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**COURSE NAME:** Doctorate Degree in Human Resource Management and Development

**Assignment Title : (** FINANCIAL PLANNING AND CONTROL-AIU")

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**ATLANTIC INTERNATIONAL UNIVERSITY**

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**Introduction**

This course will examine the processes involved in financial planning and management upper tools. Section – one will cover: studies of financial statements, financial administrator's jobs, and what financial managers do? Financial risk. Section two covers; Budget Definition, and types of budgets. Section three covers; Capital budgeting, and Section four covers; analysis and interpretation of financial statements.

This assignment is expected to address the practical research problem and how it affects work performance and productivity. Chapter one provides the essential background information, rationale for the research, presentation of the issues, scope of the study, and background information relating to this assignment.

This assignment adds potential practical value in assisting the Organization in addressing the performance issues. It offers evidence to shed light on what previous studies have done in the same field by not inventing the wheel. This course also draws attention to any strengths or weaknesses of the earlier studies and offers evidence that will either prove or disprove the objectives outlined.

Academic researchers and professional researchers' have shown interest in Public and Private Sector organizations. Financial planning and control concepts are considered a rich research area by many researchers who already made their contributions. However, these concepts play integral roles in the business as it indicates financial performance. Although there is still no clear depiction, of how corporate goals affect employee performance and organizational performance, due to this contradictory matter, the research question arises, whether strategic planning and marketing concepts improve work performance.

**Rationale**

The hypothesis explored was worth exploring. The study also provides evidence of scholarship and shows a scholarly theoretical base that was relevant. It allows the researcher to compare the views of different authors on the subject in question. This thesis adds potential practical value in assisting the Organization in addressing the performance issues. It offers evidence to shed light on what previous studies have done in the same field by not inventing the wheel. This study also draws attention to any strengths or weaknesses of the earlier studies and offers evidence that will either prove or disprove our research hypothesis.

**Significance**

The findings are underpinned by the results and findings that can help the company realize and appropriately provide corrective action to reduce employee dissatisfaction, demotivation, low morale, underperformance, and conflict dilemmas in the work environment. The results are expected to highlight the existing performance issues impacting the employees' performance and work motivation. The study is expected to help improve employee performance, work satisfaction, employee motivation, conducive work environment for the employees.

**Scope**

This research focuses primarily on employees' development of compensation pay plans. It will examine the significant impact of employees and working conditions on employee performance and increased work productivity.

A thorough review was done before anything else. A bibliographical record was kept of all academic sources used in this study. An analytical and critical approach was adopted, not merely the description or explanation. However, it was possible to show any disagreements between the authors. In this way, it was directly informing the research aims, objectives, and questions alike.

The course also addresses how management affects employees’ performance and productivity impacts organizational performance. It highlights the internal and external forces that can negatively or positively affect organizational performance and motivational processes within the organization.

The assignment draws a few main conclusions that can assist the organization in positively adjusting and reacting to the change process. And how best it can add value to humanity and my personal development within my current organization's management and leadership processes.

This will benefit me professionally and academically within an environment to grow and contribute to society and my community by providing scientific and human relations aspects within the organizational systems of management.

This assignment will comply with the University of Atlantic International policies on academic honesty. On this assignment, all the work is my own. And not being presented as one's own words, ideas, or expression of another in any form is cheating (plagiarism). The statement of originality is also provided verifying as my own and any other sources used in this assignment are acknowledged and disclosed.

**Theoretical Review**

This section provides a review of seminal and modern evidence of scholarship and shows a relevant scholarly theoretical base. It offers proof that will shed light on previous studies done in the same field.

The study is expected to help and sensitize local and international authorities in formulating policies to address the identified issues of financial planning and control. The theoretical evidence assisted the writer in determining the validity of the collected data. The study also provides a review of seminal and modern evidence of scholarship and shows a scholarly theoretical base that was relevant. This course assignment adds potential practical value in assisting the governments and financial institutions with their efforts in managing businesses globally.

