

# **Creating a Guidebook for Company x on Sound Financial Management of AMIF (Asylum, Migration and Integration Fund) Projects**

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<b>Degree programme</b> <b>Bachelor of Business Administration</b>	
<b>Report/thesis title</b> Creating a guidebook for company x on sound financial management of AMIF (Asylum, Migration and Integration Fund) projects	<b>Number of pages and appendix pages</b> <b>27 + 2</b>
<p>Applying for EU funding for a project and receiving it brings a sign of relief to many but few expect the challenges to follow. Financial management of EU-funded projects comes with its own rules and there is no other way of getting around them other than by adapting them.</p> <p>This is a project-based thesis and it was written particularly for the Finnish Immigration Service which implements EU-funded projects either singlehandedly or in partnership with others. The objective of the project was to create a guidebook to assist in the financial management of projects funded by AMIF (Asylum, Migration and Integration Fund). This was realised through four project tasks.</p> <p>The first chapter sets the stage for the thesis with background information and project tasks. As financial management is part of project management, the thesis was demarcated to focus only on financial management. Next the thesis covers the international aspects, the benefits to the company and the introduction of the case company.</p> <p>In AMIF projects, the budget structure is divided into direct and indirect expenses which would be the equivalent of direct and indirect cost budgets in a profit-making company. Therefore, an overview of budgets was chosen as the theory background.</p> <p>The theory on budgets paved the way for designing the guidebook where the focus is on direct and indirect expenses in the AMIF budget structure. Here, it was mandatory to thoroughly analyse eligibility rules and their requirements bringing them to the forefront.</p> <p>The data for the thesis was collected through primary and secondary data collection methods and covered AMIF rules and national as well as internal rules of the commissioning company. In addition, invaluable input from the finance and personnel departments in the commissioning company supplemented the missing parts.</p> <p>Based on constructive feedback on the guidebook from the commissioning company, some alterations were made and the final version was created.</p>	
<b>Keywords</b> sound financial management, budget structure, eligibility rules, programmes and funds	

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## Abbreviations

AMIF	-	Asylum, Migration and Integration Fund
DG	-	Directorate General
EU	-	European Union
EUSA	-	Euroopan unionin sisäasioiden rahastot
ISF	-	Internal Security Fund
PALKEET	-	Finnish Government Shared Services Centre for Finance & HR
SOLID	-	Solidarity and Management of Migration Flows

# 1 Introduction

During my years of experience as a Financial Coordinator of EU -funded projects, it became apparent that managing EU-funded project expenditure is not everybody's cup of tea. In fact, feedback from beneficiaries of the previous refugee fund projects revealed that bureaucracy was too rigid. On the positive side, EU funds support innovation, create jobs and foster growth. Sure enough, the eligibility rules of EU-funded projects are strict and managing project expenses pushes one's limits, but who doesn't like a good challenge?

This thesis is a project-based thesis and the aim is to create a guidebook for the commissioning company The Finnish Immigration Service. The guidebook is the result of in-depth studies of the eligibility rules of project expenditure in the EU's AMIF (Asylum, Migration and Integration Fund). Backed by experience from financial management of projects in Finland, and recovery of project funds in the European Commission, the author aims to show that "sound financial management" is not just a pretty term, it's achievable.

## 1.1 Background

In choosing a topic which is current, interesting and international, there is no doubt that one of the most current topics of today relates to the migrant crisis in Europe. In Finland, with the commissioning company shouldering this responsibility, there has been a noticeable increase in the number of AMIF-funded projects in 2016. The commissioning company is not just in the process of implementing projects funded by AMIF, but also coordinating emergency funding from the EU to meet with the crisis situation. Whether it's emergency funding or normal funding for projects, any funding coming from the EU is always subject to scrutiny and the better prepared you are, the more your chances of achieving sound financial management.

From the author's perspective, working experience in financial management of EU-funded projects provided a solid base for the creation of the guidebook. It was something that the author wanted to do a long time ago, but never had the opportunity. Now with the migrant crisis nowhere nearing the end, and the commissioning company looking poised to participate in future projects, the timing couldn't be better.

Since one of the criteria required for a thesis topic is that a certain percentage of it must be related to the specialization studies, the guidebook fulfils that requirement. The main focus is on the budget structure of AMIF projects and its direct and indirect costs.

## 1.2 Project objective and tasks

The objective of this thesis was to create a guidebook for the commissioning company The Finnish Immigration Service. The purpose of the guidebook was to assist project personnel in managing project expenditure throughout the implementation and final stages of a project. To reach the objective of creating the guidebook, four project tasks were defined as outlined in Table 1.

Project task 1 was to collect background theory as a setting for the empirical part. Since the AMIF budget structure covers direct and indirect expenses, suitable theory was chosen to be an overview of budgets. This is presented in chapter 2.

Project task 2 was to collect all the essential information needed for planning and designing the guidebook. With this information, a draft version of the guidebook was to be prepared (project task 3). The outcome of project tasks 2 and 3 is shown in chapter 3.

In project task 4, the draft version of the guidebook was to be circulated in the commissioning company. After feedback was received from the commissioning company, corrections were to be made. The final outcome of project task 4 is revealed in chapter 4.

Table 1. Overlay matrix.

