Report On

Financial Performance Analysis of BIGD

By

Fahim Faiza

ID: 21364057

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Masters of Business Administration

BRAC Business School

BRAC University

18th of September 2024

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Fahim Faiza
ID: 21364057

Supervisor's Full Name & Signature:

Dr. Md. Arif Hossain Mazumder
Assistant Professor, MBA
BRAC University

Letter of Transmittal

Dr. Md. Arif Hossain Mazumder
Assistant Professor,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report "Financial Performance Analysis of BIGD"

Dear Sir,

With utmost respect I would like to present this Internship Report on "Financial Performance Analysis of BIGD, Mohakhali, Dhaka, as a requirement for completing my Master of Business Administration. I enjoyed preparing the report though it was challenging to finish within the given time, I've signed up for a 12-week internship program. This report provides me an insight on the finance department of BIGD. I used this report as an opportunity to think back what I learned over my two years in the MBA program.

I appreciate all of your helpful advice, support, and guidance. The report has been significantly easier to organize because of you. I have put a lot of effort into doing my research and trying to make this report as detailed and add my practical experience as much as detailed. Nevertheless, there could be some mistakes because to certain restrictions.

I therefore, pray and hope that your kind consideration would be enough to accept my MBA internship report. It has always been a joy to work with you and I have tried to give my best effort so that I can prepare a solid report as per your instruction.

Sincerely yours,

____

Fahim Faiza
ID: 20364057
BRAC Business School
BRAC University
Date: 18th September 2024

Non-Disclosure Agreement

This agreement is made and entered into by and between BIGD and the undersigned student at BRAC University….. **Fahim Faiza** ….

Acknowledgement

I want to express my gratitude to Almighty Allah for granting me the ability to complete the two-year MBA program in Human Resource Management and successfully finish my internship at BIGD. In addition, I would like to express my appreciation to my esteemed academic supervisor, Dr. Md. Arif Hossain Mazumder, for providing me with guidance and copious amounts of material amongst his hectic schedule, which enabled me to efficiently complete my report. I also want to thank the BRAC University OSCAR team for launching this student internship program, which has made it possible for me to gain official work experience as an intern before entering the BIGD corporate sector.

I would like to express my sincere gratitude to Narayan Chandra Das, Manager of Finance and Accounts at BIGD, for his invaluable assistance and for providing me with the opportunity to work at BIGD. I also want to express my gratitude to Mr. Ashimur Rahman, Senior Officer, he assisted me on Finance Operational Activities and providing me with more useful knowledge and resolve any unknown quarries that made my internship experience even more valuable during in these three months.

I want to thank all the employees and staffs of BIGD. They also shared with me several information about the company that helped me to enrich my report. Furthermore, I would want to convey my appreciation to my loved ones, whose constant encouragement and guidance have brought me this far.

Executive Summary

As a part of MBA program at BRAC University, I have completed my internship from the BIGD. This internship aims to get some experience in the actual world of work and to set us up for success in the corporate world when we graduate. I selected a topic for this report that is "Financial Performance Analysis of BIGD". I will make this internship report according to my whole internship periods what I learn from this company and what I learn from my theoretical studies.

The study starts with an overview of internships, it's including information about the duration of internship, workplace duties and responsibilities, problems faced during internship, solutions of the problems, my contribution in the organization and the outcomes of the internships. The second chapter focuses on BIGD's characteristics, goals, management system of the organization. The third chapter covers the topic of the internship at BIGD, providing an overview of the financial ratio analysis of the BIGD's and its significance, as well as how well the BIGD generates its Liquidity ratio, Solvency Ratio, Profitability Ratio. Finally, I analysis for last 3 years financial data of BIGD, it's including 2021, 2022 and 2023 year. Overall, this report is based on BIGD's financial performance analysis.

In sum, I learned a lot from my internship at this time. This organization provides a fantastic chance for me to put into practice the academic knowledge I have gained in my classes.

Keywords: Ratio, Performance Analysis, Liquidity ratio, Solvency Ratio, Profitability Ratio

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BIGD	**BRAC Institute of Governance & Development**
MBA	**Master of Business Administration**
ROI	**Return on Investment**

Chapter 1: Overview of the Internship

1.1 Student Information

Internee Name: Fahim Faiza

Student ID: 21364057

Program Name: Master of Business Administration (MBA)

Major: Finance

1.2 Internship Information

1.2.1 Internship Period, Company Name, Department, Address

Internship period: 3 months (From 1st of June 2024 to 31st of August 2024)

Name: BRAC Institute of Governance and Development

Department: Finance

Address: SK Centre, GP, Ja-4, TB Gate, Mohakhali, Dhaka 1212, Bangladesh.

1.2.2 Internship Company Supervisor's Information: Name and Position

Name: Narayan Chandra Das

Position: Manager, Finance and Accounts

1.2.3 Job Responsibilities

My internship gave me the chance to work at the BRAC Institute of Governance and Development Mohakhali, Dhaka, Finance Department. I worked with Ashimur Rahman, a Senior Officer, and Narayan Chandra Das, Manager, Finance and Accounts at the BIGD. While I was with them, I loved my work and learnt a lot about the development sector. I worked there in a project which is mainly proposed research project. Mainly I worked in project budgeting & project account preparation, salary disbursement & financial statement preparation and Tax and VAT submission.

