

# Merging Project and Corporate Accounting: Is it impossible? Maybe

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Session GBS07



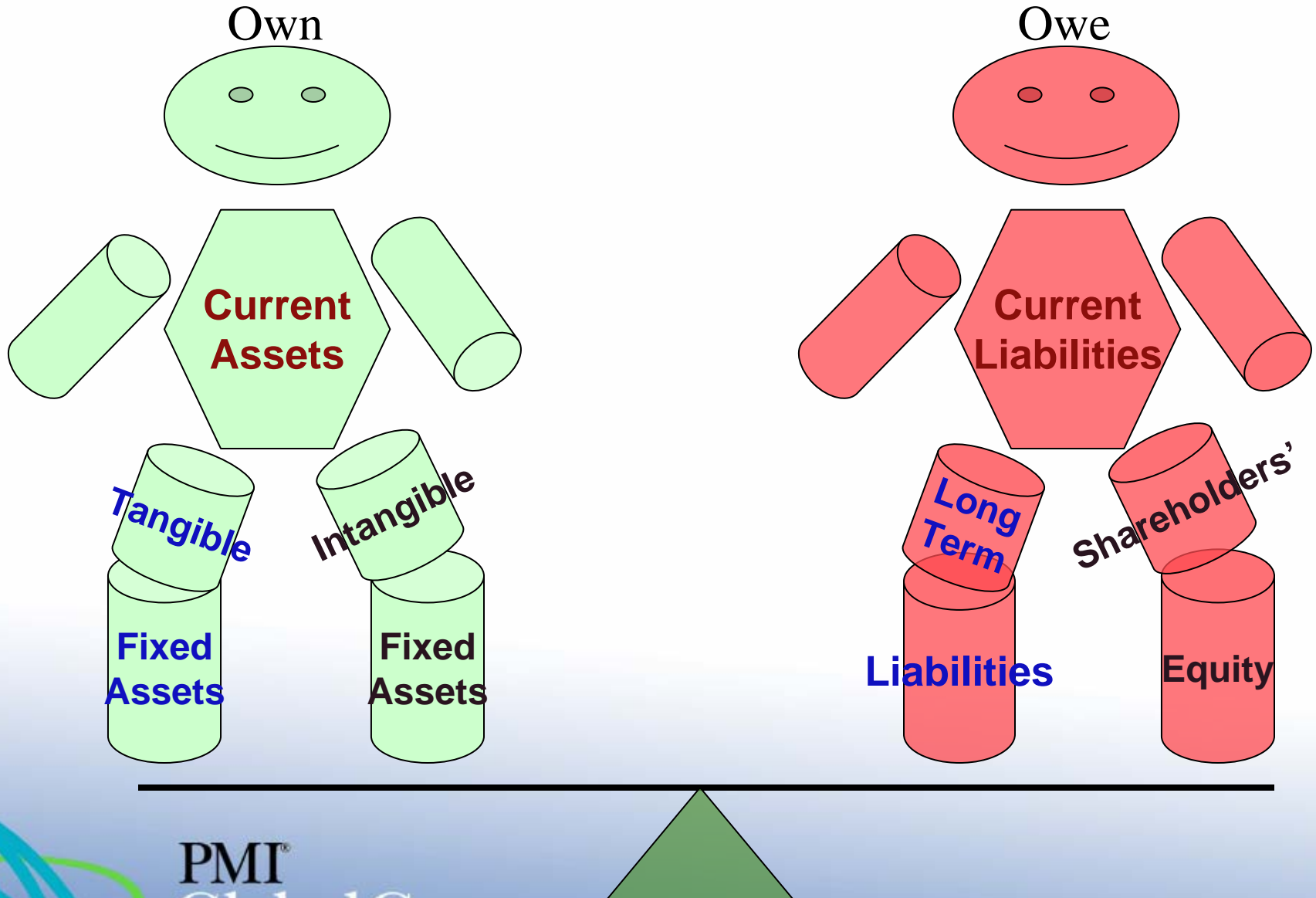
