



## **Cooperative Education Report**

**A study on the activities for value creation at  
Lutheran World Relief, Nepal and its projects by  
Finance and Administration department**

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**This Report Submitted in Partial Fulfillment of the Requirements  
for Cooperative Education, Faculty of Business Administration  
Academic Semester 2/2017  
Siam University**

**Title: The positive impact of innovation through digitalization in educational sector**


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We have approved this cooperative report as a partial fulfillment of the cooperative education program semester 2/2017

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**Semester/Academic year:** 2/2017

### **Abstract**

The internship was done in Siam I-Edu Center, which is an innovative education center that teaches English by providing encouraging and interactive environment to kids. The sole purpose of this study was to analyze the impact of innovative program in education sector. Also, the main purpose was to understand and get familiar with the working environment, its structure, and working procedures. This was totally a new sector for me to work so I wanted to explore how this sector runs.

This report contains literature review which discuss that marketing is the back bone of a business. It also discusses about product innovation and innovation strategy. Innovation mix or the 4Ps has also been stated in literature review.

Then it is followed by the role and responsibilities that I had to perform in the organization. There were few special tasks that I had to perform which is discussed in project details. Few contributions were made in the work place as per my understanding which has been discussed in contribution during internship. For interns the proper environment is required which is friendly and full of cooperation. This environment was provided in my work place.

The major finding is that innovation plays an important role in the educational sector. Innovation strategy helps in the success of the company as most of the customer look for the change. We must make sure that we are proving proper value to the customers. As professional impact, I came to know about the importance of time at work place and the role of marketing in any company which is very crucial.

**Keywords:** Product innovation, Innovation strategy



## **Acknowledgement**

I would like to thank Lutheran World Relief for giving an opportunity to work in their office as an intern for a period of 3 months, starting from 12<sup>th</sup> Feb, 2018 to 11<sup>th</sup> May, 2018. I would like to express my gratitude towards all the team of LWR, who helped me in every aspect of practical learning. Sincere thanks to the Country Director of LWR, Mr. Kiran Ojha for accepting me as an intern. I am very grateful to have had a supervisor who supervised me in detail with each of the duties I was assigned. My experiential learning would have been very difficult had I not got such a humble and hard working supervisor, FAC of LWR, Mrs. Anusha Malla.

I would also like to express my gratitude towards Kathmandu College of Management and SIAM University for providing me a opportunity with Coop Education program and to all the teachers who provided me with the theoretical knowledge which helped me in each step of my job.

I would like to take this opportunity to thank Dr. Tanakorn for being my academic supervisor and guiding me in each step of Coop Report preparation; starting from reviewing my topic to guiding me in further chapters of the report.

Lastly I would like to thank the Coop department of SIAM University for their continuous support and assistance for making this Coop report.

Nihal Shrestha

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## **Chapter 1: Introduction**

### **Company profile**

Lutheran World Relief NEPAL (LWR Nepal)

LWR started to work in Nepal since 2009. The main purpose of LWR in Nepal is to work for the marginalized communities in rural areas of Nepal. Most of the population in Nepal remain poor and marginalized and struggle with household food security. Additionally these group are extremely vulnerable to natural disasters; earth quake, floods, landslides. Hence, they are not able to afford preventive measures to prepare for or Mitigate the effects of these natural disaster. LWR in Nepal works for development and resilience needs by making marginalized communities aware about the natural hazards and helping the communities to realize the importance of Food Security, Climate change & disaster risk reduction and Emergency Response. LWR works in Lamjung, Tanahu, Gorkha and Nawalparasi in the Western region (LWR) .

The projects of LWR Nepal:

Currently Running Project:

1. Nepal Earthquake Response Project– II in Gorkha and Lamjung:

LWR has been implementing Nepal Earthquake Response Project in Lamjung and Gorkha districts funded by Act Alliance, Evangelical Lutheran Church of America, Bill and Melinda Gates Foundation and Lutheran Constituents to reduce vulnerability for earthquake-affected families in Jaubari VDC of Gorkha District and to 5 VDCs of Lamjung namely Kolki, Bichaur, Dudhpokhari, Ilampokhari&Gauda along with local partners COPPADES in Lamjung and Shree Swanra Integrated Community Development Center (SSICDC) in Gorkha. The project started to increase the resilience of families



affected by the April 25, 2015 earthquake. The project was started from April 2015 and continues till December 2017.

2. Livelihood Recovery Support Project (LRSP)-Gorkha&Lamjung:

The overall goal of the project is to contribute on the livelihood recovery/ rehabilitation of earthquake affected households in Gorkha&Lamjung district. More specifically, the program will provide support on livelihood recovery, water sanitation and health (WASH) and Disaster Risk Reduction (DRR) support to the target communities through livelihood based agriculture enterprise creation, improved sanitation facilities, and better preparedness of the communities against future disasters. LWR has been implementing the project through the local partner SSICDC & COPPADES in Gorkha&Lamjung respectively. The project was started from February 2017 and will continue till January 2019.

3. Nepal-India Trans boundary Resilience Project (Water Window):

The project is funded by Rockefeller Global Resilience Partnership. LWR has been implementing this project through the local partner SAHAMATI. The Water Window is a follow on to the Trans-boundary Flood Resilience Project(Nepal-India). The project aims to enhance resilience of flood affected families in Narayani and Gandaki river basins and aims to provide early warning support, safety net provisions such as insurance and savings and local capacity development on disaster risk reduction. The project is implemented in collaboration with Asian Disaster Preparedness Center (ADPC) and Yale University along with other local partners. The project was started from February 2017 and will continue till July 2018.

#### 4. Citrus Market Development Project-IV

The goal of the project is for smallholder citrus farmers to enhance their livelihoods by increasing production, productivity and marketing of citrus from hilly Rural Municipalities and Municipalities of Nawalparasi, Tanahun and Gorkha district in Nepal however, Specific Objectives are; to assist CFGs to be formally registered at DADO for accessing government resources; to increase the small-holders farmers income through adoption of improved citrus cultivation practices, to reduce the post-harvest losses of citrus and other cash crops of the farmers; to strengthen the capacity of the cooperatives in order to link citrus farmers directly to the market or supermarket. The project was started from September 2017 and will continue till August 2019, which is being implemented by SAHAMATI.

