



Australian Government

FNSFLT201 Develop and use a personal budget

Release: 1

FNSFLT201 Develop and use a personal budget

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to develop, implement and monitor a personal savings budget. It has wide application and may be used in workplaces, schools, adult and community learning organisations or registered training organisations to build the financial literacy of learners. The unit may also be used as part of pre-vocational or new apprenticeship programs, or as part of services provided by counselling or advisory organisations.

It applies to individuals who use new ideas and techniques to develop personal financial literacy skills.

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

Unit Sector

Financial literacy

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. Identify and discuss budgeting as a financial tool	1.1 Identify and consider role of budgeting in lives of different groups and importance of budgeting appropriately to meet expenses at different stages of life 1.2 Discuss importance of setting financial goals 1.3 Identify and discuss obstacles that might prevent financial goals being achieved, and types of behaviours and skills required for successful budgeting
2. Prepare to develop a	2.1 Record all income and expenses for a six-month period to assist

ELEMENT	PERFORMANCE CRITERIA
personal budget	in estimating expenditure requirements 2.2 Obtain or develop budget spreadsheet to record income and expenditure for relevant period of time 2.3 Identify and list all sources of income, regular fixed expenses and variable expenses for specified period in personal budget using budget spreadsheet
3. Develop a personal budget	3.1 Subtract total expenses recorded from total income to determine surplus or deficit budget for specified period 3.2 Explore reasons for deficit budget if relevant and investigate ways to reduce expenses or increase income 3.3 Explore allocation of surplus funds towards saving and meeting identified financial goals
4. Implement and monitor the personal budget	4.1 Follow budget according to plan for a period of time 4.2 Record actual expenses and income for period during which budget is implemented 4.3 Compare budgeted expenses and income with actual amounts and modify budget where necessary 4.4 Discuss handy hints for managing personal budget 4.5 Conduct ongoing review of budget to ensure it remains relevant and to ensure updates are incorporated if necessary

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	1.1-1.3, 2.3, 3.2	Gathers and interprets financial information and identifies key aspects relevant to the task
Writing	1.1-1.3, 2.1-2.3, 4.2, 4.3	Accurately records and documents information relating to personal budgets using correct language, concepts and terminology
Oral Communication	1.1-1.3, 4.4	Participates in verbal exchanges using active listening and questioning to develop a clear understanding of budgeting information

Numeracy	2.1, 2.3, 3.1-3.3, 4.1	Performs mathematical calculations including addition, subtraction, multiplication, division and percentages, and interprets financial information relating to budgets
Get the work done	2.1-2.3, 3.1-3.2, 4.1-4.5	- Plans routine tasks and organises work according to defined requirements - Reviews effectiveness of decisions and makes adjustments as required - Uses digital systems and tools to design work processes and complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSFLT201 Develop and use a personal budget	FNSFLT201A Develop and use a personal budget	Updated to meet Standards for Training Packages Minor edits to reflect AQF level	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSFLT201 Develop and use a personal budget

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Performance Evidence

Evidence of the ability to:

- prepare a budget spreadsheet
- calculate interest and loan repayments, and surplus or deficit funds
- prepare, implement and monitor a personal budget.

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:

- explain the purpose, key principles and benefits of budgeting
- explain the importance of setting financial goals
- list obstacles to achieving financial goals
- describe different stages in life and how financial goals may change
- describe the behaviours and skills needed to adhere to a budget
- explain the difference between fixed and variable expenses
- describe the role of credit and savings in managing a budget and establishing personal wealth
- describe the role of financial institutions and their savings products to assist with managing a budget.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the financial literacy field and include access to:

- office equipment, technology, software and consumables

- information about the budgeting process, personal financial records and other relevant resources.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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