

## Identify and justify requirements for financial resources

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### Overview

This standard is about identifying and justifying the financial resources required for achieving organisational objectives. You identify financial resource requirements, justifying them in accordance with the objectives set. You estimate costs of activities and overheads for the method you have selected. You prepare a business case including methods, timescale, costs, risks and evaluation arrangements and seek approval from decision-makers. The standard also includes providing alternative options when required and seek feedback on your presentation of the business case to improve future proposals.

This standard is for all managers and leaders.

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### Performance criteria

*You must be able to:*

1. confirm the organisational objectives to be achieved
2. identify and justify requirements for financial resources by engaging with stakeholders
3. identify methods of achieving objectives
4. evaluate the effectiveness and efficiency of methods to select the optimal method
5. estimate the costs of the activities and overheads required to achieve objectives by the optimal method
6. prepare the business case for your requirements for financial resources, specifying objectives and the benefits of achieving these objectives
7. outline the proposed method, timescales for activities and costs involved in your business case
8. perform cost benefit analysis
9. specify the assumptions made, the risks and how these will be managed in your business case
10. outline evaluation arrangements
11. provide any alternative options considered but rejected as sub-optimal to stakeholders
12. prepare alternative options for achieving objectives, in case your budget requirements are not approved
13. present your business case to budget decision-makers, providing any further information or rationale required
14. defend your business case, engaging the support of stakeholders and decision-makers
15. seek approval for alternative options when your original business case for budget requirements is not accepted
16. obtain feedback on your presentation of the business case from decision-makers to help improve future proposals
17. communicate the decision on your budget requirements to stakeholders, explaining the reasons for any changes or alternative options adopted
18. follow the legal, organisational, codes of practice and policies relevant to your role when identifying and justify requirements for financial resources

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### Knowledge and understanding

*You need to know and understand:*

#### **General knowledge and understanding**

1. how to engage stakeholders in identifying and justifying requirements for financial resources
2. the financial resource planning principles and methods available and how to apply them
3. how to identify and select optimal methods for achieving objectives
4. how to calculate fixed and variable costs of activities
5. the importance of cost-benefit analysis techniques and how to use them
6. the different decision-making techniques available and how to select and apply them
7. what a business case should cover and how to develop convincing arguments for what you are proposing
8. how to present and argue a business case
9. the importance of identifying assumptions made
10. how to identify and manage risks
11. the different negotiation techniques that can be used and how to apply them
12. the importance of developing alternative solutions as fallback positions

13. the importance of obtaining feedback on your presentation of the business case and how to use this feedback to improve future proposals

**Industry and sector specific knowledge and understanding**

14. the legal, organisational, codes of practice and policies relevant to your role when identifying and justify requirements for financial resources

**Context specific knowledge and understanding**

15. your organisation's stakeholders and their interests and strategic objectives

16. the objectives you are responsible for achieving

17. the roles and employees with budgetary responsibility in your organisation

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**Skills**

1. Acting assertively
2. Analysing
3. Communicating
4. Decision-making
5. Evaluating
6. Involving colleagues
7. Negotiating
8. Obtaining feedback
9. Persuading
10. Presenting information
11. Problem solving
12. Providing feedback
13. Reflecting
14. Reporting
15. Risk management

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