

Presented by the IFMA Seattle Education Committee

Event: The Finance Competency Course

Date: July 16 & 17, 2010

Location: City of Renton facilities – address available upon registration

Time: 8:00am – 4:30pm

Cost: \$350/IFMA Seattle member \$395/non-member

Professional Development: 15 IFMA Credential Maintenance Points/IACET 1.5 CEUs

Complimentary light breakfast and box lunch provided.

Registration Contact: Katie Bohocky/Association Management, Inc.

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Overview

Managers need to speak the language of business. Money talks - and you need upper management to listen. Learn how to communicate the fiscal importance of facilities to executive management and influence decision-making. This course will teach you how to become a player instead of an observer in the organization's top-level decision-making processes.

Learning Objectives

Finance Part 1: Introduction to Corporate Finance.

Participants will master basic financial management tools, create basic financial management/analysis spreadsheet templates and then apply them to specific needs of the typical facility manager. Objectives include:

- Define purpose and functions of a corporation
- Understand economic profit and how corporations create wealth
- Define corporate finance terminology and present financial information
- Define business trends affecting FMs and understand the PPBEE cycle
- Understand financial principles and practices such as basic accounting concepts and depreciation, T-accounts, and journal entries

Finance Part 2: Financial Reporting and Asset Management.

Participants will master basic financial reporting, asset management and financial ratios and facilities metrics. Objectives include:

- Understand external financial reporting, the balance sheet, income statement, statement of cash flows, statement of retained earnings, and the annual report.
- Understand the reasons for facilities, acquiring, capitalizing, expensing, disposing of, and impairment of plant annual report. Define tangible and intangible assets and exploring owning versus leasing assets.
- Define and understand financial ratios and analysis.

Finance Part 3: Managerial Accounting.

Participants will master basic managerial accounting principles. Objectives include:

- Understand managerial accounting concepts, working capital, cash, cash flow, depreciation's effect on cash flow, and computing depreciation using several methods.
- Explore and define internal managerial reporting, responsibility centers, their accounting, budgeting and reporting with spreadsheets.
- Understand the definitions and categories of cost, cost accounting, job order costing, process costing, activity-based costing, and unit costing.

Finance Part 4: Cost Control, Forecasting, and Budgeting.

Participant will understand the concepts of Cost Control, Forecasting, and Budgeting through self-study and practice exercises. Objectives include:

- Define and understand avoidance and minimization of cost control
- Explore financial forecasting and its benefits
- Understand the principles, practices, and applications of the operating budget

Finance Part 5: The Capital Budget.

The capital budget will be addressed and participants will be introduced to the principles, practices, budget applications, and development of the capital budget. Objectives include:

- Understand rate of return, marginal cost of capital, capital rationing, useful life, time value of money, compounding, discounting, time zero, the differential concept, and the capital budget risks
- Identify principles of the capital budgeting practices, types of capital budgets, development, costs and benefits of the capital budget as well as after-tax cash flows, depreciation, tax on sale of replaced assets, the accept/reject decision and selecting alternatives for the capital budget process will also be addressed
- Understand and incorporate the capital budget applications comprised of internal rate of return, payback, and profitability index. Determination of the best method and selection criteria will be addressed.
- Develop a capital budget by incorporating the step by step process provided in the lesson.

IFMA Headquarters also provides this course online:

[View instructions for online version of course.](#)



- **1.5 CEUs**
- **15 CFM Maintenance Points**