It offers evidence that will shed light on what previous studies have done in the same field. This study also draws attention to any strengths or weaknesses of the earlier studies done and offers evidence that will either prove or disprove our research hypothesis

This study used a funnel down approach - a conceptual framework deemed appropriate; linking the views of different authors as applied. The overall aim is to ensure generalizability. It supports and enhances the empirical evidence and the rigor of this study. A copy of the funnel-down approach framework is explained in the body of this assignment.

The study also provides a review of seminal and modern evidence of scholarship and shows a relevant scholarly theoretical base. This study also draws attention to the strengths or weaknesses in the earlier studies done and will offer evidence that either proves or disproves our research questions.

**FINAL VIEWS**

The theoretical evidence assisted the writer in determining the validity of the collected data. The study also provides a review of seminal and modern evidence of scholarship and shows a scholarly theoretical base that was relevant. This Assignment adds potential practical value in assisting the government with its efforts in operating internationally.

It offers evidence that will shed light on what previous studies have done in the same field. This study also draws attention to any strengths or weaknesses of the earlier studies done and offers evidence that will either prove or disprove our study.

In summary, it provides sufficient justifications, the value of this study's inclusion, and its quality. It shared the appropriate procedural steps in carrying out this study. The framework adds value and rigor to the task of addressing the practical research problem.

The authors did not have much control over the main factors contributing to business success within the global market. This assignment draws sound conclusions and recommendations for different stakeholders and further research.

**Summarization of Academic Articles reviewed**

**Soobaroyen Sannassee (2007):** The authors had concluded in their study that financial organizations were lacking in strategic and financial objectives and not utilizing the full potential of the financial concepts to their advantage.

**Herzlinger (1979)-** His study was in full support of Soobaroyen and Sannassee (2007), they both agreed that there was high-level helplessness within most financial institutions on an international and national level alike. The findings strongly recommend immediate to action address the challenges faced globally.

Both studies have shared value with the findings of McCarthy (2007) and Lourdes and Pina (2003) who made a significant contribution to the field of financial planning and managerial concepts concerning large, small, and medium organizations some even added the self-employed and spiritual groups, etc. ( Indian Journal of Finance (2016)

**Common Financial Terms**

Accounts receivable: These are monies collected from customers, such as individuals and corporations, to another business in exchange for goods and services. They usually are in the form of credit and become due quickly. Most individuals in these corporations may be required to pay back the line of credit in a matter of a few days or 12 months. Accounts payable is when a company incurs financial debt with suppliers and other creditors. It is further defined as the outstanding bills of the business. It is also shown on the balance sheet, accounts payable are recorded as current liabilities.

Notes Payable are referred to as short-term obligations evidenced by promissory notes. The proceeds of the letters are used to purchase current assets. Choi and Meek (2008)

Current Liabilities: includes salaries, interests, accounts payable, bank loans, bank overdrafts, and taxes. On the other hand, liabilities must be paid within one calendar year. Employee benefits can also be placed in the category of current liability. These include retirement plans, health insurance, and bonuses. Powers and Needles (2011)

Equity represents the stockholders’ equity; the financing can be put into three categories.

1. Stakeholders may purchase shares.
2. Business owners can invest their funds, inheritance mortgage refinancing and savings, etc.
3. The formula to measure equity is assets minus liabilities on a balance sheet.

**Financial Reports**

The main purpose is to show what the company owns and owes at a specific time. It also serves as a check and balance system. Assets = Liabilities + Shareholder's equity

The income statement is the financial document that demonstrates how much revenue and profit the company has generated within a set period. It is also referred to as the expenses.

* Operating activities
* Non-operating activities.

