California State
Board of Equalization

Cost Management Plan

Centralized Revenue Opportunity System (CROS)

State of California
Board of Equalization
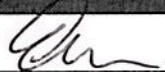**450 N Street**
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Version 1.0

November 2014

Date Submitted for Review: 11/04/2014

Formal Review

My signature below indicates I have reviewed this document:

Role	Reviewer Name	Signature	Date Reviewed
Project Director	Eric Steen		11/5/14

Version Number	Version Date	Revision Author	Summary of Major Changes Made
0.01	9/2014	Cathy Taylor	Initial draft.
0.02			

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1. Overview

1.1 Purpose

The purpose of cost management is to ensure project costs are planned based on project need, tracked, changed according to procedure and reported on a regular basis.

This plan has two parts; the first part deals with project cost management and the second part addresses the state budget process.

This document will be reviewed and updated annually or as the result of continuing improvement in the project's cost management processes.

1.2 Assumptions

- The project will manage cost on a modified cash basis.
- We will not discuss how the baseline is created since the CROS Project has a baseline as defined in the approved FSR and subsequent approved SPRs.

1.3 Scope

The scope of the Cost Management Plan is the processes, roles, and tools used to plan and manage project costs throughout the life of the project. The following cost management activities are documented in this plan:

1.3.1 Project Cost Management

- **Cost Planning** – This function consists of the activities performed to identify and categorize costs based on project need by fiscal year. The CROS cost management is guided by the California Department of Technology Approved Feasibility Study Report (FSR) and the latest approved Special Project Report (SPR). The FSR and SPR outline the financial plan for the life of the project by fiscal year. At the beginning of each fiscal year, the CROS Project will use the latest approved SPR financial plan as budget for the year, reconfirming projections and adjusting implementation of the projections accordingly. There are three main activities to CROS Cost Planning:

  - Establish baseline
  - Adjust baseline
  - Compare and assess baseline with BOE Budget Stakeholders

- **Cost Management**

  This function defines how CROS will manage changes in project costs, record expenditures, and track planned to actual cost and expenditures.

  - **Expenditure Tracking** – This function consists of the activities that track all expenditures of the CROS project including Personal Services and Operating Expense and Equipment. The

> process tracks from the request for expenditure, research of the request, purchase, and tracking of the request through completion, the receipt and payment of the expenditure.

➤ **Cost Control and Changes** – This function defines how changes in the budget get defined and communicated and how unplanned expenditures and changes in costs are documented.

➤ **Cost Reconciliation** - This process consists of the activities that reconcile the latest approved SPR budget to actual expenditures on a monthly and yearly basis and monitor project to-date costs. The process includes documenting budget assumptions made during the month or for the upcoming month as well as lessons learned for adjustments to costs in the next fiscal year.

➤ **Reporting and Metrics** - This process consists of the activities that provide a variety of reports and metrics for CROS Executive Management, Project Management and other stakeholders.

♦ **Cost Closeout:** The annual cost summary and lessons learned.

1.3.2 State Budgeting/Accounting

These processes define how CROS manages to the costs in the BCP directly related to the CROS Project as planned in the SPR. Overhead costs, such as the facilities, complement are not formally tracked by the project, but are tracked by BOE Budgets Section.

1.4 Roles and Responsibilities

Role	Responsibilities
Project Director	• Manage overall project within the budgetary constraints of the BCP and as outlined within the FSR and subsequent SPRs. • Escalates issues with a cost impact greater than $250,000 to the CCB. • Approves funding documents and represents CROS at the budget hearings; • Reviews/approves or denies project expenditures at the weekly PM Sync meeting.
Business and Technical Project Managers	• Reviews project funding documents; • Reviews/approves or denies project expenditures at the weekly PM Sync meeting.
Project Manager	• Approves Cost Management Plan; • Responsible for the development of the project costs based on project need. • Manages costs to the latest approved baseline. • Reviews project funding documents; • Reviews/approves or denies project expenditures at the weekly PM Sync meeting.
Cost Analyst	• Tracks project costs • Reconciles project cost • Assist in cost research and ensures cost transactions are adequately documented.
Project Administrator	• Leads the cost management effort; • Sponsors cost budgeting and tracking activities; • Facilitates communication on fiscal status; • Ensure the project cost tool is maintained and supporting documentation is maintained; • Provides recommendations and statuses on the project budget and expenditures. • Ensures project funding and approval documents and expenditure tracking and reconciliation in accordance with state processes;
Business/Technical Project Managers; CROS Team Leads	• Identify funding needs and ensures all transactions have appropriate supporting documentation to assist in the tracking of expenditures, including tracking of staff efforts and costs.
BOE Accounting Office	• Coordinates the accounting, customer billing, and invoice approval processes.

Role	Responsibilities
BOE Budget Office	• Coordinates the review and submission of budgetary documents, Budget Change Concepts, Budget Change Proposals to Department of Finance; • Coordinates responses to questions from the DOF and assists with the distribution of the final Governor's Budget.
Change Control Board (CCB)	• Makes decisions on issues that impact cost, schedule or resources. • Cost impacts of greater than $250,000 are escalated to the CCB.

2. Cost Planning

2.1 Establish Baseline

The approved FSR and all approved SPRs contain the project approach and resource needs. The project's baseline costs are derived from the project needs as defined in these documents. The approved FSR contains the project's baseline cost projections for each cost category, by fiscal year for the entire life of the project.   Since the FSR and baseline EAWs has already been developed and approved, this plan will not discuss this process.

2.2 Adjust Baseline

When project has to submit an SPR to CalTech, it usually means there has been a major deviation from the project's scope or schedule or costs. The SPR process will trigger an adjustment to the cost baseline. CROS uses a Change Control Board to validate and approve internal project requests for changes in resources greater than $250,000. Changes less than $250,000 are reviewed and approved by the PM Sync.
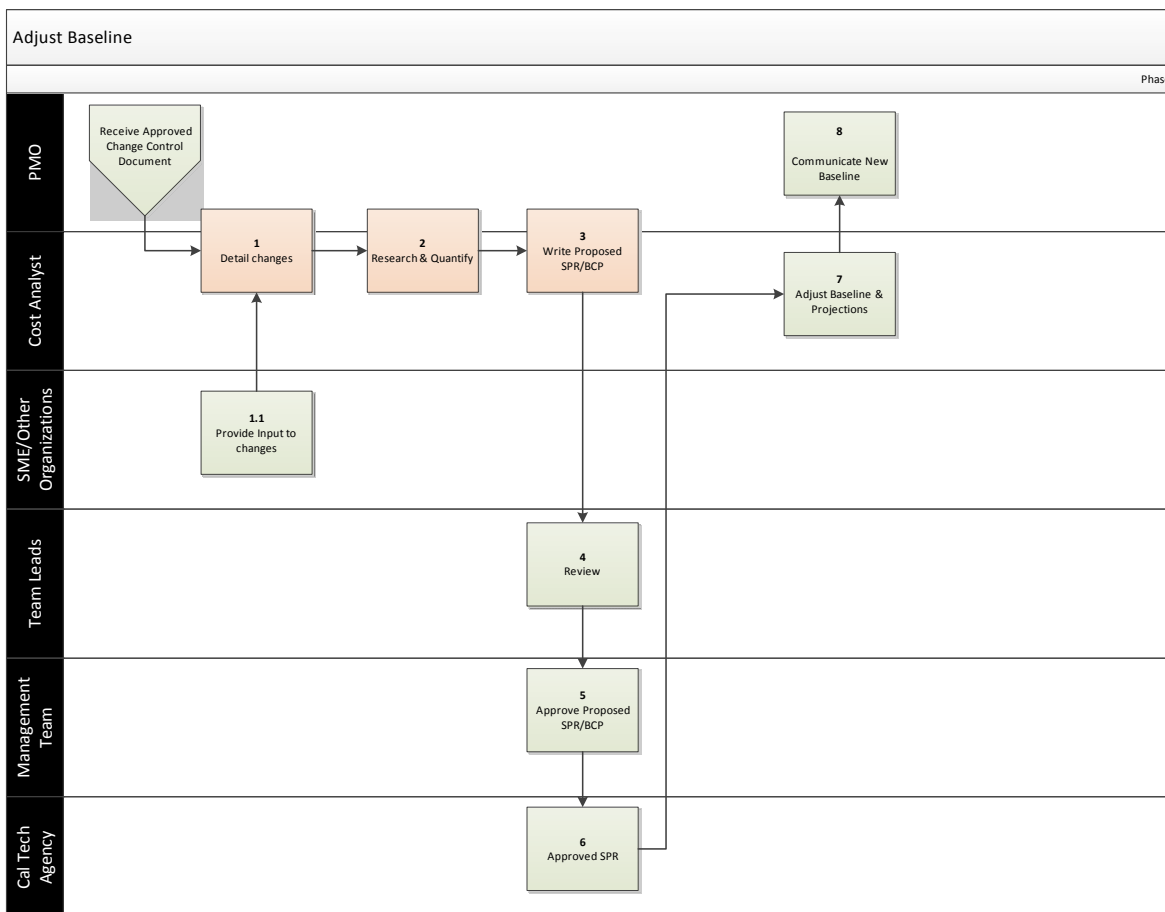

