



Australian Government

Department of Education, Employment and Workplace Relations

FNSFLT501A Assist customers to budget and manage own finances

Revision Number: 1

FNSFLT501A Assist customers to budget and manage own finances

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to assist customers develop basic budgeting skills as a means to managing day-to-day living expenses and working towards identified financial goals and priorities. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit may be applied within the context of a financial counselling role or educational programs facilitated by financial counsellors or financial institutions within the context of improving consumer financial literacy.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Assist customer to identify financial goals and priorities	1.1. An understanding of the customer's financial situation is gained through discussion and interview of the customer 1.2. Customer is assisted to identify short, medium and long term financial goals that are specific, realistic and achievable 1.3. Financial priorities are identified and agreed upon with the customer and take into consideration all aspects of the financial situation
2. Discuss the purposes of developing and implementing a personal budget	2.1. Budgeting as a means to planning for the payment of regular and irregular expenses is discussed with the customer 2.2. Budgeting as a savings and behaviours and skills required to implement and monitor the budget are discussed with the customer
3. Assist customer to develop a budget	3.1. Customer is assisted to identify and list all income and expenditure for a relevant period of time 3.2. Regular and irregular items of expenditure are established and projected over a future period with a surplus or deficit financial situation identified and discussed with the customer 3.3. Allocation of surplus funds towards meeting identified financial goals is encouraged to the customer
4. Provide ongoing assistance to customer	4.1. Budgeting tools are provided to the customer to assist in developing own personal budget for monthly and annual periods 4.2. Strategies and tips for implementing and managing personal budget and finances are provided to the customer according to their needs 4.3. Ongoing review of the budget by the customer is encouraged to ensure it remains relevant or is updated if necessary

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - clearly explain budgeting concepts to customers and customers, using questioning and active listening as required and responding with empathy in sensitive cases
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- interpersonal skills to establish rapport with customers and remain impartial in discussing budgeting options
- numeracy and IT skills to:
 - calculate income, loan costs and repayments
 - access and use appropriate software such as spreadsheets and databases
 - use internet information
- literacy skills for:
 - analysing information and budgeting techniques to ensure appropriateness to customer or customer needs, currency and accuracy
 - drafting documents for customers and customers
- problem solving skills to identify any issues that have the potential to impact on the customer or customer's budgetary understanding and use and to develop options
- organisational skills, including the ability to plan and sequence work

Required knowledge

- principles of budgeting and other strategies to manage income and expenditure
- principles of lending and credit
- relevant industry codes of practice and legislation including:
 - Consumer Credit Code
 - Credit Act
 - Judgement Debt Recovery Acts
 - Privacy Act
 - relevant State and Territory legislation regarding consumer credit issues
- roles and relationships between participants within the Australian financial services industry, including banks and other financial intermediaries
- the economic environment

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- provide practical and relevant assistance to customers in developing personal budgets in order to better manage their finances
- use high level communication and interpersonal skills for explaining and demonstrating the purpose and use of budgets
- maintain up-to-date knowledge of basic savings and investment strategies useful in the achievement of short, medium and long term financial goals.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to financial services product information.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- observing processes and procedures in workplaces or role plays
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing workplace projects and business simulations or scenarios.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Financial goals</i> may include:	• accumulating a set amount of money by a specified date in the future for the purposes of: • purchasing assets • financing holidays, educational expenses, home renovations and other known future expenses • establishing a deposit for an investment such as a home or investment property • aiming to repay existing debts and be debt free • establishing a regular savings plan • handling income and expenditure responsibly and avoiding financial difficulties.
<i>Budgeting</i> refers to:	• budget showing all projections versus actual income and expenses for the period developed, implemented and monitored • calculation of all projected income and expenditure for period of time (e.g. over a weekly or monthly basis).
<i>Behaviours and skills</i> required for successful budgeting may include:	• controlled spending • disciplined approach to money • organisational skills • record keeping skills.
<i>Income and expenditure</i> may include:	• income: • interest on investments, dividends • proceeds from sale of assets • social security benefits, pensions, allowances, child assistance • wages, commission, bonuses • expenditure: • insurance • living expenses such as: • food • clothing • rent

RANGE STATEMENT	
	• medical • loan repayments such as: • personal loans • car loans • credit card debts • Higher Education Contribution Scheme (HECS) • miscellaneous expenses such as: • gifts • tobacco • recreation • entertainment • mortgage repayments • rates • travel costs including: • petrol • public transport • utilities such as: • water • gas • electricity • telephone.
Budgeting tools may include:	• budget worksheets for planning for payment of future expenses • savings plan.
Strategies and tips may include:	• how to use credit card debt effectively • information on minimising fees and charges • strategies to curb impulse buying • ways to cut back on spending or modify negative spending habits.

Unit Sector(s)

Unit sector	Financial literacy
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		