



Australian Government

Assessment Requirements for CHCFIN010

Apply basic concepts of small business to financial counselling

Release: 1

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Modification History

Not applicable.

Performance Evidence

Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:

- provide financial counselling consultation service for at least one small business client to:
 - confirm business structure
 - identify any potential conflicts of interest
 - determine business financial status
 - assess business capacity to meet financial obligations
 - identify the impact of the business financial status on the personal financial position of the client
 - make an appropriate referral for further support
 - document client files according to organisational requirements.

Knowledge Evidence

Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:

- definitions of small business:
 - Australian Securities and Investments Commission (ASIC) exemption for financial counselling agencies for the purposes of the AFSL exemption
 - Australian Financial Complaints Authority (AFCA) definition
 - Banking Codes of Practice Definition
 - funding agreements or deeds that go to the scope of role or definition
 - peak body or other requirements that go to the scope of role or definition
 - agency requirements
 - agency policies or state association policies
- distinguish between simple and complex small business financial issues, based on business structure, type of problem, parties involved
- types of small business structures:
 - sole trader
 - partnerships
 - companies
 - trusts

- accessing the ABR
- National and State or Territory legislation and guidelines applicable to small business
- legal frameworks applying and not applying to small business:
 - application of the National Credit Code
 - ability or otherwise to access External Dispute Resolution (EDR) schemes, Australian Financial Complaints Authority (AFCA), Telecommunications Industry Ombudsman (TIO), energy and water ombudsman
 - application of banking codes of practice to small business
 - application of the Australian Consumer Law to small business
 - referral to the Australian Small Business and Family Enterprise Ombudsman (ASBFEO)
- basic operational requirements for a small business:
 - overview of potential financing arrangements
 - business insurance
 - commercial and property leasing arrangements
- types of financial data relevant to small businesses and how to access or assemble this information:
 - cash flow
 - balance sheet
 - profit and loss
 - statement of financial position
- ATO requirements such as types of main taxes paid by small business and processes for collecting and reporting tax and income including:
 - GST
 - Business Activity Statements (BAS)
 - PAYG and PAYG Withholding
 - Company tax
 - Superannuation liabilities for employees
- indicators of business ability to pay debts and obligations, including:
 - negotiating with creditors
 - insolvency and bankruptcy
 - superannuation entitlements
 - ATO debt
 - debts with banks and finance companies including business and personal debt
 - equipment leases
 - commercial tenancy agreements
 - utilities and telecommunications
- processes for making referrals to external services:
 - identifying when client need is in scope, or beyond scope of own job role including the financial counsellor's role in working with companies
- scope of role in relation to what the financial counsellor cannot do:

- business plans
- advice about managing the business
- impacts of small business on a client's personal finances:
 - distinguishing between business and personal debt
 - personal liability for business debt
 - legal obligations and implications
 - financial abuse and small business including coercion for loans, coercion for company directorships and associated legal responsibilities
- impact of relationship breakdown:
 - ownership of assets and debts
 - financial or economic abuse
- advice and actions that may assist the client to improve their financial position:
 - government grants and loans
 - accessing small business advisory/mediation services
 - decreasing business expenses or selling assets
 - debt prioritisation
 - payment arrangements with creditors, ATO
 - Internal Dispute Resolution (IDR) and External Dispute Resolution (EDR) where available
 - accessing business insurance
 - challenging unfair contracts
 - legal action through courts and tribunals
- insolvency and bankruptcy:
 - common signs
 - difference between bankruptcy and insolvency
 - referral options to paid services for insolvency advice
- processes for closing a business, including:
 - business name cancellation
 - finalising ATO obligations and all employee entitlements
 - terminating any licences, leases or contracts on foot
 - advising customers, contractors
 - referral options for advice regarding companies
- external resources and services that can assist small businesses including:
 - government grants and loans
 - small business advisory and assistance services
 - small business mediation or dispute resolution services.

Assessment Conditions

Skills must be demonstrated in the workplace or in a simulated environment that reflects workplace conditions.

Assessment must ensure access to:

- suitable facilities, equipment and resources, including:
 - client information
 - organisational policies, procedures and resources
 - scenarios and case studies that involve complex financial situations related to small business
 - interaction with other people.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.

Links

Companion Volume implementation guides are found in VETNet - -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5e0c25cc-3d9d-4b43-80d3-bd22cc4f1e53>