

Overview

This standard is about managing financial resources to achieve the objectives for your organisation or your area of responsibility. You manage finances to achieve organisational objectives by engaging with stakeholders. You identify the finances required and evaluate the costs, benefits and risks, accessing specialist advice when required. The standard also includes negotiating budgets, developing master budget plans and delegating budget responsibilities to colleagues. You obtain finance from external providers for projects or programmes of work. You also establish systems to monitor, report and evaluate budget performance, taking corrective actions when required.

This standard is for all managers and leaders.

Performance criteria

You must be able to:

1. confirm your financial responsibilities, including the limits of your authority, with colleagues you report to
2. engage key stakeholders in managing finance to achieve objectives for your organisation or area of responsibility
3. evaluate financial information, your organisation's objectives and plans to identify priorities, potential problems and risks
4. identify the finance required to achieve your organisation's objectives and plans
5. access specialist financial expertise, where required
6. evaluate the costs, benefits and risks of different types of finance
7. select the types of finance which meet the needs of your organisation, taking account of levels of acceptable risk and views of stakeholders
8. identify and evaluate potential providers of finance
9. submit clear, evidenced and convincing proposals, bids or applications to potential providers of finance
10. request updates on progress to secure finance from providers
11. make formal agreements with providers of finance, specifying amounts, timing, costs and repayment schedules
12. discuss and negotiate delegated budgets with colleagues and agree provisional budgets
13. develop a master budget for your organisation or area and submit it for approval by budget decision-makers, clearly specifying assumptions made, risks involved and how these will be managed
14. discuss and negotiate the proposed master budget with decision-makers
15. communicate the final budget to colleagues in your area or senior managers
16. delegate responsibility for budgets for clearly defined activities to colleagues, providing ongoing support and resources as required
17. identify any shortfall in the level of finance obtained and take appropriate action
18. put contingency plans in place to deal with any problems in finance being made available and any changes to the level of finance required
19. establish systems to monitor and evaluate performance against delegated budgets and the master budget and put contingency plans in place
20. identify the causes of any significant variances between proposed versus actual budget

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21. take corrective action, obtaining agreement from decision-makers, if required
22. propose revisions to the master budget, if necessary, in response to variances and/or significant or unforeseen developments
23. agree master budget revisions with decision-makers
24. report on the financial performance of your area to decision-makers
25. link operational targets with financial results
26. monitor the financial agreements with providers, identifying and making changes where necessary
27. advise relevant employees promptly if you have identified evidence of any potentially fraudulent activities
28. review the financial performance of your organisation or area and identify improvements to be implemented in the future
29. follow the legal, organisational, codes of practice and policies relevant to managing financial resources and obtaining finance

Knowledge and understanding

You need to know and understand:

General knowledge and understanding

1. the importance of agreeing your financial responsibilities, including the limits of your authority, with those to whom you report
2. where to get and how to evaluate the available financial information to be able to prepare a realistic master budget
3. the importance of taking account of the objectives and associated plans of your area in developing and operating the master budget
4. the importance of consulting with colleagues in identifying priorities, potential problems and risks to prepare the budget for your area
5. how to discuss, negotiate and confirm budgets with colleagues in your area and with employees who control the finance and the key factors that should be covered
6. where to obtain and how to evaluate information to identify an organisation's requirement for finance
7. how to evaluate the costs, benefits and risks of different types and providers of finance, including how to work out the full cost of obtaining finance from providers
8. the criteria for selecting types and providers of finance to match organisational needs and the views of stakeholders
9. the importance of risk in obtaining finance and ways in which the level of risk can be identified and managed
10. the importance of submitting clear proposals or bids or applications to potential providers of finance and allowing sufficient time for their submission and consideration
11. the type of formal agreements that should be put in place with providers of finance, what they should cover, and how to monitor them
12. why it is necessary to put contingency plans in place in relation to obtaining

finance and the type of contingencies that might occur

13. the main causes of variances, how to identify them and the different types of corrective action for addressing identified variances

14. the importance of agreeing revisions to the budget and communicating the changes

15. the importance of providing regular information on the financial performance of your area to colleagues and what they might want to know

Industry and sector specific knowledge and understanding

16. the types and providers of finance that tend to be used in your industry or sector, and why they are preferred

17. the factors, trends and developments that are likely to affect financial management in your industry and sector

18. the legal, organisational, codes of practice and policies relevant to managing financial resources and obtaining finance

Context specific knowledge and understanding

19. the vision, objectives and plans of your organisation, including those which require finance

20. the current types and providers of finance used by your organisation and other potential providers of finance and their associated costs, benefits and risks

21. the needs of your organisation for securing finance, including the organisation's attitude to risk and stakeholder views regarding the financing of projects and activities

22. the colleagues and key stakeholders who should be consulted on proposals and recommendations for obtaining finance

23. the specialist financial expertise currently used by your organisation and other potential sources of expertise

24. the systems in place for monitoring the effectiveness of the agreements for

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finance and identifying changes to agreements for future improvements

25. the financial information available in your organisation, the budgeting periods used, and the agreed master budget for your area, including delegated budgets

26. your financial responsibilities, including the limits of your authority and colleagues with budgetary responsibility in your organisation

27. your organisation's procedures for the preparation and approval of budgets, and the systems established for managing, reporting and evaluating performance against budgets

28. what to do and whom to contact if you suspect financial fraud has been committed

Skills

1. Communicating
2. Contingency planning
3. Decision-making
4. Evaluating
5. Forecasting
6. Influencing
7. Information management
8. Involving employees
9. Leadership
10. Monitoring
11. Negotiating
12. Persuading
13. Planning
14. Presenting information
15. Prioritising
16. Problem solving
17. Questioning
18. Reviewing
19. Risk management
20. Thinking strategically

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