



Finance and Business

Introduction..... 1

Chapter 1: Finance and Business in the Facility Organization

Topic 1: The Importance of Being Finance- and Business-Aware..... 3
 Topic 2: Financial Terminology 4
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After completing this chapter, students will be able to:

- Summarize the reasons why finance and business management are key ingredients in the success of facility management.
- Define key finance terms prevalent in facility management.
- Explain basic accounting principles and practices that underpin facility management operations.

Chapter 2: Financial Management of the Facility Organization

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After completing this chapter, students will be able to:

- Develop, recommend and manage/oversee the facility budget.
- Identify the basic financial statements an organization prepares and describe the elements impacted by facility management operations.
- Write business cases, supporting documentation and financial reports.
- Apply cost concepts in facility management operations.
- Use financial ratios and facility metrics to analyze and interpret financial documents.
- Identify cost-containment opportunities.
- Explain the use of chargebacks to allocate facility costs.

Chapter 3: Procurement in the Facility Organization

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After completing this chapter, students will be able to:

- Apply procurement principles and procedures in compliance with the organization’s policies and guidelines.
- Analyze an outsourcing proposal.
- Describe the fundamental aspects of customary facility management outsourcing relationships.

Chapter 4: Contracts in the Facility Organization

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After completing this chapter, students will be able to:

- Identify the principles involved in the development and oversight of facility management contracts.
- Develop key performance indicators.
- Administer contracts.
- Monitor contractor performance.
- Analyze and interpret financial contract elements.
- Resolve vendor conflicts.

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