



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

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	Gathers, interprets and analyses a variety of textual information from a range of sources and identifies relevant and key information

Writing	1.1, 2.6, 2.7, 3.4, 4.4	Uses factual information and industry related terminology to complete required workplace documentation
Oral Communication	1.1, 2.7, 4.4	- Articulates clearly using vocabulary and tone suitable to audience - Uses listening and questioning techniques to seek information and confirm understanding
Numeracy	1.1, 1.2, 2.1-2.7, 3.1, 4.1-4.3	Analyses numerical information to calculate revenue and expense forecasts and estimate funding required to run the business
Navigate the world of work	1.1	Uses a systematic process for developing career, identifying personal commitments and accepting realistic possibilities
Get the work done	1.1, 1.2, 2.1-2.7, 3.1-3.4, 4.3, 4.4	- Understands and explicitly applies some basic principles of analytical and lateral thinking - Uses main features and functions of digital tools to complete work tasks and access information - Usually seeks input and expert advice when decisions involve unfamiliar issues - Determines priorities and sequences steps involved in clearly defined familiar tasks, and identifies and assembles resources required.

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>

Assessment Requirements for BSBSMB303 Organise finances for the micro business

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Performance Evidence

Evidence of the ability to:

- conduct an investigation of own financial position, commitments and needs
- determine projected cash flow for the business
- estimate the funding needed to establish and operate the business
- assess the financial viability of the business.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify sources of specialist financial advice for micro business operators
- describe appropriate accounting software for use in the business
- locate the Australia Taxation office (ATO) website and summarise data for operating a micro business
- explain key financial terminology relevant to micro business
- describe the relationship between finances and business sales and marketing strategies
- describe methods of costing or pricing and preparation of financial forecasts

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the Management and Leadership – Small and Micro Business field of work and include access to:

- business technology including internet access
- specialist accounting software
- relevant workplace documentation and resources
- case studies, or where possible, real situations
- interaction with others.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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