

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 and services 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 Definitions

Attachment orders tell an employer or Work and Income to transfer money from a debtor's wages or benefit to pay fines or pay off a debt.

Take home pay could include deductions for income tax, KiwiSaver, student loan, union or association fees, attachment orders.

Timeframe refers to weekly, monthly, annually.
- 3 A budget for an individual is prepared for a situation that is typically characterised by:
 - Relevance to self only;
 - No impact on others;
 - Based on own goals and priorities;
 - One source of income, possibly a student loan;
 - Need to reflect changing circumstances and/or priorities;
 - Few commitments.
- 4 The budget may be prepared using – pencil and paper, spreadsheet software, money management software, online budget calculator.
- 5 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 and services to manage personal finances.

Performance criteria

1.1 Terms are explained in relation to their relevance to personal budgeting.

Range income and expenses: fixed or regular, variable or irregular; needs, wants, take home pay, surplus, deficit.

1.2 Two service providers available to help people with personal budgeting are identified.

Outcome 2

Produce a budget to manage personal finances.

Performance criteria

2.1 The budget is consistent with 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 in the budget and a surplus/deficit identified.

2.4 Two tools for monitoring the budget are 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	31 December 2020	

Consent and Moderation Requirements (CMR) reference	0226
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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.

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