Figure 1 - Adjust Baseline

Process Step	Participants	Inputs	Outputs
• **1 -** Detail Changes • **1.1** - Provide Input to Changes	• Cost Analyst • Subject Matter Experts • Other Organizations	• Approved FSR and SPR • BCP, Mini Schedule, Budget Reports • Economic Analysis Worksheets • Change Control Documents • Schedules	• Details of changes needed • Assumptions • Documented changes
• **2 –** Research and Quantify	• Cost Analyst • Project Business and Technical Managers • Team Leads	• Documented hardware • Documented software • Staffing • Contracted resource changes	• Line item cost • Supporting details • Supporting documentation
• **3 –** Write Proposed SPR/BCP	• PMO • Cost Analyst	• Line item cost • Supporting details • Supporting documentation • Timeline changes	• Proposed Special Project Report (SPR) • Revised EAWs • Proposed Budget Change Proposal (BCP)
• **4 –** Review by Team Leads	• Team Leads • Business or Technical Project Managers • Cost Analyst	• Proposed Special Project Report (SPR) • Revised EAWs • Proposed Budget Change Proposal (BCP)	• Proposed Special Project Report (SPR) • Revised EAWs • Proposed Budget Change Proposal (BCP) Reviewed
• **5-** Approve Proposed SPR/BCP	• CROS Management Team	• Reviewed Proposed SPR/BCP	• Approved Proposed SPR/BCP
• **6–** Approved SPR	• Cal Tech Agency	• CROS Management Approved SPR/BCP	• Cal Tech Approved SPR
• **7 -** Adjust Baseline and Projections	• Cost Analyst	• Approved budget adjustments •	• Adjust CTA reporting • Adjust BOE Budget mini schedule
• **8 –** Communicate New Baseline	• PMO	• Approved budget adjustments	• Updated budget information to Admin, Team Leads and BOE Budgets.

2.2.1 Detail Changes

The PMO and the Cost Analyst receive the approved change control board document outlining the approved changes in budget or timeline. If the changes trigger a variance of over 10% of the total budget or timeline, the Cost Analyst will review and detail the changes needed to meet the approved document needs. Additional sources of information for the detailed changes include previously approved FSR and SPR, EAWs, BCP, Project Schedules and BOE Mini Schedules, and current Budget Reports.

2.2.1.1 *Provide Input to Changes*

In addition, the Cost Analyst will contact and receive input from the CROS Team Leads regarding the impact of changes to their budget and resources.

2.2.2 Research and Quantify

The Cost Analyst with assistance from the PMO, Team Leads and Technical and Business Project Managers research and quantify the costs associated with documented hardware, software, staffing, and contracted resource changes. The result of this process is all the line item costs for the EAWs and the supporting details and documentation needed.

2.2.3 Write Proposed SPR/BCP

The PMO and the Cost Analyst will work as a team to write a Special Projects Repot or Budget Change Proposal based on the current needs of the project.   The EAWs will be revised to align with the proposed changes. The proposed reports will be internally reviewed before presentation according to the CROS Governance Plan.

2.2.4 Review Proposed SPR/BCP

The Team leads review the proposed SPR/BCP to verify information and projections and provide feedback.

2.2.5 Approve Proposed SPR/BCP

The CROS Management Team will review and approve the Proposed SPR/BCP to be moved to the next level of approval according to the CROS Governance Plan.

2.2.6 Approved SPR/BCP

The California Department of Technology will provided approval of the submitted SPR/BCP for the CROS Project.

2.2.7 Adjust Baseline and Projections

Once the approved SPR/BCP is approved, the Cost Analyst will review the approved Economic Analysis Worksheets (EAWs) for integration into the current CROS baseline to create the Adjusted Baseline. Any budget projections will be adjusted based on the approved report.

2.2.8 Communicate New Baseline

The PMO will communicate to the CROS Team the changes that have been approved for the project.

2.3   Confirm/Adjust Current Year Spending Plan

At the beginning of each fiscal year, the project will reconfirm the spending plan for the costs defined in the EAWs and in alignment with the project approach and timeline.
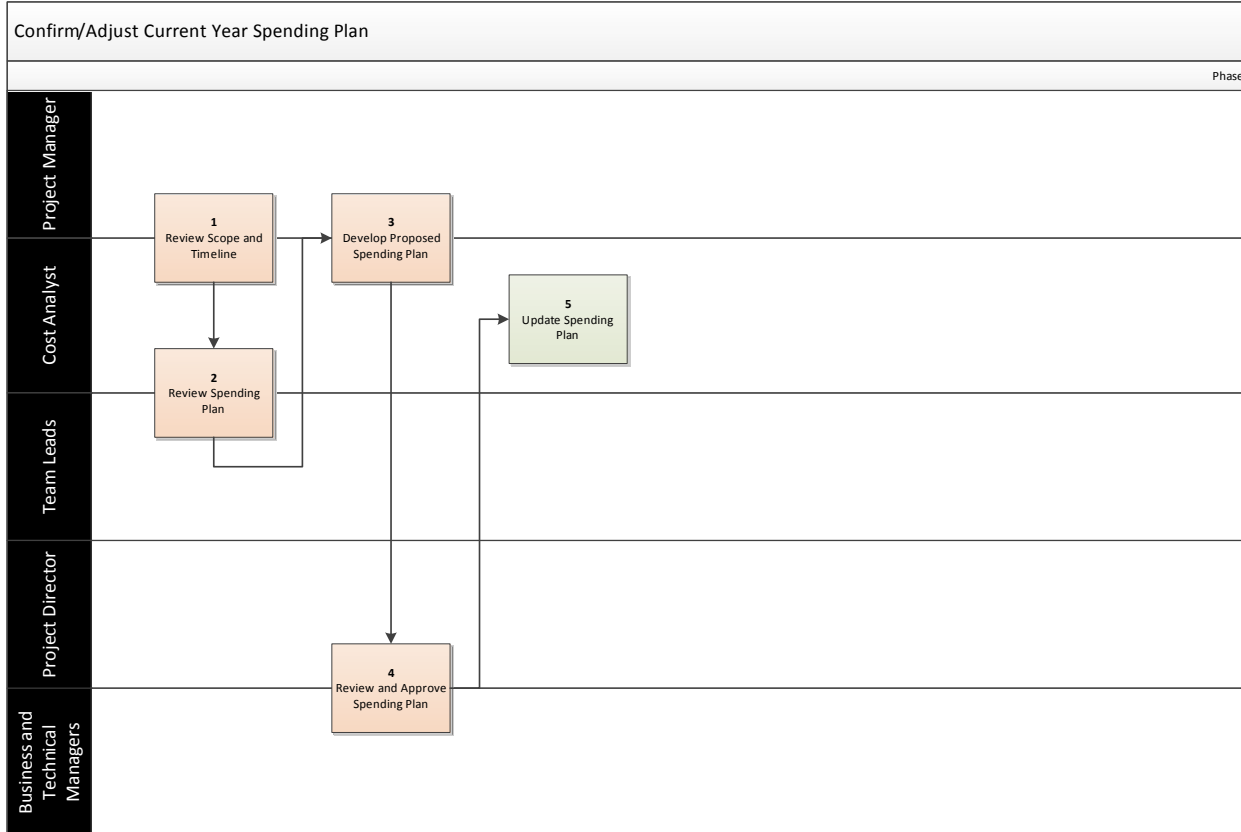
Figure 2 – Confirm/Adjust Current Year Spending Plan

Process Step	Participants	Inputs	Outputs
• 1 – Review Scope and Timeline	• Cost Analyst • Project Manager	• Approved FSR and SPR • BCP, Mini Schedule, Budget Reports • Charter • Economic Analysis Worksheets • Change Control Documents • Schedules	• Details of changes needed • Assumptions • Documented change requests • Completed Resource Request Form

Process Step	Participants	Inputs	Outputs
• 2 – Review Spending Plan	• Cost Analyst • Project Business and Technical Managers • Team Leads	• Unmet Needs	• Supporting documentation • Resource Requests
• 3 – Develop Proposed Spending Plan	• PMO • Cost Analyst • Team Leads	• Resource Requests • Supporting documentation • Timeline changes	• Proposed Spending Plan • Finalized Resource Requests
• 4 – Review and Approve Spending Plan	• Project Director • Business or Technical Project Managers • Project Manager	• Proposed Spending Plan • Resource Requests • Schedules • Charter	• Approved Spending Plan • Action Items • Identified Issues • Identified Risks • Notification to Requestors
• 5– Update Spending Plan	• Cost Analyst	• Approved Spending Plan • Budget Requests • Financial Resource Plan	• Updated Financial Resource Plan • Updated Budget Requests

2.3.1   Review Scope and Timeline

The Cost Analyst reviews the approved BOE budget comparing the previous year's budget to current year.

2.3.2   Review Spending Plan

The Team Leads review the expected costs for their team area for the current fiscal year. These cost projections will be used to analyze impact of budget upon the Parallel Initiatives. The Project Manager and the Cost Analyst meets with each team to review and document current and requested Resource needs as well as financial and resource requests.

2.3.2.1   *Analyze SPR Impact*

The Cost Analyst, in partnership with the Team Leads, analyzes the impact of the approved SPR budget on the projected program costs. The analysis will include alternatives for program costs given SPR restrictions and consequences for exceeding budgeted costs including changes that may trigger the development of a new Special Project Report.

2.3.2.2   *Analyze BOE Budget Impact*

The Cost Analyst, in partnership with the Team Leads, analyzes the impact of the approved BOE budget on the projected program costs. The analysis will include alternatives for program costs given SPR restrictions and consequences for exceeding budgeted costs including the option to request re-allocation of funds within budget categories.

