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Manage project cost

Assessment 6 of 7

Project: Project 5

Sales and marketing team Kick off event

Version 1.0

Assessment Details

Task overview

This assessment task is divided into two (2) parts:

- Part A – Resolve cost variations and analyse possible solutions (project)
- Part B – Monitor and manage project costs (project)

Read the case study and complete each part.

Additional resources and supporting documents

To complete this assessment, you will need the following:

- BD001 Business Plan
- Sales and Marketing Team Kick-Off Event Project Budget (from your assessment submission in Task 5, Part B)

Assessment Information

Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

> the processes for conducting the assessment (e.g. allowing additional time)
> the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.

🌲 Please consider the environment before printing this assessment.

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Task instructions (for the student) Part A: Resolve cost variations and analyse possible solutions

Read the e-mail from Trish Gibbon and the table of project costs and complete the following steps.

To:	Evan Pierce (Evan.pierce@cbsa.com.au)
From:	Trish Gibbons (trish.gibbons@cbsa.com.au)
Date/time:	Monday 10:15 a.m.
Subject:	Updated project costs Sales and Marketing Team Kick-Off Event
Attachments:	Table of project costs.docx

To Evan,

I just received a few proforma and invoices from various product and service providers for the Sales and Marketing Team Kick-Off Event project.

I'm forwarding them to you in the attached table for your information.

Can you please refer to the cost management plan, monitor the project costs, update the budget, and resolve the cost variations?

Analyse the possible solutions and alternatives and e-mail the updated project budget with your suggestions to Gavin Stead for approval. Report your latest project costs in the e-mail.

Please don't hesitate to contact me if you need more information.

Kind regards,

Trish Gibbons

Accounts Officer

300 Fictional Way, Sydney, NSW 2000

Phone: 1800 111 222

www.cbsa.com.au

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ATTACHMENT BELOW:

- *Table of project costs.docx*

Updated projected costs	
Booking, Equipment fee	$500.00
Venue and equipment hire (to be paid)	$30,000+10% GST
Catering (to be paid)	$15,000+10% GST
Keynote Speaker 1 is asking for	$3,000
Speaker's *(upgraded)* travel and accommodation (to be paid)	$3,200
Project Staff support materials (to be paid)	$800

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Steps

Based on the case study e-mail information, complete the following steps.

1. In **Assessment Task 5, Part B: Develop project budget,** you developed a Sales and Marketing Team Kick-Off Event Project Budget. Review the information provided above and update the budget you developed to show the actual and difference in expenses.

2. Analyse the variances in the budget to determine if the costs are in the 10% tolerance range or if an additional budget is needed.

3. Amend the CBSA Project Cost Management Plan (completed in Assessment 5) to estimate the costs within agreed tolerances and management costs for the Sales and Marketing Team Kick-Off Event

4. Take into account the variations in outgoing expenditure and any changes that may need to be made in income from vendors' fees.

5. Complete the following **e-mail template** to e-mail Gavin Stead an update on the project budget and explain the possible causes of the variances and possible solutions (if required) to address the variance.

   Approximate word count: 140 to 160 words

   Your assessor will be looking to see if you have used the following:

   - appropriate language for the e-mail
   - correct spelling, punctuation and grammar

To:	
From:	
Date/time:	
Subject	

Salutation

E-mail body

Student name

300 Fictional Way, Sydney, NSW 2000

Phone: 1800 111 222

www.cbsa.com.au

Submission instructions

Submit your assessment via the LMS.

Assessor instructions Part A: Resolve cost variations and analyse possible solutions

Purpose of task

This assessment is designed to ensure students demonstrate their skills and knowledge to monitor and manage cost variations.

Students must demonstrate their theoretical knowledge to meet the knowledge requirements of the unit of competency, including the ability to update the budget and recommend solutions.

Guidance to the assessor about the task

There is no due submission date for this task. Students may submit this task when they are ready.

Benchmark responses for the assessments have been provided.

