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**LIST OF ABBREVIATIONS**

|  |  |  |
| --- | --- | --- |
| **Index** | **Abbreviation** | **Stands For** |
| I | IT | Information Technology |
| 2 | SLA | Service Level Agreement |
| 3 | IOT | Internet of things |
| 4 | IAS | International Accounting Standards |
| 5 | FDP | Finance Department |
| 6 | ITSM | Information Technology Service Management |
| 7 | NDA | Non-Disclosure Agreement |

# 1. Introduction

The Financial management template guarantees that the necessary funds are available to design, develop, and deliver IT services in support of the service strategy.

# 2. Purpose

Financial management for IT services is designed to help IT firms with their financial planning, budgeting, accounting, and charging needs.

# 3. Scope

Accounting, budgeting, and billing for existing and planned IT services are a part of financial management for IT services.

# 4. Roles and responsibilities

* Accountant- Accounting's purpose is to calculate the cost of delivering services to improve the IT department's efficiency. Each service is assigned a cost, benefit, class, and recording during the IT accounting process, making it simple to evaluate which services are the most profitable, low-risk, and helpful to consumers.
* Auditor- The auditor's principal responsibility is to assess and verify the accuracy of the documents prepared by the other teams.
* Budget analyst- The budget analyst knows how to prepare and keep a balanced budget throughout the year. They make plans for the company's future financial obligations.
* Payroll officer- Payroll officers prepare documentation for employees' salaries, taxes, commissions, and other benefits so that they can be paid on time and accurately.
* Finance manager- The Financial Manager assures the most cost-effective use of IT financial resources as well as client billing for IT services. His responsibilities also include frequent budgeting planning and the clearance of acceptable financial resources.

|  |  |
| --- | --- |
| **Activities** | **Responsible** |
| Making financial decisions | Finance Manager |
| Monitoring expenditure | Finance Manager |
| Budgeting | Finance manager |
| Maintain expenditure records | Financial administrator |

# 5. Process

* Financial planning- Financial planning is the process of determining, allocating, and optimizing financial resources for the next planning period.
* Budgeting- Budgeting involves forecasting and controlling the organization's revenue and expenditure.
* Accounting- The accounting process allows the IT department to keep track of and account for all of the ways the organization's funds are used or spent. It usually entails accounting systems like as ledgers, charts of accounts, journals, and so on, and should be overseen by an accountant. Accounting considers all expenses, including capital costs, operational costs, direct costs, and indirect costs.
* Charging- Charging is the process of issuing the invoices for the supply of IT services to the client.

# 6. Expense record

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **IT Service** | **Reason for purchase** | **Date of purchase** | **Supporting elements** | **Cost** |
| Email service | Communication | 1/5/21 | Antivirus/ spam malware protection | - |
|  |  |  | Storage | - |
|  |  |  | **Email service total cost** |  |
| Software | Invoicing |  | License cost | - |
|  |  |  | Maintenance and updates | - |
|  |  |  | **Total cost** | - |

# 7. Financial Management Checklist

|  |  |  |  |
| --- | --- | --- | --- |
| **Si no** | **Activities** | **Yes** | **No** |
| 1 | Receipts provided for all amount received |  |  |
| 2 | Are invoices prepared as soon as amount is received? |  |  |
| 3 | Organization has full control over cash reserves |  |  |
| 4 | Does organization maintain a general ledger? |  |  |

# 8. Key Performance Indicators

|  |  |
| --- | --- |
| **Process goal** | **KPIs** |
| Effectivity of budgets management | Compliance with budgets in % |
|  | % of IT budget executed as per business case |
| Economic efficiency of IT services | Contribution margin % per service |
|  | Total % of contribution |
|  |  |
|  |  |

# 9. Financial risk assessment

|  |  |  |  |
| --- | --- | --- | --- |
| **Area** | **Risk** | **Level** | **Mitigation measures** |
| Finance | Risk of decrease in profitability due to low interest rates | Moderate | Customer base has increased which may increase profitability in long term and boost opportunities for cross- selling different banking products |
|  | Low sales of credit cards in Las Vegas | Moderate | Bank has tied up with various online platforms to provide more discounts with low due rates |
|  |  |  |  |
|  |  |  |  |