

Preceded by: 8-RTP Form Routing (PM6)

## 8a-Budget Creation (OS6)

Followed by: 9-Copyedit and Manuscript Tagging (PM7)

**Why:** The purpose of the budget is to provide a current budget estimate based on the current project specifications prior to significant spending occurring on the project. To be an effective budget management tool, this budget must be created as early as possible in the project’s production cycle so specification changes may be made or funds reallocated from other projects in the event the project is over its approved BP1 budget.

**Who:** Possible participants: Acquisitions Editor, Business Manager, Editor in Chief, Inventory Manager, Senior Managing Editor, Media Manager, Operations Specialist, Prentice Hall Project Manager/Liaison, Full-Service Vendor Project Manager

**Skills Needed:** Budgeting

**Knowledge Base Needed:** PIMS, CES

### TASK: Budget Routing Sheet Budget Creation

**Step 1:** Two weeks prior to the start of paging, **In-house Project Manager (PM)/Liaison** transmits the Budget Routing Sheet to Operations Specialist (OS). It should include:

- Release to Production (RTP) Form, with all supplements listed
- Copy of approved Blue Form
- Copy of the contract ONLY if addendum created post launch
- Routing Cover Sheet (partially complete–title info)

**Step 2:** The Cost Sheet from **In-house PM/Liaison** must include the following:

- **In-house PM/Liaison** creates new version of Plant Budget in PIMS Rev2 and verifies all production-related expenses have been input into PIMS by the team member responsible for that task. (i.e. Composition, Full Service, Audio Visual (AV), Design, indexing, etc.)

PRODUCT		PRODUCTION		DESIGN		VISUAL		TEAM		SCHEDULE		BUDGET		MANUFACTURING		MEDIA		REPRINTS		PO	
• Overview		• Create/Modify Budget		• Budget Details		• Product Level Info		• Group Level Info		• Budget Estimates		Printing No. 1		Go							
		save		reset		new revision		lock budget		unlock budget		recalculate budget		print							
GL CODE	COST ITEM	REV. 5	REV. 4	REV. 3	REV. 2	REV. 1						USD									
	Use cost table for Copyright Year																				
	Author Alteration Allowance																				
	Prepared By											Joanne Riker									
	Last Modified Date											09/13/2007									
	Revision Type																				
	Page Count											288									
	Art Count																				
Development																					
462545	OS Copy Editing/Linking												USD	1014.00							
462710	Production Media Supply (OS) (Plant Expense)												USD	0.00							

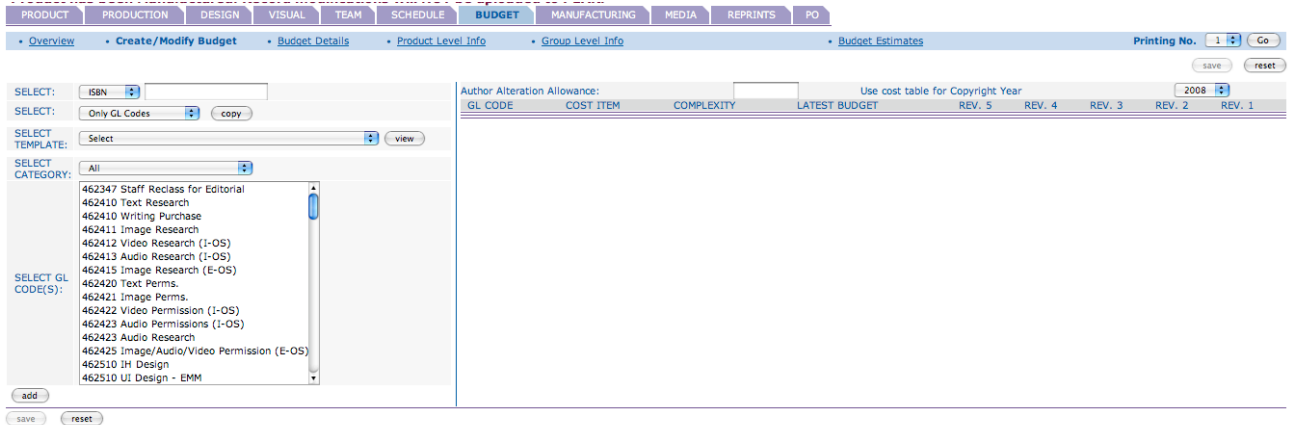
In-house PM routes the RTP Form to the OS no later than two weeks before the manuscript start-to-compositor date in the production schedule. (SEE: RTP Form Routing (PM6)).

