



Australian Government

FNSFLT401A Be MoneySmart through a career in small business

Release 1

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Modification History

Version	Comments
Release 1	This version released with <i>FNS10 Financial Services Training Package v5.0</i> .

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to enable a person engaged in a small business occupation to determine the key financial requirements for establishing and maintaining a successful small/micro business.

Application of the Unit

This unit is aimed at enhancing the value of financial literacy in individuals seeking to establish and maintain small business e.g. trade-based owner operators.

Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.</i>

Elements and Performance Criteria

<ul style="list-style-type: none"> • Demonstrate an understanding of the costs and benefits of small/micro business 	<ul style="list-style-type: none"> • Determine business objectives and opportunities • Identify benefits and disadvantages of operating a small/micro business • Identify the start-up and ongoing costs associated with running a small/micro business
<ul style="list-style-type: none"> • Analyse the obligations and risks of operating a small/micro business 	<ul style="list-style-type: none"> • Determine legal and regulatory requirements affecting the operations of the business • Investigate <i>financial decisions</i> relevant to different business models • Identify insurance requirements and related mitigation strategies • Analyse taxation and record-keeping obligations
<ul style="list-style-type: none"> • Identify mechanisms for supporting business success 	<ul style="list-style-type: none"> • Research licensing, legal and regulatory responsibilities required to ensure the compliance of the business • Investigate business processes required to maintain appropriate records • Identify long-term career goals to support business objectives
<ul style="list-style-type: none"> • Evaluate opportunities for business learning, mentoring and advice 	<ul style="list-style-type: none"> • Identify the key components of a business plan and the skills and knowledge required to develop and monitor the business • Evaluate personal attributes required to operate a small/micro business • Identify potential mentors, advisers, networks and sources of assistance for the business and how they may be engaged

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

analytical skills to assist decision making

- communication skills to request, question and clarify information
- literacy skills to:
 - interpret legal and licensing requirements and other business information
- maintain business records
- numeracy skills to:
 - analyse data
 - manage and control finances
- research skills to source business support assistance and networks
- technology skills to use equipment and software relevant to the business

Required knowledge

- business registration and licensing requirements:
- ASIC Connect business names and registration
- registration for Australian business number (ABN), tax file number (TFN), and goods and services tax (GST)
- trade and occupational licensing
- commonwealth, state and territory, and local government legislative and licensing requirements relating to business operations:
- Work Health and Safety Act
- Environmental Protection Act
- equal employment opportunity and anti-discrimination
- Fair Work Act
- Competition and Consumer Act
- Income Tax Assessment Act
- Taxation Administration Regulations
- insolvency
- ASIC Act
- Privacy Act
- Occupational Licensing National Law Act
- planning processes:
 - key components of a business plan
 - risks to be included in a business plan

REQUIRED SKILLS AND KNOWLEDGE

- benefits of business planning
- sources of assistance for micro/small business operators:
 - accountant
 - bookkeeper
 - industry associations
 - Business Enterprise Centres
 - Australian Taxation Office (ATO)
 - Australian Securities and Investments Commission (ASIC)
 - National Occupational Licensing Authority (NOLA)
 - relevant state industry bodies
- taxation responsibilities for small/ micro business, including awareness of:
 - record keeping, invoicing and GST
 - preparing the return, lodgement and payment of a business activity statement (BAS)
 - employee/contractor payroll and pay as you go (PAYG) taxation

Evidence Guide

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- analyse financial information impacting on small/micro business
- make sound financial decisions in small/micro business context
- identify costs associated with running a business:
 - labour hire
 - employee entitlements
- compliance with occupational licensing and other legislation as required
- cash flow management
- identify, manage and meet legal and other relevant business requirements.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the range

EVIDENCE GUIDE	
	statement <ul style="list-style-type: none"> access to current information about personal and business financial matters.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit: <ul style="list-style-type: none"> evaluating an integrated activity which combines the elements of competency for the unit verbal or written questioning on underpinning knowledge and skills setting and reviewing simulations or scenarios.
Guidance information for assessment	

Range Statement

RANGE STATEMENT	
<p><i>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</i></p>	
<i>Financial decisions relevant to the business include:</i>	<ul style="list-style-type: none"> cost of labour hire cost of compliance cost of managing debtors and offering credit insurance requirements: <ul style="list-style-type: none"> business insurance to mitigate risk and business interruption income protection workers' compensation.

Unit Sector(s)

Financial literacy

Custom Content Section

Not applicable.