



REGISTERED NATIONAL STANDARD

UNIT OF COMPETENCY

Title:	Manage personal budget and finances		
	<i>Note: A mapping exercise conducted by the developer(s) of this unit of competency has confirmed comparability to unit of competency FNSFLT211 Develop and use personal budgets in the Australia Training Package</i>		
TQF Level:	2	Credits:	5
		Version:	1
National standard code:	NS076-02		
Associated qualification (and code):	National Certificate in Work-Readiness and Employability Skills Level 3 (QR-03-NQ-001-02-0903-22-01)		
Approval date:	12 May 2022	Review date:	12 May 2027
Purpose:	This unit describes the skills and knowledge required to develop, implement and monitor a personal savings budget. It incorporates goals setting and personal financial management skills. The unit applies to those who are new to personal financial management and for those who need new ideas and techniques to develop personal financial literacy skills. In successfully completing this unit, candidates will be able to: 1. Identify personal convictions around financial literacy, money, and saving; 2. Set personal budgeting goals; 3. Develop a budget that spans a period of time and is aligned to a personal goal; 4. Understand importance of saving and managing a bank account; 5. Understand credit cards, types of credit providers and credit reports; 6. Calculate interest and loan repayments; 7. Understand requirements behind tax returns; 8. Understand basics of superannuation and the impacts different stages of life have on financial goals.		

Learning Outcome 1 (LO1)	Demonstrate basics of financial literacy
Performance standards	1.1 Explore personal attitudes to money; 1.2 Identify the importance of managing a bank account; 1.3 Identify the benefits of a superannuation account; 1.4 Identify the importance of a tax return; 1.5 Identify and interpret conditions for repayment for consumer loans and credit cards; 1.6 Calculate interest and loan repayments; 1.7 Understand a credit report.
Learning Outcome 2 (LO1)	Prepare to develop a personal budget
Performance standards	2.1 Identify personal financial goals; 2.2 Determine how much money is needed to reach goals; 2.3 Identify personal fixed and variable expenses; 2.4 Categorise financial goals into short, medium and long-term goals; 2.5 Identify period of time for which to develop a personal budget; 2.6 Identify common obstacles to achieving financial goals; 2.7 Plan and document a SMART goal.
Learning Outcome 3 (LO3)	Develop a personal budget
Performance Standards	3.1 Obtain a template budget spreadsheet; 3.2 Ascertain and record all sources of income and expenses for the specified period in the budget spreadsheet; 3.3 Subtract total expenses recorded from total income recorded; 3.4 Identify whether a budget is in surplus or deficit for specified period and the reasons for the budget status.
Learning Outcome 4 (LO4)	Implement a personal budget
Performance standards	4.1 Identify opportunities and options to meet financial goals and incorporate into a budget plan; 4.2 Record actual expenses and income for period during which budget is implemented; 4.3 Monitor budget according to plan for a specified period of time;

	4.4 Compare budgeted expenses and income with actual amounts and modify budget where necessary; 4.5 Update budget as required.
Learning outcome 5 (LO5)	Monitor personal budget and finances
Performance standards	5.1 List own income and expenses; 5.2 Check own account statements to identify income and spending details [Range statements include but not restricted to Payslips, savings account, Loan accounts, Credit card accounts, etc.,] 5.3 Categorize own expenses to identify issues of importance; 5.4 Analyse own spending; 5.5 Make necessary adjustment to budget.
Learning outcome 6 (LO6)	Demonstrate basic understanding of tax return and superannuation
Performance standards	6.1 Differentiate between <i>tax</i> and <i>tax return</i>; 6.2 Identify in a payslip the deductions for income tax and superannuation; 6.3 Demonstrate how deductions for income tax and superannuation are calculated; 6.4 Identify relevant legislations or policies for income taxes and superannuation; 6.5 Explain why <i>income taxes</i> and <i>superannuation</i> are beneficial to individuals and communities in general.
Pre-requisites	N/A
Co-requisites	N/A
Underpinning skill and knowledge	• Active listening and questioning to develop a clear understanding of budgeting information; • Budget and budgeting; • Budget monitoring; • Computer skills – keyboard, use of spreadsheet • Consumer loan • Credit cards • Credit report • Developing and implementing a personal budget • Gather and interpret own financial information: ○ Payslip