<u>My Responsibilities during Internships:</u>

My specific responsibilities during my internship:

Budget Preparation for project: The budget preparation involves discussing requirements with researchers and donors, recording project costs in software, and creating a project-wise donor report. Different donors have different requirements and restrictions, such as overhead rates, spending restrictions, purchase restrictions, and personnel costs. After the budget and proposal are accepted, due diligence and contract are finalized, and the project is managed based on the contract for reporting template, requirements, invoicing timeline, and fund disbursement mode and method.

Project Management: It is imperative to be careful with the spending of the fund of the project but the budget variance report helps to keep track of the costs of the project so each line item or budget has not been overspent. In this part my responsibility was:

- Gathering data for project budgets and cost estimates.
- Supporting financial models and forecasts.
- Tracking project expenses against the budget and noting variances and assisting in reporting.
- Prepared monthly financial reports and compiled data for presentations.
- Maintaining organized financial records and documentation.
- Liaising with team members to gather financial information.
- Supporting communication with donors regarding financial updates.
- Researching best practices in project financial management.

Salary Disbursement: I manage the payroll process to ensure employees are paid correctly and on time. The salary disbursement process in BIGD is as follows:

- Receive salary instructions from the Human Resources department.
- Verify each instruction for accuracy.

- Add new employees and remove existing ones every month.
- Record payment days for advance or arrear payments.
- Check deductions for taxes, transport, PF, loans, and other contributions.
- Make Provident Fund and gratuity provisions and record monthly provisions.
- Prepare and disburse salary payment instructions by the 26th of each month.
- Record salary payments for each employee after disbursement.

Financial Statement Preparation: My task is to follow donor reporting formats to maintain consistency and meet their specific requirements. I create a comprehensive report detailing expenditures and progress compared to the budget, customized to meet donor requirements. The report includes evidence to support the request for funds release. Once completed, the report is submitted for donor review and approval, ensuring transparency, accountability, and effective financial management, aligning with donor expectations. Also, I prepare financial statements, which involves compiling and presenting financial information to reflect the organization's financial performance and position.

Tax and VAT Submission: I am responsible for ensuring compliance with tax regulations by preparing and submitting tax and VAT returns.

- Calculating AIT Deductible for Employees
- Release tax certificates.

1.3 Internship Outcomes

1.3.1 Student's Contribution to BIGD

Performing well in a job involves having the right skills, being responsible, working in a supportive environment, and finding job satisfaction. My fourteen-week internship at BIGD was fulfilling due to the support from my colleagues, which helped me improve my skills and apply theoretical knowledge in practical settings. Despite my limited experience, I consistently strived to produce high-quality work and positively contribute to the team.

Building strong team bonds: Prioritizing the organization's best interests and fostering good relationships with colleagues.

Identifying and resolving issues: Addressing communication challenges and aligning with head office directives to enhance collaboration.

Managing multiple tasks efficiently: Managing multiple tasks with five staff, ensuring timely completion of work.

Applying knowledge and skills: Applying skills from studies in daily work, often using Microsoft Excel and Word.

Minimizing errors: Minimizing errors by double-checking work, adhering to guidelines, and seeking clarification.

Improving performance through effective communication: Confidence in positive and effective communication with team.

Being dependent: Demonstrating honesty and reliability, earning trust from colleagues and supervisors.

1.3.2 Benefits to the Students

Throughout my internship, I had the privilege of collaborating with a seasoned team, where I could effectively apply my MBA in Finance to practical situations. The internship provided me with insights into corporate life, financial operations, project management, and budgeting. Overall, the experience was both academically valuable and enjoyable.

1.3.3 Problems faced during internship

During my internship, I faced a few challenges as my supervisor and coworkers provided me with great support. However, being completely new to the job, I initially felt isolated due to my lack of familiarity with the tasks and processes.

1.3.4 Recommendations

BIGD already offers a very pleasant work atmosphere characterized by friendliness and inspiration. I believe it would be beneficial to provide an orientation day for new interns. This will help alleviate any sense of isolation and provide them with clear expectations and responsibilities about their job at the organization. When I started, I had difficulties due to my lack of knowledge about my profession and their predetermined expectations. It took about three days for me to determine my responsibilities and establish my comfort in that environment. Organizing an orientation day might be beneficial in this scenario. In addition, the delay in processing reimbursement claims for meals and transportation caused financial strain, despite BIGD addressing the issue, making budget management challenging.

Chapter 2: Organization details about BIGD

2.1 Introduction

BIGD is significantly improving governance and development in Bangladesh. Their emphasis on thorough research and policy influence, along with enhancing capabilities through academic programs, is vital for driving meaningful change.

2.2 Overview of the Company

2.2.1 Background of the BIGD

BRAC Institution of Governance and Development (BIGD) is a research institution located in Bangladesh. It was founded in 2013 as a division of BRAC University. The main objective of this initiative is to stimulate innovation and enhance governance and development procedures to establish an equitable and successful society. The operations of BIGD include public administration, economic development, and social welfare, aiming to tackle substantial issues encountered by Bangladesh and other geographical areas. The institution also has a crucial function in developing and strengthening capabilities via extensive academic programs, providing future leaders and professionals with the necessary knowledge and skills to advance sustainable development and foster good governance. The commitment of BIGD to significant research and educational excellence enables it to make valuable contributions to the formulation of policies and practices that promote social well-being and promote the goal of a just and equitable society.