2.3.3   Develop Proposed Spending Plan

The Project Manager and the Cost Analyst will synthesize all the requests and prepare a proposed spending plan for the out of office meeting with the Project Director, Business and Technical Managers, and Team Leads.

2.3.4   Review and Approve Spending Plan

The proposed spending plan will be discussed and requests will be approved, denied, put on hold, or deferred during the out of office meeting. The final plan will be prepared by the PMO and the Cost Analyst.

2.3.5   Update Spending Plan

The Project Director with the Business and Technical Manager will approve the Spending Plan for the year. The Spending Plan will be communicated to Managers and Team Leads for implementation. Changes to program and/or budgets will be documented and stored according to the CROS Document Management Plan.

3. Cost Management

At the beginning of each fiscal year, CROS will receive allocations from BOE as a result of the approved Budget Change Proposal (BCP). During the year, regular analysis alerts the project if changes in allocations or allotments are needed to meet BOE Budget goals. At the end of the fiscal year, all expenditures will be reconciled against both the SPR Economic Analysis Worksheets (EAW) and the BCP based budget.

3.1 Expenditure Tracking

At the beginning of the fiscal year, CROS enters cost projections into the ETP based on known budgets and contractual agreements. The project tracks expenses using SharePoint lists. Expenditures can be initiated by a Team lead or Manager or triggered by an established process, for example, receipt of an approved invoice.
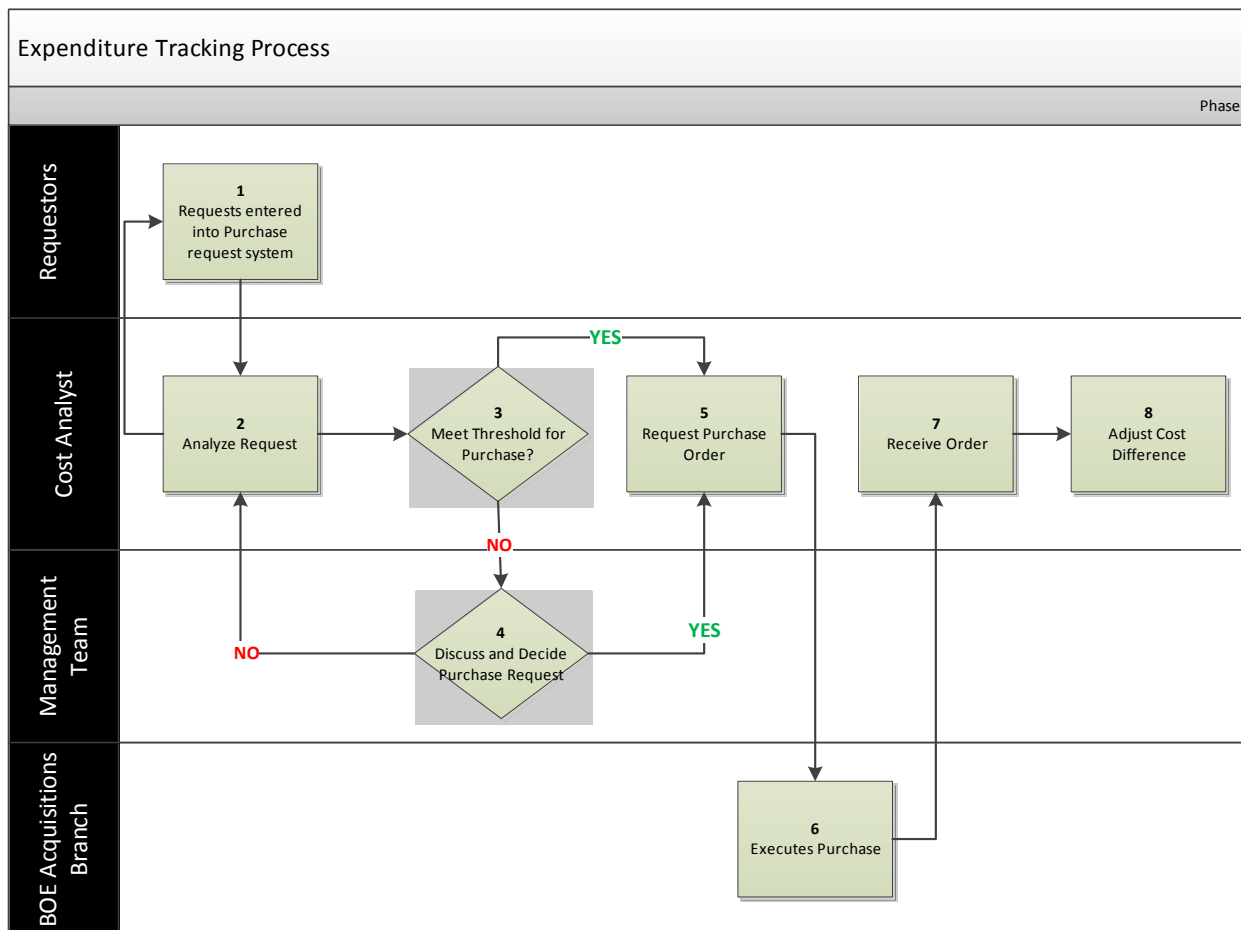

Figure 2 – Expenditure Tracking Process

Process Step	Participants	Inputs	Outputs
• 1 – Request expenditure	• Business or Technical Project Manager • Team Leads • Requestor • Other BOE departments	• Email with request and supporting information	• Purchase Request
• 2 – Analyze request	• Cost Analyst	• Purchase Request • Research • EAW Baseline • BOE Budget • Approved Spending Plan	• Status: Ready for Review Purchase Request • Cost impact • Complete Analysis
• 3 – Meet Threshold for Purchase	• Cost Analyst	• Ready for Review Purchase Request • Cost Management Policies	Disposition of request
• 4 – Discuss and Decide Purchase Request	• Business or Technical Project Managers • Project Manager	• Request to make purchase	• Disposition of Request
• 5 - Request Purchase Order	• Cost Analyst	• Approved Purchase Request	• P.O. Request
• 6 – Execute Purchase	• BOE Acquisition Branch	• P.O. Request	• Purchase Order
• 7 – Receive Order	• Cost Analyst • Admin Staff	• Purchase Order • P.O. Request • Invoice	• Updated Approved Purchase Request • Purchase and Receipt Information
• 8 – Adjust Cost Difference	• Cost Analyst	• Estimates • Invoice • Purchase and Receipt Information	• Updated Approved Purchase Request

3.1.1.1 *Request expenditures*

All requests for expenditures for OE&E must be reviewed and approved by the Project Management Team. Requests can be entered into the Project Request system in the CROS SharePoint system by Managers, Team Leads or Administrative Staff. The request is accompanied by supporting documentation and research completed by the requestor. Requests for expenditures from the Personal

Services category of the CROS budget is detailed in the CROS Human Resource Management Plan.   The process for expenditures resulting from previous decisions is outlined in section 3.1.2 Expenditure Tracking Process for Ongoing Expenses.

3.1.1.2   *Analyze Request*

The Cost Analyst reviews the request, determines if the supporting documentation is sufficient and may conduct additional research. The Cost Analyst reconciles the request to the FSR, latest SPR or BCP, and BOE Standard budget for CROS.   The Cost Analyst determines if the item is a planned or unplanned expenditure, what cost category to charge the expenditure and any other considerations. The request is 'ready for review' when all research is ready for management consideration and documented in the Purchase Request system by the Cost Analyst. Purchase requests that are not in the spending plan are considered unplanned expenditures. Unplanned expenditures are often discovered after the fact from our BOE Accounting reconciliation. Unplanned expenditures will also be analyzed before moving forward with the request.

3.1.1.3   *Meet Threshold for Purchase*

The Cost Analyst reviews the analyzed request to see if the request meets the thresholds for the purchase policy below. If the request meets the threshold, the purchase request will automatically move to the next step. If the request does not meet the threshold, the purchase request will be considered by the Management team at the bi-weekly PM Sync meeting. If the Management Team determines to authorize purchase, the Cost Analyst will request a purchase order. If the management team denies purchase, the Cost Analyst will notify the Requestor.

Policy (2/19/2014): Office supplies under $1,000 are approved automatically. Any item out of the ordinary or close to going over budget will be brought to PM Sync.

Policy: Unplanned expenditures that seem reasonable and can be tied to project and are under $675 will be approved automatically. Any item out of the ordinary or close to going over budget will be brought to PM Snyc.

3.1.1.4   *Discuss and Decide Purchase Request*

The Project Management Team reviews the request and determines approval, denial or on hold. A SharePoint workflow automatically conveys the status update to requestor and the assigned administrative staff.

3.1.1.5   *Request Purchase Order*

The Cost Analyst will initiate the purchase of the item in BOE's Purchasing system. The estimated cost for the item is entered into the ETP. As the expenditure or purchase order moves through the BOE Financial system, the Cost Analyst follows the order until the purchase is received and completed. In addition, approved expenditures are logged in the Purchase Order log. Information recorded in the log include: Date sent to acquisitions, Budget date, PO#, Date of P.O., Vendor, Item description, Date received, Date invoice approved and sent to BOE Accounting, Estimated amount of expenditure, Actual Amount of expenditure, SPR category and BCP category.

3.1.1.6 *Execute Purchase*

The BOE Acquisitions Branch will arrange for the purchase of most OE&E purchase orders. Two exceptions are noted below.