#### 5. Improving livelihood resilience of earthquake affected communities in Gorkha

The goal of the project is to improve the livelihoods of earthquake affected smallholder farmers in Gorkha through a livelihood improvement program. The rationale behind development of this project is to make a healthy and prosperous farming community by promoting improved agricultural technology and strengthening value chain based marketing networks. Poverty reduction has been the prime development agenda in Nepal for decades and specific development plans have been implemented to break the poverty cycle. This project addresses the Nepal Government's agenda by increasing the income of target beneficiaries by increasing agricultural production thereby bringing remarkable reduction in poverty with the following operational objectives; to improve technical skills of farmers and adoption of commercial agriculture and high value crop production; to enhance production and productivity of agricultural commodities for enhancing food security; to Increase commercialization of agriculture production, value

chain and market management in the project area. The project was started from September 2017 and will continue till August 2019, which is being implemented by MADE Nepal.

#### 6. Coffee Support in Western Mid-Hills of Nepal

The goal of the project is to increase the income of farmers by cultivating coffee and selling it to niche market. However specific objectives of the project is to increase the income of Farmers; strengthen cooperatives through providing sustainable services and access to markets to their members and marginal farmers. The project was started from July 2017 and will continue till September 2019, which is being implemented by RCDC.

#### 7. Urban DRR in Kathmandu Valley

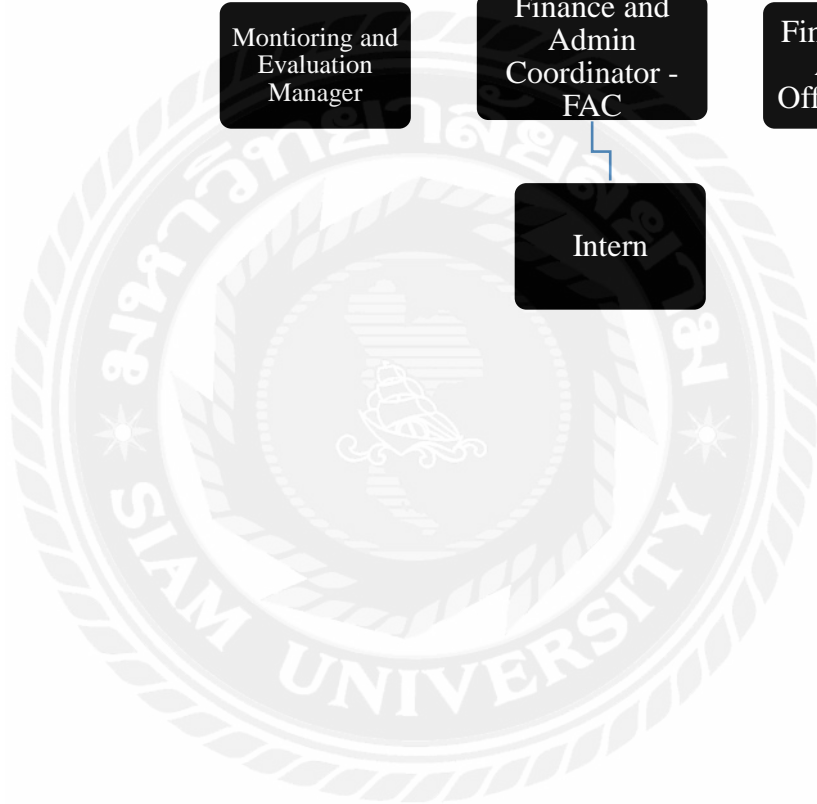
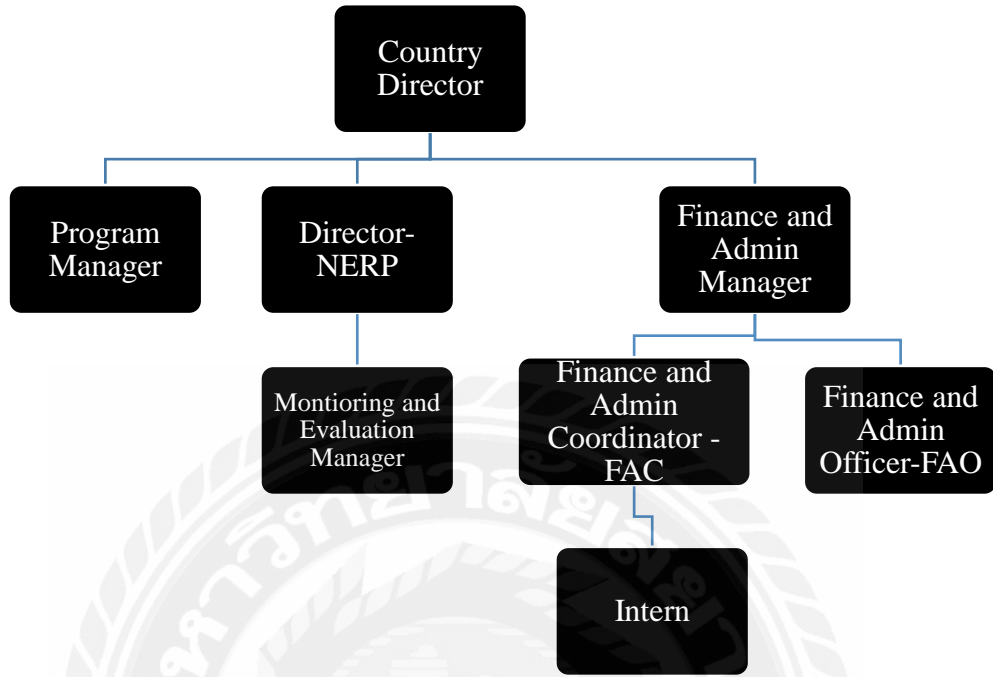
The overall goal of the project is “Urban resilience through strengthened DRR in Kathmandu Valley” and its outcomes are: (i) Improved knowledge and awareness of duty-bearers and stakeholders of disaster risk in the urban context (ii) Strengthened institutional capacity to manage disaster risks is strengthened, (iii) Disaster risk reduction and management are included in municipal planning or actions, (iv) Capacity of DRR institutions on disaster recovery and preparedness is enhanced, and (v) Improved knowledge in implementing DRRM projects. The project was started from July 2017 and will continue till September 2019, which is being implemented by NDRC.

