Billing Alert

Introduction

At AWS, resources are utilization based. Meaning that, you only pay for what you use. For a given month, if you run an EC2 instance for 20 hours, use 256GB of EBS storage and 10GB of S3 storage, you will only pay for that usage. As you understand your baseline workloads better, you will be able gauge what a normal month will look like from a billing perspective. In order to prevent any billing surprises, it is a best practice to setup a Billing Alert. This will allow you to set an expected billing amount and should that amount be exceeded, an email will be sent to an address of your choice. This will help enforce a discipline of only using what is needed as well as preventing unnecessary resources from running wastefully. Setting up a billing alert is a very easy process.

Step 1:

- Let's start by browsing to your Billing & Cost Management console which can be accessed from the account dropdown in the top right of the AWS Management Console.
- Select Preferences from the left menu towards the bottom.
- Make sure Receive Billing Alerts is checked. This will enable monitoring on your usage fees. It may take up to 15 minutes to have this fully enabled.

Step 2:

- Now go to the Cloudwatch Console so that we can create the Billing alarm. Under Alarm Summary, click on the Create a Billing alarm link.
- You will need to decide what the monthly charge threshold alarm is set to. For this example, I will input $100.

Step 3:

- For notifications provide an email address by clicking on New list and input the address.
- This email address will need to be verified and confirmed before it can be used. You will receive an email with a link which will need to be clicked to finalize the verification.
- This will happen when you select Create Alarm. In this example I will select "I will do it later", but in your case go ahead and confirm the email address to finalize the process.
- Once the alarm is active, you will receive an email to the provided address when your spending threshold is exceeded each month.
- Keep in mind that this basic alert will not take any action other than sending you an email. You will still be required to take an action such as turning off running EC2 instances.
- However, this is an easy way to gain visibility into your account usage from a cost perspective.