3.1.1.6.1 Travel

 Approved travel expenditures will be procured according the BOE policy as outlined in BEAM 2800.

3.1.1.6.2 Communications

Approved communications services for cell phones and tablets will be paid as presented to BOE Accounting department.

3.1.1.7 *Receive Order*

The assigned staff member will follow the purchase until its receipt at BOE. When the item is received, it is checked for accuracy and the acceptance date is logged into the CROS purchase order system. Information Technology software/subscriptions/warranty purchases are received and tracked by BOE TSD. The Cost Analyst tracks the licenses and ongoing subscriptions to anticipate future purchases and ensure continuity of coverage. In addition, information regarding the purchases of property or software is conveyed to the Property Coordinator and the Systems Coordinator. For more information, see the Inventory Management Process.

3.1.1.8 *Adjust Cost Difference*

Once orders are received, the invoiced amount for the purchase is entered in the tracking system as an actual amount. The Cost Analyst checks the box for 'actual' to verify that the actual cost equals the invoiced amount. Variances are automatically calculated by the system each time a change is made to the tracking system. The Cost Analyst also completes the variance comments section to document the reason for the variance.

Variances for non-prime contractors will have a variance each month based on our method for estimating. Entries for contracts are entered for the entire length of the contract as estimates. The monthly contract estimate is the amount of the total contract divided by the number of months of the contract term. Variances for general office supplies are normally due to BOE Acquisitions ability to secure savings for the project.

3.1.2 **Ongoing Expenditure Tracking**

Expenditures that result from previous decisions made by the Project are also tracked in the Expenditure tracking system.

Expenditure Tracking Process for Ongoing Expenses

Phase
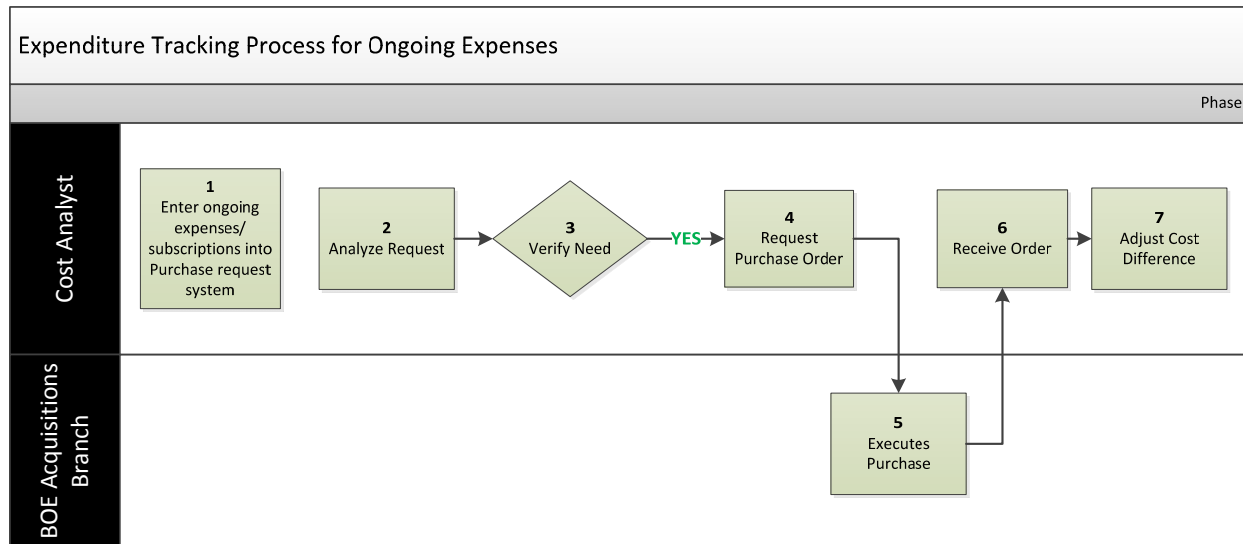
Figure 3: Expenditure Tracking for Ongoing Expenses

Process Step	Participants	Inputs	Outputs
• 1 – Enter Ongoing expenses/subscriptions	• Cost Analyst	• Email with request and supporting information	• Purchase Request
• 2 – Analyze request	• Cost Analyst	• Purchase Request • Research • EAW Baseline • BOE Budget • Approved Spending Plan	• Cost impact
• 3 – Verify Need	• Cost Analyst	• Ready for Review Purchase Request • Cost Management Policies	• Disposition of request
• 4 – Request Purchase Order	• Cost Analyst	• Approved Purchase Request	• P.O. Request
• 5 – Execute Purchase	• BOE Acquisition Branch	• P.O. Request	• Purchase Order
• 6– Receive Order	• Cost Analyst • Admin Staff	• Purchase Order • P.O. Request • Invoice	• Updated Approved Purchase Request • Purchase and Receipt Information

Process Step	Participants	Inputs	Outputs
• 7 – Adjust Cost Difference	• Cost Analyst	• Estimates • Invoice • Purchase and Receipt Information	• Updated Approved Purchase Request

3.1.2.1 *Enter Ongoing Expenses/Subscriptions*

The Cost Analyst enters ongoing expenses into the purchase tracking system based on the purchases made in the past. The types of expenses tracked in this manner include software licenses, software assurance contracts, subscriptions to services, copiers and copier services as well as purchases made by other departments on our behalf (TSD required software allocated to CROS)

3.1.2.2 *Analyze Request*

The Cost Analyst reviews the ongoing expenses, determines if the supporting documentation is sufficient and may conduct additional research. The Cost Analyst reconciles the request to the FSR, latest SPR or BCP, and BOE Standard budget for CROS.   The Cost Analyst determines if the item is a planned or unplanned expenditure, what cost category to charge the expenditure and any other considerations.

3.1.2.3 *Verify Need*

The Cost Analyst will confer with the Project Director, Business or Technical Manager, or Project manager to confirm the need for the ongoing expense. If an ongoing purchase is not needed, the Cost Analyst will ensure that the service is not procured.

3.1.2.4 *Request Purchase Order*

The Cost Analyst will initiate the purchase of the item in BOE's Purchasing system. The estimated cost for the item is entered into the ETP. As the expenditure or purchase order moves through the BOE Financial system, the Cost Analyst follows the order until the purchase is received and completed. In addition, approved expenditures are logged in the Purchase Order log. Information recorded in the log include: Date sent to acquisitions, Budget date, PO#, Date of P.O., Vendor, Item description, Date received, Date invoice approved and sent to BOE Accounting, Estimated amount of expenditure, Actual Amount of expenditure, SPR category and BCP category. The Cost Analyst follows the order and enters additional information about the order until the order is completed.

3.1.2.5   *Execute Purchase*

See description in Section 3.1.1.6

3.1.2.6 *Receive Order*

See description in Section 3.1.1.7

3.1.2.7 *Adjust Cost Difference*

See description in Section 3.1.1.8

3.2 Cost Control and Changes

This process defines how changes and unplanned expenditures in the budget get defined, communicated and reconciled. Variances close to 10% will be will be escalated by the Management Team. Cost control defines how CROS will manage changes in costs; this process involves tracking actual expenditures, comparing planned to actuals and calculating variances.

3.2.1 Reconciliation

3.2.1.1 *Monthly Reconciliation*

Several reports from BOE Accounting are utilized to reconcile costs on the project including: Monthly OE&E Expenditure report and Personal Services report. BOE Technology Services Department (TSD) provides a report on data services utilized each month and the costs associated with the California Department of Technology charges for IPOC and Procurement officials. All reports are one month in arrears.

The Cost Analyst reconciles the reports to the costs documented in the Purchase Tracking system. In addition, the Cost Analyst compiles all the reports into a spreadsheet that tracks all expenditures both paid and encumbered based on BCP categories for the FY. A second analysis takes place to reconcile the accounting reports to the EAW from the latest SPR for the Monthly Expenditures Report.

The Cost Analyst uses the same information to compile required CTA reports. (See section 5)

The CROS Project's monthly financial report is presented monthly to the Management Team by the Administrative Manager.

3.2.1.2 *Yearly Reconciliation of the Project's Financial Books*

The Administrative Manager is responsible for coordinating and performing the reconciliation of the actual expenditures to the approved budget, and working with the BOE Accounting Office to address any issues. Reconciliation includes a comparison of actual to planned expenditures as well as actual expenditures against the approved budget.

3.2.2 Cost Variances

Variances are analyzed by cost item by month and by year end. For variances against the baseline of more than ten percent, the rational for the variance is documented in the associated report and escalated to the Project Management Team. If the variance does not affect the overall project cost baseline, no other actions are required.