## **1.2 Organizational structure**

The organization is led by the Country Director. He is responsible for overall strategic decisions of LWR Nepal along with his supervisors from the headquarters. Under the supervision of CD, are director of Nepal earthquake resilience project (Director- NERP), Finance and Admin manager(FAM) and Project manager(PM). They report directly to the CD and seek required approval for activities such as field visits, procurement from the CD.

Finance and Admin manager has the responsibility of supervising the Finance and Admin officer (FAO). Both of them work together along with Finance and Admin Assistant (FAA) for managing the finance and admin department of LWR. FAA along with the driver is supervised by FAO.

Intern in this organization was a new role that was created very recently. Being only the trainee in the organization's F&A department, the intern is indirectly supervised by all in the department but the direct reporting and supervision is done by FAA.



### **1.3 Objectives**

- To know about the procedures, framework, policies and guidelines for preparation of financial reports of LWR.
- To know about the procurement and management of inventories' procedures and policies of LWR.
- To know about the activities done by LWR for motivation and benefits' of Staffs working in LWR
- To know about the communication channels used in LWR to support its operation and its projects.

### **1.4 Statement of report**

How does finance and admin department of LWR contribute towards adding value to the organization? Being a finance student, the objective of my study is to see how the FA department coordinates among staffs of various projects in order to achieve sustainability, efficiency and effectiveness throughout the project period and in overall organization. This study is about applying the knowledge gained in the classes whether the application of theories is practical or not.

The report is about how the daily operational activities is done in LWR. The activities solely may not seem of much value but when put together aggregately helps to create value and run the projects as well as the whole organization smoothly. The report focuses on the analysis of policies and frame work of different activities such as medical claim reporting, inventory management, financial recording, petty cash fund management, budgeting for projects, variance analysis, overhead calculations, logistics & administrative management, financial report preparation. All of these activities take place in the

Finance and Admin department which is also responsible for maintaining stake holder relationship.

Also record retention is a key activity done by the Finance and admin department. Project specific records are to be recorded for at least 5 years. Importance and procedure of proper record retention for LWR is discussed in the report.

### **1.5 Outcome**

Outcome of this report is very straight forward. The outcome is analysis for activities done by finance and admin department to support the smooth running of the organization and the projects being conducted the organization. As being an Intern in LWR, learning the importance of frameworks, policies and ethics to be considered while in the corporate world shall help me become a better professional and improve my rationale for better decision making. Also the practical knowledge about the stakeholder management will help me better communicate with all the stakeholders that come across my professional career.

### **1.6 Limitations**

- Time period is a limiting factor for the full potential learning. Internship duration of 3 months period was not enough for assessing the contribution for projects that have life periods of more than 2 years.
- Also only the analysis of activities done for monthly financial reports was done. As annual reports' preparation takes a whole fiscal years' time, learning the procedures and activities done for preparing annual financial reports was not possible.
- Another limitation during my internship was not being able to learn project specific operations as it involves the need for technical knowhow.

Also due to the lack of timing and technical expertise (by intern) made it difficult for field visits and partners' visits.





## **Chapter 2 Literature review**

As this internship report is based on experiential learning, the theories which were taught in the class came in very handy in order to understand the core concepts used for carrying out the activities. In line with the objectives of the study, the following theories were used in order to understand the roles and responsibilities of Finance and Administrative department for adding value to the overall organization.

### **Accounting theories**

Accounting is a process of communicating financial transaction to the stakeholders of the organization. In order to communicate effectively, proper recording, classifying and summarizing of the transactions are very important (Essien Ekerette Akpanuko, 2014). Also proper recording and presentations of the transaction aid in proper decision making for any organization.

Every organization must follow double entry of book-keeping system (Unegbu, 2014). This means that every transaction has positive side known as the debit side and the negative side known as the credit side attached to it. At the end the total of the debit side must tally with the total of the credit side or else mistakes or fraud may be prevailing during various stages of accounting.

Accounts of organizations are based on accrual basis (Unegbu, 2014). Also known as the matching concept, the concept states that the revenues earned in a financial or fiscal year must be matched with the expenses incurred to generate the revenue in the same financial period. This is one of the reasons why profits will not be equal to cash generated by any business. Not all organizations run for profit. Organizations having other motive than earning profits shall have different framework and policies of accounting. The main reason for this is the sources of funds for non-profit making organizations are different. So the

preparation of final accounts for communicating with the stakeholders differs from that organization that solely exists for profit making.

Although the final accounts formats may differ, the basic recording procedure and importance of record retention shall be similar. Matching the costs with revenue might only be partially possible for social welfare organizations like INGOs, as there are no revenues for them. They will need to prepare the financial statements according to the formats prescribed by the headquarters of the organization and in the best possible way to communicate it with the donors and local government (Bartolome, 2014) .

### **Human Resource theories**

Theories of motivation are applicable to any kind and size of the organizations. Employees working in an organization must contribute their maximum potential so as to increase the productivity of the organization. But in return, the organization must also give employees back what they deserve.

Adam's Equity theory states that the input i.e. the effort provided by the employees for the organization must be balanced with the output i.e. the reward returned back to the employees by the organization (Reginald L. Bell, 2011). An individual will consider that he is treated fairly if he perceives the ratio of his inputs to his outcomes to be equivalent to those around him. Therefore, the employees putting in more effort and employees of senior level in the management shall receive higher amount of benefits and rewards for working in the organization.

This theory also states that if the input and output is inequitable (Guerro, Andersen, & Afifi, 2014), then the employees find themselves in a stressed out situation, therefore leading to decline in the productivity.

Examples of inputs by the employee for the organization include:

- Number of hours worked by the employee( might also include overtime)
- Employees' work duties and responsibilities.
- An employee's work duties
- The work commitment demonstrated by the employees
- Loyalty
- An employee's flexibility such as undertaking tasks at short notice
- The support that the employee has provided to the organization and their colleagues.

