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COURSE BROCHURE

# Spend Approval Criteria and Post-Approval Variance Training Course

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# Spend Approval Criteria and Post-Approval Variance Training Course

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Spend Approval Criteria and Post-Approval Variance is a 1-week training course for finance managers who screen funding requests, set the hurdle for each one and track what happens after the money is released, building a spend approval decision file for their area. Organisations now face more competing requests than budget headroom, so the rules for saying yes, no or not yet carry real weight. Jupiter Prime Training delivers this course on spend approval criteria.

## Why Spend Approval Criteria Matters Now

Three pressures shape spend approval today: tighter funding envelopes, boards asking for evidence that approved requests delivered, and faster cycles that leave less time for each case. Clear criteria redirect funds early from weak requests; approval by habit locks money into low-return commitments and reveals overruns only at year end. The course rests on discounted cash flow appraisal, using net present value NPV and internal rate of return IRR, and on flexible budget variance analysis, which separates volume effects from price and efficiency effects.

## Who Gains Most from Spend Approval Criteria

- Finance managers who chair or advise approval panels on operating and capital requests
- Business partners who help sponsors shape funding requests before submission
- Budget owners who must defend their bids and report spending against approval
- Management accountants who prepare variance commentary after a request is funded
- Planning leads who set approval thresholds, delegated limits and request templates

A finance department that sends its business partners and its approval panel secretary together gains most, as both sides of a request then share one set of criteria.

## Spend Approval Criteria Capabilities

Participants test a request on its numbers and fit, then follow the approved amount to actual results.

- Calculate NPV, IRR and payback for a funding request — the panel deciding whether to fund it
- Specify hurdle rates and scoring weights for different request types — the planning lead setting policy
- Build a bottom-up bid with clear volume and rate assumptions — the budget owner defending it
- Weigh strategic fit, risk and reversibility against financial return — the sponsor ranking options
- Apply flexible budget variance analysis to approved spending — the controller explaining results
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Communicate a stop, continue or rescope recommendation — the executive reviewing a funded request

## Key Spend Approval Criteria Terms

- Hurdle rate — the minimum return a request must earn before panels consider funding it.
- Net present value — the sum of future cash flows from a request, discounted to today less the outlay.
- Internal rate of return — the discount rate at which a request's net present value equals zero.
- Delegated limit — the spending amount up to which a named role may approve a request without escalation.
- Flexible budget — a budget restated at the actual activity level, so variances reflect price and efficiency rather than volume.
- Post-approval review — a structured check, after funding, of whether a request delivered its promised costs and benefits.

## Spend Approval Criteria Day by Day

## Day 1: The Funding Request Landscape

- Request Types and Approval Routes — Which Requests Need Panel Scrutiny
- Delegated Limits and Escalation Thresholds — Who Signs at Each Level
- Funding Envelope and Headroom Mapping — How Much Can Be Committed
- Sponsor Incentives and Optimism Bias — Where Requests Tend to Overstate
- Request Template Design — What Evidence Panels Require Upfront

## Day 2: Discounted Cash Flow Tests

- Relevant Cash Flows and Sunk Costs — What Belongs in the Case
- Net Present Value at the Hurdle Rate — Accept or Reject Signal
- Internal Rate of Return and Its Traps — Ranking Mutually Exclusive Requests
- Payback and Discounted Payback — Liquidity Limits on Approval
- Sensitivity and Break-Even Inputs — Which Assumption Could Flip the Decision

## Day 3: Bids, Scoring and Decision Rules

- Bottom-Up Bid Construction — Volume, Rate and Timing Assumptions Made Explicit
- Weighted Scoring Matrix — Balancing Return, Fit and Risk
- Capital Rationing and Profitability Index — Choosing Under a Fixed Envelope
- Staged Release and Option Value — Funding in Tranches Against Milestones
- Approval Conditions and Benefit Owners — Who Answers for Promised Gains

## Day 4: Tracking Spend After Approval

- Flexible Budget Restatement — Separating Volume From Price and Efficiency
- Price, Usage and Mix Variances — Where Approved Costs Drifted
- Benefit Realisation Tracking — Whether Promised Savings Actually Arrived
- Variance Commentary Standards — Explanations Panels Can Act On
- Stop, Continue or Rescope Triggers — When Funded Requests Return to Panel

## Day 5: Practising the Spend Approval Decision File

- Case Request Appraisal With NPV and IRR — Panel Recommendation Drafted
- Scoring Two Competing Bids — Ranking Under Envelope Limits
- Variance Diagnosis on a Funded Request — Root Cause Identified
- Panel Role-Play and Challenge Questions — Defending the Recommendation
- Spend Approval Decision File Assembly — Criteria, Thresholds and Review Cycle

## Applying Spend Approval Criteria After the Course

- Rework the request template for one approval route so every submission carries NPV, IRR, payback and a sensitivity line.
- Run a post-approval review of two requests funded in the last cycle, using flexible budget variances to explain the gap.

## Spend Approval Criteria Questions FAQ

### What are spend approval criteria and why do they matter now?

Spend approval criteria are the financial and strategic tests a request must pass before funding. They matter now because budgets are tight and boards expect proof that approved spending delivered.

### Which roles gain most from spend approval criteria training?

Finance managers who advise approval panels gain most, alongside business partners, budget owners and management accountants. Each handles a different stage of a request.

### How does spend approval criteria training differ from a capital budgeting course?

It covers the whole request cycle. A capital budgeting course goes deep on valuation of large investments, while this course links NPV and IRR to scoring rules, delegated limits, bid preparation and variance follow-up.

### What do you bring back from spend approval criteria training?

You bring back a decision file for your area: hurdle rates, scoring weights, delegated limits, a request template and a variance review cycle.

## Spend Approval Criteria: The Way Forward

The spend approval decision file first informs the next panel meeting, where it sets which requests proceed and on what conditions. Panel members and budget owners use it to prepare and challenge bids. After its first use, revisit the scoring weights against the variances that funded requests actually produced, and tighten the criteria that let weak cases through.