CONSTRUCTION FINANCIAL MANAGEMENT



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TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Construction Financial Management Training Course builds the financial management capability that construction executives, project managers, and finance teams need to run projects and portfolios profitably. Construction finance differs from routine corporate finance. It works with long project cycles, milestone-based billing, high working capital needs, subcontractor risk, and margin that shifts as scope changes. Weak management there shows up as cash shortages, unexplained cost overruns, and unpredictable profit. This course develops the management discipline that prevents those outcomes. It covers project financial planning, costing, and revenue recognition. Furthermore, it applies cash flow control, working capital, and financing. In addition, it develops risk, margin protection, and executive reporting. As a result, participants manage construction finances with confidence.

Construction Financial Management Course Objectives

- Explain the financial structure of construction firms and projects.
- Prepare project budgets, cost baselines, and financial plans.
- Apply costing methods and cost control techniques to construction work.
- Apply IFRS 15 revenue recognition and work-in-progress accounting.
- Forecast project and company cash flow across cycles.
- Manage working capital, billing cycles, and collections.
- Assess subcontractor, supplier, and counterparty credit risk.
- Apply earned value management for cost and schedule control.
- Protect project margin through variation and claim control.
- Prepare executive financial reports and financing plans.

Course Methodology

- Interactive lectures with real construction finance cases.

- Project budgeting and cost control workshops.
- Cash flow forecasting and working capital exercises.
- Risk, margin, and reporting practice.
- Structured peer review with facilitator feedback on financial plans.

Who Should Take This Course

- Construction finance managers and controllers.
- Project managers with commercial responsibility.
- Quantity surveyors and commercial managers.
- Contractors' owners and general managers.
- Treasury and credit professionals in contracting firms.
- Consultants advising on construction financial management.

Construction Financial Management Course Outlines

Day 1: Financial Foundations of Construction Firms

- Financial structure of contractors: assets, liabilities, and equity.
- Project versus company financial performance measurement.
- Cost behaviour and construction cost drivers.
- Chart of accounts, cost codes, and financial reporting structure.
- Contract types: lump sum, remeasurable, cost plus, and EPC.
- Financial planning cycle for construction firms.
- Case study: reviewing a contractor's financial position.

Day 2: Project Budgeting and Cost Control

- Project budget development and cost baseline setting.
- Direct and indirect cost planning and allocation.
- Commitment accounting and purchase order control.
- Cost to complete and estimate at completion updates.
- Cost variance analysis and corrective action planning.
- Progress measurement and physical versus financial progress.
- Workshop: building a project budget and cost control sheet.

Day 3: Revenue Recognition, WIP, and Margin

- IFRS 15 five-step model applied to construction contracts.
- Contract assets, contract liabilities, and retention treatment.
- Work-in-progress schedules and stage of completion.
- Over-billing, under-billing, and balance sheet presentation.
- Project profit recognition and margin forecasting.
- Variation orders, claims, and contract modification accounting.
- Workshop: computing project margin and WIP position.

Day 4: Cash Flow, Working Capital, and Financing

- Project cash flow forecasting and S-curve analysis.
- Client billing cycles, certification, and collection management.
- Advance payments, retentions, and performance bonds.
- Supplier and subcontractor payment scheduling.
- Working capital management and cash conversion cycle.
- Financing options: overdrafts, project finance, and invoice discounting.
- Workshop: building a project and company cash flow forecast.

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Day 5: Risk, Controls, and Executive Reporting

- Financial risk identification for construction projects.
- Credit risk assessment for clients and subcontractors.
- Earned value management: PV, EV, AC, CPI, and SPI.
- Internal controls, authorisation limits, and fraud prevention.
- Executive dashboards and project financial reporting packs.
- Financing structure and investment appraisal for new bids.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Construction Financial Management, participants will gain a thorough understanding of construction financial foundations, project budgeting and cost control, revenue recognition and work-in-progress accounting, cash flow management and financing, and financial risk, controls and executive reporting. They will also acquire practical skills in construction project budgeting and cost control, construction revenue recognition and work-in-progress accounting, project and company cash flow management, and construction financial risk assessment and executive reporting. In addition, the course prepares them to protect margin and cash with disciplined financial management. Gentex Training Center delivers this programme with a strong focus on applied construction finance and decision-ready reporting.

FAQs for Construction Financial Management course

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Q1 What is the "Construction Financial Management" course about?

It is a five-day programme on managing the finances of construction firms and projects. It covers financial foundations and contract types, project budgeting and cost control, IFRS 15 revenue recognition and work-in-progress, cash flow, working capital and financing, and risk, controls and executive reporting.

Q2 What are the key benefits of the "Construction Financial Management" course?

Participants protect margin and cash with stronger financial management. The course improves budget and cost baseline setting, sharpens revenue recognition and WIP measurement, strengthens cash flow forecasting and collection discipline, improves working capital and financing decisions, and raises risk assessment and executive reporting quality.

Q3 What skills will I gain from the "Construction Financial Management" course?

Participants gain construction project budgeting and cost control, construction revenue recognition and work-in-progress accounting, project and company cash flow management, and construction financial risk assessment and executive reporting. These four skills cover the practical core of construction financial management.

Q4 What tools, methods, or standards are covered in the "Construction Financial Management" course?

The course covers contractor financial structure analysis, project and company performance measurement, cost behaviour and construction cost drivers, chart of accounts and cost code design, contract types including lump sum, remeasurable, cost plus and EPC, cost baseline setting, direct and indirect cost allocation, commitment accounting and purchase order control, cost to complete and estimate at completion, cost variance analysis, the IFRS 15 five-step model, contract assets and liabilities, retention treatment, work-in-progress schedules, over-billing and under-billing presentation, project profit recognition, variation order and claim accounting, cash flow forecasting and S-curve analysis, client billing and certification cycles, advance payments, retentions and performance bonds, supplier and subcontractor payment scheduling, cash conversion cycle management, overdrafts, project finance and invoice discounting, construction financial risk identification, credit risk assessment, earned value management using PV, EV, AC, CPI and SPI, internal controls and authorisation limits, executive dashboards, and bid investment appraisal.

Q5 How is the "Construction Financial Management" course applied in real-world practice?

Participants apply the methods to live and simulated construction businesses. They build project budgets and cost baselines, track commitments and cost to complete, recognise revenue and prepare WIP schedules, forecast project and company cash flow, manage billing and collections, schedule subcontractor payments, assess client and subcontractor credit risk, run earned value analysis, and prepare project and executive reporting packs. Many leave with a budgeting template, a cash flow model, and an executive dashboard structure ready to use.

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