# The environment of a project

**Government**

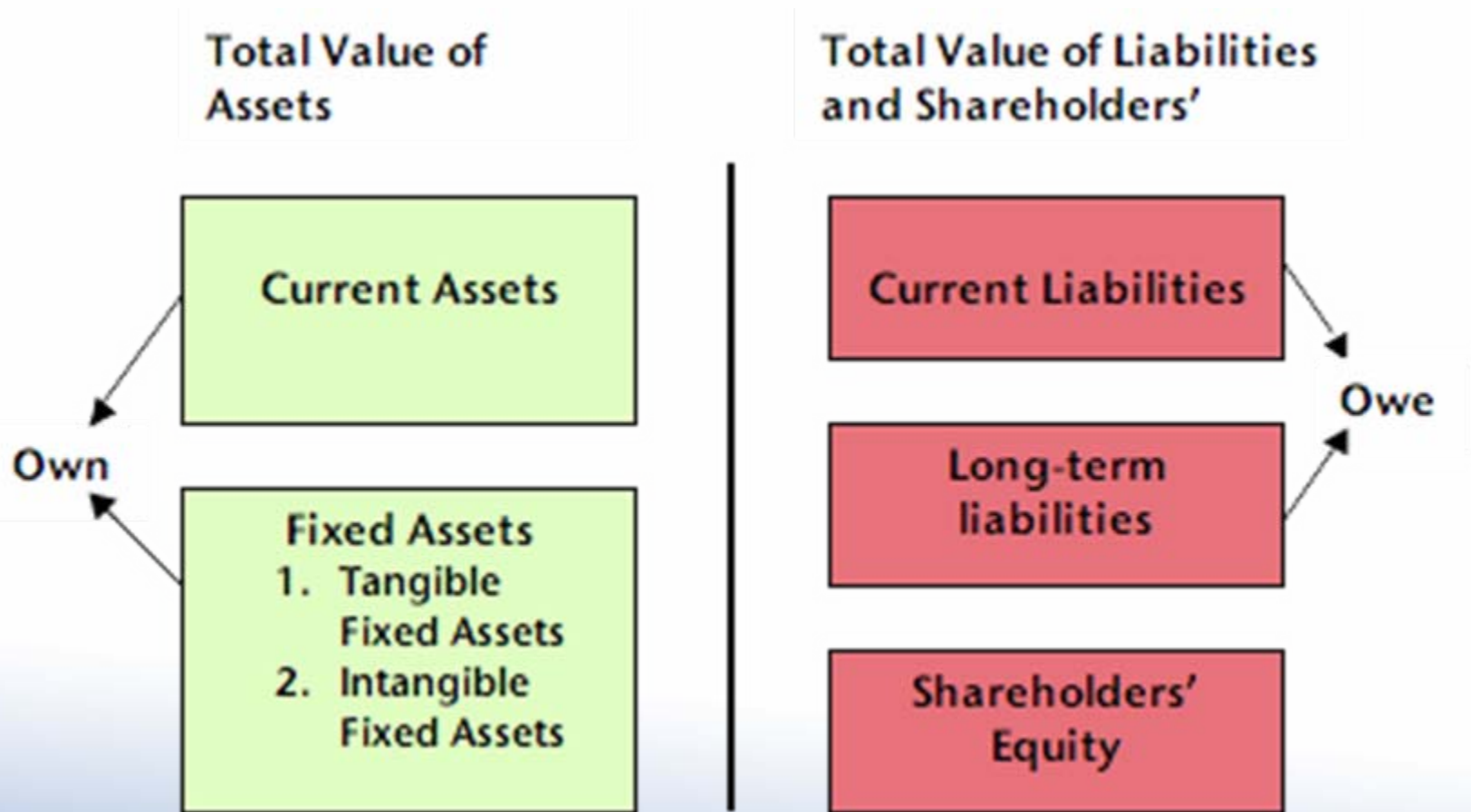
**Legal Entity (A Business)**

**A Project**

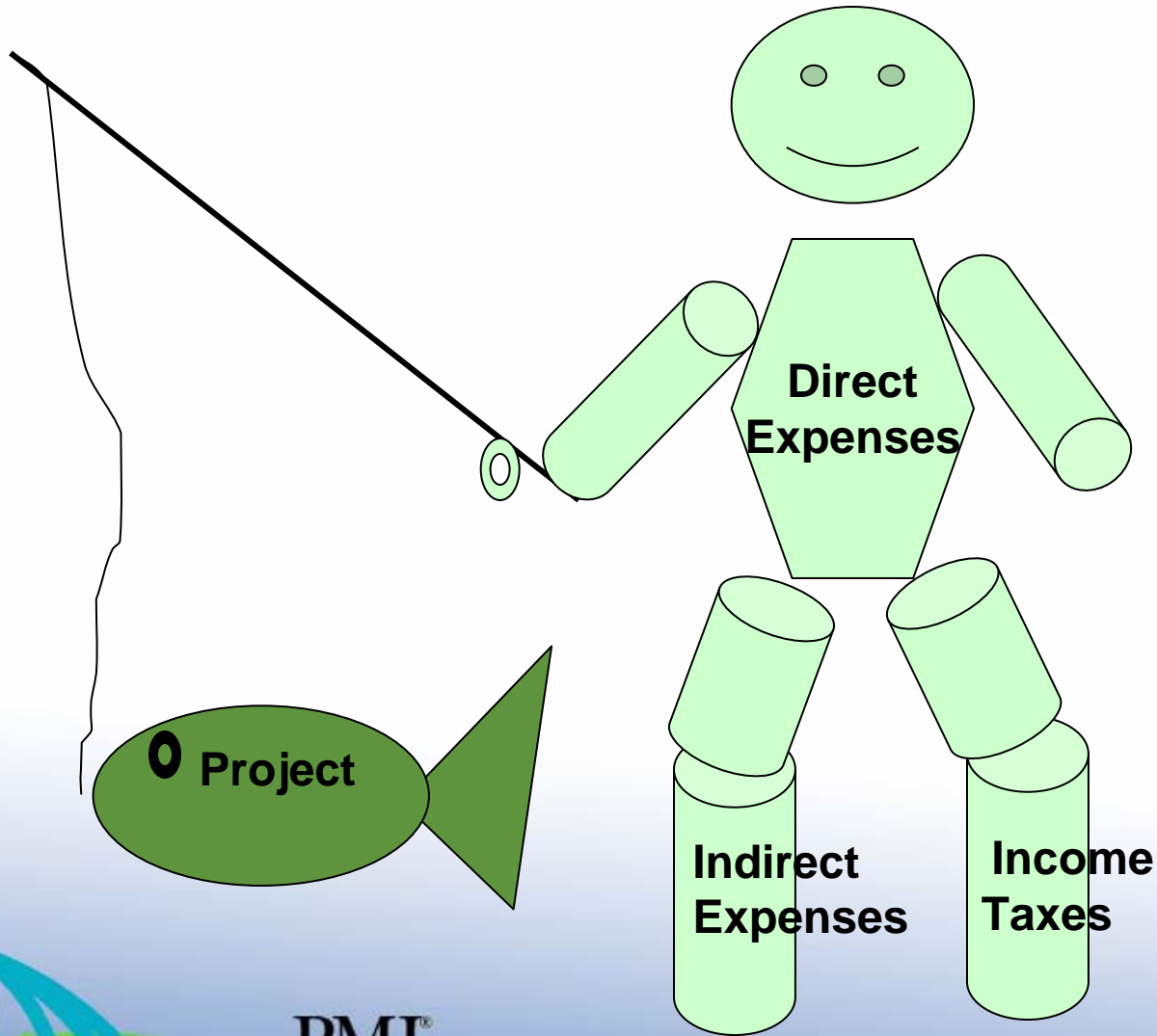
# Balance Sheet



# Balance Sheet



# Income Statement



Revenue

Direct Expenses

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Gross Profit

Indirect Expenses

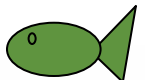
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Pre-Tax Income