**Step 3:** Within two weeks of receiving the Budget Routing Sheet from the **In-house PM/Liaison**, the OS completes the Budget Routing Sheet. All versions of the sheets (AIE, PIV, NASTA, AP, School, etc., if applicable) must route together.

**Notes:**

- Competitively bid via e-mail any Presswork and Binding (P&B) costs that cannot be obtained from approved Global Sourcing scales.
- Review WIP and investigate/resolve erroneous charges.
- Include plant supplement cost (Free and Saleable). Media Project Manager (MPM) will provide nonstandard media plant costs.
- Input the complete Budget Routing Sheet budget into PIMS at the charge code level as new versions are initiated by **In-house PM/Liaison**. Do not override the BP1 budget breakdown. Budget labeling should be represented as follows:
  - PPS Budget
  - BP1 Budget
  - BP1 (Rev) Budget
  - Launch (RTP) Estimate
  - Launch (RTP) Estimate Revised
  - CCE (P&B) Estimate

PIMS BUDGET >Create/Modify Budget Tab for creation of Line Item Budgets.



BUDGET >Details for review and revision of line item budget.

PRODUCT	PRODUCTION	DESIGN	VISUAL	TEAM	SCHEDULE	BUDGET	MANUFACTURING	MEDIA	REPRINTS	PO
<ul style="list-style-type: none"> <li>Overview</li> <li>Create/Modify Budget</li> <li><b>Budget Details</b></li> <li>Product Level Info</li> <li>Group Level Info</li> <li>Budget Estimates</li> </ul>										
<input type="button" value="save"/> <input type="button" value="reset"/> <input type="button" value="new revision"/> <input type="button" value="lock budget"/> <input type="button" value="unlock budget"/> <input type="button" value="recalculate budget"/> <input type="button" value="print"/>										
GL CODE	COST ITEM	REV.5	REV.4	REV.3	REV.2	REV.1				
	Use cost table for Copyright Year									
	Author Alteration Allowance									
	Prepared By								Joanne Riker	
	Last Modified Date								09/13/2007	
	Revision Type									
	Page Count								288	
	Art Count									
<b>Development</b>										
462545	OS Copy Editing/Linking								USD	1014.00
462710	Production Media Supply (OS) (Plant Expense)								USD	0.00
<b>Coordination</b>										
462730	IH Project Coordination								USD	334.00
462731	OS Project Coordination								USD	1404.00
<b>Research</b>										
462410	Text Research								USD	0.00
462411	Image Research								USD	0.00
<b>Design</b>										
462512	OS Design								USD	300.00
462513	Design/Samples (E-OS)								USD	0.00
462551	Design/Samples - Alteration (I-OS)								USD	0.00
<b>Art/Scans</b>										
⊕ 462522	Image Creation (I-OS)								USD	⊕ 0.00
⊕ 462532	Image Creation - Alteration (I-OS)								USD	⊕ 0.00
<b>Keyboard/Composition/Proofread</b>										
462543	Proofread Printed/Electronic (I-OS)								USD	858.00
462562	Composition (I-OS)								USD	1898.00
462572	Composition - Alteration (I-OS)								USD	600.00
<b>Permissions</b>										
462420	Text Perms.								USD	0.00
462421	Image Perms.								USD	0.00
462425	Image/Audio/Video Permission (E-OS)								USD	185.00
<b>Miscellaneous</b>										
462511	Cover Design (IH)								USD	153.00
462649	Download of Files & Return Chrgs								USD	0.00
462740	Shipping & Postage								USD	0.00
<b>TOTAL:</b>			0.00	0.00	0.00	0.00				6746.00

- The OS enters plant budget detail into the Cost Estimating System (CES), along with edition cost detail, and generates a CES Cost Estimate Report (Combined Plant and Edition Costs).