	PROJECT TASK	THEORETICAL FRAMEWORK	PROJECT MANAGEMENT METHODS	OUTCOME	ch
1	Researching for theory on direct and indirect costs of a company	Internet, textbook	desktop study	A theoretical framework	2
2	Planning and designing the guidebook	Instruction manuals on AMIF rules, national and internal rules	on-the-spot visits, interviews, correspondence, desktop study	A collection of instructions	3
3	Creating the guidebook	Instruction material	desktop study	Draft version of the guidebook	3.3
4	Testing the guidebook			A user-friendly guidebook	4

### **1.3 Project Scope**

The idea of creating a guidebook first came to mind after observing inconsistencies in financial management of projects from the previous SOLID fund. This resulted in rejection of expenses which meant a total waste of time and effort on financial management of projects. The primary focus therefore, was going to be on the eligibility rules of project expenses and the intricacies surrounding them.

The secondary focus was directed at the implementation and final stages of a project and the steps to follow during these stages. This would serve as a roadmap and help understand the tasks involved at each stage in order to reach milestones.

The overall focus was going to be on financial management and not project management of a project, although project management includes financial management. By separating financial management, project managers can concentrate more on other pressing areas and leave financial management in other capable hands. Here it is important to note that project managers can always substantiate the goals and objectives of a project, but if project expenses do not satisfy the eligibility rules and the project is closed, expenses will be rejected.

### **1.4 International Aspect**

The guidebook focuses on projects funded by the EU's Directorate General (DG) Migration and Home Affairs and the orders are given by them to the responsible authorities in their respective member state countries.

In Finland, the responsible authority is the International Affairs Unit in the Ministry of the Interior. The beneficiaries of the fund report to the responsible authority and they, in turn, report to DG Migration and Home Affairs in the EU. With the funding coming from the EU, this means that the EU auditors have the right to audit the projects during and after the closure of the project. Figure 1 presents the stakeholders of AMIF and its international aspect.



Figure 1. Stakeholders of AMIF. (sisäministeriö 2016, 18; Laki sisäasioiden rahastoista 903/2014.)

## 1.5 Benefits

For the finance and personnel departments involved in processing project expenses, the guidebook provides specific information on the requirements of project expenses in order for them to be eligible. This would help in ensuring that all the necessary attachments, justifications of expenses etc. are available before processing the expense.

For people working directly for the project, familiarizing oneself with rules and adapting them to project expenses will ensure that the requirements are met. For new personnel working on the projects, reading and memorizing the rules from the beginning of the project would help in building a routine along the way.

In the commissioning company, the rules of the old fund SOLID had become familiar to many, but now new rules must be learnt. In help with this, an Excel-table showing essential changes between AMIF and SOLID is included in the thesis.

To maintain consistency, instructions based on each expense class are collected and presented in the same order as the budget structure. Where necessary, a summary of the main points is presented in pictures and bullet points.

For the author, it will be an added incentive in her working career. In some job vacancies, a motivation letter or a description of one's achievements is required. The guidebook will be a good example of an achievement.

For the commissioning company on the whole, this guidebook would come in handy in implementing new and future AMIF projects. A review of the number of AMIF projects being implemented in one year compared to the number of projects implemented with the previous SOLID-fund show a significant increase in the number. In figure 2, the comparison of the number of projects between the old funding programme SOLID from 2005 - 2013 and the new AMIF from 2015 onwards is presented.

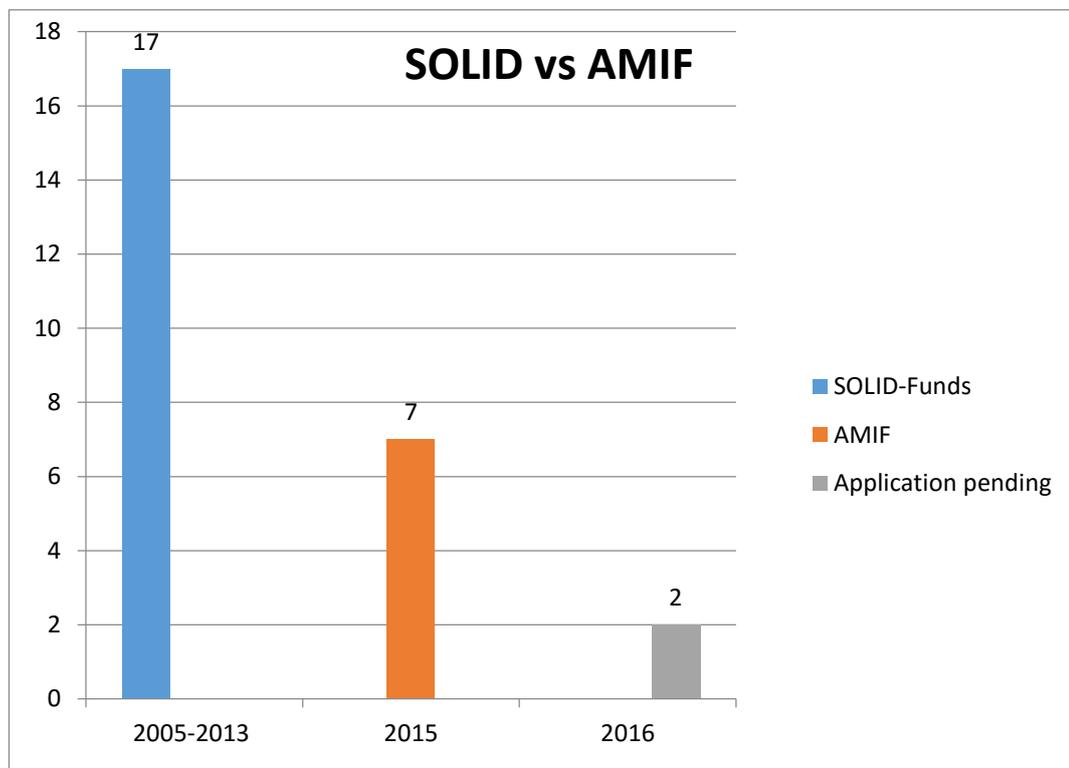


Figure 2. A comparison in the number of projects between SOLID and AMIF. (sisäministeriö 2013.)