2.2.2 Logo of the BIGD

Figure 1: Logo of the BIGD

2.2.3 Vision of the BIGD

BIGD deeply value knowledge that is solution-driven and rooted in local context so that they can contribute to the Southern-led process of charting their unique pathways to shared prosperity and sustainable development, our vision of knowledge for a better world.

2.2.5 Organizational Hierarchy of BIGD

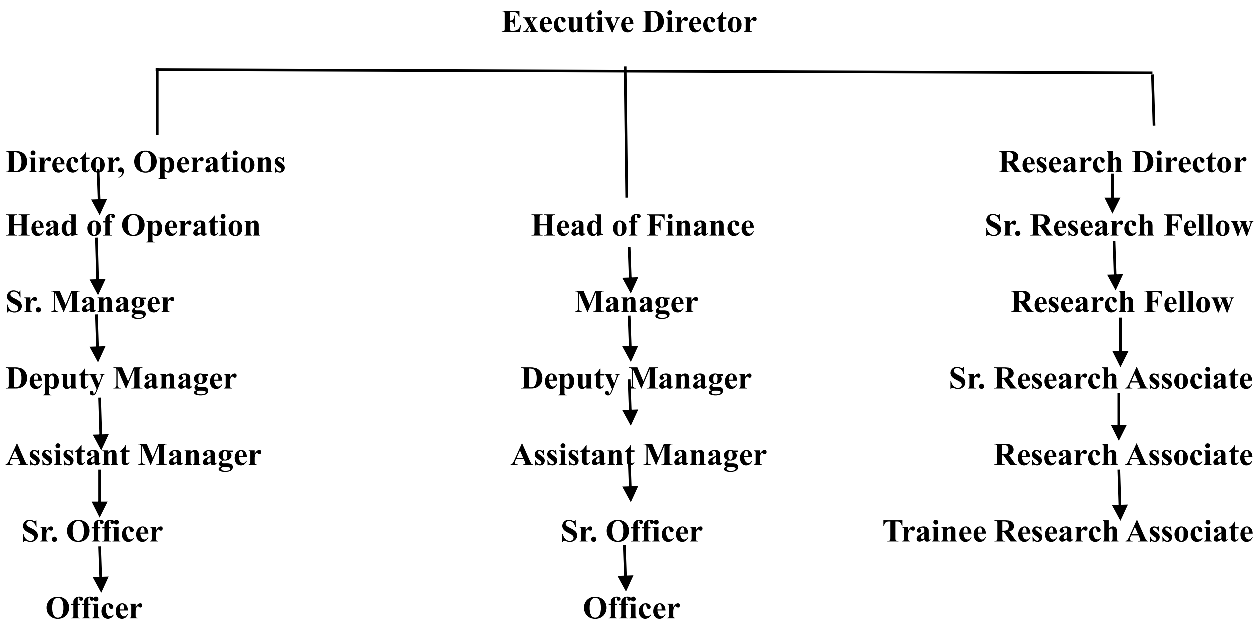

Figure 2: BIDG Hierarchy of BIGD

2.2.6 Different types of Research Provided by BIGD

BIGD research priority areas are Economic, Gender and Social Transformation, Governance and Politics, and Environment and Climate Change.

Economic: BIGD concentrates on poverty, skills and employment, global migration, financial accessibility, and small and medium companies to foster fairness. They aim to contribute to fair, shared, and sustainable economic prosperity through our economic research, which covers many topics such as extreme poverty and livelihoods, skills and employment, migration, human capital, behavioral and psycho-social development, and financial inclusion.

Gender and Social Transformation: BIGD analyze the results of ecological concerns and global warming regard to livelihoods and the degree to which humans as well as reactions from institutions to these alterations impact diverse groups of people, by using starting from the bottom up that thinks about the social and as well as ecological facts of those who are impacted. Themes include livelihood adaptation, climate migration and urbanization, and green transition. cities, as well as green transition.

Governance and Politics: BIGD researches more systemic problems in democratic governance and politics in order to provide policy-relevant information that may enhance the effectiveness of governance in light of the current legislative, policy, and political climate. Social responsibility via citizen involvement, labor rights, local government, citizenship and democracy, and last-mile public service delivery are some of the themes.

Environment and Climate Change: The BIGD study investigates the influence of the environment and climate change on livelihoods and analyzes how human and institutional reactions to these changes effect various population groups. It adopts a comprehensive approach that takes into account the socioeconomic and environmental conditions of the impacted population. Key themes are livelihood adaptability, climate-induced migration and urbanization, and the shift towards sustainability (BIGD, 2023).

2.3 Collaborative and Participatory Management Style Practices in BIGD

The BRAC Institute of Governance and Development (BIGD's) main goal is to improvement capacity of the development through promoting joint efforts and facilitating academic exchange.

To maintain trust and credibility, improve research quality, and advance governance and development objectives, the institute prioritizes transparency and accountability. BIGD follows a collaborative management style that actively participates with stakeholders, makes decisions using comprehensive techniques, and advocates for fair partnerships. Evaluation methods are employed to enhance research methodologies and offer approvals for policy reform. Overall, BIGD's leadership prioritizes cooperation and participation, actively engaging across national and international partners, government entities, and local communities. Through this participatory method, a wide range of viewpoints are taken into account throughout research and policy formulation.