Examples of outputs by the organization for the employees include:

- Medical and accidental insurance based on the certain years' salary.
- Provident fund
- Paid sick leave and vacation leave
- Positive work appraisal.

These examples of inputs and outputs aid to understand what can help employees improve their productivity.

Vroom's expectancy theory also states that if the effort put in by an employees' reflects the output generated the by the input, the employee shall be highly motivated to put in more effort so as to reflect the achievement of their goals.

## Value addition process

Following are the ways how Finance and admin department helped to create value in LWR and its projects

### Financial function.

Budgeting (James M.Kohlmeyer, 2014), financial reporting, payments to vendors, travel advance settlement and variance analysis helped in keeping finances on track and meet financial obligations on time. Projects have expenditure targets to meet and Finance and admin department coordinate with project staffs for planning, recording, payment and reporting of the financial transactions that projects incur. Also, the overhead expenditure and funds from headquarters are managed by the Finance and admin department so as to run the organization smoothly. Maintaining relationship with partners by disbursing the funds to them for implementing projects, attending meetings and trainings conducted by LWR country office and for partners' overheads are the ways financial function adds value to the organization and its projects.

### Logistics management

Logistics management for overall office is done by the Finance and admin department. This includes procurement (Rupert A. Brandmeier, 2010) of inventories, assets, managing transportation and lodging for field visits, logistics for meetings (both internal and external), filing the report for insurance claims are the sole responsibilities of Finance and Admin department. As FAA being internship supervisor, the jobs assigned to the intern also includes managing the logistics for various staffs of the organization. Managing the logistics for trainings provided by the project to the stakeholders (i.e. partners, communities) helped the

effective execution of projects. Logistics included transportation, accommodation, purchases of inventories for conducting workshops and seminars. Also for foreign visitors and staffs going abroad for trainings, Finance and admin department assisted them with overall logistics management.

#### Communication channel

External communication was done via Finance and admin department. Communication with concerned ministry, social welfare council, partners are done by the department. Letters sent, received are recorded in the department. The distribution of letters and documents to the concerned staffs are the duty of the department which aids in effective execution of work. Also, minutes of meeting prepared by Finance and admin department and circulated to all the staff so that they could be aware about the jobs they are to do within the given deadline.

#### HR function

Starting with recruitment process, Finance and admin department is responsible for creating Job Description (JD) and Job Specification (JS) of any vacancy in the office with the coordination of project manager and country director. Posting the advertisement, preparing CV summary for initial screening helps the headquarters, CD and project managers in selecting the most suitable candidate. Allocating the work time sheet, leave records, assigning duties to guards and cleaners are the Human Resource duties of the department. This helps the organization to select appropriate candidate and is a long term investment. Also, the department assists the staff in claiming insurance, in preparing travel advances and for field visits to execute their project works.

## **Chapter 3 Methodology**

### Responsibilities assigned

#### **3.1 Preparation of petty cash voucher.**

The petty cash fund balance for LWR is NPR 20,000. Any expenses up to NPR 4500 are paid through petty cash fund. Petty cash fund is replenished when 80% of the fund balance is used up. In order to replenish the petty cash fund, all the bills are compiled and the voucher for each party to be reimbursed is prepared. Any expenses of and above NPR 1500 requires a general requisition to be filled by the requestor and get prior approval from the FAM. All the bills must contain the date of expense, sign of the party who is to be reimbursed and sign of the proprietor. Without any of these the bills cannot be attached to the voucher hence reimbursement is not done unless all these criteria are fulfilled. After attaching the bills request for payment form is also attached to the petty cash voucher and general requisition form. All these documents are verified by the FAM and the cash count is done by the CD in order match with the expenses. Then the cash count sheet and monitoring sheet of expenses are verified by the FAO and the check for reimbursement with amount to be reimbursed is prepared by FAO and signed by the CD. After replenishment at the end of the month all the petty cash expenses are entered into LWR software i.e. the Quick book software as prescribed by the Headquarters.

#### **3.2 Logistics management.**

Logistics management for overall office is done by the Finance and admin department. This includes procurement of inventories, assets, managing transportation and lodging for field visits, logistics for meetings (both internal and external), filing the report for insurance claims are the sole responsibilities of FAA. As FAA being internship supervisor, the jobs assigned to the intern also includes managing the logistics for various staffs of the organization. Preparing

purchase order, store receipts, booking hotels, transportations, communications' tools such as data card and mobile phones were to be done.

LWR provides trainings to the public as well as their partners for effective working. Hence, the logistics for trainings and workshops are also managed by the FAA and the intern. Trainers from the headquarters also come to Nepal for providing training. So the overall logistics management for foreign visitors' stay in Nepal is managed by the FAA and the intern along with the project specific staffs.

### **3.3 Reception handling**

The desk of FAA and the intern is located at the reception of the office. So the reception handling is a key and major role assigned to the intern. Many visitors come from various partners, government offices for meeting with the staffs of LWR. Firstly they need to inform the reception regarding their purpose of visit to the office and then after communicating with the staffs; the visitors are taken to their respective meetings. Also the incoming calls of the office come to the FAA's desk. So handling the calls and transferring them to the respective receivers is the duty of the intern. Receiving letters, documents from external stakeholders and submitting them to the receiver inside the office is the duty under reception handling.

### **3.4 Filing and record maintenance.**

Filing all the documents presented while preparing petty cash vouchers, incoming documents, outgoing documents, insurance claims, purchase order, store receipt and other documents presented by project staffs is the duty of the intern. Putting reference numbers on the outgoing letters and maintaining office copies of the request letters sent to various stakeholder of LWR is the

responsibility of the intern. These recorded documents shall be useful in the future for reference as well as for report preparation.





## **Chapter 4 Results and Discussion**

After working in LWR for 3 months, many practical aspects of working in a cooperate environment were learnt. From process of taking leave to preparation of financial reports, every aspect of working in administrative department of INGO were looked into and tried to match with the learning from the theoretical classes.

All the learning in the practical works were not aligned with what was taught in our classes. So while working in the office, there were some difficulties faced. However every part of the work provided new experience of practical learning. Contributing to the regular work activity of LWR did facilitate the learning of how things are done in an INGO and also added value to every projects of LWR as well as to LWR country office itself.