## 1.6 Key Concepts

*Solid financial management* is a term used by the European Commission to mean that the funds must be used economically, efficiently and effectively (European Commission, Budget.)

*The budget structure* for AMIF projects is the framework for classes of expense, for example, personnel costs, purchases etc.

*Eligibility rules* refer to the criteria by which an expense qualifies for funding.

*Programmes and funds* refer to EU policies implemented through programmes and funds (European Commission. Budget. EU Funding glossary).

## 1.7 Case Company

The Finnish Immigration Service is a subordinate of the Ministry of the Interior and consists of nine units: 1) Immigration, 2) Asylum, 3) Reception, 4) Nationality, 5) Customer Relations and Communications Unit, 6) Administration and Development Services, 7) Planning and Finance Unit, 8) Legal Service and Country Information Unit and 9) Electronic Services (The Finnish Immigration Service 2016).

The Finnish Immigration Service handles matters relating to immigration, residence, refugee matters and Finnish citizenship (The Finnish Immigration Service 2016). At the moment, its employees are over seven hundred and have almost doubled compared to last year's figures. This is due to the increased workload caused by the migration crisis over the past year.

The Planning and Finance unit works in close collaboration with Palkeet (Finnish Government Shared Services Centre for Finance and HR) in taking care of the finances of the whole organisation. In this unit, most of the expenses relating to project expenses is processed.

The Personnel department is within the Administration and Development unit and works also with Palkeet but in personnel-related matters.

## 2 An overview of budgets in a company

The budget structure for AMIF projects is made up of direct and indirect expense classes as seen in Figure 3. In the application stage, when the beneficiary is applying for funding, the estimated budget will be in line with the same budget structure. Each expense class is budgeted and each class has its own rules of eligibility with the exception of indirect costs.

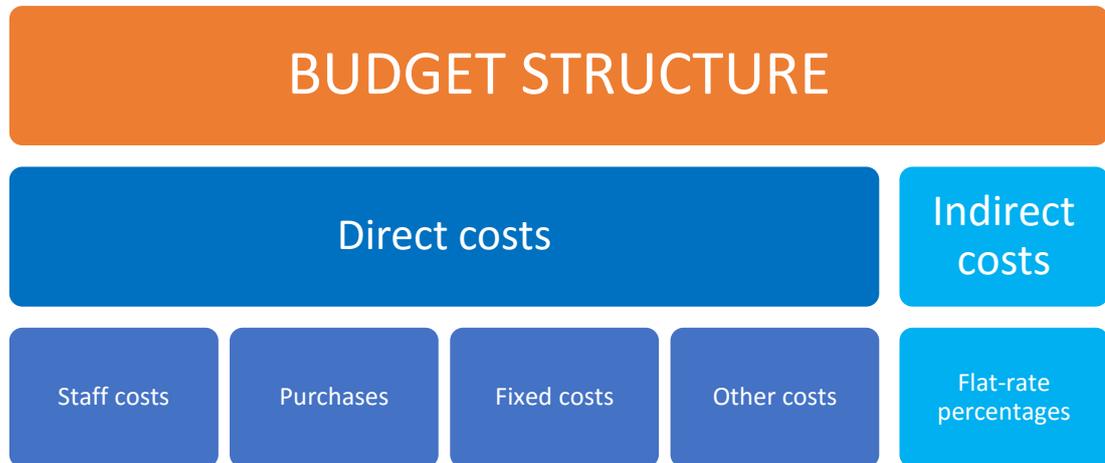


Figure 3. The budget structure of AMIF. (sisäministeriö 2016, 25.)

The AMIF budget and the budget of a profit-making company both have different objectives. Whereas a company will monitor its budget regularly to see how the business is progressing, the AMIF budget will be monitored to see if the funds are used in line with the budget, if the budget is being overspent, underspent or simply if there are enough funds available for a particular expense. The budget of a company can include various types of budgets depending on the type of business.

In this chapter, the definition of a budget and the basic types of budgets of a company will be presented. These budgets can be found typically in large companies and some budgets, for example, sales budgets are monitored more often than the others.

### 2.1 Types of budgets

A budget is defined as an estimation of costs, revenues and resources for a given period (Business Dictionary 2016). There are basically five types of budgets in managerial accounting, namely master budget, operational budget, cash flow budget, financial budget and the static budget (Shpak 2016).

The master budget is mainly used in large businesses and gives a full estimation of how management intends to conduct all sectors of a business during a given period (Shpak 2016).

The operational budgets are used for the daily running of a business and consist of the following income expenses: sales, production, direct materials, direct labour, manufacturing overheads and operating expenses (Braun & Tietz 2015, 525). The breakdown of the operational budget is shown in Figure 4.