After the stock market crash of 1929, annual reports became an integral component of corporate financial reporting. It is a yearly publication depicting an organization's operation and economic conditions. The front section of this report contains a graphical representation of the company’s performance. The latter part of the report possesses detailed financial results and operational data. Charles and Williams (2005)

Annual reports must be submitted every year regardless of the financial gains or losses. If the information is not offered or completed, the registered business name will become inactive via the Florida Department of State. And in my country, the Turks, and Caicos Islands Financial Service Commission TCI. For the business to re-activate the industry, filing status will be required. The company will have to submit a reinstatement filing report and pay appropriate fees. Choi and Meek (2008)

**Financial Ratios**

Current ratio – Ratio of existing assets to current liabilities. Provides information about a higher current ratio since it reduces their risks. The current balance equals existing **assets plus current liabilities.**

Quick Ratios, like current ratios, the purpose of quick ratios is to measure an organization's liquidity. However, unlike the current balances, the short ratios do not include inventory in the existing assets. The list may contain items that are difficult to liquidate. Powers and Needles (2011)

**RETURN ON ASSETS**

It measures how effectively the firms' assets are utilized to generate profits. Return on Assets is one of the profitability Ratios to determine the firm's viability. The shareholders use it to evaluate the success of the organization. Powers and Needles (2011)

Assets Turn–Over Ratios indicate how efficiently a firm uses its assets. Two common types of asset turnover ratios. These includes :

* Receivable Turnover – it measures how quickly a firm collects its accounts receivables.
* Inventory Turnover indicates the number of days’ worth of inventory on hand.

EMPLOYEES COMPENSATION PACKAGE

To compute an employee's total compensation package, it must include the following listed below :

1. Basic salary
2. Health, Dental, and Vision
3. Disability/ Life Insurance
4. Tuition Reimbursement
5. 401-K Plan

**Basic Benefits**

1. Medical -Dental and Vision
2. Life Insurance Plans – Term and whole
3. Disability Plans- Short term and long-term policies

**PAYROLL CALCULATIONS**

Payroll terms

* Gross pay is the total or agreed-upon rate of income before any deductions are made.
* Overtime – Hours worked beyond the regular hours.
* Time
* Deductions – amounts subtracted from the gross pay
* Net pay is the amount left when all deductions are taken out of the gross income, which is the amount found on the paycheck.

**VARIATIONS**

1. W-4 is an allowance certificate used for the current federal income to be withheld from pay

Deductions are as follows:

* Federal Withholding Taxes
* State taxes
* Social Security Taxation – TCI NATIONAL INSURANCE BOARD AND NATIONAL HEALTH INSURANCE BOARD.
* Medicare

**Gross pay Calculations**

Multiply total hours worked by the hourly rate, 3 hours X 10 hours =340 per week

For example, Dorothy decided to work 42 hours. The gross pay would now come out to 40hoursx14=560 + 2hoursx 21=42=602

* 14hours x1.5 =21 time and half rate
* 14hrs x 2=28 double-time hourly rate
* Social Security Taxes, Multiply Gross Pay by the Rate
* 340 x 6.2% =21.08 if necessary round to the nearest

**BANK RECONCILIATION PROCESS**

What is the definition?

1. Discrepancies in cash balances exist as a possible result of :
2. Delayed in checks and deposits clearing the bank
3. Automatic Bank charges and credits have not been recorded or simply a human error in recording data
4. Automatic bank charges and credits have been recorded or simply a human error in recording data.

Deposits in transit – Deposits that have not yet been cleared on the bank statement at bank deposits are shown in the cash receipts journal. Make sure that last month's bank reconciliation has been reviewed for accuracy. In addition, to outstanding checks, these cheques have not yet been cleared on the bank statements. has cleared the bank statement during the specified month. On the bank reconciliation, list all the cheques that have not cleared. Once again, investigate prior bank reconciliations and look for any outstanding cheques. Powers and Needles (2011)

Credit Management, in understanding the process, of credit record bureaus, every person who utilizes credit has a credit file. Each time credit has been used, information on the transaction will appear in the accumulated contents transmitted electronically to one or more of the national credit bureau agencies. These credit bureaus issue credit reports about consumers. The credit report serves as an evaluator for either granting or denying credit.