2.4 Digital Marketing Practices in BIGD

Digital marketing is an entirely new endeavor in the world. BIGD is utilizing digital marketing strategies to engage prospective students, professionals, and stakeholders in their Master of Development Studies and Master of Public Sector Management programs, using various digital campaigns and techniques. The way of marketing BIGD uses online platforms like website, mobile app, social media, paid advertising, content marketing, blogging and affiliate marketing.

- **Content Marketing:** BIGD published their blog posts on public sector management and development studies, highlighting industry trends and success stories. It will also highlight unique aspects of its MPSM and MDS programs, such as special courses and faculty expertise. By content marketing, a direct connection with the prospective consumers of the business may be built via the use of digital marketing, which is also a method that can be monitored.
- **Social Media Marketing:** BIGD uses digital marketing strategies to promote its programs through paid campaigns on platforms like Facebook, LinkedIn, and Instagram. This

method entails the utilization of search engines, social media, and the internet to comprehend consumer behavior and deliver captivating content, such as interactive sessions and narratives.

- **E-mail Marketing:** BIGD practices Email marketing which involves the transmission of promotional messages or newsletters to a subscriber list via electronic mail in order to advertise their products and services.
- **Virtual Events and Webinars:** BIGD is a platform for virtual conferencing that provides its users with an option to attending events in person. It features polls, quizzes, live chat, question and answer sessions, free materials such as e-books and presentations, and virtual open houses for potential students to explore programs, meet existing students and staff, and get a feel of the BIGD community at the same time. In addition to answering questions and providing participants with useful materials, the purpose of these events is to maintain the attention of the audience.

2.5 Accounting Practices of BIDG

An accounting practice is designed to enforce a company's accounting standards and regulations. The regular collection of financial data is crucial for evaluating and monitoring the BIGD's economic activity. Accounting practice is the actual implementation of accounting and auditing rules inside an organization. In below I will add some accounting practices of BIGD:

Accounting Practices of BIGD

During my internship, I discovered that BIGD stores daily transaction records in four books. The books include cash book, bank book, third party ledger book, and general ledger book.

Cash Book of BIGD

The cash book is a record of the organization's daily cash transactions. Cash received may come from employees and third party, withdrawals from bank accounts, service fees, or loans from banks, organizations, or directors. After then, daily monetary charges are recorded. It is worth mentioning that every letter of credit serves a function. In this case, bank books and bank statements are the key sources of data for bank reconciliation.

ERP-9 Accounting Software

To manage its accounts, the BIGD uses ERP software. However, it was difficult to find someone willing to use this program. The program has limitations, such as not being able to enter account heads for general ledger books, but it is effective for preserving cash books. As a consequence, the software became less important. However, the software's limitations may exceed its benefits if not used by a qualified specialist.

Financial Statement (According to Going Concern and Accrual Basis)

Financial statements summarize information from the accounting date. There are four statements involved.

1. Balance Sheet.

2. Income Statement.

3. Statement of cash flows.

4. Statement of Retained earnings.

- **Going concern-** When generating financial statements, management assesses the university's capacity to continue as a going concern. BIGD generates financial statements on a continuing concern basis.
- **Accrual Basis of Accounting-** BIGD follows the accrual approach of accounting. BIGD recognizes things as assets, liabilities, cash, income, and costs since it employs the accrual accounting method.

Depreciation: Depreciation is calculated to write off the cost of items of property, plan and equipment by following the straight-line basis over their estimate useful lives. Depreciation is generally recognized in income and expenditure statement. Property, plant, and equipment are depreciated beginning in the month they are available for use.

Salary Disbursement: Salary disbursement process is a confidential part for BIGD. I will be listing down the flow of work I do till disbursement to recording.

i. I receive a salary instruction from the HR

ii. I check the instruction for correctness

iii. New employee data is added and left employees are deleted from the list.

iv. Payment days are recorded with any advance or arrear payments.

v. Deduction against TAX, transport, PF, Loan and contribution is checked.

vi. PF and gratuity provision is made along with provision for the month is recorded for the month.

vii. Payment instructions are prepared and disbursed by 26th of each month.

viii. After disbursement salary payment is recorded for each employee.

Fund Tracking: Keeping track of the prerequisites for disbursement of fund from each doner is important. Whenever the prerequisites are fulfilled, invoice and an expenditure report are disbursed to the donor. Normally fund disbursement is done in following fashions:

- **Deliverable based:** Whenever the required deliverables are received by the donor, fund is released.
- **Expenditure based:** Whenever expenditures of the project cross a certain threshold, fund is released.

Payment Schedule: A payment schedule can look like this:

SL No.	**Date**	**Amount in USD**	**Description**
1	**31-Dec-24**	**2,714**	**After signing the agreement and submission of work plan (40%)**
2	**31-Mar-25**	**2,036**	**Draft Report (30%)**
3	**30-Jun-25**	**2,036**	**Final Report (30%)**
	Total	**6,785**	

Table 1: Payment Schedule of BIGD

2.6 Operations Management Practices of BIGD

BIGD uses computer-based information systems to organize its activities. These accounting systems are involved in every aspect of the works, including information management, payment processing, billing, and customer interactions. To improve its operations management system and attract new clients by leveraging data and information, the company has implemented a predictive analytics system. BIGD employs human professionals to manage all key tasks related to operations and to monitor the group's performance to ensure optimal efficiency.

2.8 Recommendations

From my understanding, I saw that BIGD's management procedures, marketing strategy, financial and accounting practices; everything they are doing is of a very high caliber. I had a fantastic opportunity to study outside the box while working for the leading educational research institute in Bangladesh, therefore if interns came here to learn anything, it would be incredibly beneficial for their future.