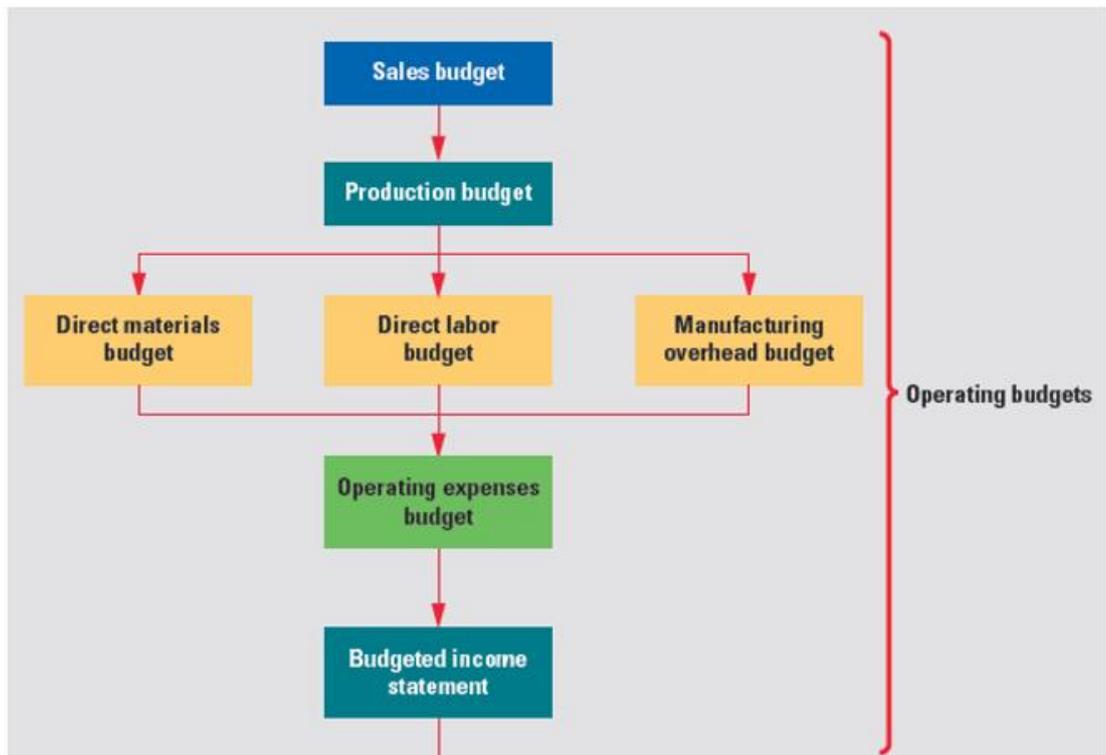


Figure 4. The operational budget. (Braun & Tietz 2015, 524.)

The cash flow budget monitors the inflows and outflows of cash on a daily basis and observe the accounts of payables and receivables (The Motley Fool 2016).

The financial budget is normally an estimate for a year and usually contains three budgets. These are the capital expenditure budget, the cash budget and the budgeted balance sheet. In the financial budget, the company can monitor its cash inflows and outflows and its overall financial position on the whole. (About money 2016.) The breakdown of the financial budget is shown in Figure 5.

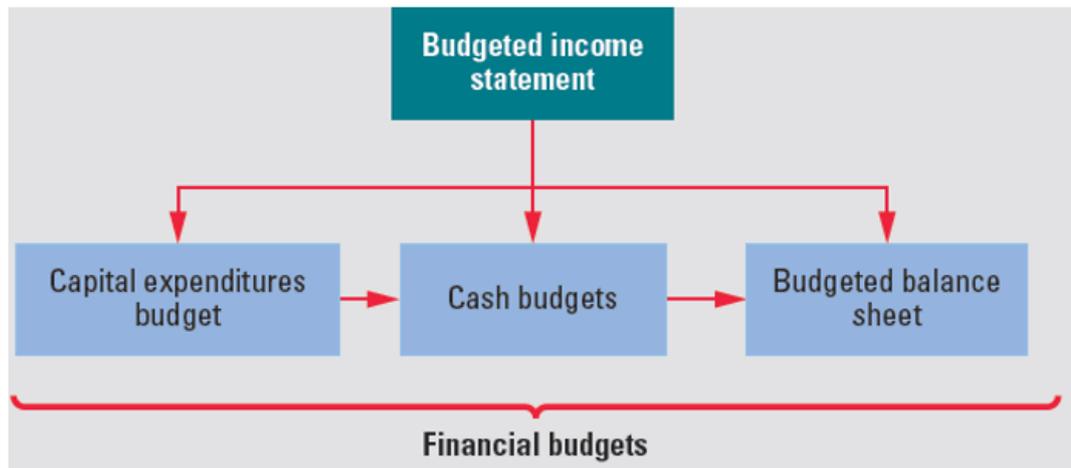


Figure 5. The financial budget. (Braun & Tietz 2015, 524.)

A static budget is a fixed budget where the figures do not change even if sales may change. This type of budget might be used where a fixed amount is budgeted to be spent. (Shpak 2016.)

## 2.2 Budgets with direct costs

There are two categories of costs in a budget, the direct costs and the indirect costs. Direct costs are costs that can be directly traced to a cost object, for example, a department, product or project and are typically materials and labour. Indirect costs are those that are used on a daily basis and cannot be traced to a specific cost object, for example, electricity and cleaning supplies. (Arline, K. 2015.) A company's operational budget includes both direct and indirect costs (The Motley Fool 2016).