**Getting started with credit begins with the following**:

1. It begins with opening a savings account and putting money aside into this account.
2. Upon building up funds in the savings account, open a checking account
3. Use parents' assistance in applying for minor credit obligations i-e department stored.
4. Take out a small loan from the credit union.
5. Apply for a Bank Credit Card check the application carefully and ask about the income limits

**Credit Rating analysis**

* excellent credit rating. The customer must pay bills before the due date
* B- Good credit rating. The customer must pay bills on the due date or within a 10-day grace period.
* C- Fair Credit Rating – The customer usually pays all bills within the grace period, but occasionally takes longer.
* Poor- Credit Rating. A person who has failed to pay back the debtor filed for bankruptcy.

**FICO Credit Score**

The score evaluated an individual's creditworthiness based upon the information contained in the person's credit report and his/her debts – to income ratios.

* Highest FICO is – 850
* Lowest FICO is- 300

A score below 660 may equate to trouble obtaining credit or paying a higher interest rate for financing.

**Credit Reports Overview**

Information on the credit report stays on the file for 7 years. In case of bankruptcy, it stays on the file for 10 years. If denied credit an individual is entitled to a free credit report upon 30 day written request.

Credit Reports are divided into the following sections listed below,

1. Identification
2. Summary of information
3. Public Records
4. Inquiries
5. Trade

The inquiry sections show the number of inquiries within the last 6 months.

How to Manage to credit:

* Stay within your Budget
* Pay all bills on time
* Develop an excel spreadsheet to keep track of monthly obligations
* Pay more than the minimum payment only covers the interests
* Avoid credit card add on programs
* Pay off accounts with a higher interest rate first.
* Do not open new credits simultaneously

**CREDIT COMPUTATION**

Simple Interests Formula:

**Simple interest is computed on the following:**

1. The amount borrowed only and without compounding
2. **The cost is based on 3 elements:**
3. Rate of interests
4. Amount borrowed
5. Amount of time for which the principal is borrowed**.**

**Interest = Principal x Rate x Time**

* P=500
* R=12%
* T = 4 months
* I =500x12x4/12
* I =500x12x1/3
* I=60 x . 33333

**Annual percentage Rate Formula**

The APR is the Percentage cost of credit yearly.

There are 2 ways to calculate :

APR tables

APR formula

**Finance Charged:**

1. Adjusted Balance method
2. Previous Balance method
3. Averaged Daily Balance method.

**BUDGET PREPARATIONS**

It assists the organization in the following ways:

1. Prevent careless and wasteful spending.
2. Organized sources of income to maintain a plan of personal financial fitness
3. Achieve the most from income earned
4. Avoid money worries and financial problems by understanding proper savings, spending, and borrowing money methods.

**How Money Grows**

1. Money paid by the financial company to the savior for using their money is called – "Interests."
2. When the interest is computed on the original principal plus accumulated interest this is called – Compound Interests

**POTENTIAL SOURCES OF INCOME**

* Salary after taxes
* Earnings from investments
* Alimony
* Pension Plans
* Government or private
* Inheritance
* Interests earned on savings

Some expenses below should be included when constructing a monthly Budget.

* Rent / Mortgage
* Utilities
* Automobile payments
* Insurance Automobile and life insurance
* Gasoline
* Car repairs and maintenance
* Groceries
* Personal care

How to create a budget**:**

1. The income should be higher than the expenses
2. Financial experts recommend saving at least 10% of a person's dependable income each pay period. An individual will have money for future expected or unexpected needs by keeping this amount.

**TYPES OF BUDGETS**

* Sales
* Production.
* Capital:
* Revenue Budget: consists of revenue receipts of the government
* Spending budget

**Methods and analysis of financial statements**

* Significance
* Functions
* Government Services
* Skills
* Organization

**Stakeholder analysis in financial statements**

**Types of Stakeholders**

* Primary Stakeholders:
* Secondary Stakeholders:
* Key Stakeholders:

**Objectives of Financial Statements**

* Evaluate financial Position
* Probability Measurement
* Identification of Cash Flows
* Assess Owner’s Equity

**Strategic planning**

This is an application used by executive management primarily focusing on the organization's financial performance and product development and strategies for increasing sales etc.