Cost Variances

Phase

Cost Analyst	
Project Manager	
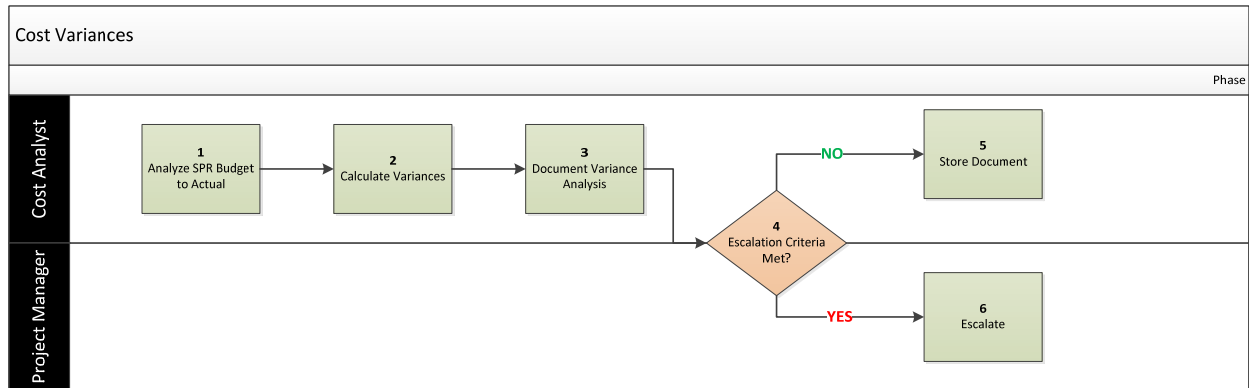
Figure 4 – Cost Variances

Process Step	Participants	Inputs	Outputs
• **1** – Analyze SPR Budget to Actual	• Cost Analyst	• Reports from BOE Budgets, TSD, Purchase Tracking System • SPR 2 • EAW	• Monthly Actuals • Monthly Budgeted • Yearly Actuals • Yearly Budgeted • Life of Project Actuals • Life of Project Budgeted
• **2** – Calculate Variance	• Cost Analyst	• Monthly Actuals • Monthly Budgeted • Yearly Actuals • Yearly Budgeted • Life of Project Actuals • Life of Project Budgeted	• Monthly Variances • Yearly Variances • Life of Project Variances
• **3** – Document Variance Analysis	• Cost Analyst	• Monthly Variances • Yearly Variances • Life of Project Variances	• Variance Report
• **4** – Escalation Criteria Met?	• Project Manager • Cost Analyst	• Variance Report	• Decision regarding Variances
• **5** – Store Documents	• Cost Analyst	• Variance Report	• Variance Report in SharePoint
• **6** – Escalate	• Project Manager	• Variance Report	• Response to Variance Report

3.2.2.1   *Analyze SPR Budget to Actual*

The Cost Analyst collects all of the supporting documentation for the creation of the Monthly Expenditure reports and gathers the variances for the project's monthly, yearly and project lifetime costs.

3.2.2.2   *Calculate Variances*

The Cost Analyst calculates and analyzes the costs and variances associated with the Monthly expenditure reports.

3.2.2.3   *Document Variance Analysis*

The Cost Analyst documents the variances and the reasons why the variances exist. Overall variances by month, year and project lifetime are documented.

3.2.2.4   *Escalation Criteria Met*

The Cost Analyst reports the variances to the Project Manager for a determination of the variance threshold of 10%. Variances over 10% will be treated differently than variances under 10%. If the variance between 5 % to 10% escalate to CROS Project Management Team. If cost impacts greater than $250,00 or variance greater than 10%, escalate to CCB. If cost impacts are greater than $1,000,000 escalate to E.D.

3.2.2.5   *Store Document*

If the variance is under 10%, the variance report is stored according to the CROS Document Management Plan.

3.2.2.6   *Escalate to Management*

If the variance is over 10%, then the Project Manager will escalate the report to Management.

3.3   Expenditure Reports and Metrics

This expenditure reports and metrics section discusses the processes to gather information from the expenditure tracking tool and provide the appropriate data for each report. The costs are reported through several avenues- CROS Dashboard, California Department of Technology monthly status report and Special Project Report (SPR) as required.
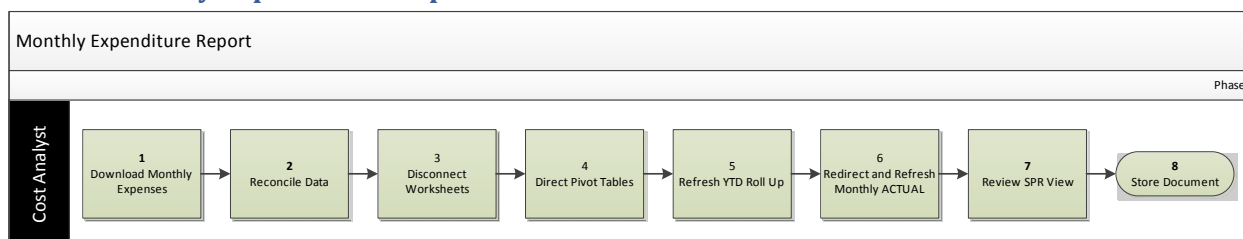
3.3.1   Monthly Expenditure Report

Figure 5- Monthly Expenditure Report

Process Step	Participants	Inputs	Outputs
• **1** – Download Monthly Expenses	• Cost Analyst	• Purchase Tracking System data	• Spreadsheet
• **2** – Reconcile Data	• Cost Analyst	• Spreadsheet • BOE Budgets Section • TSD reports	• Corrected and reviewed data
• **3** – Disconnect Worksheets	• Cost Analyst	• Spreadsheet	• Final spreadsheet
• **4** – Direct Pivot Tables	• Cost Analyst	• Spreadsheet	• Spreadsheet
• **5** – Refresh YTD Roll Up	• Cost Analyst	• Spreadsheet	• Spreadsheet
• **6** – Refresh and Redirect Monthly ACTUAL	• Cost Analyst	• Spreadsheet	• Spreadsheet
• **7** – Review SPR View	• Cost Analyst	• Spreadsheet	• Final Monthly Report
• **8** – Store Document	• Cost Analyst	• Final Monthly Report	

The CROS Project must provide a project Monthly Expenditure Report to California Department of Technology. The expenditures are reported in categories Staff (Salaries & Benefits), Hardware Purchase, Software Purchase/License, Telecommunications, Contract Services, Software Customization, Project Management, Project Oversight, IV&V Services, Other Contract Services, Data Center Services, Agency Facilities, and Other as outlined in the Economic Analysis Worksheet contained in the Special Project Report. The expenditures reported are the total amounts for each category for the project to date.

The Administrative Manager is responsible for coordinating and performing the reconciliation of the actual expenditures to the approved budget, and the actual expenditures to the most current SPR EAW.

At the end of each month, the Cost Analyst creates a report showing the Actual vs Budgeted costs for the month and Fiscal year and Project to date based on the SPR. This report will be provided to the management team for discussion at the next PM sync meeting.

3.3.1.1 *Download monthly expenditures*

The monthly and fiscal year totals are extracted from the Purchase Order Tracking system into an Excel spreadsheet from SharePoint. Each month the Cost Analyst downloads the data based on 'budget month'. The data is put on the sheet in the workbook that corresponds to the correct month.
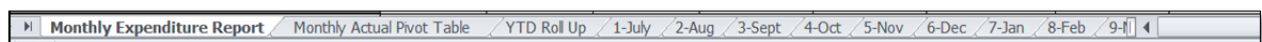

Figure 6 – Monthly Expenditure Report Tabs

3.3.1.2 *Reconcile Data*

The downloaded data is checked for accuracy and reconciled against the original source reports from BOE Budgets Section and TSD reports.

3.3.1.3 *Disconnect worksheets*

When worksheets are downloaded from SharePoint, the two files are connected. Once changes are made for accuracy, the data link between the files should be disconnected to ensure data integrity. In Excel, do to Data>Connections>Remove.

3.3.1.4 *Direct Pivot Tables*

The Monthly Expenditure Workbook is set up to easily organize the information using Pivot tables. A pivot table was created in the spreadsheet that groups the data by BCP and SPR categories. The category data is linked to the corresponding location within the Monthly report. Each month is represented on a separate tab. The pivot tables are set to a 'null' table at the beginning of the fiscal year. As each month is populated with data, the Pivot Table should be directed to the newest data by highlighting the pivot table, going to PivotTable Tools>Options>Change Data Source.

3.3.1.5 *Refresh YTD Roll Up*

Next, the Cost Analyst clicks the YTD Roll Up tab and refreshes the data and checks for accuracy. This refresh automatically populates the front page of the Monthly Expenditure Report.

3.3.1.6 *Redirect and Refresh Monthly Actual*

The Cost Analyst directs the Pivot Table to the actual month needed for the current report. . The Monthly Actual pivot table is set to a 'null' table on its own tab at the end. The Pivot Table should be directed to the newest data by highlighting the pivot table, going to PivotTable Tools>Options>Change Data Source.

3.3.1.7 *Review SPR View*

The Cost Analyst reviews the first tab, the SPR View, of the Monthly Expenditure Report. This page will be the source material for the Department of Technology Monthly Status Report and the CROS Dashboard.