### 2.2.1 Direct production budget

The production budget can be prepared when there is information on the estimated sales in the sales budget. When this information is received, the formula in Figure 6 is used to determine the number of units to be produced. (Accounting 2008.)



Figure 6. Production budget. (Braun & Tietz 2015, 526.)

### 2.2.2 Direct labour budget

After the production budget is completed, the direct labour budget can be prepared, based on the number of units to be produced from the production budget. To find out the total direct labour costs, the formula in Figure 7 is used. (Accounting 2008.)



Figure 7. Direct labour budget. (Braun & Tietz 2015, 529.)

### 2.2.3 Direct materials budget

From the figures in the production budget, the amount of material needed for producing the number of units can be calculated by using the formula in Figure 8 (Accounting 2008).



Figure 8. Direct materials budget. (Braun & Tietz 2015, 528.)

### 2.2.4 Purchases budget

For companies selling tangible products, the purchases budget is prepared to estimate how much material is needed to be purchased as well as inventory for a certain period (Chron. com).

For a merchandising company purchasing ready-made products, the budget used here is cost of goods sold (COGS), inventory and purchases budget (Braun & Tietz 2015, 545). In order to arrive at the purchases budget, it is necessary to know the cost of goods sold and the inventory desired as shown in Figure 9.

Cost of Goods Sold	(the inventory we plan to sell during the month, at cost)
<u>Plus: Desired Ending Inventory</u>	(the amount of inventory we want on hand at month's end)
Total Inventory Needed	(the total amount of inventory needed)
<u>Less: Beginning Inventory</u>	(the amount of inventory we have on hand)
<u>Purchases of Inventory</u>	(the amount of inventory we need to purchase)

Figure 9. Purchases budget. (Braun & Tietz 2015, 545.)

### 2.2.5 Capital expenditure budget

A capital expenditure budget belongs to the financial budget and simply shows how much cash a company invests in property, equipment etc. (Cliffnotes 2016.)

### 2.3 Manufacturing overhead budget

Manufacturing overhead budget includes all manufacturing costs except direct labour and materials. These costs are then converted into an overhead allocation from which “ending finished goods inventory” is determined. (Accounting tools 2016.)

Manufacturing overhead costs can be variable, for example, indirect labour, indirect materials and utilities, or they can be fixed, for example, depreciation, insurance, property taxes etc. (Braun & Tietz 2015, 530.)

### **3 Planning and designing the guidebook**

In the previous chapter, an overview of budgets in a company was presented and budgets relating to direct and indirect were further explained. Now the focus will turn to the budget used specifically in AMIF projects. The structure for the budget of AMIF projects is made up also of direct and indirect costs but these have their own rules. To create a guidebook based on the AMIF budget structure, certain things needed to be taken into consideration.

The guidebook was being prepared for a new fund AMIF from a new programme which officially started in 2014, but didn't get underway until 2015. There were new laws, updated changes, a new budget structure, electronic reporting etc., so different instructions were needed for different topics.

In order to ensure that the data collected was up-to-date and appropriate for the guidebook, the author had to ensure that all the right sources were researched. In this chapter the author will walk you through the different project management methods used to implement project task 2.

#### **3.1 Defining the areas and methods of research**

The commissioning company implements projects mostly related to its business idea. With the focus on projects from the new funding programme called AMIF (Asylum, Migration and Refugee Fund), the first task was to clarify which information is needed for the guidebook and what sources needed to be researched. At this point, the author started visualising the contents of the guidebook and how it should be structured for maximum benefit.

##### **3.1.1 Visiting the commissioning company**

As the guidebook was being created for the commissioning company, it was important to have background information about them and their existing rules and regulations. For this purpose, the first on-the-spot visit was made to get information and suggestions from people in the finance and personnel department involved in project-related matters.

In the commissioning company, much of the material used internally was found on its Intranet to which the author had no access. This was a big setback since the guidebook was

supposed to include internal instructions and links to the Intranet. Nevertheless, after sifting through the material collected from the visit, the author requested for additional information to be forwarded via email.

After analysing all the information from the commissioning company, the author made a second visit to collect additional details and to ensure that some of the instructions were understood correctly. Throughout the process, the author contacted both the people from the personnel as well as the planning and finance departments to ensure that all essential information was included, that the instructions were up-to-date and were interpreted correctly.

### **3.1.2 Focusing on AMIF and the budget structure**

The main area of research was centred around the AMIF-fund and the budget structure, so it was necessary to research all possible sources for information concerning this part.

On researching for data published by the EU on the eligibility rules of AMIF, it was apparent that there was no such material. In the previous funding programme (SOLID) the EU had its own manual of eligibility rules in English and the responsible authority had the important parts translated into Finnish for distribution to beneficiaries. To clarify if there were EU manuals available, the author contacted a reliable source working in DG Migration and Home Affairs in the Commission and learnt that there are no such manuals. All the necessary instructions were therefore with the responsible authority and was available on a website called EUSA (Euroopan unionin sisäasioiden rahastot). This was going to be the chief source of information for the guidebook.

### **3.1.3 Differentiating between AMIF and SOLID**

Before AMIF started in 2014, the previous funding programme from 2007-2013 was called SOLID (Solidarity and Management of Migration Flows). AMIF is a continuation of SOLID but with a new programme there was bound to be changes that should be taken into account if one wanted to avoid common pitfalls.