The student must use the Project Budget Template provided to update the Project Budget Details. The student must use the information provided in the e-mail attachment and update the project budget. Students will use the budget developed in Assessment Task 5, Part B: Develop project budget to update the project budget details, including the actual and differences. The following information must be updated in the budget:

Booking, Equipment fee	$500.00
Venue and equipment hire (to be paid)	$30,000+10% GST
Catering (to be paid)	$15,000+10% GST
Keynote Speaker 1 is asking for	$3,000
Speaker's *(upgraded)* travel and accommodation (to be paid)	$3,200
Project Staff support materials (to be paid)	$800

An example of the budget is provided below:

<table>
<tr><td colspan="10" align="center">SALES AND MARKETING TEAM KICK-OFF EVENT PROJECT BUDGET</td></tr>
</table>

Project Budget Details

Project Name	Sales and Marketing Team Kick-Off Event project
Project Lead	Gavin Stead – MD CBSA
Start Date	May 20??
Total Budget	$67,048.00
Actual	$74,448.00
Difference	$ 7,400.00

Budget Breakdown

WBS level	Task	Labour		Physical resources		Budget	Actual	Difference
		Hr	Rate	Materials	Products			

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1.	**Project Staff** Assign Project officer and admin staff x 4 weeks. Engage staff • Staff • Admin • Materials • Products	PO $45p/h Admin $29 p/h	PO $6,840 Admin $4,408	$400	$800	$12,448	$12,448	$0
2.	**Venue** Get 3 quotes – decide Book venue, equipment, arrange catering • Venue • Catering • Booking, Equipment fees • Cleaning	Covered in row 1	Covered in row 1	$0	$0	$30,000 + $15,000	$33,000.00 + $16,500 + $500 + $350	+$5,350
3.	**Speaker** Decide topics Arrange speaker Brief speaker Travel and accommodation • Speaker • Travel, accommodation	Covered in row 1	Covered in row 1	$0	$0	$2,000 + $3,000	$3,000 + $3,200	+$1,200
4.	**Marketing** Decide marketing strategies Develop promotional materials Implement marketing communications • Materials • Products	Covered in row 1	Covered in row 1	$600	0	$600	$1,800	$1,200
5.	**Registration** Prepare Sales and Marketing Team	Covered in row 1	Covered in row 1	$2,500	$1,500	$4,000	$4,000	0

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	Kick-Off Event materials Create registration process Process registrations • Materials • Products								
							Totals	$67,048.00	$74,448.00	$7,400.00

The student must write an e-mail to Gavin Stead and:

▪ Use the CBSA e-mail template.

▪ Address it to the appropriate persons, i.e. Gavin Stead.

▪ Include a suitable subject heading, e.g. request new project budget approval.

▪ Outline the purpose of the e-mail.

▪ Include only relevant information and any action to be taken.

▪ Use appropriate language for information communicated to a manager, e.g. polite, respectful, clear and short.

Suggest actions to resolve variations. The focus of feedback must include an analysis of the venue, speaker and marketing.

The student must amend the Project Cost Management Plan to show changes needed to meet the Project Cost Management targets. The project budget will vary depending on the proposed amounts.

An example is provided below:

Project Cost Management Plan

Project Name	Sales and Marketing Team Kick-Off Event

Introduction
Outline the purpose of the cost management plan in relation to the project
	The student outlined the purpose of the cost management plan in relation to the project.
	For example:
	• It provides the details of how the project costs will be estimated, tracked, and controlled; or
	• The cost management plan states the estimating, budgeting and controlling of costs throughout the project life cycle, with the objective of keeping expenditures within the approved budget; or
	• This Cost Management Plan has been developed to ensure effective and efficient cost management of the Sales and Marketing Team Kick-Off Event:
	   – outlines the costs of the project
	   – describes factors that could increase costs
	   – describes cost control procedures.