**Step 4:** The OS routes the Budget Routing Sheet using the Budget Routing Sheet Routing Form to the next team member on the form. The routing sheet acts as a cover sheet for the following documents:

- RTP Form
- Blue Form
- Supplement Budget Detail if not in RTP
- CES Cost Estimate Report

**Step 5:** The OS places the tentative paper order through CES (if applicable).

- Complete specifications (roll size, basis weight, etc.) must be completed in CES so required tonnage can be calculated.
- Place tentative paper order on the highest print run for which costs were prepared.
- Include a notation in the comment field that the paper order is not final.

**Step 6:** The P&B pre-schedule is completed by OS.

**TASK: Supplements with Plant Cost Budgets greater than \$5,000\***

\* May vary depending on discipline. **Director of Operations** will determine.

CRITERIA: Any free or saleable supplement with a total plant budget greater than \$5,000 will have a budget that is routed for approval. (Process closely mirrors Parent Budget Cost Sheet routing policy.)

**Step 1:** The **In-house PM/Liaison** OR **Media Project Manager (MPM)** transmits the Routing Sheet with RTP to OS no later than 4 weeks prior to the Files to Printer date for author-supplied camera copy or electronic file jobs. The Routing Sheet with RTP is due to OS no later than 2 weeks prior to the start of paging for compositor-set product.

The Cost Sheet from **In-house PM /Liaison** must include the following:

- **In-house PM /Liaison** creates new version of Plant Budget in PIMS and verifies that all production-related expenses have been input into PIMS by the team member responsible for that task. (i.e. Composition, Full Service, Audio Visual (AV), Design, indexing, etc.)
- Approved quantity from the Inventory Manager (IM) is noted on the Routing Form and released from the Inventory Management System (IMS) to CES.

**Step 2:** Operations is to complete the Budget Cost Sheet within 2 weeks of receipt from **In-house PM /Liaison**.

Creation of Supplement Budget Cost Sheet:

- Competitively bid P&B costs as needed.
- Review WIP and investigate/resolve erroneous charges.
- Input the complete Cost Sheet budget into PIMS at the charge code level as new version initiated by **In-house PM /Liaison**. Do not override BP1 budget breakdown.

*NOTE:* If the Launch (RTP) budget is higher than BP1 (Rev) by 10% and this amount is greater than \$2000, alert **Senior Managing Editor (SME)**, AE, and EIC. Production will be halted until Dashboard is reviewed to see if funds are available or specs are revised to bring budget in line with BP1 (Rev).

**Step 3:** Route the Cost Sheet using the Cost Sheet Routing Form to the next team member on the form.

**Step 4:** Place tentative paper order through CES (if applicable).

- Complete specifications (roll size, basis weight, etc.) must be completed in CES so required tonnage can be calculated.
- Place tentative paper order on the highest print run for which costs were prepared.
- Include a notation in the comment field that the paper order is not final.

**Step 5:** Once the Cost Sheet is routed and approved, the Cost Sheet and RTP is filed with OS.

**TASK: Supplements with Plant Cost Budgets Less Than \$5,000**

Any free or saleable supplement with a total plant budget less than \$5,000 will not have a Budget Routing Form routed for cost approval. In this case, there is only one pass of the budget, which includes simultaneous creation of the budget and P&B orders.

**Step 1:** For print-ready file projects, the OS creates a new version of the Plant Budget in PIMS after verifying with **In-house PM /Liaison** that all production-related expenses have been entered by the team members responsible (Composition, Full Service, AV, Design, Indexing, etc.).

**Step 2:** The Inventory Manager (IM) notes the approved quantity on the Budget Routing Sheet and releases the quantity in IMS/CES and hands-off Budget Routing Sheet to **In-house PM /Liaison**.

