WELCOME TO:

Budgeting 201: Effectively Monitoring Public Opinion Research
Project Budgets – Controlling Variance
AAPOR offers webinar sponsorship opportunities to organizations that would like to support AAPOR’s online education program.

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For more information, contact;
Lailah Johnson, AAPOR Program Manager
ljohnson@aapor.org
Join us for the Next Webinar in the 2023 Series:

Nonprobability Online Samples: Promises & Pitfalls

Presenter: Carina Cornesse

November 1, 2023
1:00 PM – 2:00 PM ET
Please enter your questions in the Q&A box at the bottom of your screen.

Please complete the webinar survey immediately following the session.
TODAY'S PRESENTERS

Chuck Shuttles

Jordon Peugh
BUDGETING 201: EFFECTIVELY MONITORING PUBLIC OPINION RESEARCH PROJECT BUDGETS – CONTROLLING VARIANCE

Webinar for the American Association for Public Opinion Research (AAPOR)

Sept. 18, 2023
### Agenda

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>“The Budget” – what was the plan?</td>
</tr>
<tr>
<td>2</td>
<td>“The Actuals” – available reports?</td>
</tr>
<tr>
<td>3</td>
<td>“The Variance” – budget to actual</td>
</tr>
<tr>
<td>4</td>
<td>“Mitigation” – corrective strategies</td>
</tr>
</tbody>
</table>
Instructors

Chuck Shuttles  
Chief Panel Officer  
HyphaMetrics
- Began project budgeting experience with large-scale, multi-factorial design incentive experiments for Nielsen
- Progressed to multi-year hardware panels and startup company-wide budgeting
- Brag-y Thing: Daughter Lauren is HS senior year & son Tyler back from Army Reserve Basic Training!

Jordon Peugh  
Chief Business Officer  
SSRS
- Jordon leads the SSRS Sales and Client Service teams, directing research development, innovation, and strategy
- Oversees $30M worth of research across more than 300 project budgets per year
- Brag-y Thing: Daughter, Juniper has recorded two albums, one self-titled and the latest one called “She Steals Candy” She’s now a freshman at Vassar College!
Housekeeping

- Questions:
  - Ask whenever you have them in Q&A
- Yes, we will send PDF slides to all registered attendees after the webinar is complete
Alert – What We’re Not Covering

Things we’re not covering:

- Principles of accounting
  - Accrual Based Accounting
  - Depreciation
  - Capital vs. R&D
  - GAAP

- Your organization’s budgeting rules, reporting requirement, etc.
- Government pricing / reporting rules
Poll 1 – The Good, The Bad, & The Ugly

■ What is your overall experience with the topic of project budgeting?
  ▪ Good (I like budgeting & want to get even better)
  ▪ Bad (I’m not comfortable & need help)
  ▪ Ugly (hate budgeting / super freaked by it)
  ▪ Meh...(haven’t experienced enough to form an opinion)
Poll 2 – How experienced are you?

- What is your experience with managing project budgets in your current role?
  - Very experienced (manage budgets all the time)
  - Somewhat experienced (I do some, but not a lot)
  - Not experienced (rarely / never managed budgets)
STEP 1 – “THE BUDGET” – WHAT WAS THE PLAN?
WHAT'S THE OFFICIAL DEFINITION OF “BUDGET”???
The What, Why, & Takeaways

**What:**
- Budget = projected costs by a specific timeline
- Costs:
  - Direct + Indirect Costs
  - Fixed + Variable Costs
  - Labor
  - Equipment & Material
  - Travel
  - Other

**Why:**
- Tracks Budgeted vs. Actual

**Monitoring Takeaways:**
1. Costs
2. Schedule
3. Work Complete
REVIEW EXAMPLE BUDGET
Goal – client wants 1,500 completed English & Spanish online surveys

Nationally representative online probability sample

Field 2 weeks prior to and post-Election Day

Perform data cleaning and analysis

Deliver report to client in-person
- Project started Wk of Aug. 21st
  - 2 Wks left in Field Period
  - 2 Wks for Reporting

- Staggered complete schedule
  - Wk 1 – 150 completes
  - Wk 2 – 450 completes
  - Wk 3 – 450 completes
  - Wk 4 – 450 completes

- Halfway point of the Field Period
STEP 2 – “THE ACTUALS” – AVAILABLE REPORTS?
Monitoring the Budget

- Plan on regular (weekly, monthly) reporting
  - *Historical look at “actual” costs incurred*
  - *Forecasted “future” costs not yet incurred*
  - *Comparison of actual vs. future to compute variance*
    - Positive / favorable variance
    - On target
    - Negative / unfavorable variance

- Goal: Identify budget problems well in advance of completion

- Extensive(!) reporting options
  - *Pursue Project Management Professional (PMP) certification for greater needs*

- Types of variance:
  - *Cost Variance*
  - *Schedule Variance*
_STATUS REPORT

End of week of Sept. 11th report:

- Setup:
  - Completed on time
  - Submitted Setup costs = $23,282

- End of 2nd week of online surveys:
  - Completed surveys
    - Wk 1 – 200 completes
    - Wk 2 – 445 completes
  - Submitted Interviewing costs = $9,000 (Wk of Sept. 11) & $14,000 (total to date)

- You already purchased your airline tickets for the client meeting = $1,600
STEP 3 – “THE VARIANCE” – BUDGET TO ACTUAL
## The Most Basic Report

<table>
<thead>
<tr>
<th>Description</th>
<th>Project to Date Booked</th>
<th>Contract Budget</th>
<th>Difference / what’s left</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>38,882</td>
<td>66,077</td>
<td>27,195</td>
</tr>
</tbody>
</table>

- Simple, but least informative – what’s not accounted for here?
- What conclusions would you draw from this report?
  - *Time* – we are at halfway point of the project
  - *Cost* – we’ve spent ~60% of the budget
Poll 3 – Budget Status?

- Based on this information, what’s the budget status (forced choice – not offering DK/not enough info)?
  - Good – on or above target
  - Bad – below target
  - Ugly – significantly below target
Breaks out report by task / phase

What conclusions would you draw from this report?

- *Time – we are at halfway point of the project*
- *But, we really need to understand the schedule better*

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Project to Date Booked</th>
<th>Contract Budget</th>
<th>Difference / what’s left</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Setup</td>
<td></td>
<td>23,282</td>
<td>23,757</td>
<td>475</td>
</tr>
<tr>
<td>2.0 Interviewing</td>
<td></td>
<td>14,000</td>
<td>28,546</td>
<td>14,546</td>
</tr>
<tr>
<td>3.0 Reporting</td>
<td></td>
<td>1,600</td>
<td>13,774</td>
<td>12,174</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>38,882</td>
<td>66,077</td>
<td>27,195</td>
</tr>
</tbody>
</table>

We spent $14K in Wks 1 & 2 and we $14K+ left
Poll 4 – Budget Status?

- Based on this information, what’s the budget status (forced choice – not offering DK/not enough info)?
  - **Good** – on or above target
  - **Bad** – below target
  - **Ugly** – significantly below target
■ Breaks out report - looking at Interviewing:
  - Current phase – this past week ($9K) & to date ($14K)
  - Future phase – we expect $16K in more cost

■ What conclusions would you draw from this report?
  - Future Interviewing Cost – $16K we only have $14,546 left
  - But, we really need to understand the proportionate difference budget to actual

### Table: Report Breakdown

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Current Period Booked</th>
<th>Project to Date Booked</th>
<th>Future Costs Not Yet Incurred</th>
<th>At Completion</th>
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<tbody>
<tr>
<td>1.0 Setup</td>
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<td>-</td>
<td>23,282</td>
<td>-</td>
<td>23,757</td>
</tr>
<tr>
<td>2.0 Interviewing</td>
<td>9,000</td>
<td>14,000</td>
<td>16,322</td>
<td>28,546</td>
<td>14,546</td>
</tr>
<tr>
<td>3.0 Reporting</td>
<td></td>
<td>-</td>
<td>1,600</td>
<td>12,574</td>
<td>12,174</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>9,000</td>
<td>38,882</td>
<td>28,896</td>
<td>66,077</td>
</tr>
</tbody>
</table>

Call this what it is..."variance" (budget to actual comparison)
What is Cost Variance?

- Difference between the budgeted (baseline) amount of expense and actual expense
- Look at both the $ and % difference budget to actual variance
4th Report – Total Expected Costs

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Current Period Booked</th>
<th>Project to Date Booked</th>
<th>Costs Not Yet Incurred</th>
<th>Contract Budget</th>
<th>Total Expected (D + E)</th>
<th>Est. Variance (F - G)</th>
<th>Variance % (H / F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Setup</td>
<td></td>
<td>-</td>
<td>23,282</td>
<td>-</td>
<td>23,757</td>
<td>23,282</td>
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</tr>
<tr>
<td>2.0 Interviewing</td>
<td></td>
<td>9,000</td>
<td>14,000</td>
<td>16,322</td>
<td>28,546</td>
<td>30,322</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.0 Reporting</td>
<td></td>
<td>-</td>
<td>1,600</td>
<td>12,574</td>
<td>13,774</td>
<td>14,174</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>9,000</td>
<td>38,882</td>
<td>28,896</td>
<td>66,077</td>
<td>67,778</td>
<td></td>
<td></td>
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</table>

- Column G: Total Expected = Costs Booked to Date + Costs Not Yet Incurred ($)
## 4th Report – Estimated Variance