2.9 Conclusion

In conclusion, to promote relevant, time-sensitive government and development solutions, BIGD performed more detailed, different-method social science research in developing nations on a broad variety of social and economic concerns. Also, BIGD’s research examines corporate, public, and non-profit life-improving innovations. BIGD is studying crucial challenges including harnessing digital technologies for inclusive development and ensuring all children have access to high-quality education. The group will investigate and influence governance and development issues to improve social change and public sector management and development. BRAC Institute of Governance and Development is a leading Bangladeshi social science institute.

Chapter 3: Financial Performance Analysis of BIGD

3.1 Introduction

Bangladesh is home to the world-class BRAC Institute for Governance and Development, more often known as BIGD. Finding financial records that shows BIGD's achievements and projects is something I am eager to perform throughout my internship. The fundamental goal of BIGD is to enhance policy-making, development practices, and governance via extensive research and analysis. However, I had some challenges in locating considerable information about BIGD's financial records. Considering my major is finance, I decided to analyze the BIGD's financial performance during my internship at the BRAC Institute of Governance and Development. Therefore, I can revise my whole theoretical knowledge what I studied in my MBA Program.

3.1.1 Literature Review

A study of financial statements provides a clear and thorough perspective on the financial well-being of a firm for both internal stakeholders, including the finance team and business executives, as well as external stakeholders, such as investors. An examination of this kind enables stakeholders to discern crucial information about the operation of a company. Additionally, it provides financial experts and investors with pertinent information on company and market trends, therefore facilitating more effective decision-making. Furthermore, the assessment of crucial financial parameters such as profitability, liquidity, and solvency enable finance committees and corporate executives to evaluate resource management and advancement towards financial objectives (Vipond, 2023).

The study of the relationships between the different financial aspects of a company as revealed by a single set of statements is the main focus of financial statement analysis. It involves analyzing the connections between the various components of a financial statement in order to have a deeper comprehension of the positions and performance of a company. In order to estimate the future ability to pay interest and debt maturities (both current and long term) and the profitability of a sound strategy, financial statements analysis aims to ascertain the significance and meaning of the financial data (GOWSALYA R S, MOHAMMED H. M, 2017).

To evaluate how well a business has executed its financial strategy, policies, and objectives, a financial performance analysis is carried out. This kind of research usually compares a company's overall performance, operational effectiveness, and financial health to its financial goals or industry standards (Fahmi, 2011).

According to Henry, Ratio analysis is an analysis that is done by relating different financial statement estimations in the form of financial ratios. The financial state and performance of the organization can be assessed using this financial ratio analysis, which can also highlight significant correlations between report estimations (Sihombing et al., 2022).

According to Jhon Myer, financial statement analysis is an information processing system used for decision-making models, including portfolio selection and bank lending. It examines the relationships among financial elements of a company and their consistent patterns (IOSR Journal, 2013).

Kennedy and Muller argue that understanding financial statements provides comprehensive insights into an organization's financial stability, operational effectiveness, and creditworthiness (IOSR Journal, 2013).

Ratio analysis is the systematic process of quantitatively interpreting the financial performance of an organization. It offers significant insights into the financial statements' reflected profitability, solvency, operational efficiency, and liquidity situations of the BIGD (Dheeraj Vaidya, 2024).

Return on Assets compares the value of a business's assets with the profits it produces over a set period of time. Return on assets is a tool used by managers and financial analysts to determine how effectively a company is using its resources to make a profit (Birken, 2022).

3.1.2 Objectives

There are many objectives of this report, these are:

Primary objective: The primary objective of my internship program is to get practical experience in the financial sector. Exploring the interrelationships among many financial elements and acquiring knowledge about financial reporting for organizations with global operations.

Secondary objectives: The secondary objectives of an internship include building a network, developing communication skills through practical experience, enhancing a resume, and considering potential jobs within the company or industry. Internships provide practical experience, career reference, and connect students with diverse industries. They also enhance resume quality, attracting potential employers.

3.2 Methodology

For this internship report, I have used both primary and secondary data. The primary aim of gathering the data was to comprehend the financial performance analysis of the BIGD Corporation. This analysis includes the examination of both qualitative and quantitative data.

Primary Data Source: Primary data sources include; desk work, personal observation, face-to-face interactions with BIGD's officers and managers.

Secondary Data Source: Secondary data sources include; the BIGD's financial Report, BIGD's Annual Report 2021, 2022 and 2023 and the BIGD's website, are available for reference.

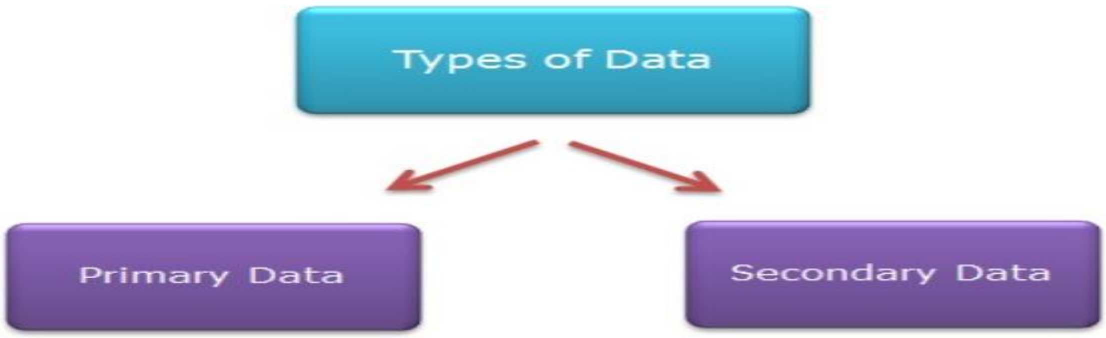

Figure 3: Types of data collection

3.3 Findings and Analysis

As this is a service and non-profitable organization, financial analysis is performed on limited available data. Most of the common ration to identify financial strength is not applicable due to organization type.