Resource requirements Identify the major resources requirements	The student identified the major resource requirements to assist with cost estimation. This must include WBS task resources, including: • Project staff

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identified in the CBSA Project Budget	• Venue, equipment, catering • speaker and associated materials • registration software and processing • marketing promotions costs – digital marketing and printed materials • Event materials	
Major project costs Outline the budget for the project using the following table	**Projected costs**	
	Project staff PO and Admin	$12,448
	Venue and equipment hire	$33,000.00
	Booking, Equipment fee	$500.00
	Catering	$16,500.00
	Speaker fees – keynote x 1	$3,000
	Speaker travel	$3,200
	Marketing Promotions	$1,800
	Set up the event registration process	$4,000
	TOTAL	$74,448
Income (Vendor Registration fee) to meet profit margin target (considering project variance)	Vendor Registration fee 50 x $A = $B $B – (expenditure) $C = $D $D is E% profit of C$ E% – 10% (project variance) >= 30% profit Vendor Registration fee 50 x $1,971.01 = $99,880.34 minus expenditure of $75,098.00 = $24,782.34, which is 33 % profit allowing for 10% project variance, giving 30% profit.	
Potential causes of increases in costs List **three** potential costs that could increase and the reason for the increase in cost.	The student must list three potential costs that could increase and the reason for the cost increase. Any three of the following are acceptable: • Air travel, car travel, accommodation, marketing cost charges, and printing costs increased by the vendor • Speakers' fees, e.g., the speaker declines the $2,000 fee offered and seeks higher fees. • Marketing promotions are higher than anticipated. • Outside contractors are required to assist with the event effort. • Registration software is higher than expected. • Additional items are added to the event program.	
Project cost control procedures	Source: https://www.ecosys.net/knowledge/project-cost-management/ (accessed 13 November 2020).	

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Describe cost control management processes that will be followed.	**1. Project Resource Planning**
	Resource planning is the process of identifying the resources required to execute a project and take it to completion. Examples of resources are people (such as employees and contractors) and equipment (such as infrastructure, large construction vehicles and other specialised equipment in limited supply).
	Resource planning is done at the beginning of a project before any actual work begins.
	To get started, project managers first need to have the work breakdown structure (WBS) ready. They need to look at each subtask in the WBS and ask how many people, what kind of skills are needed to finish this task, and what sort of equipment or material is required to finish this task.
	By adopting this task-level approach, it becomes possible for project managers to come up with an accurate and complete inventory of all resources, which is then fed as input into the next step of estimating costs.
	2. Cost Estimation
	Cost estimation is the process of quantifying the costs associated with all the resources required to execute the project. To perform cost calculations, we need the following information:
	• resource requirements (output from the previous step)
	• price of each resource (e.g., staffing cost per hour, vendor hiring costs, server procurement costs, material rates per unit, etc.)
	• the duration that each resource is required
	• list of assumptions
	• potential risks
	• past project costs and industry benchmarks, if any
	• insight into the company's financial health and reporting structures.
	3. Cost Budgeting
	Cost budgeting can be viewed as part of estimation or as its own separate process. Budgeting is the process of allocating costs to a certain chunk of the project, such as individual tasks or modules, for a specific time period. Budgets include contingency reserves allocated to manage unexpected costs.
	4. Cost Control
	Cost control is the process of measuring cost variances from the baseline and taking appropriate action, such as increasing the budget allocated or reducing the scope of work, to correct that gap. Cost control is a continuous process done throughout the project lifecycle. The emphasis here is as much on timely and clear reporting as measuring.
	Along with the cost baseline, the cost management plan is an essential input for cost control. This plan contains details such as how project performance will be measured, what is the threshold for deviations, what actions will be taken if the threshold is breached, and the list of people and roles who have the executive authority to make decisions.
	OR
	Project costs will be controlled as follows:
	Costs will be monitored on a weekly basis.