		Current Month			Fiscal Year (YTD)				Overall Project To Date (PTD)			
12		Jul-14			2014-15							
1												
		SPR Monthly Budget	SPR Monthly Actual	SPR Monthly Over/Under	SPR FY Budget per EAWs	SPR YTD Budget 2013-14	SPR YTD Actual 2013-14	SPR YTD Over/Under 2013-14	SPR Project Budget per EAWs	SPR PTD Budget	SPR PTD Actual	SPR PTD Remaining Budget
Fiscal Year 2013-2014												
One-Time IT Project Costs					1 months							
Staff (Salaries & Benefits)		$528,395	$0	$528,395	$6,340,742	$528,395	$0	$528,395	$56,064,309	$9,869,566	$9,341,171	$46,723,138
Hardware Purchase		$4,017	$0	$4,017	$48,200	$4,017	$0	$4,017	$9,932,916	$259,187	$255,170	$9,677,746
Software Purchase/License		$915	$0	$915	$10,982	$915	$0	$915	$17,053,214	$252,473	$251,558	$16,801,656
Telecommunications		$1,927		$1,927	$23,129	$1,927	$0	$1,927	$510,558	$1,927	$0	$510,558
Contracts				$0				$0			$0	
Contract Services - Software Customization		$0		$0	$0	$0	$0	$0	$104,131,750	$0	$0	$104,131,750
Contract Services - Project Management		$19,200	$0	$19,200	$230,400	$19,200	$0	$19,200	$1,902,380	$726,465	$707,265	$1,195,115
Contract Services - Project Oversight		$14,583	$0	$14,583	$175,000	$14,583	$0	$14,583	$1,152,843	$252,210	$237,627	$915,216
Contract Services - IV&V Services		$14,583	$0	$14,583	$175,000	$14,583	$0	$14,583	$3,162,628	$325,181	$310,598	$2,852,030
Contract Services - Other Contract Services		$118,983	$0	$118,983	$1,427,800	$118,983	$0	$118,983	$8,889,349	$2,899,360	$2,780,377	$6,108,972
Total Contracts		$167,350	$0	$167,350	$2,008,200	$167,350	$0	$167,350		$4,203,217	$4,035,867	
Data Center Services		$25,333	$0	$25,333	$304,000	$25,333	$0	$25,333	$1,950,049	$734,583	$709,250	$1,240,799
Agency Facilities		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other		$10,099	$0	$10,099	$121,187	$10,099	$0	$10,099	$1,527,779	$301,526	$291,427	$1,236,352
Total One-Time IT Project Costs		$738,037	$0	$738,037	$8,856,440	$738,037	$0	$738,037	$206,277,775	$15,622,480	$14,884,443	$191,393,332
							Procurement limit				$25,189,174	

Figure 7 – SPR View Monthly Expenditure Report

3.3.1.8 *Store Document*

The Cost Analyst saves the final document in SharePoint in the Budget section of the Project Management Site. A second copy of the final document will be stored in the Work In Progress folder of the PMO SharePoint site for use as the base for the following month's report.

3.3.2 Monthly status report- Department of Technology
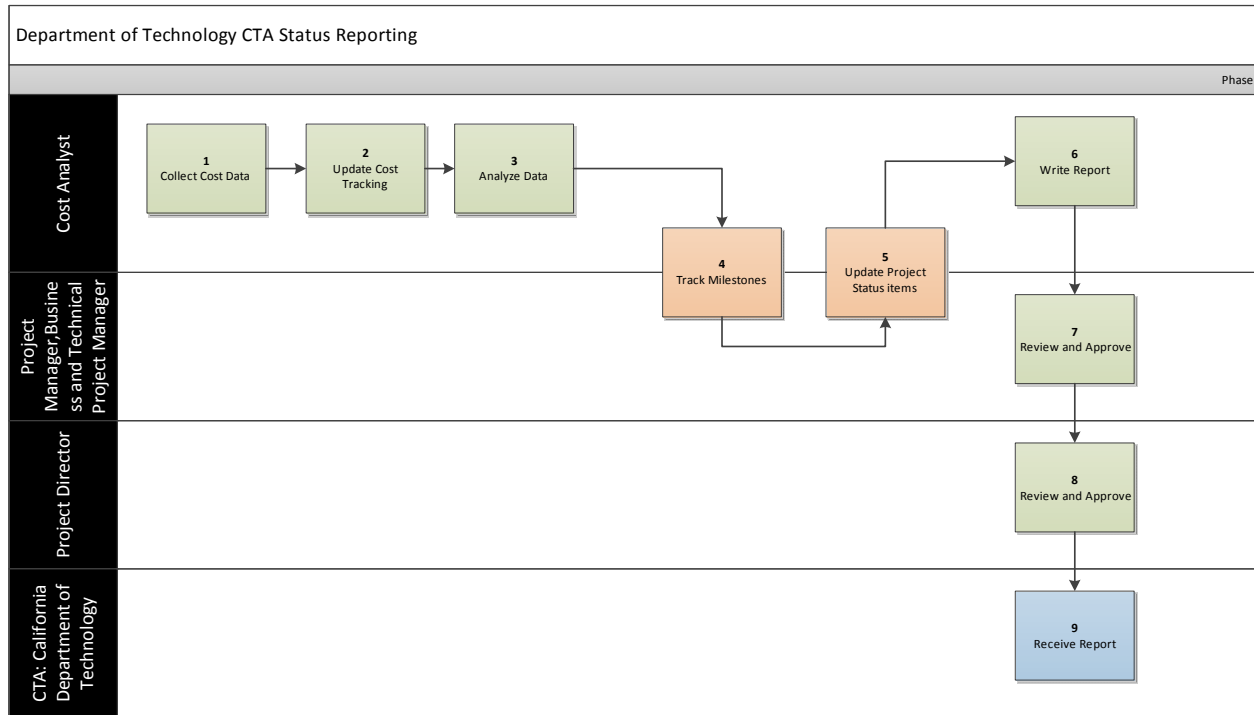
<div align="center">Figure 8 – CTA Status Reporting</div>

Process Step	Participants	Inputs	Outputs
• **1** – Collect Cost Data	• Cost Analyst	• SPR EAWs • TSD Reports • BOE Budget Section Reports • CROS Purchase Tracking System • BOE Board Acquisition Search system	• SPR EAWs • TSD Reports • BOE Budget Section Reports • CROS Purchase Tracking System • BOE Board Acquisition Search system

Process Step	Participants	Inputs	Outputs
• **2** – Update Cost Tracking	• Cost Analyst	• SPR EAWs • TSD Reports • BOE Budget Section Reports • CROS Purchase Tracking System • BOE Board Acquisition Search system	• Updated Monthly Expenditure Report
• **3** – Analyze Data	• Cost Analyst	• Monthly Expenditure Report •	• Monthly Expenditure Report • Variance Report
• **4** – Track Milestones	• Cost Analyst • Project Manager	• Monthly Expenditure Report	• CTA Monthly Status Form •
• **5** – Update Project Status Items	• Cost Analyst • Project Manager	• CTA Monthly Status Form	• Financially complete CTA Monthly Status Form
• **6** – Write Report	• Cost Analyst	• CTA Monthly Status Report	• Complete CTA Monthly Status Reports
• **7** – Review and Approve	• Project Manager • Business and Technical Project Managers	• Complete CTA Monthly Status Reports	• Approved CTA Monthly Status Reports
• **8** – Review and Approve	• Project Director	• Complete CTA Monthly Status Report	• Complete CTA Monthly Status Report
• **9** – Receive Report	• CTA: California Department of Technology	• Complete CTA Monthly Status Reports	• Approved CTA Monthly Status Reports

3.3.2.1   *Collect Cost Data*

The CROS Project is responsible for reporting expenditures to stakeholders and control agencies. In order to accomplish this objective, the project must collect and compute costs incurred by the project. Each month, the expenditures are tracked using the process outlined in 4.0 Expenditure Tracking. Data is collected from the BOE Budgets Section, the BOE Technology Services Division (TSD), and BOE Board Acquisition System (BAS) to ensure that all expenditures are recognized.

3.3.2.2   *Update Cost Tracking*

This is a report of the one-time and continuing expenditures for the project from inception through the current month. The Monthly Expenditure Report is finalized for the current month and used as the

source material. The cost information will be added to the expenditure summary report. The summary report is used to compare the costs vs the SPR totals and calculate the one-time and continuing cost variances for the status report.

3.3.2.3 *Analyze Data*

Before the Monthly status report can be completed, the project costs must be computed for the month and the project schedule must be updated. The schedule tasks must be added or modified and the percentage completed must be updated by the Cost Analyst. The Cost Analyst calculates the variances on the Variance Worksheet. These tasks form the basis for completing cost information for the project reports.

3.3.2.4 *Track Milestones*

Using the Monthly Expenditure Report and the Variance worksheet, the Project Manager, completes the Milestone Tracking section of the Monthly Status Report. The status must be updated monthly for each milestone. If the milestone is delayed, the cause and impact to implementation date must be completed. The date completed is added when a milestone is accomplished. New milestones are added as necessary.

3.3.2.5 *Update Project Status Items*

Using the Monthly Expenditure Report and the Variance worksheet, the Project Manager, completes the Project Status section of the Monthly Status Report. The report includes the following items:

3.3.2.5.1 Percent complete

The percentage complete is updated from the project schedule.

3.3.2.5.2 Current status and accomplishments

This section is updated from procurement status meetings.

3.3.2.5.3 Current status report

This is series of questions regarding changes to project schedule, scope, and resources.

3.3.2.5.4 Variances

Variances in schedule, milestones, deliverables, resources, one-time costs and continuing costs are computed for each element.

3.3.2.5.5 Monitoring vital signs scorecard

The project rates itself based on three variables and point totals are assigned based the answer. (e.g. High-Probability, High impact risks 0 to 3 is 0 points; 4 to 6 is 1 point; >6 is 3 points.)

3.3.2.5.6 Look-ahead view

The report has a series of questions forecasting statuses for the project in the upcoming month.

3.3.2.6 *Write Report*

The status report is completed each month by the PMO staff. It is reviewed and approved by the Project Director and sent to California Department of Technology along with a copy of the project schedule.

The monthly status report is divided into three sections – Executive Project Status, Cost Tracking and Milestone Tracking. Each of the sections is updated each month.

3.3.2.7   *Review and Approve*

The Project Manager, Business or Technical Project Managers review and approve the Monthly Status Report for presentation to the Project Director.

