



**Australian Government**

# **BSBSMB303 Organise finances for the micro business**

**Release: 2**

## BSBSMB303 Organise finances for the micro business

### Modification History

Release	Comments
Release 2	This version first released with BSB Business Services Training Package Version 2.0.  Version created to clarify intent of unit
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

### Application

This unit describes the skills and knowledge required to estimate start-up costs, financial viability and projected cash flow for a micro business with reference to candidates' personal financial situation.

It applies to individuals who are establishing or operating a micro business providing self-employment.

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

### Unit Sector

Management and Leadership – Small and Micro Business

### Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Ascertain own financial position and ability to provide capital or equity for the business	1.1 Realistically detail personal, family or community financial situation showing funds available and commitments already incurred 1.2 Determine equity finance and assets available for micro business from personal, family or community sources
2. Determine projected	2.1 Determine level of forecast business activity over a year and

ELEMENT	PERFORMANCE CRITERIA
cash flow for the business	<p>the business mix</p> <p>2.2 Estimate establishment costs for the business and repayment schedule for borrowings</p> <p>2.3 Calculate monthly variable and fixed costs needed to conduct business activity over a year</p> <p>2.4 Estimate personal drawings needed from the business</p> <p>2.5 Estimate monthly income generated by the business for a year, based on price per unit item or hourly charge rate for labour</p> <p>2.6 Develop a cash flow budget for the first year of business operation</p> <p>2.7 Seek professional advice to estimate goods and services tax and operating finance required for the business</p>
3. Source required funds to establish the business	<p>3.1 Estimate required funding to establish and run the business based on expected sales and activity levels, available finances and commitments</p> <p>3.2 Investigate methods of accessing alternative sources of finance</p> <p>3.3 Identify strategies for meeting financial obligations</p> <p>3.4 Implement plans to access available funds as required</p>
4. Monitor business profitability	<p>4.1 Maintain and review monthly expenditure and income records</p> <p>4.2 Compare equity at beginning and end of a year to estimate business performance</p> <p>4.3 Assess financial viability of the business after a year of operation</p> <p>4.4 Seek professional advice on depreciation, insurance and tax implications of the business</p>

## Foundation Skills

*This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.*

Skill	Performance Criteria	Description
Reading	1.1, 2.1, 3.2, 4.1-4.3	<ul style="list-style-type: none"> <li>Gathers, interprets and analyses a variety of textual information from a range of sources and identifies relevant and key information</li> </ul>

Writing	1.1, 2.6, 2.7, 3.4, 4.4	<ul style="list-style-type: none"> <li>Uses factual information and industry related terminology to complete required workplace documentation</li> </ul>
Oral Communication	1.1, 2.7, 4.4	<ul style="list-style-type: none"> <li>Articulates clearly using vocabulary and tone suitable to audience</li> <li>Uses listening and questioning techniques to seek information and confirm understanding</li> </ul>
Numeracy	1.1, 1.2, 2.1-2.7, 3.1, 4.1-4.3	<ul style="list-style-type: none"> <li>Analyses numerical information to calculate revenue and expense forecasts and estimate funding required to run the business</li> </ul>
Navigate the world of work	1.1	<ul style="list-style-type: none"> <li>Uses a systematic process for developing career, identifying personal commitments and accepting realistic possibilities</li> </ul>
Get the work done	1.1, 1.2, 2.1-2.7, 3.1-3.4, 4.3, 4.4	<ul style="list-style-type: none"> <li>Understands and explicitly applies some basic principles of analytical and lateral thinking</li> <li>Uses main features and functions of digital tools to complete work tasks and access information</li> <li>Usually seeks input and expert advice when decisions involve unfamiliar issues</li> <li>Determines priorities and sequences steps involved in clearly defined familiar tasks, and identifies and assembles resources required.</li> </ul>

## Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBSMB303 Organise finances for the micro business Release 2	BSBSMB303 Organise finances for the micro business Release 1	Minor edits to clarify intent of unit	Equivalent unit

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>