	○ Income tax return ○ Superannuation ○ Loan interest • Mathematical calculations including addition, subtraction, multiplication, division and percentages; • Planning tasks and organise work to meet requirements; • Recording and documenting information in a spreadsheet • Use digital systems and tools to complete a budget spreadsheet.
Assessment requirements	<u>Assessment methods:</u> Assessment tasks must be relevant to context of learning for the student. A diverse range of assessment methods is recommended, including the following: 1. Observation 2. Oral assessment (e.g., reading quizzes, oral presentations, interviews, etc., 3. Written assessment 4. Self-assessment; 5. Assignment; 6. Portfolio of work; 7. Third party feedback from teachers and/ or supervisors. <u>Assessment conditions:</u> 1. Candidates of assessment must have access to: a. own familiar resources including an accounting calculator, a dictionary, and or glossary; b. relevant financial information such as personal financial records, payslips, tax returns, and other required resources at the discretion of the trainer or assessor; c. n expert or mentor to provide support to learner if requested; 2. Conducted in the training classroom but allow opportunities for interactive learning and assessment outside of the classroom and to facilitate the development of a budget and continuous improvement approach to review a budget for potential improvements; 3. A work health and safety check of the assessment environment is to be conducted prior to the assessment and any hazards addressed appropriately;

	4. Candidates may have up to three (3) attempts at the assessment tasks. Should the candidate's 1st attempt be unsatisfactory, teachers are to provide feedback and reteach when necessary, before arranging a date for the candidate's 2nd and 3rd attempts. Re-assessments must be completed within 14 days of the completion of their first assessment attempt.
Moderation arrangements	Training providers are required to: 1. Use their existing moderation processes, which have been approved by TNQAB, to moderate the assessment in this unit; 2. Plan their assessment and moderation and submit these plans to TNQAB for approval before they are implemented. Assessment and moderation plan forms are available on request from TNQAB.
Resource requirements	1. Relevant printed resources – including, accounting calculator, dictionary or glossaries; 2. Projector and audio speakers; 3. Relevant Power Point presentations; 4. Chalkboard, white board & markers; 5. Budget templates 6. Expense documents to provide contextual support as appropriate; 7. Relevant video clips and audio recordings; 8. Student and staff computers with access to Excel, and to the internet; 9. Student and staff work stations (tables and chairs); 10. Student and staff stationery (books, pens, charts, USB).
Requirements to complete this unit	Demonstrate attainment of all learning outcomes and the ability to: • Develop SMART goals for financial management for at least two (2) different occasions; • Develop and monitor a personal budget for at least two (2) different time periods; • Calculate interest and loan repayments for at least one (1) item.
Important notes and definitions	<u>Notes:</u> 1. Candidates of assessment must provide objective evidence of their attainment of all learning outcomes; 2. Students are encouraged to bring to class their own laptop computer pre-installed with a spreadsheet programme such as <i>Microsoft Office Excel</i> <u>Definitions:</u>

1. *Basic financial literacy*: refers to the knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such a knowledge and understanding to make effective decision across a range of financial concepts, to improve the financial wellbeing of individuals and society and to enable participation in economic life (OECD);
2. *Common obstacles to achieving financial goals*: refer to barriers to dealing with financial issues and can include lack of knowledge, lack of time, being unaware of the need; procrastination;
3. *Credit report*: refers to detailed information on how a person has used credit in the past, including how much debt they currently have and whether or not bills are paid on time. It is also known as a credit file.
4. *Credit*: refers to the ability to borrow money or access goods or services with the understanding that it will be paid at a later time.
5. *Different stages of life on financial goals*: refer to stages of earning from entering the workforce to early career years, family and career building years, the pre-retirement years, and retirement years.
6. *Key behaviours and skills to facilitate adherence to a budget*: refer to making a system that works for the person that includes receipt storage, monitoring of spending, and checking for spending leaks.
7. *Personal budget*: refers to a finance plan that allocates current and future personal income towards expenses, savings and debt repayment.
8. *Regular fixed expenses*: refer to expenses that generally stay the same and are paid on a regular basis eg. rent.
9. *SMART goals*: refers to a goal setting acronym. SMART stands for Specific, Measurable, Achievable, Realistic, and Timely.
10. *Spending leak*: refers to money that leaks out of a budget without spender being aware.
11. *Superannuation*: refers to compulsory contributions made by the employer throughout your working life into a superannuation fund of your choice, helping build savings for the employee's retirement;
12. *Tax return*: refers to a document submitted in paper or online to the taxation office each year showing details of income and certain costs. From these figures the tax return shows a calculation of how much is due to be paid to the government, or potentially, back to the taxpayer

	13. <i>Variable expenses</i> : refer to costs that change over time. These costs fluctuate over a week, month or year g. food.
Public comments on unit	Please contact TNQAB National Qualifications Unit (email EnquireNQ@tnqab.to or Telephone 28136) if you like to discuss or suggest changes to the details of this unit.