

Financial Management in Construction

Handling Funding Components for a Development Project

Introduction

The purpose of this Course N Carry training course is to help participants comprehend the essential elements of construction project finance management. It starts with the project planning phase, continues with finding funds, handles cash flow, and concludes with project accounting. Project and finance staff frequently ignore this area of financing when getting ready for site mobilisation and the start of actual construction.

Inadequate handling of the project's finances could result in significant delays, project abandonment, fines, or even legal action from the client.

An expert contract administration facilitator is leading the training session, and she enhances the learning process with the use of interactive teaching techniques. The delegates will receive instruction in the technical facets of financial management as well as hands-on experience managing cash flow. For project management, emphasis will be placed on financial planning and other associated financial matters.

The following salient points will be emphasised in this training session:

- An examination of the project's development phases and their financial implications
- Taking into account project funding sources
- Respect the process by which monthly progress claims are assessed and authorised.
- Pay close attention to certain provisions in the Letter of Award and Conditions of Contract.
- Emphasise the use of bonds and insurance policies as methods to reduce financial risk.
- Talk about optimal procedures to obtain a more effective value from better financial management.

Objectives

Upon completion of this training programme, you will be able to:

- Recognise the fundamentals of project planning and execution.
- Discover where to find funding for the development of projects.
- Examine the subcontractors' work and determine how to handle their progress claims.
- Discover how to apply Variation Orders (V.O.) to project cash flow and how to handle them.
- Ascertain how insurance documents will be used to protect the project's financial exposure.

Training Methodology

In order to maximise understanding, comprehension, and retention of the material delivered over the course of the five days, this training course will make use of a range of tried-and-true adult-learning strategies.

To improve the training session, the facilitator uses group discussions, role plays, and active learning strategies. A few difficult case studies with real-world site circumstances will also be given to the delegates, and the facilitator will assist them in coming up with appropriate and practical answers. To fully appreciate this action, one must have a solid understanding of the conditions of the contract and a typical letter of award.

Organizational impacts

Staff will be able to recognise the value of effectively managing a project's finances thanks to the knowledge they have learned over the course of the five days. Here are the particulars as they are presented:

- Recognise the importance of sponsoring a project.
- Find out how to get money from different sources so that the organisation can benefit more.
- Use the appropriate money management techniques for the given tasks.
- Utilise appropriate risk management techniques to protect the project risk, as it is intimately linked to financial exposure.

Personal Impact

For those working in the sector and similar fields, the training programme will be eye-opening. All questions regarding funding and finances will be answered by the facilitators' use of case studies and examples from real life. Excellent knowledge and expertise will be brought back to the office by the delegates, which will improve their own work contributions.

Who should attend?

This course on financial management is suitable for a range of individuals in the construction sector, and it is further upon below.

Delegates working on construction projects will find this useful for site management and planning. A variety of technical topics of construction financial management will be covered, and the pitch will be at an intermediate level.

Though a wide range of professionals can benefit from this training, the following will be especially noted:

- Workers in the construction industry, including project managers, quantity surveyors, engineers, and other pertinent team members from the following firms:

Shams Business Center, Sharjah Media City Free Zone, Al Messaned, Sharjah, UAE
Tel: +971 55 323 6764 Fax: +971 55 323 6764 E-Mail: subhashini@itrobes.com
PO Box: 49638

- Builders, Subcontractors, Suppliers, Developers, and Contractors.
- Professionals in Construction: Architects, Consultants, and Building Surveyors
- Attorneys, paralegals, and supervisors/upper management from:
- Law businesses, solicitors' offices, local councils, government bodies, and utility providers.
- Managers and Officers in Financial Institutions and Banks

Course Outline

Day 1

An Overview of Funding Needs and Construction Projects

- Financial requirements and typical projects
- Searching for financing sources for projects
- An overview of contract administration
- Contractual terms and the letter of award (FIDIC and other contracts)
- Controlling the cash flow of projects and financial documents

Day 2

Project Scheduling and Funding Sources

- Common problems in project planning
- Traditional or turn-key initiatives
- Searching for financial support and regulatory limitations
- Crowd fundraising and investors
- Repayment of loans and security

Day 3

Launch of the Project and Monthly Progress Reporting

- Mobilisation, upfront payment, and on-site plant utilisation
- Claims for monthly progress
- Retention amount and release schedule
- Prolonged testing, commissioning, and extensive site exposure

Day 4

Bonds, Insurance, and Other Financial Products

- Contractual requirements for bonds and insurance: What is covered?
- Insurance as a means of transferring risk
- The relationship between financial management and insurance

Day 5

The Overview and Optimal Methods for Project Finance Management

- What are the salient technical or financial features?
- Handling project handover and completion
- Operational problems
- Obligations both during and after the defects liability period
- Case studies