Contributions were primarily focused on day to day administrative work. Assisting the FAC in Financial report preparation, logistics management and providing communication channel for overall organization were the duties assigned. Hence majority of the work were done to smoothening the projects' activities and functioning of the country office in an effective and efficient manner. Though the direct contributions in the field projects were minimal, the logistics management and communication channel provided by Finance and Admin Department did help the projects' effectiveness. Also, the variance analysis of projects' finances was done by the Finance and Admin department's head, FAM. The variance analysis is a key concern for the Headquarters as well as the donors of the organization.

#### **4.1 Contribution of student made during the internship.**

##### **Financial Report Preparation.**

The final monthly financial reports were prepared with the help of accounting software named QuickBooks. The software were provided by the Headquarters to the country office and FAA and FAO were in charge of using the software in order to prepare the monthly, quarterly and annual financial reports.

All the payments above NPR 4500 are done through checks. Any amounts below NPR are done through cash. Hence, petty cash fund is established to pay for expenses below NPR. 4500. Management of the fund is also a very important aspect of Finance and Admin department. Petty cash expenses are very regular and replenishment of the fund is not done until proper accounting for the expenses are done. Hence, PCF accounting was a key role in preparing financial reports.

All the monthly reports are submitted to the Headquarters by 5<sup>th</sup> day of every month. Following financial statements were prepared every month:

- Trial Balance
- Income Statement
- Balance Sheet
- Bank Reconciliation statement

After the preparation of these reports, the FAM reviews them and the CD approves the Final reports. After the approval of CD, the reports are printed, scanned and sent to the headquarters so that it can be communicated with the donors of the organization.

As an following were the contributions made in assisting the Finance and Admin department for preparation of final financial reports.

- Regular visits to banks and utility service provider for payment of checks for advances, utility payment, vendor payment and other expense payment were done. This ensured timely transaction of the financial expenses. Also the receipts given back were submitted by the intern to FAO for proper entering in the QuickBooks software in order to record the payment and update the financial reports.
- Voucher Preparation. Petty cash voucher preparation was solely assigned to the intern. All the petty cash transactions were recorded by intern by attaching the invoices, payment voucher and general requisition form. This was a must follow process in order to verify the expenses which ultimately led to the replenishment of the petty cash fund once the fund is reduced to 80% of its original balance i.e. NPR 20,000. All the vouchers after preparation were approved by the FAM and the cash count was done by the CD along with the assistance of the intern. After the review and approval, the PCVs were entered into the QuickBooks software by the intern for updating the monthly financial reports. All the documents related to PCF were prepared by the intern. This also facilitated in record retention policy of LWR. Along with PCV, intern also assisted in preparing Journal Vouchers and Cash Vouchers which recorded the overhead expenses such as depreciation, travel advance disbursement & settlement, utility expense (other than petty cash expense). This helped in recording the expenses for income statement as well as bank reconciliation statement preparation.
- Visits to Inland Revenue Department for payment of income tax, social security tax and value added tax were done by the intern. After preparing the salary sheet for every month by the FAC, intern was assigned the task to calculate income tax. Also social security tax and VAT was calculated by the FAC and the payment vouchers were prepared. After the payment,

receipts were collected by the intern so as to record these tax transactions for tax accounting, auditing purpose and tax accounts in the final financial reports.

- Documenting of all the final financial reports, printing and scanning the reports were the duties assigned to the intern. This was done in order to send the reports to the Headquarters who were accountable for communicating the income, expense and asset transactions to the donors.



### **Logistics Management.**

Being not such a big INGO in Nepal compared to its peers, Logistics management is done by the Finance and Admin department itself. From purchasing long term assets to managing field visits for the project staffs, Finance and Admin department added value to the projects and its country office by managing their logistics. Finance and Admin department were responsible for communicating with vendors, partner NGOs, suppliers, hotels, vehicle companies and other stakeholders who would directly incorporate with staffs of LWR for carrying out projects as well as running alliance with LWR. Preparing documents related to purchase of assets, inventories, Utility payment, quotation from vendors, managing drivers and vehicles for field visits, document retention for future reference in accordance to formats and policies set by the government and SWC, communicating with Citizen Investment Trust for defined benefit pension plan, logistics for meetings with other organizations, printing and publications of project reports, were the logistics activities carried out Finance and Admin department.

These activities helped in improving the effectiveness and efficiency of LWR's projects and the country office itself.

Following were the contributions made by the intern in regard to the logistics management.

- Payment of the invoices sent by vendors, utility payments and preparation of LWR's receipts for submitting it to the concerned stakeholders on time helped maintain good relation with the vendors and achieve efficiency.
- Initiating correspondence with new vendors for new kind of activities; expenses, was the duty assigned to the intern. Not only that, requesting the quotation for purchasing of assets, organizing conferences, vehicles for

field visits were done by the intern. This helped in minimizing the costs and adding towards proper utilization funds provided to LWR. Also communicating with the projects staffs to know more about the specific requirement of the activities and communicating them with the vendors helps achieve effectiveness.

- Preparing comparative charts for vendor selection, preparing purchase order, request letters for activities such as providing SIM cards for staffs and visitors, preparing general requisition form were done by the intern to smoothen the procurement process. This also added to the function of document retention which is discussed in later part of the report.
- Updating the inventories' record books, so as to record and disburse the inventories' required in the projects and workshops conducted by LWR were the duty of the intern. This contributed to knowing when to re-stock the inventories.
- Managing outsourced staffs/vehicles for project field visits, managing hotels for staffs' stay in the field, booking transportation tickets, preparing travel advance forms for the staffs were done by the intern. This also added effectiveness in completion of the targets to be achieved by the project staffs.
- Preparing store receipts, tallying the store receipts with inventories and assets record books helped in the process of internal audit which was due to take place right after the internship period.

