

ASTFM506

Manage finance for facilities management



Overview

This standard is for senior managers in the facilities management environment. It is about taking responsibility for the financial resources involved in the delivery of a facilities management service. It involves overseeing income and expenditure related to the provision of facilities management services, to identify trends and variances. It is about advising on and authorising expenditure, reviewing budget processes and reporting on the findings.

This standard is applicable to those who deliver facilities management services:

- within an organisation, and
- to a client organisation

In this context 'the organisation' can be either your employer or a client.

ASTFM506

Manage finance for facilities management

Performance criteria

- You must be able to:*
- P1 analyse the organisation's main sources of income and expenditure
 - P2 evaluate the costs of fixed overheads and apply these according to the management accounting procedures of the organisation
 - P3 allocate to those responsible budgets that are realistic and achievable, according to cash flow calculations and total costs
 - P4 evaluate the business and financial risks associated with different accounts or projects
 - P5 review the effects of personnel changes, such as redundancy, against the cost structure and incorporate into accrual of accounts
 - P6 calculate the value of accounts or projects to the organisation
 - P7 review the financial performance of accounts or projects to identify trends and variances
 - P8 identify causes of variance between actual costs and financial plans or forecasts
 - P9 develop and propose corrective action to address variances
 - P10 review data to calculate churn rates
 - P11 advise on and, where necessary, authorise expenditure and changes to budgets having reviewed cost-benefit
 - P12 where necessary, develop and record in an appropriate format a convincing business case which justifies proposed changes
 - P13 ensure facilities management services operate within budget, where necessary providing justification for when expenditure exceeds the budget
 - P14 review the organisation's budget processes and identify areas for improvement
 - P15 produce management accounting reports and budget analyses
 - P16 ensure that others who require it have access to financial data
 - P17 where appropriate, seek clarification and advice from financial management professionals

ASTFM506

Manage finance for facilities management

Knowledge and understanding

You need to know and understand:

- K1 the management information required for analysing financial data
- K2 techniques for analysing income and expenditure
- K3 the fixed overheads of the facilities management service
- K4 the management accounting procedures of the organisation
- K5 how to calculate cash flow and total costs
- K6 the implications of personnel events, such as redundancy, on the profit and loss account
- K7 how to identify - and the techniques for assessing - the financial risks of facilities management projects
- K8 the implications of the payment mechanisms within a contract
- K9 the risks inherent in different types of project and measures for mitigating those risks
- K10 the importance of maintaining control of budgets, and techniques for doing so
- K11 the possible causes of variance between actual and planned costs
- K12 how to spot variances and financial trends
- K13 courses of action to combat variances
- K14 how to calculate 'churn' rates, and why it is important to keep these down
- K15 techniques for developing a business case that will convince decision-makers
- K16 how to allocate budgets for facilities management according to priorities for delivery and other relevant factors
- K17 how to identify areas for improvement in the facilities management budget
- K18 the financial implications of making changes or improvements to the delivery of facilities management
- K19 relevant documentation for communicating financial information to other people and the different formats in which to present it
- K20 the requirements, regulatory and organisational, for maintaining financial records

ASTFM506

Manage finance for facilities management

Developed by Asset Skills

Version number 1.0

Date approved August 2011

Indicative review date August 2016

Validity Current

Status Original

Originating organisation Asset Skills

Original URN ASTFM506

Relevant occupations Combined facilities support activities

Suite Facilities Management for Senior Managers

Key words Income, expenditure, financial risk, variance, churn, business case, budget, financial records, overheads, management accounting, financial data