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Variation rate	Action
0–5%	Report variance and explanation of the cause
5–20%	Further commitment to additional costs must be approved by the project manager
20–45%	Further commitment to additional costs must be approved by the senior management team
45% plus	The project must be stopped and reconsidered

Where a cost variation is considered, the project cost management plan is to be updated.

Complete the table below to show allowable variations in costs and approval requirements.

Cost variation	Approval requirements
Increase the cost of interstate travel	Gain approval from the managing director if over $200.00
Increase the cost of catering	Lock in price with the venue in agreement Gain approval from the managing director if over $200.00
Increase the cost of accommodation	Get an agreed price in writing Book in advance to lock in the price
Speakers cost increase	Get an agreed price in writing Book in advance to lock in the price
Printing costs	Get an agreed price in writing Book in advance to lock in the price Seek alternative printers

For example, potential issues relating to the venue (e.g. budget variances are still within the agreed 10% tolerance), keynote speaker are over, so the budget will need to be changed, or an acceptable response would be to find an alternative keynote speaker who may agree to be paid $2,000 each).

An example e-mail to Gavin Stead is provided below:

Hi Gavin

I would like to provide an update about the recent project expenditures received from our product and service providers.

- We assumed the quoted prices were GST-inclusive, and we need to settle the rest of the payment, and their contracts indicate prices are GST-exclusive.
- The venue and catering service's actual cost is increased by 10%, taking into account GST.

Review all evidence and mark using the assessment checklist and assessment marking criteria.

Marking criteria Part A: Resolve cost variations and analyse possible solutions

Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part A: Resolve cost variations and analyse possible solutions		
1.	Updated Sales and Marketing Team Kick-Off Event Project Budget with actual and difference costs (attachment)	☐
2.	Updated CBSA Project Cost Management Plan	☐
3.	E-mail to Gavin Stead	☐

Assessment marking criteria

Assessor instructions: All sections must be completed. Refer to the template for sample answers and benchmarks.

The evidence submitted demonstrates that the student has satisfactorily (S) covered the following criteria, or the evidence is not yet satisfactory (NYS) and requires resubmission.

MARKING CRITERIA	Satisfactory [S]	Not Yet Satisfactory [NYS]
1. The student updated the project budget, including: • Actual expenses • Differences column was completed to identify the difference between the budget and actual	☐ S	☐ NYS
2. The student updated the cost management plan using **the CBSA Project Cost Management Plan,** including: • Revising estimated project costs for the project budget prepared within agreed variations • developed according to the scope of responsibility using the CBSA template	☐ S	☐ NYS
3. The student completed the CBSA e-mail to provide information to Gavin Stead, including: • used the CBSA e-mail template • provided an update on the project budget • explained the variances and possible solutions (if needed) to address the variance • used appropriate language, spelling, punctuation and grammar	☐ S	☐ NYS

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Task instructions (for the student) Part B: Monitor and manage project costs

Case study: The Sales and Marketing Team Kick-Off Event finished yesterday, and you have received the following e-mail. Read the e-mail and complete the following steps.

	To:	Evan Pierce (Evan.pierce@cbsa.com.au)
	From:	Trish Gibbons (trish.gibbons@cbsa.com.au)
	Date/time:	Friday 10:15 a.m.
	Subject:	Updated project costs Sales and Marketing Team Kick-Off Event
	Attachments:	Table of project costs.docx

To Evan,

I received a cleaning invoice from the venue manager indicating the cleaning service provided during and after the event.

In addition to the initial agreed fee, they are charging us an additional $350 for professional carpet cleaning due to various stains from spilt coffee and drinks.

You will also see new charges for Registration material and products.

You can find attached the table with additional information about the Sales and Marketing Team Kick-Off Event project costs.

Please don't hesitate to contact me if you need more information.

Kind regards,

Trish Gibbons

Accounts Officer

300 Fictional Way, Sydney, NSW 2000

Phone: 1800 111 222

www.cbsa.com.au

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ATTACHMENT BELOW:

▪ *Table of project costs.docx*

Actual costs	
Venue cleaning (to be paid)	$350
Registration material and product $2,500 and $2,000	$4,500

Steps

Review the e-mail and actual costs.

