    [Download to Excel](#)

Project Title	Category	4-2010 Act	5-2010 Act
VPMi Implementation	Car	\$40	\$200
	Hotel	\$240	\$690
	Miscellaneous	\$40	\$90
	Meals	\$140	\$250
	airline	\$40	\$0
<b>Total</b>		<b>\$500</b>	<b>\$1230</b>

The other way to view this same report is across multiple projects. To see the same data across multiple projects, go to the Reports section of VPMi and select the Project Reports tab. At the bottom of the first column is a report called 'Expense Forecast'. Select this to see the following report filter:

**Select**

**Start Month**   **Start Year**   **End Month**   **End Year**   **Project**  
 April   2010   May   2010

Workplan Issues with % complete - 4075  
 Workplan Update impact on Forecasts - 4344  
 Year 3000 Project - 3887  
 Year end IT audit - 3627  
 Years of Service Gifts - 3555

**Responsible Org**   **Requesting Org**   **Project Type**   **Expense Categories**   **Report Type**  
 +Company - 362   +Company - 362   All Project Types   All Expense Categories   Forecasts  
 Car  
 General Expenses  
 Hotel  
 Meals   Forecasts  
 Actuals  
 Forecasts and Actuals

Save To My Reports

The output of the report is exactly the same as above. You can see expenses by category (forecasted, actual or both) over the duration selected. This report allows you to see the data over multiple projects, providing a portfolio view into planned and actual non-labor expenses. Below is a screenshot showing a couple projects selected and showing forecasted vs. actual expenses.

The data below represents expenses between 4/1/2010 and 5/31/2010

[Return to Reports](#)   [Download to Excel](#)

Project Title	Category	4/2010 Est	4/2010 Act	5/2010 Est	5/2010 Act
VPMi Implementation	Car	\$0	\$40	\$0	\$200
	Hotel	\$0	\$240	\$0	\$690
	Miscellaneous	\$0	\$40	\$0	\$90
	Meals	\$0	\$140	\$0	\$250
	airline	\$0	\$40	\$0	\$0
<b>Total</b>		<b>\$0</b>	<b>\$500</b>	<b>\$0</b>	<b>\$1230</b>
Wireless Router Install	Miscellaneous	\$0	\$0	\$3000	\$0
	airline	\$0	\$0	\$0	\$500
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$3000</b>	<b>\$500</b>