

Unit FM6.04 Financial management in facilities management

(At level 6, the evidence provided by learners to confirm that they meet the assessment criteria must relate to organisations where they have worked or where they are working. Where appropriate, the evidence should show that the learners have been able to take into account relevant theories and methods addressed by the BIFM qualifications at levels 5 and 4.)

Aim of unit:

This unit enables learners to understand how income is generated within facilities management, the legal obligations for financial management, able to evaluate financial performance and life cycle costing methodologies.

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| Title: | Financial management in facilities management |
| Level: | 6 |
| Credit value: | 6 |
| Learning outcomes <i>A learner when awarded credit for this unit will:</i> | Assessment criteria <i>Assessment of this learning outcome will require a learner to demonstrate that they can:</i> |
| 1. Understand how finance or income is generated for facilities management function | <p>1.1 Analyse the range and types of providers of finance or income streams, including internal revenue streams, that are or could be used to finance the facilities management function.</p> <p>1.2 Develop financial cases taking account of an organisation's attitude to risk, financial appraisals and the internal cost of finance.</p> <p>1.3 Evaluate financial information and the objectives and associated plans for facilities management in relation to priorities, potential problems and risks.</p> |
| 2. Be able to interpret the legal obligations and requirements in relation to financial accountability in facilities management | <p>2.1 Evaluate the implications of legislative requirements and own responsibilities for financial management and accountability.</p> <p>2.2 Analyse the implications of various forms of corporate, property and VAT taxes within the system of financial management and accountability.</p> <p>2.3 Evaluate own role and contribution to the processes of financial management</p> |

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| | within an organisation within the context of financial auditing and accountability. | |
| 3. Be able to develop and review budgets relevant to facilities management | <p>3.1 Critically review the processes for monitoring and controlling the facilities management function's overall capital and revenue (operational) budgets.</p> <p>3.2 Consult on and develop a realistic master budget for the facilities management function, consulting with relevant people in an organisation to support its approval within the overall financial planning process.</p> <p>3.3 Consult with and, where appropriate, negotiate and agree delegated budgets with relevant staff.</p> | |
| 4. Be able to evaluate the financial performance of the facilities management function | <p>4.1 Establish systems to monitor and evaluate performance against the master and delegated budgets, putting in place contingency plans if necessary.</p> <p>4.2 Develop strategies to ensure that prompt corrective action is taken where there are significant variances between the budgets and actual expenditure.</p> <p>4.3 Make recommendations about an organisation's financial performance and strategy in the light of this experience.</p> <p>4.4 Evaluate financial proposals for expenditure submitted by others.</p> | |
| 5. Be able to apply the concept of life cycle costing methodologies | <p>5.1 Analyse the cost of ownership of an asset for a pre-determined period of time and for its whole life.</p> <p>5.2 Evaluate the use of life-cycle costing in decision-making processes.</p> | |
| Unit expiry date | 31 st December 2020 | |
| Unit reference number | J/601/1854 | |
| FM Professional Standards reference | FM functional area: | FM functional area component: |
| | Business Continuity and Compliance | Compliance |

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| | Finance and IT | Financial Management |
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Resources:

Corporate Financial Management by Glen Arnold
 Business Finance: A Value Based Approach by Mr Bill Neale and Trefor McElroy
 Essentials of Financial Risk Management (Essentials Series) by Karen A. Horcher
 Management Accounting for Business by Colin Drury
 Guide to Financial Management by John Tennent
 Mastering Financial Management: A Step-by-Step Guide to Strategies, Applications and Skills (Financial Times Series) by Mr Clive Marsh
 Financial Management: Theory and Practice by Eugene F. Brigham and Michael C. Ehrhardt
 Key Management Ratios (Financial Times Series) by Ciaran Walsh
 Fundamentals of Financial Management by J. Van Horne and Prof John M Wachowicz JR
 Financial and Management Accounting: An Introduction by Prof Pauline Weetman
 Business Development Series: Practical Financial Management: A Guide to Budgets, Balance Sheets and Business Finance: 2 by Colin Barrow
 Fundamentals of Financial Management (Concise Edition) by Eugene F. Brigham and Joel F. Houston
 Risk and Financial Management in Construction by Simon A. Burtonshaw-Gunn
 Fundamentals of Financial Management, Concise Edition by Eugene Brigham and Joel Houston
 Financial & Management Accounting by Pauline Weetman
 Financial Management: Principles and Applications by Sheridan Titman, John D. Martin, and Arthur J. Keown
 Guide to Setting Budgets and Managing Cashflows, A by Jennifer Rhodes
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