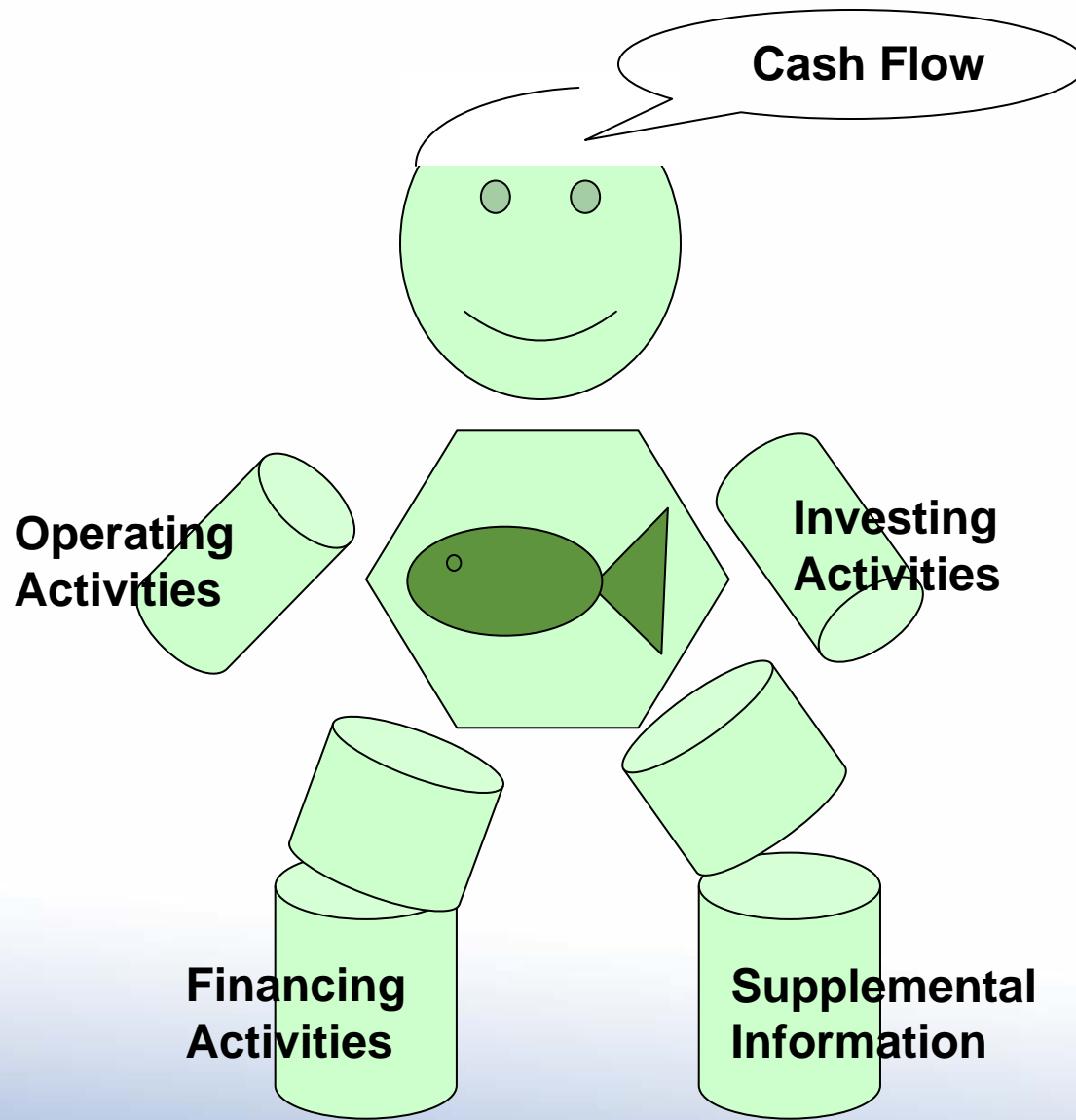
Income Taxes

-

Net Income:



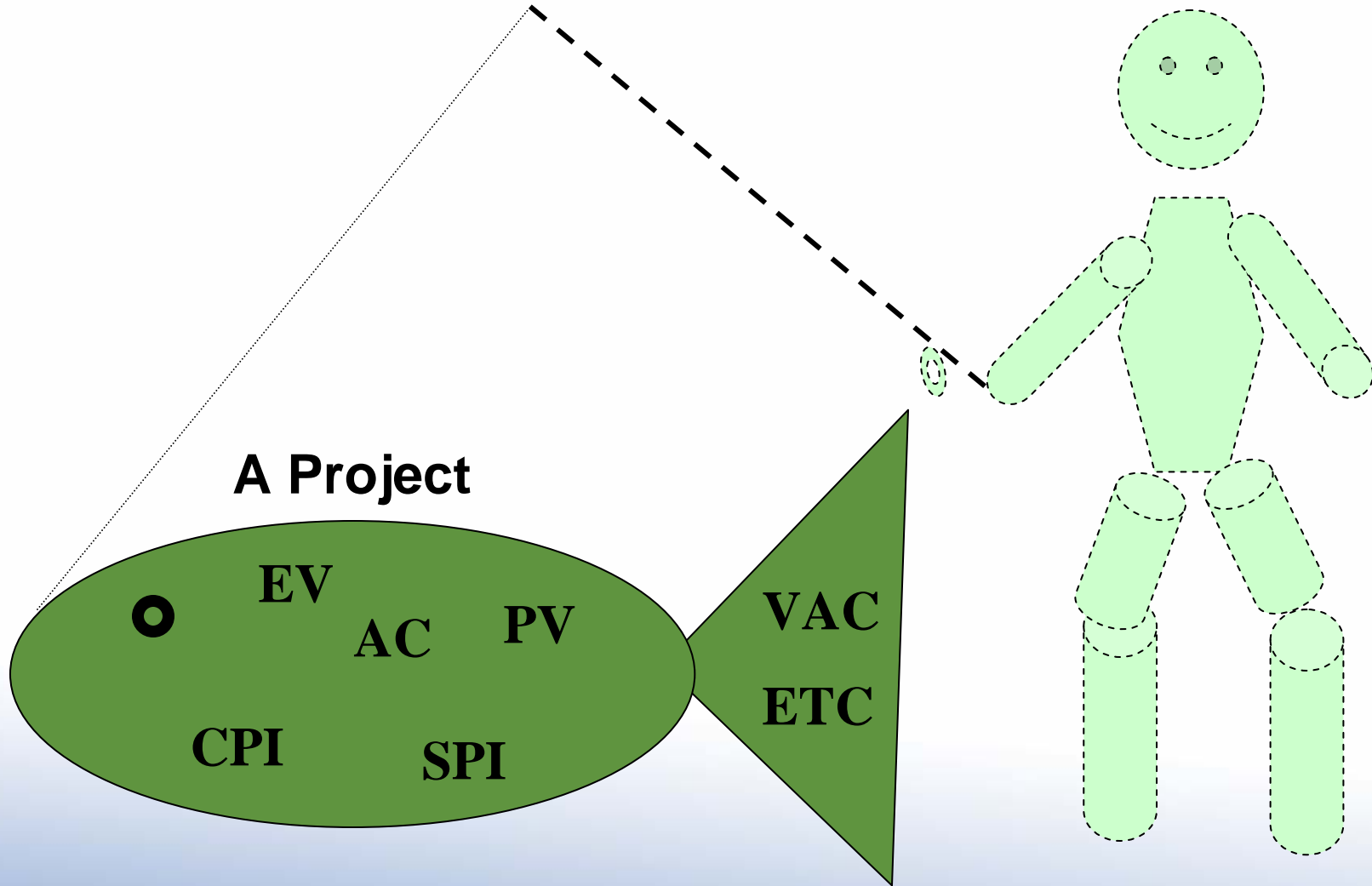
<b>A Corporate Annual Income Statement</b>		
<b>Revenue (Income)</b>	\$ 000.000	
- Revenue/Sales	\$ 000.000	
- Miscellaneous Income		
Total Income		\$ 000.000
<b>Direct Expenses (Cost of Sales)</b>		
- (Project) Salaries	\$ 000.000	
- Other direct project costs	\$ 000.000	
Total Direct Expenses		\$ 000.000
<b>Gross Profit</b>		
- Income minus Direct Expenses		\$ 000.000
<b>Indirect Expenses (Overhead)</b>		
- (Non-project-related) Salaries	\$ 000.000	
- Membership Dues/Fees	\$ 000.000	
- Equipment Maintenance/Rent	\$ 000.000	
- Depreciation Expense	\$ 000.000	
- Insurances	\$ 000.000	
- Interest/Bank/Fees Expense	\$ 000.000	
- Office Supplies Expense	\$ 000.000	
- Telephone/Utilities Expenses	\$ 000.000	
- Payroll/Property Taxes	\$ 000.000	
- Misc.	\$ 000.000	
Total Indirect Expenses	\$ 000.000	
<b>Total Expenses (Direct + Indirect)</b>		\$ 000.000
Pre-Tax Income		\$ 000.000
Income Taxes		\$ 000.000
<b>Net Income</b>		<b>\$ 000.000</b>