3.3.2.8   *Review and Approve by Project Director*

The Project Director reviews and approves the Monthly Status Report for submittal to Department of Technology.

3.3.2.9   *Receive Report*

The Department of Technology receives the approved report by the 5th of the month.

3.3.3   CROS Dashboard

The CROS Dashboard is a collection of charts that depict the progress of the overall project and the parallel initiatives. The dashboard is a resource for BOE management and project steering committee.
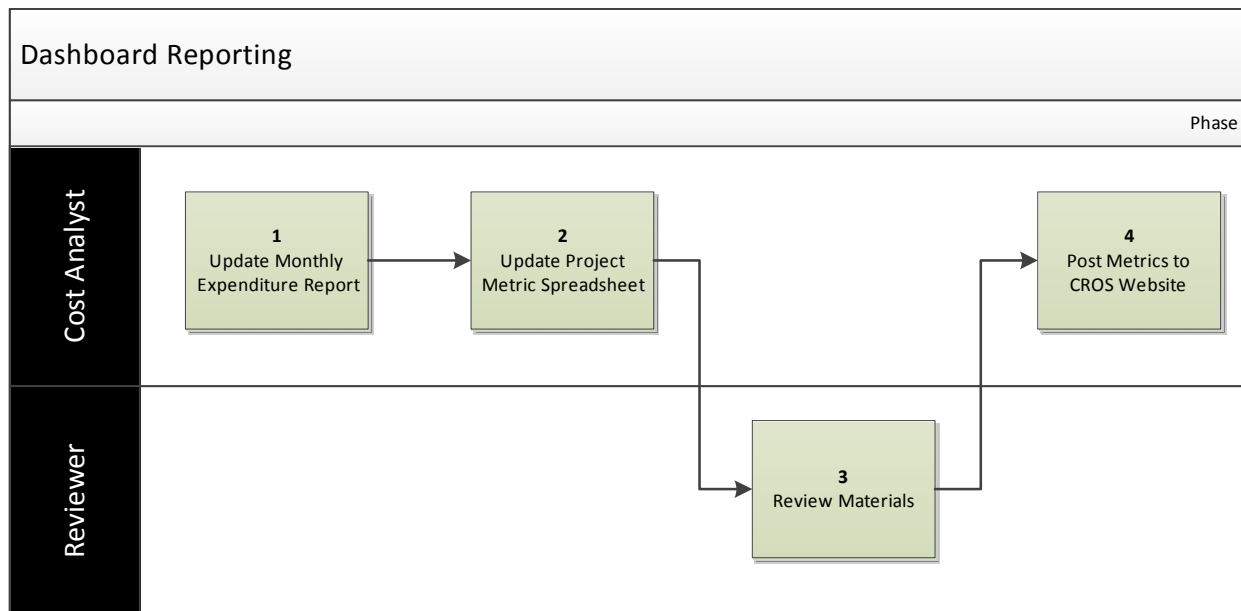
Figure 9 – Dashboard Reporting

Process Step	Participants	Inputs	Outputs
• **1** – Update Monthly Expenditure Report	• Cost Analyst	• Updated Monthly Expenditure Report	• Data for Project Metric Spreadsheet
• **2** – Update Project Metric Spreadsheet	• Cost Analyst	• Data for Metrics	• Metrics for CROS website Dashboard

Process Step	Participants	Inputs	Outputs
• **3** – Review Materials	• Reviewer	• Metrics for CROS Website Dashboard	• Reviewed Metrics for Dashboard
• **4** – Post Metrics	• Cost Analyst	• Reviewed Data for Metrics	• Website Dashboard Updated

3.3.3.1   *Update Monthly Expenditure Report*

Each month, the PMO analyst updates the dashboard from the Monthly Expenditure Report (See Section 5.1) data on the CROS Project Management site.

The Budget Allocation amounts are taken from the totals approved in the current FY CROS BCP. The BOE Budget Section will allocate some of the CROS budget to central accounts to cover items such as facilities. Another portion of the CROS budget will be allocated to other Units for CROS-related costs. The remainder of the CROS budget is allocated to the project on a line item basis. These totals are used by the BOE budget section and provided to CROS on Budget's monthly report. The SPR totals are taken directly from SPR2 or latest approved SPR.

3.3.3.2   *Update Project Metric Spreadsheet*

The Cost Analyst updates the Monthly funding and resources spreadsheet in project metrics library on PMO site with the totals computed from the Monthly Expenditure Report. The spreadsheet is saved and published to SharePoint to update the dashboard. The Project Librarian is responsible for creating a tab for the next month.

3.3.3.3   *Review Materials*

Review the metrics prepared by the PMO Analyst and ensure the data meets the correct standards for publishing on the CROS website dashboard.

3.3.3.4   *Post Metrics*

The CROS Funding Chart as shown below provides the current Fiscal Year costs for the project. It is grouped by Salary allocation and OE&E. The top portion of the chart compares the funding received by the project (Budget Allocation) and the funding requested in the Special Project Report (SPR2). The bottom half has the expenditures for the current month and the Fiscal year to date.

File		View: B_May_2014
	Budget Allocation	**SPR2**
CROS Salary Allocation incl benefits	$6.1M	$6.4M
CROS OE&E Allocation	$2.5M	$2.4M
Indirect Allocation**	$3.2M	N/A
Total FY 13/14 Budget	$11.8M	$8.8M
CROS Expenditures	**For May 2014**	**FY to May 2014**
Salaries incl benefits***	$0.5M	$4.0M
OE&E	$0.2M	$2.0M
Total	$0.7M	$6.0M

* 37.21% Budget Allocation benefits; 45.46% SPR1 benefits
** This total consists of allocation to Program areas, Administation or TSD from the
Budget Allocation (e.g. Facility, Utilities, Travel, Programmers, and Equipment).
*** 45.46% benefits

Figure 10 - Dashboard

3.3.4 Special Project Report

Each month, the Cost Analyst documents in narrative form the significant project expenditures that occurred in the prior month. This information will be used to explain the actual to date costs in addition to the actuals versus budget differences from the last SPR.

At the end of each fiscal year, the narrative will be summarized and placed in a format suitable for the SPR Economic Analysis worksheets (EAWs). This will be discussed in more detail in Section 3.4.5 Cost Reconciliation. The SPR requires a comparison between the actual and proposed cost in the SPR being submitted for approval and the last SPR. This is a reconciliation of your prior and current plans for the project.

3.3.5 Annual Cost Summary

The Cost Analyst is responsible for coordinating the reconciliation of the actual expenditures to the approved budget, and addressing any issues with the BOE Accounting Office. Reconciliation includes a comparison of actual to planned expenditures and actual expenditures against the approved budget.
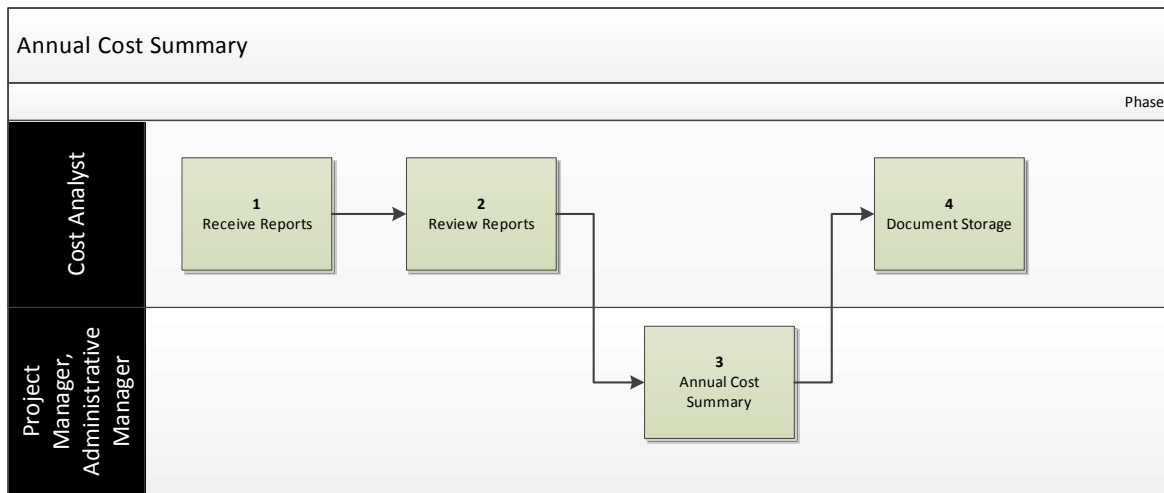

Figure 11 – Annual Cost Summary

Process Step	Participants	Inputs	Outputs
• **1** – Receive Report	• Cost Analyst	• Updated Monthly Expenditure Reports for each month of FY	• Ready for Review Reports
• **2** – Review Reports	• Cost Analyst	• Ready for Review Reports	• Analysis of the FY costs
• **3** – Annual Cost Summary	• Project Manager • Administrative Manager	• Analysis of the FY costs	• Annual Cost Summary
• **4** – Store Documents	• Cost Analyst	• Annual Cost Summary	• Stored Report

3.3.5.1 *Receive Final Reports*

The year will be closed in the month of August after the end of the FY and after receiving BOE Budget Section month 13 reports.   The Cost Analyst will ensure that all relevant data and reports are used to reconcile the year including but not limited to the Purchase Tracking System, BOE Budget Reports, TSD reports, and Consultant Burn reports.