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Current Period Booked</th>
<th>Project to Date Booked</th>
<th>Costs Not Yet Incurred</th>
<th>Contract Budget</th>
<th>Total Expected Costs (D + E)</th>
<th>Est. Variance (F - G)</th>
<th>Variance % (H / F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Setup</td>
<td>Setup</td>
<td>-</td>
<td>23,282</td>
<td>-</td>
<td>23,757</td>
<td>23,282</td>
<td>475</td>
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</tr>
<tr>
<td>2.0 Interviewing</td>
<td>9,000</td>
<td>14,000</td>
<td>16,322</td>
<td>28,546</td>
<td>30,322</td>
<td>(1,776)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.0 Reporting</td>
<td>-</td>
<td>1,600</td>
<td>12,574</td>
<td>13,774</td>
<td>14,174</td>
<td>(400)</td>
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<tr>
<td>Total</td>
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<td>9,000</td>
<td>38,882</td>
<td>28,896</td>
<td>66,077</td>
<td>67,778</td>
<td>(1,701)</td>
<td></td>
</tr>
</tbody>
</table>

- **Column G**: Total Expected Cost = Costs Booked to Date + Costs Not Yet Incurred ($)
- **Column H**: Estimated Variance = Contract Budget – Total Expected Cost ($)
# 4th Report – Variance %

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Current Period Booked</th>
<th>Project to Date Booked</th>
<th>Future Costs Not Yet Incurred</th>
<th>Contract Budget</th>
<th>Total Expected (D + E)</th>
<th>Est. Variance (F - G)</th>
<th>Variance % (H / F)</th>
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<tbody>
<tr>
<td>1.0 Setup</td>
<td></td>
<td>-</td>
<td>23,282</td>
<td>-</td>
<td>23,757</td>
<td>23,282</td>
<td>475</td>
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<tr>
<td>2.0 Interviewing</td>
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<td>9,000</td>
<td>14,000</td>
<td>16,322</td>
<td>28,546</td>
<td>30,322</td>
<td>(1,776)</td>
<td>-6%</td>
</tr>
<tr>
<td>3.0 Reporting</td>
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<td>-</td>
<td>1,600</td>
<td>12,574</td>
<td>13,774</td>
<td>14,174</td>
<td>(400)</td>
<td>-3%</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9,000</strong></td>
<td><strong>38,882</strong></td>
<td><strong>28,896</strong></td>
<td><strong>66,077</strong></td>
<td><strong>67,778</strong></td>
<td><strong>(1,701)</strong></td>
<td><strong>-3%</strong></td>
</tr>
</tbody>
</table>

- **Column G**: Total Expected = Costs Booked to Date + Costs Not Yet Incurred ($)
- **Column H**: Estimated Variance = Contract Budget – Total Expected Cost ($)
- **Column I**: Variance % = Estimated Variance / Contract Budget
What conclusions would you draw from this report?

- Looking at how positive variance (green) balance out negative variance (red)
STEP 4 – “MITIGATION” – CORRECTIVE STRATEGIES
Go back to your budget assumptions

- Incidence rates?
- Response rates?
- Length of interview?
- Labor increases?
- Vendor costs?

Can you change any future expectations

- Less analysis labor hours?
- Cancel report trip?
- 1-day trip?

Others?

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Setup</th>
<th>Field Period</th>
<th>Analysis / Reporting</th>
<th>Grand Total</th>
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<td>2.2</td>
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<td>-</td>
<td>880</td>
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<td>2.3</td>
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<td>3.2</td>
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<td>3.3</td>
<td>Client Presentation</td>
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<tr>
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<td>14,366</td>
<td>4,063</td>
<td>8,161</td>
<td>8,161</td>
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</tbody>
</table>
Summary

Monitoring Takeaways:

1. Costs
2. Schedule
3. Work Complete

Hopefully, you now have greater ability to:

- Identify elements of an overall budget
- Use formula-driven functions of budget monitoring
- Plan for monitoring budget to actual variance
- Perform variance reporting
Earned Value Report – OUT of SCOPE

- This report helps identify root causes for issues
- Takes into account:
  - Cost
  - Schedule
  - Work Complete

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Budgeted Cost for Work Scheduled (BCWS)</th>
<th>% Scheduled Work Completed</th>
<th>Budgeted Cost for Work Performed (BCWP) (C * D)</th>
<th>Actual Cost for Work Performed (ACWP)</th>
<th>Schedule Variance (E - C)</th>
<th>Cost Variance (E - F)</th>
<th>Schedule Performance Index (E / C)</th>
<th>Cost Performance Index (E / F)</th>
<th>Costs Not Yet Incurred</th>
<th>Contract Budget</th>
<th>Total Expected (F + K)</th>
<th>Est. Variance (L - M)</th>
<th>Variance % (N / L)</th>
</tr>
</thead>
<tbody>
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<td>1.00</td>
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<td>(859)</td>
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<td>0%</td>
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<td>1,600</td>
<td>-</td>
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<td>12,574</td>
<td>13,774</td>
<td>14,174</td>
<td>(400)</td>
<td>-3%</td>
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<td>Costs</td>
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<td>36,898</td>
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<td>1.03</td>
<td>0.95</td>
<td>28,896</td>
<td>66,077</td>
<td>67,778</td>
<td>(1,701)</td>
<td>-3%</td>
<td></td>
</tr>
</tbody>
</table>