3.1 Financial Highlights for the year 2021, 2022 and 2023

Few highlights for 2021,2022 and 2023 financial years are presented below in million BDT (in millions):

Details	2021	2022	2023
Income Academic and Non-Academic	385	485	508
Expenses Academic and Non-Academic	346	475	523
Operating Income	39	10	(15)
Interest Income	13	17	28
Total Assets	434	473	506
Cash and Equivalent	22	81	85

Table 2: Financial Data of BIGD (Year 2021, 2022, 2023)

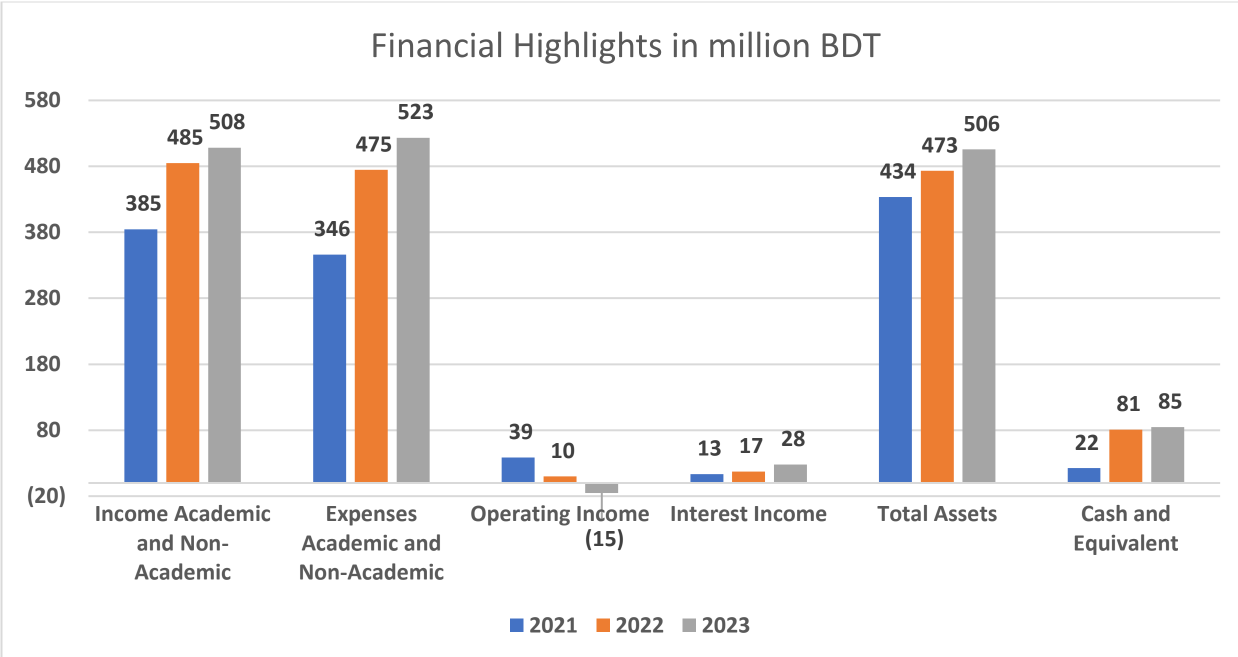

Figure 4: Financial Data Highlights of BIGD (Year 2021, 2022 and 2023)

Income Academic and Non-Academic:

The income generation of this organization is categorized in two segments, Academic and Non-Academic. The Non-Academic income is the main source of revenue for the organization.

The total Income for the financial year 2021 was BDT(in millions) 385. For the financial year 2022, income increased significantly by 26% over last year, and in value it was BDT(in millions) 485. Income for the financial year 2023 slightly increased by 5% and stood at BDT(in millions) 508.

The total income of this organization indicates that it is on growth trend over last three years and the significant growth came from the year 2022.

Expenses Academic and Non-Academic:

Like income, expenses are also categories under Academic and Non-Academic segments.

The Academic and Non-Academic expenses for the financial year 2021 was BDT(in millions) 346 which is 90% of the of the total income. For the financial year 2022, Academic and Non-Academic expenses increased sharply by 37% over last year, and in value, it was BDT(in millions) 475 which is 98% of the total income. One of the main reasons for increase in 2022 was non-academic research expenses which is BDT(in millions) 86 higher than last year. Academic and Non-Academic expenses for the financial year 2023 slightly increased again by 10% and stood at BDT(in millions) 523 which is 103% of total income and loss for the year.

The expense gone up significantly for the year 2022 and 2023, which is the main reason organization suffered less operating profit and loss in 2023.

Operating Income:

Operating Income is calculated from Organization Income after deducting operational related expenses. This indicate whether organization earning sufficient profit margin to support business sustainability.