1. In Part A, you updated the Sales and Marketing Team Kick-Off Event Project Budget. Analyse the information received and update the Sales and Marketing Team Kick-Off Event Project Budget with the actual difference in expenses.

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2. Amend the CBSA Project Cost Management Plan to estimate the costs within agreed tolerances and management costs for the Sales and Marketing Team Kick-Off Event

3. Take into account the variations in outgoing expenditure and any changes that may need to be made in income from vendors' fees.

4. Analyse the variances in the budget to determine if the costs are in the tolerance range or if an additional budget is needed. Then, complete the following **e-mail template** to e-mail Gavin Stead to provide the updated project budget with an explanation of the variances and possible solutions (if required) to address the variance.

Approximate word count: 100 to 150 words

Your assessor will be looking to see if you have used the following:

- appropriate language for the e-mail
- correct spelling, punctuation and grammar

Your assessor will be looking to see if you have used the following:

- appropriate language for the e-mail
- correct spelling, punctuation and grammar

To:	
From:	
Date/time:	
Subject	

Salutation

E-mail body

Student name

300 Fictional Way, Sydney, NSW 2000

Phone: 1800 111 222

www.cbsa.com.au

Submission instructions

Submit your assessment via the LMS.

Assessor instructions Part B: Monitor and manage project costs

Purpose of task

This assessment is designed to ensure that students demonstrate their skills and knowledge to monitor and manage cost variations.

Students must demonstrate their theoretical knowledge to meet the knowledge requirements of the unit of competency, including the ability to update the budget and recommend actions.

Guidance to the assessor about the task

There is no due submission date for this task. Students may submit this task when they are ready.

The student must update the project budget from Part A and make the following changes as a result:

Actual costs	
Venue cleaning (to be paid)	$350
Registration material and product $2,500 and $2,000	$4,500

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An example project budget template is provided below:

SALES AND MARKETING TEAM KICK-OFF EVENT PROJECT BUDGET

Project Name	Sales and Marketing Team Kick-Off Event project
Project Lead	Gavin Stead – MD CBSA
Start Date	May 20??
Total Budget	$67,048.00
Actual	$ 74,448.00
Difference	$ 7,400.00

Budget Breakdown

WBS level	Task	Labour		Physical resources		Budget	Actual	Difference
		Hr	Rate	Materials	Products			
1.	**Project Staff** Assign Project officer and admin staff x 4 weeks. Engage staff • Staff • Admin • Materials • Products	PO $45p/h Admin $29 p/h	PO $6,840 Admin $4,408	$400	$800	$12,448	$12,448	$0
2.	**Venue** Get 3 quotes – decide Book venue, equipment, arrange catering • Venue • Catering • Booking, Equipment fees • Cleaning	Covered in row 1	Covered in row 1	$0	$0	$30,000 + $15,000	$33,000.00 + $16,500 + $500	+$5,000.00
3.	**Speaker** Decide topics Arrange speaker Brief speaker	Covered in row 1	Covered in row 1	$0	$0	$2,000 + $3,000	$3,000 + $3,200	+$1,200

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	Travel and accommodation • Speaker • Travel, accommodation						
4.	**Marketing** Decide marketing strategies Develop promotional materials Implement marketing communications • Materials • Products	Covered in row 1	Covered in row 1	$600	$0	$600	$1,800	+$200
5.	**Registration** Prepare Sales and Marketing Team Kick-Off Event materials Create registration process Process registrations • Materials • Products	Covered in row 1	Covered in row 1	$2,500	$1,500	$4,500	$4,500	$0
				Totals	$67,048.00	$74,448.00	$7,400.00

