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How to Cost-Load a Construction Schedule

A Step-by-Step Guide for Project Managers and Schedulers

Cost-loading a schedule means assigning dollar values to construction activities so that progress can be tracked not only by time but also by cost. This process allows project managers to monitor cash flow, prepare payment applications, and evaluate earned value performance throughout the job.

Why Cost-Load Your Schedule?

- Track project spending over time
- Generate payment curves (planned vs. actual)
- Support billing and invoicing with Schedule of Values (SOV)
- Evaluate earned value metrics (e.g., Cost Performance Index)
- Enable resource leveling and funding allocation decisions



Step 1: Prepare Your Schedule for Cost Loading

Before assigning cost values:

- Ensure all **construction activities** are clearly defined and reflect actual work tasks (not just administrative steps).
- Confirm the **Work Breakdown Structure (WBS)** is well organized to group related activities by phase, location, or system.
- Eliminate or isolate any non-cost activities such as submittals or approvals that don't require budget assignment.



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Step 2: Define the Cost Resources or Categories

Each activity will eventually be tied to a cost value. You'll need to decide:

- Will you assign **lump-sum costs per activity**?
- Or will you assign **resources (labor, materials, equipment)** with unit rates?

Typical cost resource types:

- **Labor** – based on hours x hourly rate
- **Material** – based on quantities x unit cost
- **Equipment** – rentals, usage time
- **Lump Sum / Total Cost** – direct total dollar value per activity

💡 Tip: If your goal is cash flow or SOV reporting, a simple lump sum cost per activity often works best.



Step 3: Assign Costs to Each Activity

For each activity that requires cost tracking:

1. Identify its **total expected cost** (based on estimates, bids, or contract values).
2. Record the amount in a designated **cost column** or link it to a resource.
3. Ensure the sum of all activity costs matches the project budget (or contract value).

💡 Activities with no cost (e.g., owner reviews or inspections) should be documented as such for clarity but excluded from cost totals.



Step 4: Review and Validate Your Cost Loading

After assigning values:


- **Check total budgeted cost** across the schedule.
- Ensure there are **no duplicate or missing entries**.
- Verify that **costs align logically with the schedule** (e.g., expensive items don't occur early unless justified).
- Use filters or grouping to roll up costs by WBS or phase to help verify accuracy.



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Step 5: Prepare a Schedule of Values (SOV)

A Schedule of Values is typically required for billing:

- Export or compile the following fields:
 - **WBS or Cost Code**
 - **Activity ID and Name**
 - **Budgeted Cost**
 - *(Optional: Start/Finish Dates)*
 - Organize the SOV in a spreadsheet for use in payment applications or funding drawdowns.
-  Make sure each line item in your SOV ties back to a cost-loaded activity in your schedule.

Final Tips & Best Practices

- **Be consistent** with cost formatting (dollars only, no formulas unless hidden).
- **Document your assumptions**—where did each cost come from?
- **Keep it simple** unless detailed cost tracking is required (e.g., for large programs or federal work).
- **Update the cost-loading as changes occur** (change orders, rework, scope additions).

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