**Step 3:** The **In-house PM /Liaison** completes P&B Request Form (SEE: P&B / CCE Creation (OS8)).

**Step 4:** No later than 2 weeks prior to the Files to Printer date, the **In-House PM/Liaison** transmits the Budget Routing Sheet to the OS, including P&B.

**Step 5:** Within 2 weeks of receipt from the **In-House PM/Liaison**, the OS completes the Budget Routing Sheet and P&B orders.

- Competitively bid P&B costs as needed.
- Review WIP and investigate/resolve erroneous charges.
- Input the complete Budget Routing Sheet budget into PIMS at the charge code level as a new version. Do not override BP1 budget breakdown.
- If the Budget Routing Sheet budget is higher than BP1 by 10% and this amount is greater than \$1000, alert **SME**, AE, and EIC. Production will be halted until Dashboard is reviewed to see if funds are available or specs are revised to bring budget in line with BP1Rev.

**Step 6:** The OS places the paper order through CES (if applicable).

- Complete specifications (roll size, basis weight, etc.) must be completed in CES so required tonnage can be calculated.
- Place paper order based on approved print quantity.
- Include a notation in the Comments field that this paper order is final

**Step 7:** OS creates P&B orders per procedure titled “Create Presswork & Binding Orders” in CES.

PCS < Production >

Title Information : ISBN13: 9780135145289 Vendor: Hamilton Printing Co.

Select the Information to Display or Edit

Title Master     Printing     Versions     Component

Title

Title Code: **5BBJ4**    ISBN: **0135145287**    Printing Num. **1** of **1**

Abbrev: **MULTICULT CHLDN LIT THRU**    Version Num. **1** of **1** **Approved Budget**

Author Abbrev: **NORTON**    Number of Components: **3**

Product/Manufacturing Qty's And Costs

	___First Printing___			___Reprint___		
	Low	Medium	High	Low	Medium	High
Quantity	3500	4000	4500			
Edition Costs	5869.96	6538.55	7206.95			
Unit Mfg. Cost	1.68	1.63	1.60			

Buttons: Create Next Version, Unapprove..., NOTES, PP Costs..., Cost Summary, Paper..., Spec Rel

