

Unit 2: BSBFIM501A: Manage budgets and financial plans

This unit describes the performance outcomes, skills and knowledge required to undertake financial management within a work team in an organisation. This includes planning and implementing financial management approaches, supporting team members whose role involves aspects of financial operations, monitoring and controlling finances, and reviewing and evaluating effectiveness of financial management processes in line with the financial objectives of the work team and the organisation.

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

This unit addresses the requirement for managers to ensure that financial resources are used effectively. This is done by ensuring access to budget/s and ongoing monitoring expenditure against the budget/s. The unit applies to managers working in small and large business environments and not for profit organisations.

References: Course manual Neish and Banks, Management Accounting; Dwyer and Hopwood, Management Strategies and Skills, pp. 285-6; Kemp and Dunbar, Budgeting for Managers, Ch. 1

Unit Element	Performance Criteria	Study Program	References	Assessment Criteria	Work Evidence
1. Plan financial management plans	1.1 Access budget/financial plans for the work team	<ol style="list-style-type: none"> 1. Read section 3.2.12 of the course manual 2. Identify a project that is required to deliver a short or long term recreational service, activity or program outcome or objective 3. Negotiate financial control of the project 4. Develop a draft study brief using section 3 of the course manual as a guide 5. Prepare a draft budget required to achieve the brief considering all human and physical resources required. 	Manual section 3, section 3.2.12	Students will demonstrate the ability to: <ol style="list-style-type: none"> 1. Develop a brief using course planning principles 2. Develop and prepare a budget to reflect the work program 	<ol style="list-style-type: none"> 1. Definition of a real or hypothetical project 2. Presentation of a written brief using course planning principles 3. A chart and explanatory description of a draft budget for the work program to be addressed by the project
	1.2 Clarify budget/financial plans with <i>relevant personnel</i> within the organisation to ensure that documented outcomes are achievable, accurate and comprehensible	<ol style="list-style-type: none"> 1. Initiate a meeting using the draft brief and budget with relevant team members to confirm and discuss outcomes and objectives including budgets. Careful consideration will need to be given to ensure the financial resources applied match the stated objectives and outcomes 2. Document any changes to work program 		Students will demonstrate the ability to: <ol style="list-style-type: none"> 1. Review the work program and align a budget to ensure that appropriate resources have been planned and allocated 2. Negotiate variances to budget within a team environment 	<ol style="list-style-type: none"> 1. A written record of a meeting with colleagues to review the work program and to review/revise the budget for it
	1.3 Negotiate any changes required to be made to budget/financial plans with relevant personnel within the organisation	<ol style="list-style-type: none"> 1. Adjust budget provisions to reflect any changes to the agreed work program 		As above	
	1.4 Prepare <i>contingency plans</i> in the event that initial plans need to be varied	<ol style="list-style-type: none"> 1. Determine any financial and other contingencies that may be required to complete the project and add /amend to budget accordingly 		Students will demonstrate the ability to: <ol style="list-style-type: none"> 1. Understand contingency planning and flexible work programs 	<ol style="list-style-type: none"> 1. A written or verbal discussion of any financial and other contingency plans that may be required if circumstances change
2. Implement financial management approaches	2.1 Disseminate relevant details of the agreed budget/financial plans to team members	<ol style="list-style-type: none"> 1. Organise a team meeting and distribute the final work program and budget with explanatory notes to team members. 		Students will demonstrate the ability to: <ol style="list-style-type: none"> 1. Control and coordinate a work program and budget within defined parameters. 	<ol style="list-style-type: none"> 1. A written record of a team meeting and a record of the distribution of the final work program and budget with explanatory notes to team members

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	2.2 Provide <i>support</i> to ensure that team members can competently perform <i>required roles</i> associated with the management of finances	<ol style="list-style-type: none"> 1. Develop protocols to ensure budget variations are considered and determined within the total project brief. 2. As above and allocate a regular time within project timeframe to discuss any budget variations with individual team members 		<p>Students will demonstrate the ability to:</p> <ol style="list-style-type: none"> 1. Develop processes to ensure work and financial support mechanisms are in place for all team members of the work program. 	<ol style="list-style-type: none"> 1. A written record of the processes designed to ensure work and financial support mechanisms are in place for all team members of the work program
	2.3 Determine and access <i>resources and systems</i> to manage financial management processes within the work team	<ol style="list-style-type: none"> 1. Develop a system whereby any expenses need an account number and your signature for approval before processing. 2. If your organisation has a central accounting system, set up access to the system so that the budget can be checked on a as needed basis. 		<p>Students will demonstrate the ability to:</p> <ol style="list-style-type: none"> 1. Develop a system of financial control to ensure efficient uses of financial resources. 	<ol style="list-style-type: none"> 1. A description of the techniques used to ensure effective financial controls
3. Monitor and control finances	3.1 Implement <i>processes</i> to monitor actual expenditure and to control costs across the work team	<ol style="list-style-type: none"> 1. Dependant on length of project set up a regular monitoring time to review work program progress and budgets 		<p>Students will demonstrate the ability to:</p> <ol style="list-style-type: none"> 1. Implement or oversee processes to monitor project outcomes and budgets. 	<ol style="list-style-type: none"> 1. A description of a monitoring framework for the review of work program progress and budgets
	3.2 Monitor expenditure and costs on an agreed cyclical basis to identify cost variations and expenditure overruns	As above		As above	
	3.3 Implement, monitor and modify contingency plans as required to maintain financial objectives	As above		As above	
	3.4 <i>Report</i> on budget and expenditure in accordance with organisational protocols	<ol style="list-style-type: none"> 1. Develop a financial reporting template that includes a variance to budget column and variation explanation notes. Monitor and highlight any budget variations with explanatory notes 		<p>Students will demonstrate the ability to:</p> <ol style="list-style-type: none"> 1. Report on budget and project outcomes to relevant stakeholders. 	<ol style="list-style-type: none"> 1. A financial reporting template that includes a variance to budget column and variation explanation notes 2. An explanation of how a budget will be monitored and how budget variations will be highlighted
4. Review and evaluate financial management processes	4.1 Collect, collate and analysis, data and information on the effectiveness of financial management processes within the work team	<ol style="list-style-type: none"> 1. Review financial data on an ongoing basis with particular attention to the outcomes of the work program 2. Document any variations. 		<p>Students will demonstrate the ability to:</p> <ol style="list-style-type: none"> 1. Analyse budget outcomes and provide sound reasoning for any variances. 	<ol style="list-style-type: none"> 1. A written or verbal description of budget outcomes for a specific project
	4.2 Analyse data and information on the effectiveness of financial management processes within the work team and identify, document and recommend any improvements to existing processes	As above		<p>Students will demonstrate the ability to:</p> <ol style="list-style-type: none"> 1. Recommend any improvements to financial planning, monitoring and evaluation processes for work programs. 	<ol style="list-style-type: none"> 1. Written or verbal material on how improvements could be made to financial planning, monitoring and evaluation processes and how these could be implemented and monitored
	4.3 Implement and monitor agreed improvements in line with financial objectives of the work team and the organisation	<ol style="list-style-type: none"> 1. Circulate financial report documenting areas of improvement to both the work program and the budget planning, implementation, monitoring, reviewing and implementation process 		As part of the above	