The Operating Income for the financial year 2021 was BDT(in millions) 39. For the financial year 2022, operating income decreased significantly by -74% over last year, and in value, it was BDT(in millions) 10. Operating Income for the financial year 2023 again significantly lower by -274% and stood at BDT(in millions) -15. Although the Academic income increased year on year but academic expenses gone up significantly over last two years which resulted to operating losses for financial year 2022 and 2023.

The result indicates that, organization is not in good position in terms of profitability.

Interest Income:

The Interest Income for the financial year 2021 was BDT(in millions) 13. For the financial year 2022, Interest income increased sharply by 30% over last year, and in value, it was BDT(in millions) 17. Interest income for the financial year 2023 significantly increased by 63% and stood at BDT(in millions) 28. Interest income supported to recover some loss over the period.

Total Assets:

Total assets are the representation of the worth of an organization.

The Assets for the financial year 2021 was BDT(in millions) 385. For the financial year 2022, assets increased significantly by 26% over last year, and in value, it was BDT(in millions) 485. Assets for the financial year 2023 slightly increased by 5% and stood at BDT(in millions) 508. From the year 2021 to 2023, total asset increased by BDT(in millions) 123.

The increase in total assets indicates that organization is growing and investing more for expansion.

Cash and Equivalent:

The Cash and Cash Equivalent is the most liquidate current assets for the organization, which is convertible into cash quickly.

The Cash and Equivalent for the financial year 2021 was BDT(in millions) 22. For the financial year 2022, Cash and Equivalent increased significantly by 262% over last year, and in value, it was BDT(in millions) 81. The main reason for significant increase was BDT(in millions) 100 fresh fund given by BRAC as Endowment fund. The Cash and Equivalent for the financial year 2023 slightly increased by 5% and stood at BDT(in millions) 85.

Although organization make losses in 2023 but the cash and cash equivalent position improved over the year. This indicate that organization has sufficient cash to support to operation.

3.2 Donor Budget Variance Report Template of BIGD

An analysis of a budget variance report entails the comparison of real financial performance with the budgeted statistics in order to detect differences, comprehend their origins, and implement suitable measures. BIGD prepared a budget variance report:

The following budget variance entails an example that is submitted donors while proposal submission for any project. Here the line items from A.1 to A.16 entails to the cost that might incur while execution of the project. And B.1 Management cost % is the Overhead that BIGD charges the donor for the project tasks. This can be considered the income of BIGD. The percentage is 15% to 20% of the total project cost. This is cost for the project but income to BIGD as the overhead portion is recognized as income to BIGD in line with the completion of the project activities. The management cost or the overhead portion supports the operational activity of BIGD including salary, rent, utilities and other functional costs. The variance part helps to keep the actual expenses check so they are not overspent.

The budget displays the budgeting style and expense recording system of BIGD. Budget template can be customized according to donor and program requirements as well. It varies project wise.

Brac Institute of Governance and Development (BIGD), Brac University

Project Title/Study Name:

Donor Name:

Project Duration: 12 months

Budget Variance Report

Reporting Period:

Project Code:

Sl #	Cost Description	Total Budget in		Cumulative Expenses (Prior to this Period)		Expenses (Reporting Period)		Total Expenses		% of Burn Rate	Total Variance in		% of Variance	Remarks
		BDT	(USD)*	BDT	(USD)*	BDT	(USD)*	BDT	(USD)*		BDT	(USD)*		
A.1	Piloting Survey Cost:	50,000	435			25,000	217	25,000	217	50%	25,000	217	50%	
A.2	Census Survey Cost:	100,000	870			50,000	435	50,000	435	50%	50,000	435	50%	
A.3	Baseline Survey Cost:	100,000	870			50,000	435	50,000	435	50%	50,000	435	50%	
A.4	Midline Survey Cost:	100,000	870			50,000	435	50,000	435	50%	50,000	435	50%	
A.5	Endline Survey Cost:	150,000	1,304			75,000	652	75,000	652	50%	75,000	652	50%	
A.6	Intervention Cost:	30,000	261			15,000	130	15,000	130	50%	15,000	130	50%	
A.7	Qualitative Survey (Data collection & Coding) Cost:	100,000	870			50,000	435	50,000	435	50%	50,000	435	50%	
A.8	Institutional Review Cost:	5,000	43			2,500	22	2,500	22	50%	2,500	22	50%	
A.9	Local travelling Cost:	2,000	17			1,000	9	1,000	9	50%	1,000	9	50%	
A.10	International Travelling Cost:	-	-			-	-	-	-	0	-	-	0	
A.11	Printing, Publications & Dissemination Cost:	1,000	9			500	4	500	4	50%	500	4	50%	
A.12	Project Equipment Rental Cost:	700	6			350	3	350	3	50%	350	3	50%	
A.13	Workshop/Seminar Cost:	3,000	26			1,500	13	1,500	13	50%	1,500	13	50%	
A.14	Project staff's salary Cost-	6,000	52			3,000	26	3,000	26	50%	3,000	26	50%	
A.15	Operations & Capacity Building Cost	2,000	17			1,000	9	1,000	9	50%	1,000	9	50%	
A.16	Sub-award, Consultant & Audit	500	4			250	2	250	2	50%	250	2	50%	
	Total (A.1-A.16)	650,200	5,654	-	-	325,100	2,827	325,100	2,827	50%	325,100	2,827	50%	
B.1	Management Cost (%)	130,040	1,131			65,020	565	65,020	565	50%	65,020	565	50%	
C.1	Total of (A+B) Excluding VAT and TAX	780,240	6,785	-	-	390,120	3,392	390,120	3,392	50%	390,120	3,392	50%	
D.1	TAX & VAT (If applicable then budget will be increased)	-	-	-	-	-	-	-	-	-	-	-	-	
E.1	Grand Total (C+D) Including VAT & TAX	780,240	6,785	-	-	390,120	3,392	390,120	3,392	50%	390,120	3,392	50%	

