

Title	Produce a budget to manage personal finances		
Level	1	Credits	3

Purpose	People credited with this unit standard are able to: demonstrate knowledge of budgeting terms, services and tools; and produce a budget, to manage personal finances.
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Classification	Core Generic > Financial Capability
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Available grade	Achieved
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Guidance Information

- 1 Assessment may be based on a case study or simulation, but where the candidate's real situation is used, every care must be taken to protect privacy, and the provisions of the Privacy Act 2020 will apply.
- 2 A budget for an individual is prepared for a situation that is typically characterised by:
 - relevance to self only, but in relation to whānau or family circumstances;
 - based on own goals and priorities;
 - one source of income, possibly a student loan;
 - need to reflect changing circumstances and/or priorities.
 The budget may be prepared using any of the following tools – pencil and paper accounting, spreadsheet software, money management software, online budget calculator.
- 3 Definitions
 - Take home pay* could include deductions for income tax, KiwiSaver, student loan, union or association fees, attachment orders.
 - Personal* refers to an individual, whānau or family unit rather than an iwi, group, business or organisation.
 - Provider* could refer to family/whanau members, budget advisors or financial mentors, banks, Citizens Advice Bureau or other not for profit community budgeting services.
 - Timeframe* may refer to weekly, fortnightly, monthly, annually.
- 4 References
 - Examples of steps in developing and monitoring a budget can be found on Sorted: Your Independent Money Guide - <https://www.sorted.org.nz/>.

Outcomes and performance criteria

Outcome 1

Demonstrate knowledge of budgeting terms, services and tools to manage personal finances.

Performance criteria

- 1.1 Income or expense terms are explained in relation to their relevance to personal budgeting.
- Range fixed or regular, variable or irregular; take home pay, surplus, deficit.
- 1.2 A provider available to help people with personal budgeting is identified.
- 1.3 A tool for monitoring the budget is identified.

Outcome 2

Produce a budget to manage personal finances.

Performance criteria

- 2.1 The budget is produced and accounts for the individual's financial circumstances.
- Range goals and priorities, choice of timeframe.
- 2.2 Provision is made in the budget for all income, and expenses.
- Range income may include – wages, salary, government financial support, other income.
- 2.3 Income, expenses and savings are included in the budget and a surplus or deficit identified.

Planned review date	31 December 2025
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 June 2008	31 December 2015
Review	2	12 December 2013	31 December 2018
Revision	3	21 May 2015	31 December 2018
Review	4	21 July 2016	31 December 2022
Review	5	29 July 2021	N/A

Consent and Moderation Requirements (CMR) reference

0226

This CMR can be accessed at <https://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.