3.3.5.2 *Review Reports*

The Cost Analyst will use the (EAW) comparison report format for the Year-End Review process. The Monthly Expenditure Report will be used for the Monthly Reconciliations that will combine for the year-end review.   The final analysis will be sent to the Project Manager and the Administrative Manager.

3.3.5.3 *Prepare Annual Cost Summary*

At the end of the fiscal year, the Project Manager and Project Administrative Manager summarize the actual hours and costs expended against the baseline for the fiscal year. In addition, a narrative is written to describe the history of the year's purchasing and any variances. The annual summary is archived for historical purposes. Information and lessons learned from the summary will be used in the following year's planning cycle.

3.3.5.4 *Document Storage*

The Cost Analyst will store the document according to the CROS Document Storage Plan in SharePoint.

4. State Budgeting and Accounting

4.1 Budget Planning

The state budget is established on a yearly basis, the funding for the project is only secured for one year at a time. The BOE budget process begins in February of the preceding year with the distribution of the Budget Preparation Schedule, discussions about Budget Concepts and the Budget Change Proposal Guidelines. In March, the Draft Budget Concepts are due to BOE's Budget Change Section and reviewed by the Department Heads Committee. Draft FSR's are also due to the Budget Officer in March. In April, the Final Budget Concepts are reviewed and BOE Board Members are briefed. In May and June, the BCP narratives are written for review and costing and then packaging for the final Executive Management Review. The BCP's are placed on the BOE Board August Agenda in July and Draft SFLs are submitted to the Executive Director for approval for the Board Public Agenda Notice (PAN). Feasibility Study Reports are due to Department of Technology in July. BOE Board of Director decisions from the August meeting will be submitted to the BOE Budget Change Section to prepare for the final Approved BCP decision package to be sent to Department of Finance (DOF). The Budget Change Section responds to DOF questions September through December. In December, Spring Finance Letters are drafted and prepared to be placed on BOE Board's January agenda. BOE submits final BCPs to DOF for inclusion in the Governor's Proposed Budget. Once the Governor signs the Budget, the final approved amount goes to BOE Budgets to allocate to the Units. Some of the CROS budget will be allocated to central accounts to cover items such as facilities. Another portion of the CROS budget will be allocated to other Units for CROS-related costs. The remainder of the CROS budget is allocated to the project on a line item basis.

4.2 Project Concept Approval

The BOE has developed long range business and strategic plans which include a technology component. This project will decrease the tax gap through increasing voluntary compliance, improving customer online services, and improving audit, collection and return processing activities. A key factor to achieving BOE's long range goals is to create an expanded and responsive tax infrastructure by moving to a functional organizational structure and creating a customer-centric automation system. BOE will use a systematic approach to change and be more responsive to the needs of its customers. A new system will allow the BOE to reengineer current program processes, adopt tax administration best practices, and obtain an effective case management system. This will enhance the efficiencies of BOE employees by streamlining and automating current program processes, reducing paper, and providing the ability to work securely anytime and from anyplace. An intuitive and easy to use system will also reduce staff training time and will improve shared access to internal and external data for BOE employees and federal, state, and local tax partners. Obtaining flexible, agile, expandable, and sustainable technology will support program changes that will allow the timely implementation of legislative changes. The replacement of current standalone support systems and utilization of component based architecture of

re-usable and shared services will allow the BOE to grow with new technology. This project will allow the BOE to meet the expectation of all of its customers into future years.[1]

The objectives of this project are outlined below. The BOE expects to meet or exceed these objectives.

A. Develop and deploy an integrated and automated tax/fee system that increases revenue around $190 million per year when the system is fully implemented.

B. Improve service to customers by expanding online services beyond return filing, payments, registration, and request for extensions and relief of penalties. Develop customer centric records which will result in reducing the number of customer contacts to staff.

C. Reengineer and improve program processes by 25% by reducing paper, streamlining manual program processes, automating program processes, and developing an effective case management system.

D. Provide the ability to work securely anytime and from anywhere utilizing the latest mobile devices and allowing real-time information access to field staff and to pass a third party IT security audit.

E. Obtain an intuitive and easy to use system, as measured by reducing system training time from on average six months to three months, the ability to personalize user interfaces and screens and utilize the most current technology.

F. Improve access to data and data sharing to support real-time transaction updates, reduce the number of requests for system fixes by 90% (currently there are over 2,000 help desk tickets), support program generated reports, improve data matching capabilities and improve access to third party data.

G. Obtain flexible and sustainable technology to reduce the time needed to implement legislative changes, allow program to easily change system rules, accept concurrent system changes, reduce standalone support systems and use component architecture of re-useable shared components.[2]

Project Approval is achieved through the development of the Stage 1 Business Analysis and the Feasibility Study Report (FSR). These reports are developed according to the procedures outlined in SIMM.

> "The Statewide Information Management Manual (SIMM) Sections 10 through 80 and Sections 5300 et seq. contain standards, instructions, forms and templates that State agencies **must use** to comply with Information Technology (IT) policy."[3]

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[1] http://insideboe/cros/team/PMO/Project%20Management/_CROS%20SPR2%20December%202013.pdf

[2] http://insideboe/cros/team/PMO/Final/Project%20Charter.pdf

[3] http://www.cio.ca.gov/Government/IT_Policy/SIMM.html

4.3   SPR Development

The project SPR Development is developed using the Department of Technology provided format in the State Information Management Manual (SIMM) sections 28-30. The Project management conducts a needs assessment to determine need for staffing, major equipment, software licensing and OE&E. The development of the SPR is conducted with the help of BOE Budget Section. The SPR and the Budget Change Proposal (BCP) may be developed concurrently.

4.4   Project Estimation Techniques

Extensive research is completed with the assistance of BOE Budgets to prepare project estimates. BOE Budgets Section uses standard costing sheets to determine salaries and benefits, and standard complement items. CROS and BOE Budget Analysts work together to determine appropriate costing for non-standard items. All of this information is utilized in the completion of the SPR. Estimates for new concepts use the same techniques.

All materials used in the development of the EAWs, the narratives, and minutes of project meetings are stored in CROS SharePoint according to the CROS Document Plan.

4.5   Budget Change Proposal (BCP)

The CROS Project develops a Budget Change Proposal (BCP) which requests funding for the concept or initiative described in the approval document. The BCP development process runs concurrently with the SPR Development process. The BCP will articulate the changes needed for the project including both positive costs and negative costs.   A draft of the BCP is presented to the Board Executive Director and the Project Sponsors. If they approve the BCP is presented for approval to the Board of Equalization. If approved, the BCP is submitted to the CA Department of Finance as a part of the regular state budgeting process.

4.6   Budget Hearings and Questions

Once the BOE budget is submitted to the Legislature, Budget hearings take place. Typically, there is a pre-hearing meeting to discuss items of interest for the Legislators. Those in attendance at budget hearings will include the Department Director, BOE Budget Representatives, Department of Finance Principal and Line Analyst, and the BOE Department Directors, including the CROS Project Director.

The BOE Budget Section coordinates any questions regarding the budget proposals, and assists with the budget hearings. Once the Governor's Budget is signed, BOE Budget Section reviews the September Change Book for any change to the requested amounts and allocates the budget to the units. Some of the CROS budget will be allocated to central accounts to cover items such as facilities. Another portion of the CROS budget will be allocated to other Units for CROS-related costs. The remainder of the CROS budget is allocated to the project on a line item basis.

The Project Manager and Project Administrative Manager reviews the allocated budgets against the cost estimates, and adjust the cost baseline, if necessary.

5. Referenced Documents

The following documents are referred to in the Cost Management Plan:

Document/Version	SharePoint Location
CROS Project Management Plan	need to add link
CROS Governance Plan Version 2.0	TBD
Purchase Tracking System	SharePoint>Project Administration>Purchase> Purchase Request SharePoint>Project Administration>Purchases> Purchase Order/Costs Tracking
Monthly Expenditure Reports	SharePoint>Project Administration>Budget>Monthly Expenditures
Project Metric Spreadsheet	SharePoint>PMO>Project Metrics>Resources & Funding
Resource Request Form	SharePoint>Project Administration>Budget>CROS Resource Request Form
Inventory Management Process	need to add link

6. Definitions of Acronyms and Terms

Term/Acronym	Definition
Cost Management	Cost management is the process of planning and controlling the CROS Project's budget. Cost management allows CROS to predict impending expenditures to help reduce the chance of going over budget. When applying it to a project, expected costs are calculated while the project is still in the planning period and are approved beforehand. During the project, all expenses are recorded and monitored to make sure they stay in line with the cost management plan. Monthly, the predicted costs and actual costs can be compared and analyzed, helping future cost management predictions and budgets.
Cash Basis (modified)	An accounting method that recognizes revenues and expenses at the time cash is paid out. Modified - for purposes of cost management on the CROS project, the project will recognize payment at the time the goods/services are incurred.
EAW Cost Categories	The one-time and continuing costs for personal services and OE&E.
Expenditures	Items or services needed for the project including Personal Services and OE&E.
Personal Services	Category of expenditures that includes Salaries & Wages and Staff Benefits of permanent civil service employees, temporary help and overtime.
Operating Expense and Equipment (OE&E)	General expense categories including: Office supplies, Communications, Postage, Travel In State, Travel Out of State, Training, Consultant & Professional Services-External, Information Technology (IT supplies, Software purchases, Software maintenance, PC parts), Equipment, and Other