

Title	Produce a balanced 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 balanced 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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Explanatory notes

- 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 1993 will apply.
- 2 Definitions
A *balanced budget* balances income with expenditure and includes steps to monitor its accuracy over time.
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 in *Budgeting: Money planning to meet your financial goals*, Commission for Financial Capability (<http://www.cffc.org.nz/>), Wellington. This guide and related online budgeting calculators can be accessed through <http://www.sorted.org.nz/>.
A budget worksheet and other budgeting information and tools can be found on the NZ Federation of Family Budgeting Services website www.familybudgeting.org.nz.

Outcomes and evidence requirements

Outcome 1

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

Evidence requirements

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

Range income and payments: fixed or regular, variable or irregular; needs, wants, disposable income, surplus, deficit.

1.2 Two services available to help people balance personal budgets are identified.

Outcome 2

Produce a balanced budget to manage personal finances.

Evidence requirements

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 payments.

Range income may include – wages, salary, government benefits, other income;
payments may include – spending, saving.

2.3 Income and payments are balanced in the budget and a surplus/deficit identified.

2.4 Two methods for monitoring the budget are identified.

Planned review date	31 December 2020
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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	N/A

Consent and Moderation Requirements (CMR) reference	0226
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

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.