## **Communication Channel and HR management**

### **Communication**

Finance and admin acted the as the communication channel for the overall organization. All the documents related with project specific activities,

communications with internal and external stakeholders; headquarters, government, SWC and alliance INGOs, are retained by the Finance and admin department. Finance and Admin department responsible reception handling, receiving of documents and letters from external sources and also responsible for maintaining office copies of any kind of letter sent by the staffs of LWR. Also recording and preparing minutes of staff meeting for reference in the future staff meetings and for updating the record books were the responsibility of Finance and Admin department

#### Human Resource Management

Managing driver for field visit, security guards and staffs for cleaning of the office, meal preparation were the responsibility of the department. Any kind of vacancies in the organization were posted by F&A department, preparing the JD and JS for the job along with project manager, were the duty of Finance and Admin department. The department assisted the project managers, CD and head quarters in recruitment process. The department were informed by the staffs about any kind of leaves taken and work time sheet allocation were done by Finance and Admin department. Medical and accidental insurance claims made to insurance companies were done through Finance and admin department. All these HR activities were done by the department in order to efficiently manage the organization in alignment with the HR policies of LWR.

Following are the activities related to communication channel and HR management assigned to the intern.

- Reception handling and incoming call handling was the duty of intern. Various visitors visit LWR in regard to different project activities. So communicating with the concerned staff and transferring or sending the

visitors to meet with respective staff on specified time helped achieve effectiveness.

- Receiving of letters and documents and distributing them to the respective staffs of LWR. Also maintaining the office copies of letters sent by staffs of LWR and filing it to the respective files were the duty of the intern. This helped in future reference as well as for auditing purpose.
- Recording and preparing the minutes of staff meeting and sending it to all the staffs in LWR was the duty of the intern. This helped all the staffs get updated about the financial updates and project specific updates. This also contributed towards the communication with the headquarters.
- Preparing summary of CVs for potential candidates who applied for a vacancy was the duty of the intern. This helped the CD, project manager and Headquarters in the recruitment process.
- Preparing medical claim letters and reports and submitting it to the insurance company and collecting the checks of the claims and depositing the checks in respective staffs' account were the duties of the intern. This helped in keeping the staffs' motivation going as they were provided as benefit.



#### **4.2 Details of learning process and new knowledge student have received.**

The internship provided a practical learning experience. Learn as you do was the main objective of the entire 3 months of internship. Many practical aspects of book keeping, financial report preparation, document retention, budgeting and variance analysis, stakeholder relationship management, documentation, professional communication were learnt during the work period. The duties assigned helped the intern to know about the corporate culture and gain experience regarding the INGO sectors' work policies.

Theoretical Vs practical aspects were also compared while working in the office. Many work and duties assigned to the intern were regular administrative work, which was not big of a deal to be taught in the curriculum of BBA. But the basic understanding of accounting, HR and logistics did help to execute the duties assigned in an effective way. The knowledge of professional communication learnt in the class was the mostly utilized theoretical aspect during the work. Not only did it help to perform the regular duties, it also helped to communicate the work done to other staffs as well as to write this report.

Ethical behavior is must in every profession. The knowledge about Ethics gained in the class was aligned with the practical behavior required by LWR. All the staffs including the intern were required to sign in the Child Protection Policy which stated that any child is to be treated fairly and in a ethical manner. Other ethical aspects were to be applied while in the procurement process and while preparing the financial reports of LWR and inspecting the financial reports of the partners.

Following are the details of learning process and new knowledge gained by the intern during the work period:

### **Financial report preparation**

- Financial reports were prepared with the help of an accounting software named QuickBooks which is a famous accounting software used by over 4 million users (Quickbooks, 2018) across the globe. The knowledge of using this software was gained while entering transactions of the PCV and other vouchers into the software. Also the process of editing the existing transactions and ultimately preparing the financial reports required by LWR were learned. This now shall be an added advantage for the intern as skill gained to utilize Management Information System.
- Also, the calculation of average monthly exchange rate was taught to the intern. Using Oanda.com (Oanda, 2018) to calculate the average rate, the rate was then used to convert the local expenses into USD so as to report the expenses to the Headquarters.
- Preparing bank reconciliation statement was also taught to the intern. With the help of the software QuickBooks and with the statement provided by the bank, the differences of the amount were compared with the vouchers prepared and necessary adjustments made to reconcile the figure in the bank statement with the bank balance records of LWR which was shown in the software. Preparation of reconciliation was bit different from what was taught in the class. Only few items of accounting were arising in the class where as in practical world, every transaction done through bank had influence in the bank reconciliation statement.
- Visits to Inland Revenue Department helped the intern gain knowledge of calculation of the actual amount that is to be paid for taxes. Taxes paid by LWR to IRD included Income tax, Social Security tax and Value added tax. Income taxes were calculated according to the salary of each staff.
- Tax rates used in Nepal

Income tax( individual)	Annual Salary(NPR)	Tax rate
First tax slab	350,000	1%
Next	100,000	15%
Exceeding	450,000	25%
Income tax (couple)		
First tax slab	400,000	1%
Next	100,000	15%
Exceeding	500,000	25%
Value added tax (VAT)	-	13%

**Table 1: Tax rates in Nepal**

- Every month FAO and FAM visit partner offices in various field areas to inspect financial reports prepared by them. Also the expenditure sheets were examined. LWR allows only 10% of Standard deviation from the actual expenditure that was planned during the budgeting. Variance higher than that is to be reported to the CD and Project managers along with FAM are responsible for communicating the reasons for the larger deviation. Fund utilization seemed to be the major problem in various projects of LWR. This was mainly due lacking of proper regulation of partner NGOs and also due lack of proper communication in the field where the funds are to be utilized.
- The accrual concept of accounting that was taught in the classes were not fully utilized while preparing financial reports. Most of the expenses including overheads were only booked into the accounts once they were paid. So, mostly cash basis of accounting were used to prepare final reports. Also standard costing for variance analysis of partners were seen

missing. The focus of variance analysis was mostly on qualitative side of why the funds provided were not utilized properly.