# Cash Flow Statement

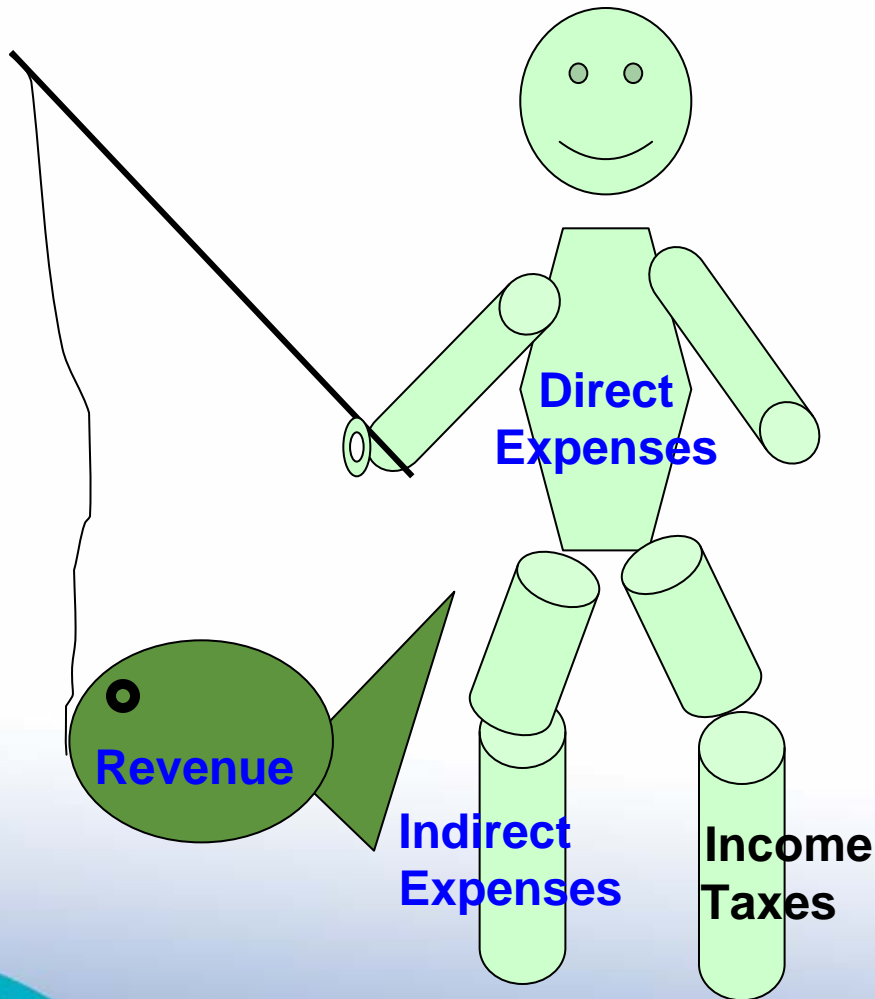
A generic format of a Cash Flow Statement	
1. Operating activities	\$ 000,000
2. Investing activities	(\$ 000,000)
3. Financing activities	\$ 000,000
4. Supplemental information	(\$ 000,000)

