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TECHNICAL BRIEF

FinOps for GenAI: Cost Guardrails That Finance and Engineering Both Accept

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A GenAI rollout can blow past budget quietly. This brief shows a practical approach to quotas, showback, and cost reports that finance teams can read and engineers can actually implement.

TL;DR

- Start with showback before chargeback so teams trust the numbers.
- Use per-app quotas and priority rules to prevent surprise overruns.
- Publish a monthly cost note written for non-technical leaders.
- Treat caching and prompt design as cost controls, not afterthoughts.

Executive Summary

FinOps for GenAI is not about one big number on a dashboard. It is about making spend predictable and explainable across products and teams. We outline a playbook that works in real orgs: set a baseline, instrument usage, introduce quotas, then move to showback and chargeback once the data is trusted. The focus is on decisions that reduce noise: stable units, clear ownership, and reports that match how finance reviews costs.

Why It Matters

When GenAI spend spikes, the first reaction is to freeze everything. That hurts adoption and makes teams hide usage. A better setup makes costs visible early and ties them to value. It also avoids blame games between finance and engineering, especially when multiple apps share one model gateway.

What We Built

- A metering layer that records tokens in, tokens out, cache hits, and model tier per request.
- Per-application quotas with explicit overage rules and a small pool for incident work.
- A monthly showback report grouped by business unit and product, with plain-language notes.
- Alerts for spend velocity, not just total spend, so teams see risk before month-end.

Observed Outcomes

- Fewer budget escalations after adding quota defaults and a simple approval route for increases.
- Cleaner forecasting once token usage was mapped to workload types and peak seasons.
- Less friction with finance because reports used terms they already track (cost center, owner, variance).

Implementation Notes

- Pick one unit to start. Tokens are fine, but pair them with pesos per thousand requests so leaders can relate.
- Do not rely on client-side reporting. Metering must happen at the gateway.
- Caching is a policy decision. Decide where it is allowed and how long it can retain data.
- Keep a separate budget line for experimentation so pilots do not get punished for learning.

Governance & Risk

- Cost controls can create shadow IT if they are too strict. Offer a clear exception path.
- Align retention for logs and caches with data classification policies.
- Make sure quotas cannot be bypassed by direct model calls outside the gateway.

Release Checklist

- Do we have trustworthy metering at the gateway?
- Are quotas set per application with clear owners?
- Do finance reports include context and variance notes, not just totals?

- Are alerts based on spend velocity and not only month-end totals?
- Do we have an exception process that does not slow urgent work?

Conclusion

The goal is not to make GenAI cheap. The goal is to make it predictable. When finance can read the report and engineering can trace the numbers, decisions become easier and rollouts move faster.

Keywords

finops genai cost token spend budget controls chargeback enterprise ai