## **Logistics management**

- Preparation of travel advances. Intern was assigned the task of assisting the projects staffs with preparing their travel request application. The intern's task was to provide average exchange rate for conversion of expenses into USD, book hotels for staff's accommodation, hire vehicle for the visit. This helped to improve the intern's professional communication skills and gaining knowledge on how to deal with sales department of hotels and transportation companies.
- Being involved in the procurement process of LWR, different procedures required for effective supply chain management were learnt. The initial correspondence with vendors, requesting for quotation, preparation of comparative charts gave the intern with practical experience about the policies that governs an INGO of Nepal. This also helped the intern to become more ethical with regards to vendor selection.
- Following policies and framework set by LWR helped me learn ways to save cost while procuring different kinds of inventories, assets and services. Also finding the most valuable vendor (in regards to cost and quality of product and service provided) did help to gain efficiency in expense reduction.
- Managing the logistics of foreign visitor was a key duty assigned to the intern. This gave the intern an opportunity to learn about the ways to interact with the visitors as well as to learn about foreign work culture.
- Assigning tasks to office cleaner and guard was the duty of Finance and Admin department. Some of this authority was also delegated to the intern. This helped the intern to gain some knowledge about managing staffs.

### **Communication channel and HR management**

- Preparing summary of CVs for potential candidate for Focal point manager was the duty of the intern. The summary included the important factors that were looked upon by LWR for initial screening of the candidates. This helped me gain knowledge about how to prepare a proper CV. Also what key factors are to focused on, in which style should the cover letter be written and how to write the references on the CV were learned during the process of preparing the summary.
- Visiting SWC for submission of Project Agreement and General Agreement reports helped the intern to gain knowledge regarding the format of reports required by the government to be used by the INGOs. Also the format and templates of communications used (such as letters and emails) by the offices to communicate with various ministries of Nepal were looked into.
- Preparation of medical claim letters and reports helped the intern to know about the motivation tool of benefits provided for working in LWR. This was the input provided by LWR to balance the Equity theory discussed in the literature review. Also visits to CIT, a fund created to invest in defined benefit pension plan by the government for any kind of employee helped the intern to know about the additional inputs used for motivating and increasing the productivity of employees.
- Allocation of time sheets and taking note of leaves that were notified to Finance and admin department were done by FAO. The intern needed to verify this information with the respective supervisors of the staffs and then report to FAO. This helped intern to know about the organizational structure and how does the information flow in LWR. Also allocating the

working hours taught the intern the importance of employees' record keeping.

- Preparing minutes of the meeting helped the intern to put the theoretical knowledge of professional communication into practice.



## **Chapter 5 Conclusion**

The intern was benefited from the exposures and knowledge of the real business situations, the college and University benefited in developing a good and prospect manpower for the INGO sector. LWR was benefited to get their work done in relatively lower costs which would otherwise have been incurred and had a record of prospect bank employees for Human Resources. In this way the whole program was successfully accomplished.

For most of the works, only the basics of the theories were used. For instance, while preparing the vouchers for recording of financial transactions, principles of accounting's basic knowledge came into play. But what was taught did differ as expenses were recorded as they were paid in practical scenarios whereas the accrual basis of accounting states that expenses are to recorded as they are incurred not when they are paid. This difference arises due to following of policies set by LWR headquarter and LWR being a non-profit organization rather that profit motive.

The objectives of learning about the financial report preparation, knowing about the motivation tools used (inputs in Equity theory), inventory and asset management were accomplished with the supervision of FAC and works assigned to the intern. The duties taken were aligned to help the intern to achieve the personal objectives of experiential learning. Most of the duties were primarily focused on day to day operational administrative work. Hence, objective of learning about finance and administrative works were fulfilled.

However, not all of the objectives of the internship were able to be accomplished due to various factors that are listed below:



- Time duration being short. So the intern was only able gain knowledge on preparing monthly financial statements.
- Only daily/routine work being assigned due to lack of technical know-how by the intern. Also project specific learning were lacking as field visits were not assigned to the intern. This was the key factor why budgeting and variance analysis of partners financial reports were not being able to be learnt by the intern.
- Not being able to conduct any concrete research in the organization was a major problem. This was because not all the staffs were present in the office due to their frequent visits to the field for their project activities.
- Lack of theoretical knowledge

All of work assigned to the intern did help to find the difference between theoretical aspect and its application. However, the theories were not enough to prevent errors made during work period. Errors such as inefficient utilization of Xerox papers, errors in the formats of letter sent to specific ministries, errors in coding the reference numbers in the letters, errors in charging different expenses to different fund codes and chart of accounts.

All these errors were due lack of practical working prior to the internship. However, as time passed by all these errors were reduced. Assistance from the supervisor and other working staffs in the department were constant and they were always encouraging the intern to improve. The ways by which errors were cut short was by working extra, memorizing the chart of accounts, finding efficient ways to allocate costs and funds to the expenses.

An organization must run smoothly and function to its full potential in order to pursue its objectives. In order to do so, coordination between the different departments is required. Also the organization must be able to work in a structured manner. If an organization fails to work in an organized manner, it may not be able produce efficient work. From my experience, I learned that work of an organization must be divided to various departments also known as Division of Labor. Every employee may not be able to handle every work. So division of work will help gain efficiency and effectiveness. Also at the end of the day, the different departments (projects in case of LWR) must work together and coordinate to achieve the ultimate goal of the organization. The coordination channel and platform was provided by the Finance and Admin department.

Even though the practical world of working is complex and unstructured, the knowledge we gain from the classes do assist us to tackle the complexities.

### **5.1 Self Assessment as future professional.**

Me as a professional working in Finance and admin department of an INGO is very likely in the early stages of my career. As the work in this department is relatively routine and straight forward, with the theoretical knowledge gained from 4 years of BBA finance and banking, the works can easily be executed in an efficient and effective manner. Also the 3 months of internship will add practical experience to the manpower I have become. So after working 3 months in the Finance and Admin department of LWR, following are the pros i.e. why would I want to work as a professional in Finance department of LWR and Cons i.e. why would not want work as a professional in Finance department of LWR.

#### Pros

- More of regular and day to day operational work, which is perfect for beginners as a professional.
- As finance major, the base is perfectly built through the course of BBA and due to interest in accounting; preparation of financial reports would be relatively easy.
- Plenty of opportunity to apply the theories of ethical behavior and professional communication. A perfect example would be initial correspondence with vendors and also not biasing while choosing the vendors.
- Lots of motivational inputs that balances the equity theory of input=output. Some of the inputs provided are paid leave, sick leave, 5 years' salaries' medical and accident insurance.
- Trainings related to financial recording and professional communications are provided by LWR for career growth prospect. Also representing in

different meetings held by partners NGOs and INGOs are the opportunity provided to build up relationship with stakeholders.

