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May 16, 2015

[Ref. number]

Marc Arnecke, PMP

[Project Name]

[Sub-Project, phase, etc.]

Project Financial Management Plan

The project financial management plan is a component of the project management plan and identifies all financial requirements of a construction project and the means to finance them. All parties must understand when and by whom all of the necessary equity, debt, and insurance, in appropriate types and amounts, are to be supplied during the construction period.



REVISIONS AND DISTRIBUTION

Revision	Release date	Distributed to*											
		Client	Consultant	JV Main office(s)	All project mgmt. dept.	Sub-contractors	Suppliers						
Rev. 0 (draft)	29/10/2013												

*) Detailed distribution lists shall be prepared for each distribution event. Further details as per the project communication plan

Amendments

The Project Financial Management Plan from time to time may require updates. Any amendment to this plan shall be **informed to the change control board by use of the change request form and approved by the project change control board** prior to distribution. Only revised parts of the plan will be distributed along with the approval and shall be accompanied by instructions how to implement the changes.

The initial page numbering system **(to be added upon initial approval)** will be a normal continuous numbering displayed in the lower right corner of each page. In the event that pages have to be added, characters shall be added to the number. In case entire pages are deleted, the corresponding page shall be replaced by a blank page stating “page removed”.

Each added/changed page shall have the revision number and date of approval displayed on the bottom of the page.



[Project Name]

Project Financial Management Plan

PROJECT SPONSOR APPROVAL

Prepared by:	Reviewed by:	Approved by Proj. Sponsor:
Place, dd/mm/yyyy	Place, dd/mm/yyyy	Place, dd/mm/yyyy
Marc Arnecke, PMP Designation	Name Designation	Name Designation



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[Project Name]

Project Financial Management Plan

FINANCIAL MANAGEMENT APPROACH

For construction projects planning is the initial phase where all financial requirements are identified and provided for in the project.

Give an introduction on the approach taken by the company and project team to ensure that sufficient financial resources will be available on time, how funds are secured, how they will be utilized etc.



[Project Name]

Project Financial Management Plan

FINANCIAL PLANNING

Sources of Funds

Explain where the funds will come from.

Contract Requirements

Explain (mutual) granting of bonds, guarantees etc.

Estimated Construction Cost

Explain how cost was estimated and what the level of confidence is. This may be required by lending institutions (feasibility study).

Project Duration

Explain return on investment and similar factors as well as funding time requirements.

Tax Benefits

Explain the tax benefits (if any).

Financial Advisor

Nominate a financial advisor.

Risk Factors & Economic Environment

Explain how risk factors are taken into consideration, even so those factors often cannot be influenced. How will financial risks such as cost overrun, political changes, etc. be distributed among the parties.

Performing Organization's Policies

Explain if there are any company policies with regards to financing which have to be taken into consideration.

Expenditure Authority

Explain the authority levels of fund utilization.



[Project Name]

Project Financial Management Plan

FINANCIAL CONTROL

Accounting System

Explain the project accounting system. It should be similar in structure to the WBS, showing the breakdown of the project into control accounts.

Financial internal and external Audits

Explain the internal and external audit procedures and periods to ensure adherence to correct accounting methods and financial practices.

Cash Flow Analysis

Explain how to maintain and analyse financial and cost data to forecast cash flow trends.

Earned Value Analysis

Explain how updated cost and schedule information will be used to forecast necessity of funding adjustments.

Financial Reporting

Define and explain reporting formats, periods etc.



[Project Name]

Project Financial Management Plan

FINANCIAL ADMINISTRATION AND RECORDS

Traceability of Financial System

Explain how financial information will be recorded.

Lessons Learned

Explain how and when lessons learned will be recorded throughout the project life cycle.



[Project Name]

Project Financial Management Plan

ATTACHMENTS:

Attachment 1	
Attachment 2	