Note* Unit cost rate is taxes excluded

1 USD* = BDT (Rounded) 115

Figure 5: BIGD Budget Variance Report Sample

3.3 Ratio Analysis

List of Ratio & Formula:

Ratio	Formula	Year 2021	Year 2022	Year 2023
Liquidity Ratio				
Current Ratio	Current Assets / Current Liabilities	2.40	2.12	1.98
Cash Ratio	(Cash & Cash Equivalent) / Current Liabilities	0.08	0.21	0.20

Solvency Ratios				
Debt-To-Assets Ratio	Total Debt / Total Assets	0.39	0.44	0.46
Profitability Ratios				
Gross Profit Margin	(Gross Income - Cost) ÷ Gross Income	0.10	0.02	(0.03)
Net Profit Margin	Net Income ÷ Net Revenue	1.34	2.64	(0.83)
Return On Asset (ROA)	Net Income ÷ Total Assets	0.07	0.03	0.01

Figure 6: Ratio Analysis & Formula for the Year of 2021, 2022 and 2023

Current Ratio: Current ratio measures BIGD's assets and liabilities position. The higher ratio indicates that BIGD has more asset than its liability. BIGD's assets position was better in the year 2021, which cover more than twice the liability. The coverage slightly deteriorated for the year 2022 and 2023 but still it has almost twice the asset than its liability.

Cash Ratio: Cash ratio indicate its liquid cash coverage against its liability. The higher ratio indicates better coverage against its liability. For the year 2021 the coverage was very low which was only 8% but over the year for 2022 and 2023 the coverage improved slightly and showing to a healthy position to 20% coverage.

Debt to Assets Ratio: The debt to assets ratio, indicate its debt position against its asset position. The higher ratio means company has more debt than assets while less than 1.0 indicates that BIGD has more assets than its debt. The resulted figure indicate company is in better position in terms of assets from 2021 to 2024. The variation is very less to mention.

Gross Profit: Gross profit margin indicates how profitable the company is. The higher number will indicate that its margin is better. BIGD's margin was better for the year 2021 but the margin significantly reduces over the period from 2021 to 2023. The margin for the year 2023 is negative which its cost is higher than its income.

Return on Assets (ROA): Return on assets indicate how efficiently BIGD utilizing its assets to generate profit. The higher the number means it is using its assets efficiently to generate profits. The company ROA ratio indicate that BIGD is not efficiently utilizing its assets to generate profits. The number deteriorated from 2021 to 2023 in worst level on assets utilization to generate profits.

3.4 Limitations of the Study

Time Constraints: Due to time constraints large-scale research was not possible.

Confidentiality: Not all of the information had permitted to excess documents and software. So, it was really challenging for me.

Lack of relevant information: Due to a lack of useful knowledge and books, the study was considered on average. It was really hard for me to find relevant data and information for a better report.

3.5 Recommendation

My experience was great during the time I spent working at BIGD. BIGD's employees were very helpful and co-operative. There are some recommendations for BIGD:

- After ratio analysis, BIGD can improve its profitability, efficiency, and liquidity, while maintaining a stable financial position. Continuous monitoring and proactive management are essential to directing financial challenges and achieving long-term success.
- To enhance financial health, the organization should focus on expense management, diversify revenue streams, optimize interest income, maintain adequate cash reserves,

monitor performance through key indicators, and engage with donors. Regular monitoring and transparent communication with stakeholders can help adapt strategies and secure ongoing support for sustainable growth. This approach will also enhance non-academic research and student enrollment.

3.6 Summary of the Findings

The organization has shown a growth trend in total income over the past three years, with a significant 26% increase in 2022, followed by a 5% increase in 2023. However, expenses grew sharply in 2022 and 2023, leading to operating losses, with expenses surpassing income in 2023. Despite this, interest income increased significantly over the period, helping to offset some of the losses. Total assets and cash equivalents have increased, indicating growth and adequate liquidity, though the organization faces challenges in profitability and managing operating costs.

As a development organization, the financial findings are rather reasonable. The donor funded project expenses are most of the time completely accounted for by the donor. Also, Overhead is received in the form of compensation in the organization. The income recognized is the excess donor contribution after research or project expenses. In this financial modality , the trend is in accordance with the industry norm of high expense.

Overall, my experience at BIGD was positive, with supportive and cooperative employees. To improve financial health, BIGD should focus on expense management, diversify revenue streams, optimize interest income, and maintain adequate cash reserves while regularly monitoring performance through key indicators. Engaging with donors and maintaining transparent communication will help ensure sustainable growth, benefiting both research and student enrollment.

3.7 Conclusion

A strong finance system is crucial for a company's success, and BIGD’s play a vital role in promoting economic efficiency by securing financial support from funders and enhancing investment opportunities. It's essential to analyze all financial statements to understand a company's financial state, and all parties responsible for the company's financial performance must have a thorough understanding of the information.

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