Project Cost Management Plan

Project Name	*Sales and Marketing Team Kick-Off Event*
Introduction Outline the purpose of the cost management plan in relation to the project	*The student outlined the purpose of the cost management plan in relation to the project.* *For example:* • *It provides the details of how the project costs will be estimated, tracked, and controlled; or* • *The cost management plan states the estimating, budgeting and controlling of costs throughout the project life cycle, with the objective of keeping expenditures within the approved budget; or*

	This Cost Management Plan has been developed to ensure effective and efficient cost management of the Sales and Marketing Team Kick-Off Event: – *outlines the costs of the project* – *describes factors that could increase costs* – *describes cost control procedures.*
Resource requirements Identify the major resources requirements identified in the CBSA Project Budget	*The student identified the major resource requirements to assist with cost estimation. This must include WBS task resources, including:* • *Project staff* • *Venue, equipment, catering* • *speaker and associated materials* • *registration software and processing* • *marketing promotions costs – digital marketing and printed materials* • *Event materials*

Major project costs Outline the budget for the project using the following table	**Projected costs**	
	Project staff PO and Admin	$12,448
	Venue and equipment hire	$33,000.00
	Booking, Equipment fee	$500.00
	Cleaning	$350.00
	Catering	$16,500.00
	Speaker fees – keynote x 1	$3,000
	Speaker travel	$3,200
	Marketing Promotions	$1,800
	Set up the event registration process	$4,000
	TOTAL	$75,098

Income (Vendor Registration fee) to meet profit margin target (considering project variance)	Vendor Registration fee 50 x $A = $B $B – (expenditure) $C = $D $D is E% profit of C$ E% – 10% (project variance) >= 30% profit Vendor Registration fee 50 x $2,084.54 = $104,227.20 minus expenditure of $74,448.00 = $29,779.20, which is 40 % profit allowing for 10% project variance, giving 30% profit.
Potential causes of increases in costs	The student must list three potential costs that could increase and the reason for the cost increase.

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List **three** potential costs that could increase and the reason for the increase in cost.	Any three of the following are acceptable:
	• Air travel, car travel, accommodation, marketing cost charges, and printing costs increased by the vendor
	• Speakers' fees, e.g., the speaker declines the $2,000 fee offered and seeks higher fees.
	• Marketing promotions are higher than anticipated.
	• Outside contractors are required to assist with the event effort.
	• Registration software is higher than expected.
	• Additional items are added to the event program.
Project cost control procedures Describe cost control management processes that will be followed.	Source: https://www.ecosys.net/knowledge/project-cost-management/ (accessed 13 November 2020). **1. Project Resource Planning** Resource planning is the process of identifying the resources required to execute a project and take it to completion. Examples of resources are people (such as employees and contractors) and equipment (such as infrastructure, large construction vehicles and other specialised equipment in limited supply). Resource planning is done at the beginning of a project before any actual work begins. To get started, project managers first need to have the work breakdown structure (WBS) ready. They need to look at each subtask in the WBS and ask how many people, what kind of skills are needed to finish this task, and what sort of equipment or material is required to finish this task. By adopting this task-level approach, it becomes possible for project managers to come up with an accurate and complete inventory of all resources, which is then fed as input into the next step of estimating costs. **2. Cost Estimation** Cost estimation is the process of quantifying the costs associated with all the resources required to execute the project. To perform cost calculations, we need the following information: • resource requirements (output from the previous step) • price of each resource (e.g., staffing cost per hour, vendor hiring costs, server procurement costs, material rates per unit, etc.) • the duration that each resource is required • list of assumptions • potential risks • past project costs and industry benchmarks, if any • insight into the company's financial health and reporting structures. **3. Cost Budgeting** Cost budgeting can be viewed as part of estimation or as its own separate process. Budgeting is the process of allocating costs to a certain chunk of the project, such as individual tasks or modules, for a specific time period. Budgets include contingency reserves allocated to manage unexpected costs. **4. Cost Control** Cost control is the process of measuring cost variances from the baseline and taking appropriate action, such as increasing the budget allocated or reducing the scope of work, to correct that gap. Cost control is a continuous

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process done throughout the project lifecycle. The emphasis here is as much on timely and clear reporting as measuring.

