***<Project Name>*   
Financial Management Plan**

***<Date>***

#### Version History

# *[Provide information on how the development and distribution of the Financial Management Plan was controlled and tracked. Use the table below to provide the version number, the author implementing the version, the date of the version, the name of the person approving the version, the date that particular version was approved, and a brief description of the reason for creating the revised version.]*

| **Version** | **Control No.** | **Date** | **Revision Description** | **Prepared By:** |
| --- | --- | --- | --- | --- |
| Project Financial Management Plan\_v1 |  | <Date> | Initial draft |  |
|  |  |  |  |  |
|  |  |  |  |  |
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***Note to the Author***

[This document is a template of a **Financial Management Plan** document for a project. The template includes instructions to the author, boilerplate text, and fields that should be replaced with the values specific to the project.

* Blue italicized text enclosed in square brackets ([text]) provides instructions to the document author, or describes the intent, assumptions and context for content included in this document.
* Blue italicized text enclosed in angle brackets (<text>) indicates a field that should be replaced with information specific to a particular project.
* Text and tables in black are provided as boilerplate examples of wording and formats that may be used or modified as appropriate to a specific project. These are offered only as suggestions to assist in developing project documents; they are not mandatory formats.

When using this template for your project document, it is recommended that you follow these steps:

1. Replace all text enclosed in angle brackets (e.g.,, <Project Name>) with the correct field values. These angle brackets appear in both the body of the document and in headers and footers. To customize fields in Microsoft Word (which display a gray background when selected):
   1. Select File>Properties>Summary and fill in the Title field with the Document Name and the Subject field with the Project Name.
   2. Select File>Properties>Custom and fill in the Last Modified, Status, and Version fields with the appropriate information for this document.
   3. After you click OK to close the dialog box, update the fields throughout the document with these values by selecting Edit>Select All (or Ctrl-A) and pressing F9. Or you can update an individual field by clicking on it and pressing F9. This must be done separately for Headers and Footers.
2. Modify boilerplate text as appropriate to the specific project.
3. To add any new sections to the document, ensure that the appropriate header and body text styles are maintained. Styles used for the Section Headings are Heading 1, Heading 2 and Heading 3. Style used for boilerplate text is Body Text.
4. To update the Table of Contents, go to “References” and choose the option- “Update entire table.”
5. Before submission of the first draft of this document, delete this “Notes to the Author” page and all instructions to the author, which appear throughout the document as blue italicized text enclosed in square brackets.]

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# Introduction

[The purpose of the Project Financial Management Plan is to ensure the project completes within budget. The plan identifies all the sources and uses of funds. The Agency controls costs by managing the overall picture of financial health. This plan will also do the following:

* *Identify the cost management approach*
* *Identify who is responsible for managing Project costs*
* *Identify who has authority to approve budget changes*
* *Identify the budget change process*
* *Identify metrics to measure performance]*

# Program Financial Framework

*[Discuss the processes used to manage expenses throughout the Component Projects’ lifecycle. In addition to identifying all the sources and uses of funds, discuss how invoices will be reconciled into an overall budget for the Program.*

# Program Costs

*[Refer to the Program Charter, where updates and changes to the Program costs will be captured. Include information regarding cost estimation activities and how budget estimates are derived, budget determination and procedures to establish a baseline budget as well as budget amendments.]*

# Cost Management Approach

*[Explain what cost management approach the Agency will use when managing the Program. What system is used for collecting costs? How are costs allocated to the Program? What are the process steps for managing cost? To what level will the Agency manage costs? Include a link to where daily costs will be tracked in a spreadsheet over the life of the project.]*

# Budget Management Team

*[Identify the key resources for managing the budget at the Program and Component Project level. The table below includes sample roles; the Agency should tailor them as appropriate for its use. Define the roles and responsibilities including ownership for review and approval of all project expenses; review of the budget tracking system details; and, daily project financial management.]*

|  |  |  |  |
| --- | --- | --- | --- |
| **Budget Role** | **Budget Resource Name** | **Department** | **Budget Authority** |
| Program Budget Manager |  |  |  |
| Project Budget Manager |  |  |  |
|  |  |  |  |
|  |  |  |  |

# Metrics Collection and Action Plans

*[Document the approach and metrics to be collected when measuring the budget activity. Typically, earned value management metrics are used here. Document any action plans developed as a result of the metrics and document them in appropriate status reports. All metrics will be collected in an executive-level dashboard and presented at appropriate stakeholder meetings or at Critical Panel Review meetings. Not only should these metrics be captured at the Component Project level, but also at the overall Program level. Examples include:*

* *Cost Variance (CV)*
* *Cost Performance Index (CPI)*
* *Schedule Performance Index (SPI)*
* *Budget versus Actual by quarter]*

| **Performance Measure** | **Green** | **Yellow** | **Red** |
| --- | --- | --- | --- |
| Cost Performance Index (CPI) / Schedule Performance Index (SPI) | Between 0.91 and 1.0  **Action: do nothing** | Between 0.9 and 0.8 or Between 1.1 and 1.2  **Action: develop monitoring and mitigation action plan** | Less than 0.8 or Greater than 1.2  **Action: invoke mitigation plan, prepare budget change request, and/or assess Components causing issue and determine resolution (more funds or cancel)** |
| Budget versus Actual by Quarter | Less than 5% variance (negative)  **Action: do nothing** | Greater than 5% negative variance and Less than 10% negative variance  **Action: develop monitoring and mitigation action plan** | Greater than or equal to 10% negative variance  **Action: invoke mitigation plan, prepare budget change request, and/or assess Components causing issue and determine resolution (more funds or cancel)** |

# Budget Change Request Process

*[Document the budget change request process. Typically, budget change requests follow the normal change request process.]*

# Appendices

*[Use the Program Financial Management Plan Change Control Log Template to build a separate document to maintain all Plan changes. Also include any Program-related acronyms in the acronym list.]*

## Program Financial Management Plan Change Control Log

*[Record the significant changes to the Program Financial Management Plan here cross referenced to all impacted Program-level artifacts. Document the change / version number and summary of the Program’s Financial Management Plan changes in the Publication Version Control table in the front of this document. Use this as a template in a separate document. Typically, the Steering Committee approves the changes.]*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Change /  Version No.** | **Date Change Approved** | **Description** | **Impacted Supporting Document(s)** | **Supporting Document Change / Version No.** | **Approved By** |
|  |  |  |  |  |  |
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## Acronyms

*[Consider compiling in the appendices a table of terms used throughout this document that may require definition or clarification for individuals unfamiliar with the Program. Adapt the standard list below if these terms are not used in this document.]*

|  |  |
| --- | --- |
| **Acronym** | **Description** |
| CBA | Cost Benefit Analysis |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
| PgM | Program management |
| PM | Project Manager |
| PMO | Project Management Office |
| PMI | Project Management Institute |
| ROI | Return on Investment |
| SoG | State of Georgia |