

Working with Costs

Now that you have assigned resources and modified the working times calendar, Microsoft Project has enough information to build an accurate project schedule. However, whenever there are resources assigned to tasks, there will be project *costs*. By estimating costs and assigning them to tasks and resources, you'll be better able to factor costs into your key decisions. For example, modifying the number of resources assigned to a task will modify the cost of the task, as well as, the overall project cost. When the budget is tight, you need to consider using lower cost resources without sacrificing expertise. For example, if an experienced Designer costs you \$100/hour for a total of eight hours, that task will cost \$800. If, however, you hire a less experienced Designer at \$80/hour, and it takes twelve hours to complete the same task, that task will cost \$960.

Assigning a Rate to a Resource

You can assign a rate to a resource or a fixed rate to a task. By default Microsoft Project enters rates in hours; however, rates can be entered in minutes, weeks or years. A standard hourly rate is the rate you pay a resource during normal working hours. You can assign an overtime rate to a resource who will be working longer than the normal working hours. A *fixed rate* is a cost that remains constant regardless of the duration of the task or the work performed by a resource. The Cost/Use column is used to assign a flat usage rate to a resource. For example, the fee for renting spray painting equipment might be \$100 per use. You can view the total project cost by viewing the *project statistics*. The Project Information dialog box displays information on the project start and finish dates, duration, and costs.

Method

To assign a rate to a resource

1. On the View bar, click the Resource Sheet icon.
2. In the Resource Name column, select a resource name.
3. Select the Std. Rate, Ovt. Rate, or Cost/Use column.
4. Enter a rate.

To view total project costs

1. From the Project menu, choose Project Information.
2. In the Project Information for [Project File] dialog box, choose Statistics.
3. In the Project Statistics for [Project File], choose Close.