Along with the cost baseline, the cost management plan is an essential input for cost control. This plan contains details such as how project performance will be measured, what is the threshold for deviations, what actions will be taken if the threshold is breached, and the list of people and roles who have the executive authority to make decisions.

OR

Project costs will be controlled as follows:

Costs will be monitored on a weekly basis.

Variation rate	Action
0–5%	Report variance and explanation of the cause
5–20%	Further commitment to additional costs must be approved by the project manager
20–45%	Further commitment to additional costs must be approved by the senior management team
45% plus	The project must be stopped and reconsidered

Where a cost variation is considered, the project cost management plan is to be updated.

Complete the table below to show allowable variations in costs and approval requirements.

Cost variation	Approval requirements
Increase the cost of interstate travel	Gain approval from the managing director if over $200.00
Increase the cost of catering	Lock in price with the venue in agreement Gain approval from the managing director if over $200.00
Increase the cost of accommodation	Get an agreed price in writing Book in advance to lock in the price
Speakers cost increase	Get an agreed price in writing Book in advance to lock in the price
Printing costs	Get an agreed price in writing Book in advance to lock in the price Seek alternative printers

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The student must write an e-mail to Gavin Stead and:

- Use the CBSA e-mail template.
- Address it to the appropriate persons, i.e. Gavin Stead.
- Include a suitable subject heading, e.g., request new project budget approval.
- Outline the purpose of the e-mail.
- Include only relevant information and any action to be taken.
- Use appropriate language for information communicated to a manager, e.g., polite, respectful, clear and short.
- Complete the e-mail footer specifying the job position they are role-playing, e.g. Evan Pearce, Administrative Officer.
- Suggest actions to finalise payments (e.g. budget variances are still within the agreed 10% tolerance; however, the student still needs Gavin's approval for a $350 cleaning payment as it is higher than $200).

An example e-mail is provided below:

Hi Gavin

I want to provide an update about the recent project expenditures received from our product and service providers.

- The venue is asking for an additional $350 cleaning cost due to multiple stains from coffee and drink spills.
- Overall variance from the budget is currently $7,400, which is within the agreed 10% tolerance range. Given that the only cost to be finalised is the project staff cost, it is estimated that the project will finish within the budget tolerance.
- Please approve the venue cleaning payment of $350 to finalise their contract and project finances.

If there is anything you need me to follow up on further, please let me know.

Regards

Evan Pierce

Review all evidence and mark using the assessment checklist and assessment marking criteria.

Marking criteria Part B: Monitor and manage project costs

Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part B: Monitor and manage project costs		
1.	Project budget	☐
2.	Updated CBSA Project Cost Management Plan	☐
3.	E-mail to Gavin Stead	☐

Assessment marking criteria

Assessor instructions: All sections must be completed. Refer to the template for sample answers and benchmarks.

The evidence submitted demonstrates that the student has satisfactorily (S) covered the following criteria, or the evidence is not yet satisfactory (NYS) and requires resubmission.

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MARKING CRITERIA	Satisfactory [S]	Not Yet Satisfactory [NYS]
1. The student submitted an updated project budget, including the following: • updated actual expenses for project products and services • identified the difference between the budget and the actual cost	☐ S	☐ NYS
2. The student updated the cost management plan using **the CBSA Project Cost Management Plan,** including: • Revising estimated project costs for the project budget prepared within agreed variations • developed according to the scope of responsibility using the CBSA template	☐ S	☐ NYS
3. The student completed the CBSA e-mail to provide information to Gavin Stead, including: • used the CBSA e-mail template • provided an update on the project budget • explained the variances and possible solutions (if needed) to address the variance • used appropriate language, spelling, punctuation and grammar	☐ S	☐ NYS

Congratulations, you have reached the end of Assessment 6

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