With previous knowledge and experience of SOLID projects, the author researched the website of the responsible authority and found the old manual of instructions from which the comparison could be made.

## **3.2 Focusing on classes of expense in the AMIF budget**

The main focus of the guidebook is on financial management of direct and indirect costs, so these costs needed to be explored in-depth to gather the essential details specific to them. The aim here was to group instructions on the same topic from AMIF, the national as well as the internal rules of the commissioning company to ensure that all instructions were taken on board.

The method used to collect all the essential information was a thorough desktop study of all the material. In the most important classes of expenses, the author picked out key areas which need to be implemented carefully to ensure that they meet the eligibility requirements. The following sub-chapters explain what type of data was collected and how this was done.

### **3.2.1 Staff costs**

Staff costs are direct costs and salaries, remuneration and holiday allowances are eligible expenses. Costs of project workers directly involved in implementing the project are therefore eligible for funding. To collect the essential information needed, the author researched both the instruction manual and the applicant's guide of the responsible authority. Lots of information was found on the eligibility requirements in the instruction manual and all the important points were noted and presented in the guidebook.

The next step was to find out how these staff costs are implemented in the personnel department and Planning and Finance unit of the commissioning company. Although the personnel department handles personnel matters, the monitoring of project expenses is done in the Planning and Finance unit.

#### *Employment contracts*

In the personnel department, the initial preparation of employment contracts is prepared in the system after which they are transferred to Palkeet for processing further. To understand how the work contracts are drafted and who does what in the personnel department, the author visited the department twice and contacted some of the staff by email for more information. It was learnt that adjustments can be included in employment contracts to meet the eligibility criteria of project personnel. This and other essential information were included in the instructions.

### *Timesheets*

According to rules on part-time employees of the project, workers must record their working hours in a timesheet on a daily basis. (sisäministeriö 2015, 24-25). The recording must be accurate because this must be balanced with accounting reports, and the calculations must be submitted to the responsible authority. To find out how this works, the author visited the Planning and Finance unit and learnt that there have been discrepancies in this process and this was causing unnecessary work. The core of the problem is with the recording of working hours meaning that if the hours stamped on a time-recording machine do not match the hours recorded by the worker in the timesheet, they will not balance. Instructions were prepared on this matter and included in the guidebook.

### *Holiday allowance*

The stamping of working hours also affects the calculation of the holiday allowance share for the project. If there are irregularities in stamping, the hours reported will not balance with accounting reports and the calculations have to be balanced with accounting reports to qualify for funding. The core of this problem lies also with the recording of working hours in the timesheet but there is an additional problem. If the supervisor does not approve the recorded hours of the previous month before the fifteenth day of the following month, the hours for the project will not reflect in the accounting report. The importance of stamping working hours was again noted and taken on board to be pointed out in the guidebook.

## **3.2.2 Purchases**

Purchases are direct costs and are goods or services bought from external providers for the project. They include refreshments for seminars, books, transport services etc. As there are no cashier services in the commissioning company, all good and services are paid through invoices, payment cards, credit cards etc.

In the instruction manual of the responsible authority, there was not much information concerning the eligibility rules, so the information had to be collected from internal rules and verified with the Planning and Finance unit of the commissioning company.

### *Attachments*

For certain purchases such as refreshments for a seminar for the project, attachments are needed to justify the purchase. These are, for example, a participant's list with own signature, the agenda, receipt from purchases etc. On a general level, one of the main problems faced by the finance department is the failure by employees to forward attachments

related to purchases. Without certain attachments, purchases can be rejected in the project, so instructions for this were included in the guidebook.

#### *Payment and credit cards*

Payment cards are used mainly by units in the commissioning company for purchases. Personal credit cards are used mostly by personnel on travel missions. With these too, attachments are needed when the invoice appears in the system and is ready to be paid. In the Intranet as well as in the internal rules, there is ample information about these cards but nevertheless needed to be included in the instructions.

#### *Reimbursement for expert services*

Sometimes expert services in the form of speakers, lecturers etc. are acquired for special events and most of the time, reimbursement is requested to be paid to a personal bank account. Depending on whether the person is local or from abroad, certain tax forms need to be filled out and certain personal details are needed but not everybody is aware of the procedure. Information on this was collected from the Planning and Finance unit and included in the guidebook.

### **3.2.3 Fixed costs**

Procurement of fixed assets such as machine and equipment with a life-span of a certain number of years is a direct cost. These purchases need to be monitored regularly and ensure that they are in line with the rules as they usually involve large sums of money. Depending on the price of the equipment, it may be required, for example, to prove that price offers were requested from different suppliers. Also, the choice of equipment must be proven to be the most cost-efficient. Depending on when and for what purpose the equipment is bought, only depreciation, usage time and utilization rate are eligible for funding.

With fixed costs, detailed instructions on which procedure is needed for which type of fix cost, including the price range of the equipment, were found in the instruction manual of the responsible authority. To clarify how the commissioning company documents its fixed assets, the author visited the Planning and Finance unit and learnt that there is a little difference in the minimum price range for registering fixed assets in the system. This is not in conflict with the instructions from the responsible authority but this and other essential information were mentioned anyway in the guidebook.

