

## **Chapter Two: Administrative and Financial** **Management of Projects**

### **Introduction**

The administrative and financial management of projects is an integral part of project follow-up. It not only allows the effective use of the material, human, financial and technical resources of the project, but the success of the project depends mainly on it. The work of the administrative and financial manager is at the heart of this process.

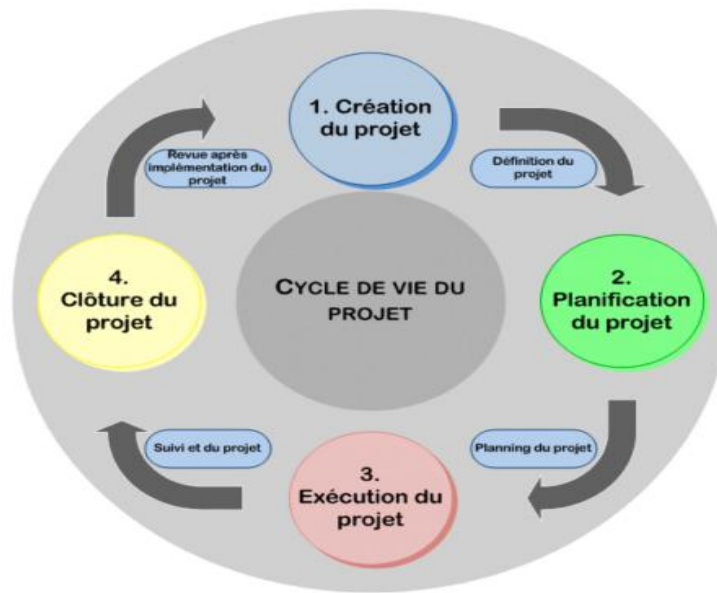
### **1- The Project**

**A- Meaning of the term project:** A project is a set of means (money, equipment, expertise, etc.), activities and results agreed in advance. The project aims to achieve specific objectives within a specific period, in a specific geographical area and with a fixed budget.

**B- Project features:** Any project is characterized by the following characteristics:

- The goal of establishing the project is clearly defined.
- The duration is fixed and includes the beginning and the end.
- There is usually the participation of many bodies and specialists in particular.
- Time, cost and performance requirements

**C- The main steps of project management:** There are generally four steps to create a project that define objectives, specifications, tasks and responsibilities. The following graph indicates that the start is first with the establishment of the project, according to the following scheme:



In the beginning, the **idea** arises, then **the planning, implementation** and notification of **the closure of the project**.

- **The Origin:** An idea arises that identifies the need for which the initiation is accomplished.
- **The Planning:** Timelines, budgets, resources, risk study, and staff allocation are set.
- **The Implementation:** Product realization, preparation of progress reports on progress rates in achievement, management of changes occurring, taking into account quality and expectations.

- **The Closure:** Transfer of the product to the permanent system. During this phase, users are trained, documents are finalized and transformed, and resources and assigned persons are freed.

After closing, a post-implementation review, known as the **evaluation period**, takes place. This is done some time after the closure **to link the results of the project to the objectives initially set.**

#### **D- The main actors in the project:**

The main actors in the project are identified very early and include:

- The manager or decision-maker, sometimes it is the supervisory ministry.
- Steering Committee that ensures the proper functioning of the project and validates strategic choices. It consists of each member involved in the project.
- The project coordinator and his entire team are responsible for the implementation of the project.
- The administrative and financial manager is an important part of this team.
- External partners represented by suppliers, banks or others. Internal or external experts, often consultants.

## **2. The Project Management :**

**A. Administrative and financial management:** Management and financial financing are the cornerstone of project management. It can include tasks related to administrative management, financial and

accounting organization as well as personnel management and project resources.

- **With regard to administrative organization:** Support coordination in the day-to-day management of the various project activities.
- **For financial and accounting management:** on the one hand, an accounting system is created with the maintenance and production of the financial statements of the project. On the other hand, develop and implement a system of budgeting and monitoring to better control the use of funds.
- **With regard to personnel management:** Implement procedures for efficient use of stocks and equipment obtained from project funds.