**Specific duties performed by financial managers include the following:**

* Budgeting
* Evaluation of financial data
* Helping staff who work within the accounts department
* Analyzing financial data to determine the organization's financial position
* Providing financial guidelines that can assist executive management in managing the organization's financial assets and liabilities etc

**Types of financial managers**

* Controllers:
* Treasurers and finance officers:
* Credit managers:
* Cash managers:
* Risk manager:
* Insurance managers

**Management and Compliance Tax Obligations**

In most organizations, compliance tax managers or consultants are responsible for the effective management and risk controls in the organization. The responsibilities of a tax manager are to manage tax reporting and planning accurately and efficiently, ensuring compliance with tax laws for the organization or client. Required skills for this position, at least 5-10 years and, a bachelor's degree in accounting or financial management. In addition, they must have analytic and strategic thinking skills.

Risks come from multiple sources and can appear in many shapes and sizes. Almost every strategic decision within an organization is accompanied by certain risks that the organization must acknowledge and deal with.

Why management and compliance are important in a tax system? because the risk tax manager can implement potential strategies to help prevent or eliminate all levels of risk, by improving the existing ones.

**TOOLS FOR FISCAL STRATEGIES**

This tool is used by most governments regionally, nationally, and internationally in accomplishing economic and social goals. It is managed by a country’s ministry of finance. The policy communicates the government's annual strategies for meeting key organizational performance objectives. This is normally referred to as ( Fiscal Strategy)

The mode of projections emphasizes the principal purpose and forecasts the fiscal projections.

Investments of Permanent Assets:

This is a minimum of current assets needed for achieving short and long-term goals for business operations. These are assets that could be replaced annually. There are a few common examples:

* Depreciating assets
* Inventories assets

Difference between both:

**Temporary Assets**: are assets that cause or contribute to unexpected changes in variables in accounts receivables.

Over time there are three types of companies’ assets.

1. Fixed Assets: this refers to long-term
2. Fluctuating current assets: this is referred to as seasonal and changing sales decreases and increases
3. Permanent current assets: This is similar to fixed assets

Investments in current assets are put into two main categories:

1. Investment in permanent current assets: this event is a requirement by the organization when they are at its lowest point.
2. Investments in temporary current assets – this is due to seasonal variations that predict specific variables that change accordingly.

Three important strategies are adopted by most organizations, regional, national, and international. These include;

1. The general financing of long-term goals, use to satisfy their requirements of fixed assets that are necessary for capital working.
2. The general financing of long-term goals and objectives used by an organization to satisfy the requirements on fixed assets for capital budgeting
3. Financing long–term goals for the benefit of fixed assets in satisfying the main requirements necessary for permanent capital budgeting applications and considerations

**Funding and Restructuring of Liabilities**

This refers to an organization's liability plus its assets. The reorganization process often takes place when a business is experiencing financial challenges, that can result in insolvency or liquidation. In such cases or circumstances, these organization adopts certain financial controls that an asset in monitoring the financial assets and resources owned or valuable to the company.

Debt Restructuring applications will involve the following :

1. This tool is used by the organization when experiencing financial challenges
2. Equity Restructuring: this involves the documentation of all liabilities and assets that are overvalued. It helps to reduce companies spending expending budgets

Some reasons why most companies consider or result in restructuring exercises are listed below:

1. Mainly to address failures that result from deficits
2. The allocation of resources for marketing purposes and turnover challenges
3. During Mergers and Acquisitions of organizations and departments

Operational Restructuring results from :

1. To eliminate wastage of resources
2. It’s a process used in most redundancy exercises when considering the employment termination and cost reduction
3. To ensure the continuity of business operations, due to the reductions in sales and low profits of productions and performance

This results in the following:

1. Cost reduction associated with other organizations and financial management
2. Reduction or suspensions of outdated resources that provide economical services.