# Project Accounting

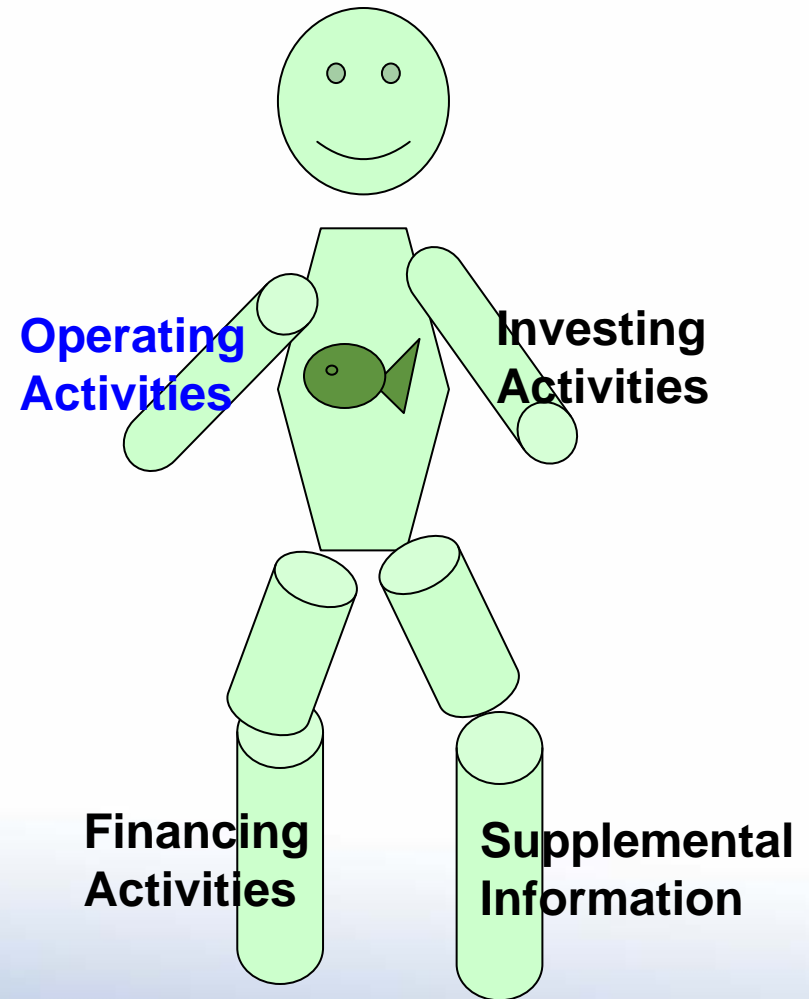


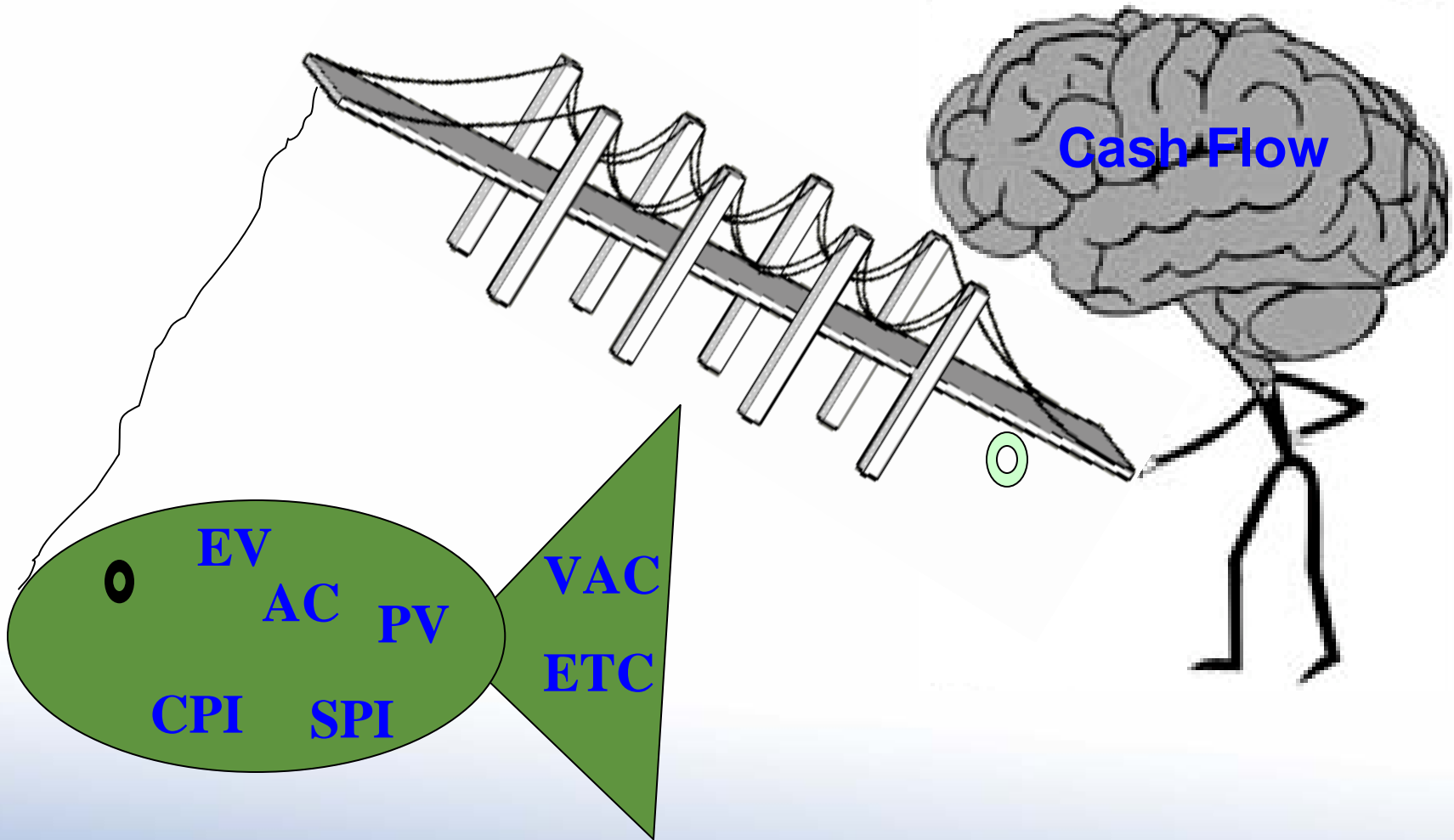
# Project's impact on Corporate Accounting

## Income Statement



## Cash Flow





Paying attention to the Project Cash flow is somewhat an accounting bridge between Project and Corporate accounting

- Shorten duration between money spent and money collected
- Paying bills when they are due, not sooner
- Try to establish extended terms with creditors
- Buy only what is needed, when it is needed
- Get competitive bids from other contractors
- Take advantage of trade discounts



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**Global Congress**  
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