Buttons: Copy..., New..., Delete, Print, Edit, Save, Cancel

**Step 8:** OS informs manufacturing vendors of the schedule.

**Step 9:** OS updates schedule dates in PIMS to reflect the Files to Printer date, bound book date, and instock date.

PRODUCT	PRODUCTION	DESIGN	VISUAL	TEAM	SCHEDULE	BUDGET	MANUFACTURING	MEDIA	REPRINTS	PO																																																																																
<p>Overview    Create/Modify Schedule    Schedule Details    Vendor Schedule    Product Summary    Printing No. 1 Go</p> <p>PUB MONTHS    PUB WEEK    WAREHOUSE RECEIVE DATE 04/18/2007    ESTIMATED SHIP DATE</p> <table border="1"> <thead> <tr> <th></th> <th>PLANNED</th> <th>REVISED</th> <th>ACTUAL</th> <th></th> <th>PLANNED</th> <th>REVISED</th> <th>ACTUAL</th> </tr> </thead> <tbody> <tr> <td>Instock/revise</td> <td>04/20/2007</td> <td>04/01/2007</td> <td></td> <td>Production launch meeting</td> <td></td> <td></td> <td>10/13/2006</td> </tr> <tr> <td>editorial/budgeted</td> <td></td> <td></td> <td></td> <td>Text ms to production - start</td> <td>05/01/2006</td> <td>03/01/2006</td> <td>06/15/2006</td> </tr> <tr> <td>Text ms to production - end</td> <td></td> <td></td> <td></td> <td>Line art pages to production - start</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Last batch of final photo selections to researcher</td> <td></td> <td></td> <td></td> <td>Line art pages to production - end</td> <td></td> <td></td> <td></td> </tr> <tr> <td>First batch of ms to compositor</td> <td>10/18/2006</td> <td>10/24/2006</td> <td>10/24/2006</td> <td>Last batch of ms to compositor</td> <td>11/22/2006</td> <td>12/18/2006</td> <td>12/19/2006</td> </tr> <tr> <td>First pages to production - start</td> <td>11/03/2006</td> <td>11/09/2006</td> <td>11/15/2006</td> <td>Final pages to production - start</td> <td>12/12/2006</td> <td>12/18/2006</td> <td>12/19/2006</td> </tr> <tr> <td>Final pages to production - end</td> <td>12/07/2006</td> <td>12/19/2006</td> <td>12/19/2006</td> <td>Final pages to production - end</td> <td>01/16/2007</td> <td>01/25/2007</td> <td>01/25/2007</td> </tr> <tr> <td>Final files/film/camera copy to printer - start</td> <td>02/09/2007</td> <td>03/01/2007</td> <td>03/01/2007</td> <td>Final files/film/camera copy to printer - start</td> <td>02/09/2007</td> <td>03/01/2007</td> <td>03/01/2007</td> </tr> <tr> <td>Bound book</td> <td>03/16/2007</td> <td>04/13/2007</td> <td>04/13/2007</td> <td>Instock/live date</td> <td>03/23/2007</td> <td>04/20/2007</td> <td>04/18/2007</td> </tr> </tbody> </table> <p>Note: Actual Bound Book Date is PO delivery date    ESTIMATED vs ACTUAL DAYS: 26    (Negative = days early; Positive = days late)</p> <p>SPECIAL SCHEDULE REQUIREMENTS</p> <p>SCHEDULE COMMENTS: As of 3/9/05, this project is still out for reviews. This manuscript was sent back to the author. It needs additional organizational structure. Sent back 8/30/05. Revised files-to-printer date due to heavy author alterations.</p>												PLANNED	REVISED	ACTUAL		PLANNED	REVISED	ACTUAL	Instock/revise	04/20/2007	04/01/2007		Production launch meeting			10/13/2006	editorial/budgeted				Text ms to production - start	05/01/2006	03/01/2006	06/15/2006	Text ms to production - end				Line art pages to production - start				Last batch of final photo selections to researcher				Line art pages to production - end				First batch of ms to compositor	10/18/2006	10/24/2006	10/24/2006	Last batch of ms to compositor	11/22/2006	12/18/2006	12/19/2006	First pages to production - start	11/03/2006	11/09/2006	11/15/2006	Final pages to production - start	12/12/2006	12/18/2006	12/19/2006	Final pages to production - end	12/07/2006	12/19/2006	12/19/2006	Final pages to production - end	01/16/2007	01/25/2007	01/25/2007	Final files/film/camera copy to printer - start	02/09/2007	03/01/2007	03/01/2007	Final files/film/camera copy to printer - start	02/09/2007	03/01/2007	03/01/2007	Bound book	03/16/2007	04/13/2007	04/13/2007	Instock/live date	03/23/2007	04/20/2007	04/18/2007
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Bound book	03/16/2007	04/13/2007	04/13/2007	Instock/live date	03/23/2007	04/20/2007	04/18/2007																																																																																			

**Step 10:** OS files Budget Routing Sheet along with RTP.

**TASK: Revised RTP Budget Routing Sheet Budget Creation**

There will be instances when the routed and approved RTP budget for a particular title is exceeded due to changes in specifications and/or unanticipated expenses. If the budget is exceeded as follows:

- Parent title: 5%, with an overage greater than \$2000
- Supplement: 10%, with an overage greater than \$1000

The budget must be rerouted for approval.

**Step 1:** A team member notices the overage. He or she notifies all team members immediately

AE

EIC

**SME**

**In-House PM/Liaison**

OS

**MPM**

**Art Director (AD)**

**Step 2:** Production is halted until

- Dashboard is reviewed to see if funds are available elsewhere, or
- Specifications are revised to bring budget back in line.

**Step 3: Review of the budget must occur promptly to minimize schedule delays.** Once either of the above has been met, EIC or Business Manager (BM) approves continued production.

**Step 4:** Budget Routing Sheet is re-routed, starting at Step 2 above.