**Methods use in capital restructuring**

1. The tendering of offers through the repurchase tender: Here the tender is a time bond by the purchase offer.
2. The tendering of offers through the open market: These markets operate at a low rate and have longer time frames or periods of purchasing time. These markets are more applicable in less significant justice deals.

The tendering of offers through privately owned negotiation channels: In private negotiations, deals are more used to circumvent activities of a hostile takeover. It could be believed that the organization's shares are not valued. Finally, this posed a great challenge to making a decision that will produce positive results or paybacks. The views here are different. This can be sorted by increasing personnel, who have the manpower resources to monitor discipline and manage effectively and efficiently.

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**Formal and Informal Learning gain**

I will also ensure a standard of financial planning and control within an organizational setting. They must have clearly defined targets and standards which is acceptable and can be used to judge their progress. I will ensure that each employee is satisfied with the level of learning provided, in addition to establishing the platform to determine whether they can learn under difficult circumstances and whether their development needs are being met. The development will focus on broadening skills and knowledge for future responsibilities and promotional opportunities within my present organization. The course has provided me with an environment to grow academically and professionally. With the fundamental concepts in financial planning and control. This gives me the motivation to better address any financial challenges that may arise within my current job role and the organization.

**Conclusion**

This course has provided me with the ability to create excel spreadsheets for budget financial obligations and income earnings. Secondly, to stimulate payroll situations that will assist me as a manager in any organization.

It aids me the skill in calculating employees' salaries for the business. The course has provided me with the skill to stimulate new business start-ups and with the ability to establish financial budgets for maintenance costs within the specified business. It also helps in locating the business financial statements and calculating ratios depending primarily on the present situation etc.

I can now use this information, insights, and knowledge in a structured way in identifying options, making recommendations, and making robust, defendable decisions.

Therefore, I can further explore these initiatives and concepts concerning my current organization across departments and units.

**Recommendations**

This chapter gives an overview of recommendations given for others to consider for future situations and for implementing the plan of this assignment. New initiatives should be delivered through local management. The assignment recommended that the organization implement an effective Performance Management and Appraisal System that will assist the organization in evaluating performance on a quarterly and annually basis. The system will also help in determining whether strategic goals and objectives are being met or not. Understand what is expected from the incumbents, when it is expected, and what standard is expected. Determine whether performance objectives are being met. Understand the employees' critical areas of accountability. Make qualified decisions within the employees' competencies and avail them of learning and development opportunities to meet their performance targets competently.

**Specific objectives to be implemented include:**

1. The establishment of a performance and learning culture.
2. Encourage upward communication and the adaptation of a participative and democratic leadership style in alignment with the organization's strategic direction.
3. Manage, and encourage jobholder’s development needs; evaluate performance fairly and objectively. (**Job Description and Job Specification**)
4. Recognize fully effective and better performance categories and manage classes of performance that are not fully effective and lower.

**Limitations of the assignment**

This research was limited to desk research only for the foreseeable future etc., in the wake of the current and changing legislation. The researcher had to reach most of the participants via email; this was one of the key challenges in collecting the primary data. The researcher considered a few alternative ways of obtaining data. In the wake of health challenges worldwide, research techniques were no longer optional; the researcher had to consider alternative ways in more excellent qualitative research; innovative measures also had to be considered

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STATEMENT OF ORIGINALITY

**Student Name:** Dexter Jermaine Parker

**COURSE NAME:** Doctorate Degree in Human Resource Management and Development AIU

**SCHOOL:** Business and Economics

**Assignment Title**: ( FINANCIAL PLANNING AND CONTROL-AIU)

**Student ID number:** UD7228BHUB1442

This Course Work assignment is a result of my work. All academic sources used in this study are fully acknowledged and disclosed, in line with the MLA System Referencing.

Student Signature **Date:** June/3/2022

**Dexter Parker**