### **3.2.4 Supplies, materials and other costs**

This is a direct cost category where individual direct costs not belonging to a particular expense class are reported, for example, auditing services (sisäministeriö 2016, 28). This expense class was explained quite vaguely in the instruction manual by the responsible authority and the commissioning company, being a non-profit making organisation, obviously doesn't differentiate between direct and indirect costs, so whatever little was available on this expense class was included in the guidebook.

### **3.2.5 Indirect costs**

In this cost category, there were new options of flat-rate percentages presented in the instruction manual of the responsible authority. One noticeable difference in this category was that travel expenses are now mainly reported as indirect costs when before in the old SOLID fund, it was a direct cost. However, under special circumstances, travel can be reported as direct costs. With travel expenses having two options of being reported either as direct or indirect costs, detailed instructions needed to be included anyway should they need to be reported as direct costs.

In order to collect the relevant rules on travel expenses to be included in the guidebook, the author analysed the instruction manual of the responsible authority and found some new information. Knowing that travel expenses is a huge expense category in the commissioning company, the author visited the Planning and Finance unit and learnt that there were a lot of instructions on travel on the Intranet and a certain amount in the internal rules. In addition, the commissioning company adapts the national rules on travel and these can be found on the Internet as well as from another source. From all this data, the author collected essential information to be included in the guidebook.

#### *Summarizing the key areas of importance*

In Figure 10, a summary of the key areas of the expense classes is presented. For indirect costs, these costs do not need to be documented to be eligible but because there are new elements such as new flat-rate percentages, they needed to be presented in the guidebook.



Figure 10. A summary of the key areas in the expense classes.

### 3.3 Creating the guidebook

With all the necessary data collected from all the necessary sources to include in the guidebook, the process of combining all the information started with arranging the order in which to present the data. From the author's own perspective, a guidebook should contain essential instructions which are simple and easy to follow. In this chapter, the author explains the steps taken to ensure that the guidebook serves the commissioning company.

Firstly, the contents of the guidebook were divided into stages and placed in a logical order. In the first stage, the author introduced the fund AMIF, its stakeholders and the rules and regulations surrounding AMIF. The second stage followed the order of a project in its implementation stage focusing in detail on the main project classes of direct and indirect costs. In the last stage, the processes of reporting, auditing and archiving marked the end of the project.

The next step was to focus on arranging the expense classes in the same order as in the budget structure. This is the most important chapter of the thesis and the eligibility rules and requirements needed to take centre stage. Here all the rules were double-checked against all the material to ensure that nothing important was accidentally excluded.

As an additional benefit, the old instructions of the old fund called SOLID were analysed and key differences were taken on board to pinpoint the areas where changes are evident between the new AMIF and the old SOLID. In a normal scenario, if some changes are integrated into instructions and they are not brought to the forefront, they would most likely go unnoticed, so this was necessary to include in the instructions.

With the table of contents ready, the writing process started. After each topic, the author noted the areas which had too much information and those lacking information. The areas with too much information were edited, and for those areas needing more information, the author reverted back to the material to collect more information and contacted the commissioning company for supplementary information.

In the final preparation, the focus was on the written part and the cohesiveness of the whole guidebook. Instructions were adjusted, pictures were added, references were checked and the guidebook was ready to be tested.

## **4 Conclusions**

In this chapter, I will cover the main results of the project tasks and the data collection methods, the reliability of the research, theory assessment, feedback and the final outcome of the project. Then I will present recommendations, project evaluations and own learning experience.

### **4.1 Main results**

The project management tasks were achieved using a combination of primary and secondary data collection methods. All the data collection methods were absolutely necessary in the process of creating the guidebook.

The primary data collection method used was based on own practical experience concerning financial management of EU-funded projects. However, this did not make this task any easier as there was new instruction material based on AMIF as well as recently published internal rules of the commissioning company. This was part of project task 2.

The secondary data collection method was actually the main source of information. Most of the instructions were based on EU rules but where these were missing, the national rules prevailed. Material was also collected on the internal rules of the commissioning company and from their Intranet. In addition, supplementary information was collected from personnel in the commissioning company through email messages, on-the-spot visits and verbal communication. This was a continuation of project task 2.

With all the data from project task 2, a draft version of the guidebook was created to complete project task 3. After feedback from the commissioning company, the final version was ready thus completing task 4.

#### **4.1.1 Reliability of the research**

My research data can be trusted because most of the data collected are based on rules and regulations. Having worked with projects from the previous SOLID fund, the eligibility rules of the projects are familiar. Also having worked in the commissioning company, I am well acquainted with the internal rules.

For feedback, a draft version of the guidebook was distributed to two people who have years of experience working with project expenses from the previous SOLID fund. Both still work in the Planning and Finance unit and are involved in one way or another with project expenses. In addition, the project coordinator, who worked as a project manager for many years, read the guidebook. All provided constructive feedback and most of the corrections were made based on their feedback.

#### 4.1.2 Assessing the theory

The budget structure used by AMIF for funding projects is not like the typical budget of a profit-making company. There are numerous budget structures created by the EU and unique to its funding programme, so this type of theory could not be used. The next option was to find something which is common to the budgets of both AMIF and a normal company. Since a company has direct and indirect cost budgets and the AMIF budget structure comprises of direct and indirect expense classes, an overview of budgets was chosen for the theory. In figure 11, the comparison between the AMIF budget structure with its direct and indirect expenses and a company's budget is shown.

