



Australian Government

FNSFLT411 Determine financial requirements of small businesses

Release: 1

FNSFLT411 Determine financial requirements of small businesses

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 6.0.

Application

This unit describes the skills and knowledge required to determine the key financial requirements for establishing and maintaining a successful small or micro business.

The unit applies to those who are engaged in a small business occupation, such as trade-based operators, seeking to enhance their financial literacy.

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 costs and benefits of small and micro business	1.1 Determine business' financial needs, objectives and opportunities 1.2 Identify benefits and disadvantages of operating a small or micro business 1.3 Identify start-up and ongoing costs associated with running a small or micro business
2. Analyse obligations and risks of operating a small or micro business	2.1 Determine legislative, regulatory, registration and licensing requirements affecting operations of the business 2.2 Assess different business models and associated financial decisions 2.3 Identify insurance requirements and associated mitigation strategies 2.4 Analyse taxation and record-keeping obligations

ELEMENT	PERFORMANCE CRITERIA
3. Identify mechanisms for supporting business success	3.1 Research and establish licensing, legislative, registration and regulatory requirements applicable to the business 3.2 Identify business processes required to maintain records and compliance 3.3 Identify long-term business objectives and career goals
4. Identify opportunities for business learning, mentoring and advice	4.1 Identify education, training and development opportunities that support business objectives 4.2 Identify key components of a business plan 4.3 Identify skills and knowledge required to develop and monitor the business 4.4 Identify and evaluate personal attributes required to operate a small or micro business 4.5 Identify potential mentors, advisers, networks and sources of assistance for the business and methods to engage with them

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	Performs a range of mathematical calculations to interpret financial information and to develop and manage business plans and budgets
Reading	Researches and interprets written information from a range of sources to identify relevant aspects for the required task
Initiative and enterprise	Actively sources mentors and advisors to access their perspectives and experiences
Planning and organising	- Plans routine tasks and organises work according to defined requirements - Uses systematic, analytical processes in routine and non-routine situations, gathering and interpreting information, informing decision making and identifying and evaluating potential strategies
Self-management	- Identifies, confirms and understands licensing, legal and regulatory requirements - Maintains up-to-date knowledge of small business financial management and applies this to own situation
Technology	Uses digital systems and tools to complete tasks, and to access and manage finance related information

Unit Mapping Information

No equivalent unit. Supersedes and is not equivalent to FNSFLT401 Be MoneySmart through a career in small business.

Links

Companion Volume Implementation Guide is found on VETNet -

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

Assessment Requirements for FNSFLT411 Determine financial requirements of small businesses

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- determine the financial requirements of at least one small business.

In the course of the above, the candidate must:

- determine a range of income and expense budgets based on the worst and likely case scenarios
- determine a realistic cashflow scenario and evaluate if that meets liquidity requirements
- establish the required sales or income levels to maintain the financial viability of the business to cover taxation and depreciation obligations.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- key business registration and licensing requirements, including:
 - Australian Securities and Investments Commission (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
- key types of regulatory, legislative and licensing requirements affecting operations of a business
- methods to identify and calculate start-up and key costs associated with running a business, including:
 - labour hire
 - employee entitlements
 - compliance with occupational licensing and other legislation as required

- cash flow management
- liquidity management
- key aspects of business plans, including:
 - key components of business plans
 - risks to be included in business plans
 - benefits of business planning
 - financial requirements of business plans
 - documentation requirements
- key sources of assistance for micro and small business operators
- key taxation responsibilities for small and micro business, including:
 - record keeping, invoicing and GST
 - preparing the return, lodgement and payment of business activity statements (BAS)
- employee and contractor payroll and pay as you go (PAYG) taxation
- education, training and development opportunities and how they support business objectives.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- office equipment, technology, software and consumables
- financial services product information.

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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