**B. Daily (periodic) work of the administrative and financial manager:**

- Receives daily his share of tasks according to the size and sector in which he works.
- Add to the usual daily activities such as reading emails and checking to see if there are any emergencies to add to the daily schedule.
- Some processes are repeated at the end of each month, such as the monthly close or the quarterly and semi-annual interim budget that is included in each report submitted by the project coordinator.
- Mainly supervises the determination of work in the department.

Thus, the position of a financial manager is usually for an **organized** and **systematic person**, who has **rigor, honesty, a spirit of precision** in details, great **independence**, as well as knowledge of **how to control work pressures and stresses**.

The manager must be comfortable working alone or in a team as needed, have speed in decision-making and sound judgment.

On the other hand, the manager is the interlocutor for the internal and external financial and administrative partners of the project, and this requires a great ability to listen, a sense of communication and a good relationship.

### **C. The main tasks of the administrative and financial management:**

- Verify compliance and consistency with the internal regulations of the financial supporter.
- Supervise and train new administrative and financial project managers.
- The administrative and financial director must participate in the main meetings related to the project.
- Participate in the development of budgets, monitor their implementation, interpret the resulting differences and submit reports to management. Authenticate all documents allocated for expenses before making payments / showing monthly financial statements.
- The CFO is also involved in the preparation of the interim budget and collects various figures from different departments.

**Note 1:** It may happen that the actual expenditures of the project differ from those budgeted, in which case they must be reported so that an adjustment to the budget, if it allows, can be made. This further reinforces the importance of monitoring expenditures, complying with procedures, and the need to follow the established action plan so that we can identify any discrepancies and correct them in a timely manner.

In financial management, all expenses must be recorded and accompanied by all justifying documents, otherwise the expenses are rejected. They can include the following:

- ✓ Vendor invoice: accompanied by
  - purchase order Bon de commande
  - Proforma invoice Facture pro forma
  - Vendor selection report Procès-verbal de sélection du fournisseur
- ✓ Debit note (or copy of bank statement) (Avis de débit)
- ✓ Salary slip (Fiche de paie)
- ✓ Order the mission and mission report on its expenses (Ordre de mission et le rapport de frais de mission)
- ✓ Order payment (Ordre de virement émis )
- ✓ water or electricity receipt (Quittance pour l'impôt, L'eau ou l'électricité)

The project coordinator approves the monthly expenses and then submits them for payment.

There are also two main periods for declaring expenditures depending on the type and duration of the predetermined project:

- 1- Monthly, which shows the expenses made for the month.
- 2- 2- During the trimester or semester for the preliminary estimates of the budget during the year

#### **D. Human Resource management:**

The administrative and financial manager also acts as a personnel manager, especially in a small structure. As such, it shall:

- Implement the procedures, laws and regulations stipulated in the Personnel Management Manual.
  - Preparing salary transfers.
  - Classifies and completes the files of all employees (their contracts, leave requests, various certificates and certificates of absence, etc.).
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- The dual function of an HR manager is often difficult to reconcile with that of a payroll CFO, given the sympathetic nature of one that opposes the strict side of the other.
  - By virtue of his responsibilities, the administrative and financial project manager has to be in contact with various internal and external partners of the organization.
  - It can be colleagues from other departments at the internal level and liaison positions in other organizations (e.g. banks, public administrations, customers, suppliers or the initiator of the project). This doubles the number of partners with whom it is necessary to develop good professional

relationships and, most importantly, to maintain them, because smooth management depends on them.

The manager must therefore possess excellent interpersonal skills, as well as the ability to communicate and speak in public.

**Note 2:** Whether the project has a small structure or not, it happens that the administrative and financial director is also the "office manager". Thus, he also supervises the follow-up of office logistics services (supplies, offices, etc.), equipment management, development of relationships with internal and external partners, and is the reference person for all administrative and financial aspects.

**Summary :** Administrative and financial management is the cornerstone in the management of any project, where a good manager must be aware of the administrative and financial procedures for the details of the project and even partial ones.