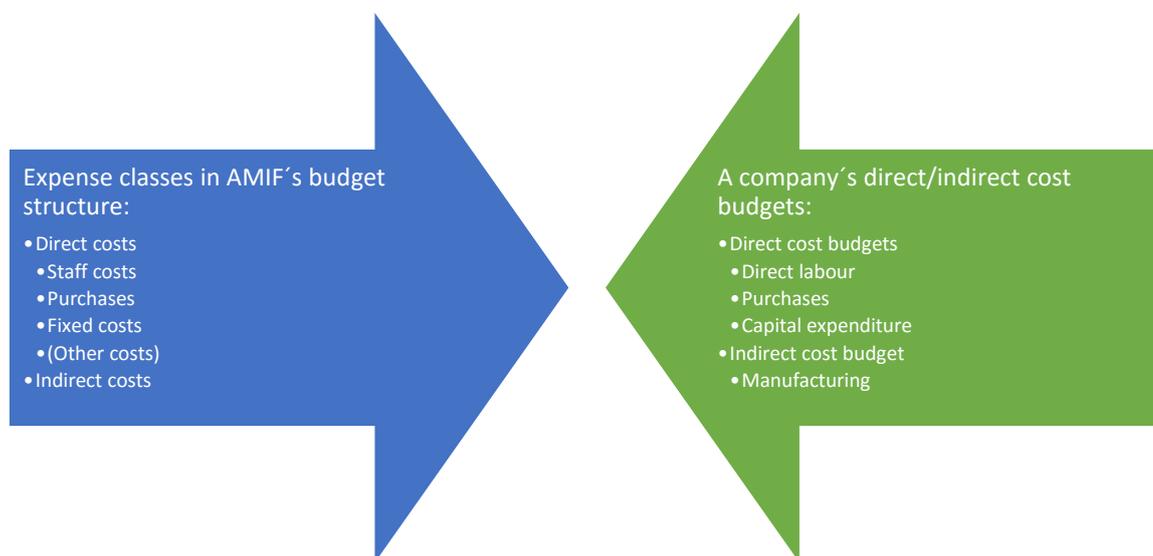


Figure 11. A comparison between the AMIF budget structure and types of budgets in a company.

### **4.1.3 Feedback**

In the commissioning company, the three people who evaluated the draft guidebook were the project coordinator, the bookkeeper and the financial planner. A summary of the comments received on the guidebook was that:

- all project participants should read the guidebook
- the guidebook was clear and practical
- this type of guidebook was something missing in the commissioning company until now and
- a very good guidebook.

### **4.1.4 Overall outcome of the project objective**

The primary objective of creating a guidebook for the commissioning company was achieved. Defining the project tasks was the key to reaching the objective. As a matter of fact, each task was a goal in itself within its own boundaries and once that goal was achieved, I moved on to the next. The tasks also defined the amount of work needed to be done and gave me an estimate of how much time I would need to complete one task. In the end, it all came together and the objective was reached.

## **4.2 Recommendations**

The guidebook was demarcated to include only instructions on financial management but as this is part of project management, project managers could include their part of the process to complete the big picture.

As the instructions in the area of financial management are continuously changing, changes should be incorporated into the guidebook, so that it is always updated and ready for use. Even while this guidebook was being prepared, a new version of the instruction manual on AMIF projects was being published by the responsible authority on its EUSA-website.

On the commissioning company's Intranet, instructions pertaining to finance and personnel matters are posted. This guidebook can be posted there too. In addition, a pop-up feature could be added to remind project and finance workers about deadlines.

### **4.3 Project evaluation**

In the beginning, the idea of creating this guidebook sounded exciting and once the process got started, there was no turning back. However, things did not go as smoothly as I would have liked and the process met with a few bumps along the way.

One setback was trying to get information from the commissioning company. Since I had no access to its Intranet, I was very dependent on information from employees. Unfortunately, some of my messages were left unanswered and some of the information given was outdated. In the end, I worked with what I had and left it at that.

Then there was the process of collecting information from various sources and combining them. The table of contents and other information within the guidebook were being adjusted and updated far too many times in trying to perfect every section of the guidebook. In the end, I got what I wanted but I could have done it in a shorter space of time.

On the positive side, I succeeded in collecting and combining data from various sources and assigning them to their own category. As my main focus was on the eligibility rules of the projects and their requirements, every expense class of the budget structure was presented with as much detail as possible. Scattered among the instructions are a total of eighteen pictures to reflect on what has been learnt. Knowing from personal experience that guidebooks with full pages of instructions are discouraging to the reader, I used bullet points and dashes etc. to make the texts easier to read.

The fact that this guidebook was being created for a commissioning company made a huge difference on how the guidebook took shape. With the knowledge that it was going to be the first of its kind and will be used project personnel, this motivated me into doing the best I could. If I was not doing this for a commissioning company, I maybe would not have done as good a job.

### **4.4 Reflections on own learning**

This thesis process of creating a guidebook in Finnish, and on top of that a thesis report, was too ambitious a project to attempt but the fact that I pulled it off means that it was not so ambitious after all.

Through the process, I have learnt how to analyse, combine and present information in an organised and logical order. At the same time, I learnt the art of process writing. On the issue of time management, I should have completed this thesis a long time ago but one can never put a time limit on creating a guidebook.

All in all, it was a positive experience that tested my competency skills to the limit. My choice of topic was the most suitable for my background and I am pleased that I succeeded in creating a guidebook.

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**Appendix 1. The guidebook attached separately**

## Appendix 2. Gantt chart