- Only 5 working days in a week which not common in the organizations of Nepal.

Cons

- Lack of job rotation, meaning the job shall be monotonous. Same regular activity each day.
- Not focused on investment related activities which was my main field of interest. Also chance of budgeting and variance analysis shall be very less to the beginner level.
- No pay for overtime work.
- Lack of technical and project specific activities( for finance and admin coordinators and officers, only FAM is involved).
- Lack of opportunity to conduct research.

Therefore, I as graduate of BBA-finance and banking would want to work in finance and admin department of LWR or any INGO but only in the beginning stages of my career and gain a floor of basis for my future. However, due to lack of career prospect and interest of work being on the Investment field of finance, working in finance and admin department of an INGO will not be my ultimate objective.

## **5.2 Comparison of practical learning Vs theory.**

The learning during the 3 months of working period will definitely add value towards any career path the intern opts for. This coop education program of SIAM University was made in order to apply, compare and contrast theoretical learning with actual work done in any kind of corporate environment. Though all aspects of working in organization

were not covered in the short time frame, basic idea and know-how of working in a finance and admin department of INGO in Nepal was learnt. Most of the theories taught in class did play a role in learning the works in the office. Following are the subjects' theories that were mostly utilized.

- English for Professional Communication.
- Principles of Accounting
- Principles of Marketing.
- Logistics Management.
- Human Resource management.

The most used theory subject was English for Professional Communication. The learning from the class had matched with what was learnt during the work period. For instance, preparation of minutes of staff meeting was taught in the class. The formats, contents and ways to communicate the minutes were applied exactly what was taught in the class. Also professional communications' letters were made by the intern while requesting for quotation, initial correspondence with vendors. Also in the same class, we were taught how to prepare our CVs and Resumes. While doing the job of preparing CV summary for initial screening for a vacancy in LWR for the position of Focal communication manager, the intern had the opportunity to look into more 100 CVs and Resumes along with the cover letter. This gave the intern the opportunity to match the learning from the class and what are the areas which should be focused on. The focus should be given on work experience listing each from recent to older ones. Then the focus should secondarily be on the education qualification.

Financial report preparation process and basics were a bit different than what was anticipated. Firstly, all of the financial report preparation,

taught in the class was focused on profit motive organization. This was followed with accrual basis of accounting being merely used. For instance, the expenses for overheads and project funds were only booked once they were paid; not where they were incurred. This is due to high variability in types of expenses and following of formats of preparation of financial reports prescribed by LWR. Internal audit was set to take place. So all the documents required for auditing were prepared. The intern did assist in organizing all the files folders and documents in a chronological order for easing the process of auditing. Knowledge about auditing a financial report was lacking in the class and missed in the internship by one working day.

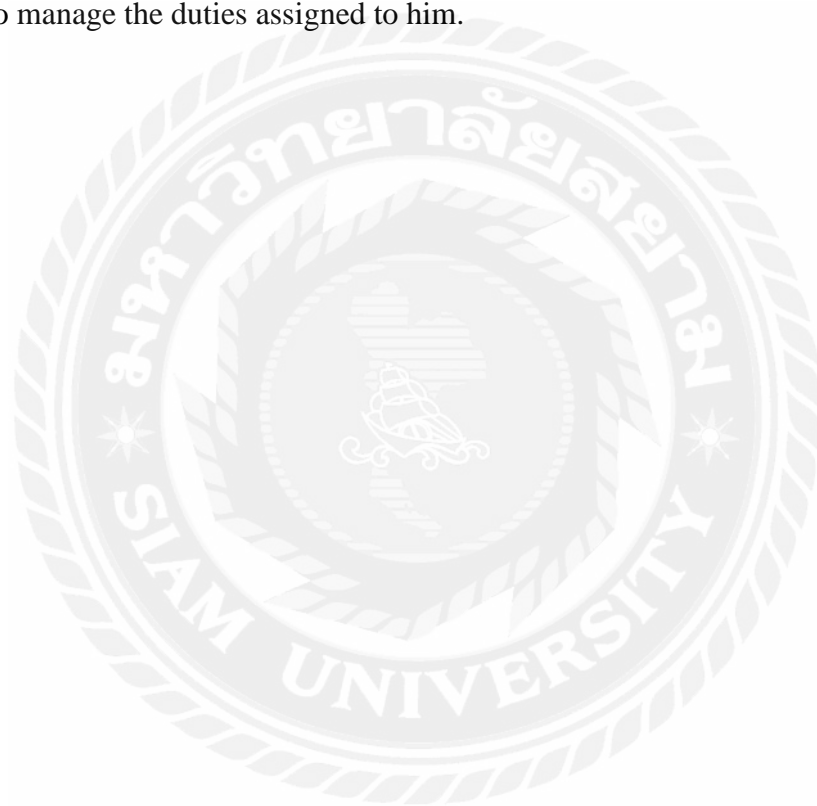
Majority of the courses taught were focused on Investment field of finance. The internship was primarily focused on book keeping and operational activity. Hence, the opportunity of applying investment related knowledge was lacking during the internship.

Logistics management's basics were only introduced as a finance student. Most of the learning from logistics management was learnt during the internship i.e. through doing and learning. Initial correspondence with vendors, preparation of comparative charts, preparing purchase orders and making timely payments to vendors were some of the lesson learnt which was not taught in the class. Most of these activities were not structured. Therefore, errors were made during the execution of the job. However, with supervision, the errors were rectified and minimized in the later parts of the internship period.

Human Resource Management's one theory was utilized i.e. the equity theory which stated that inputs must be in equilibrium with the outputs. Input here refers to the incentives, benefits provided to an

employee and output refers to the productivity. Here as an intern I got to know about the inputs provided to an employee of LWR which included sick leave, paid leave, defined benefit pension fund, gratuity fund, medical and accidental insurance.

There were lots of instances where theory Vs practical learning did not match. However, the basic understanding of subjects did assist the intern to manage the duties assigned to him.



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