

<b>UNIT CODE</b>	<b>CHCFIN010</b>
<b>UNIT TITLE</b>	<b>Apply basic concepts of small business to financial counselling</b>
<b>APPLICATION</b>	<p>This unit describes the performance outcomes, skills and knowledge required to identify the structure and current financial position of a small business and to use this information when providing information and advice as part of the delivery of financial counselling services to a client with a small business.</p> <p>This unit applies to financial counsellors who work in agencies that meet the requirements for the Australian Securities and Investments Commission (ASIC) exemptions from holding a financial services or credit licence and provide services to clients who operate small businesses.</p> <p>The skills in this unit must be applied in accordance with Commonwealth and State or Territory legislation, Australian standards and industry codes of practice.</p> <p>No occupational licensing, certification or specific legislative requirements apply to this unit at the time of publication.</p>
<b>PREREQUISITE UNIT</b>	<p>CHCFIN006 Establish the financial counselling relationship</p> <p>CHCFIN007 Provide counselling, advice and represent the client</p> <p>CHCFIN008 Apply professional practice in financial counselling</p> <p>CHCFIN009 Provide financial counselling within a social justice framework</p>
<b>COMPETENCY FIELD</b>	
<b>UNIT SECTOR</b>	

<b>ELEMENTS</b>	<b>PERFORMANCE CRITERIA</b>
<i>Elements describe the essential outcomes</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Adapt practice to small business context.	<p>1.1 Apply financial counselling professional practice frameworks to small business owners.</p> <p>1.2 Assist non-complex small businesses to manage debts and financial stress.</p> <p>1.3 Use secondary consultations and referral where matters are beyond the scope of the role.</p>

2. Confirm current business structure.	2.1 Work with client to identify current small business structure. 2.2 Identify legal and operational requirements of business that impact on businesses financial position.
3. Assess and interpret financial data of small business.	3.1 Work with client to identify and retrieve financial data that is missing or incomplete. 3.2 Access, assemble and interpret financial data about current financial position of the small business. 3.3 Determine the tax status of the business and implications for the business. 3.4 Use financial data to determine if the business is able to pay its debts and obligations.
4. Provide advice to client.	4.1 Provide client with information and advice regarding the financial position of the small business, within scope of own job role. 4.2 Provide client with information and advice regarding the impact of the business on their personal financial position. 4.3 Identify options available to the client, based on analysis of financial information and business position, including insolvency and closing the business. 4.4 Identify and assist client to access external small business advice and support options.

FOUNDATION SKILLS	
<i>Foundation skills essential to performance in this unit, but not explicit in the performance criteria are listed here, along with a brief context statement.</i>	
SKILLS	DESCRIPTION
Reading skills to:	■
Writing skills to:	■
Oral communication skills to:	■
Numeracy skills to:	■
Learning skills to:	■
Problem-solving skills to:	■
Initiative and enterprise skills to:	■
Teamwork skills to:	■

Planning and organising skills to:	■
Self-management skills to:	■
Technology skills to:	■
<b>UNIT MAPPING INFORMATION</b>	No equivalent unit.
<b>LINKS</b>	Companion Volume Implementation Guide

<b>TITLE</b>	<b>Assessment Requirements for CHCFIN010 Apply basic concepts of small business to financial counselling</b>
<b>PERFORMANCE EVIDENCE</b>	<p>Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:</p> <ul style="list-style-type: none"> <li>■ work in collaboration with one client to: <ul style="list-style-type: none"> <li>○ identify business structure</li> <li>○ use financial data to assess whether the business can pay its debts</li> <li>○ identify the impact of the business on the personal financial position of the client</li> <li>○ make an appropriate referral for further support.</li> </ul> </li> </ul>

<b>KNOWLEDGE EVIDENCE</b>	<p>Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:</p> <ul style="list-style-type: none"> <li>■ definitions of small business: <ul style="list-style-type: none"> <li>○ ASIC exemption for financial counselling agencies for the purposes of the AFSL exemption</li> <li>○ AFCA definition</li> <li>○ Banking Codes of Practice Definition</li> <li>○ Funding body or other requirements that go to scope or definition</li> <li>○ Rural financial counselling funding agreements</li> <li>○ Agency policies or State association policies</li> <li>○ FCA scope of role</li> </ul> </li> <li>■ distinguish between simple and complex small business financial issues, based on business structure, type of problem, parties involved</li> <li>■ agency protocols around referring and secondary consultations</li> <li>■ types of small business structures: <ul style="list-style-type: none"> <li>○ sole trader</li> <li>○ partnerships</li> <li>○ companies</li> <li>○ trusts</li> </ul> </li> <li>■ business models: <ul style="list-style-type: none"> <li>○ franchise</li> </ul> </li> <li>■ setting up a business: <ul style="list-style-type: none"> <li>○ business plans</li> </ul> </li> </ul>
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- ABNs
- business names
- determining business structures
  - accessing the ABR
- legal frameworks applying and not applying:
  - Application of the National Credit Code
  - Ability or otherwise to access EDR schemes (AFCA, TIO, energy and water)
  - Banking Codes of Practice
  - Australian Consumer Law
- basic operational requirements for a small business:
  - financing arrangements
  - business insurance
  - commercial and property leasing arrangements
- types of financial data relevant to small businesses and how to access or assemble this information:
  - cash flow
  - balance sheet
  - profit and loss
- types of main taxes paid by small business and processes for collecting and reporting tax and income:
  - GST
  - Business Activity Statements
  - PAYG and PAYG Withholding
  - Company tax
- indicators of business ability to pay its debts and obligations
- scope of role in relation to what the financial counsellor cannot do:
  - business plans
  - advice about managing the business
- impacts of small business on a client's personal finances:
  - distinguishing between business and personal debt
  - personal liability for business debt
  - legal obligations and implications
- impact of relationship breakdown:
  - ownership of assets and debts
  - financial or economic abuse
- advice and actions that may assist the client to improve their financial position:
  - government grants and loans
  - accessing small business advisory/mediation services
  - decreasing business expenses or selling assets
  - debt prioritisation
  - payment arrangements with creditors, ATO
  - IDR and EDR (where available)
  - accessing business insurance
  - challenging unfair contracts
  - legal action through courts and tribunals
- insolvency:
  - difference between bankruptcy and insolvency
  - referral options to paid services for insolvency advice
- closing a business:
  - business name cancellation
  - finalising ATO obligations and all employee entitlements
  - terminating any licences, leases or contracts on foot
  - advising customers, contractors

	<ul style="list-style-type: none"> <li>◦ referral options for advice regarding companies</li> <li>■ processes for making referrals to external services:             <ul style="list-style-type: none"> <li>◦ identifying when client need is in scope, or beyond scope of own job role</li> </ul> </li> <li>■ external resources and services that can assist small businesses including:             <ul style="list-style-type: none"> <li>◦ government grants and loans</li> <li>◦ small business advisory and assistance services</li> </ul> </li> <li>■ small business mediation/dispute resolution services.</li> </ul>
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<b>ASSESSMENT CONDITIONS</b>	<p>Skills must be demonstrated in the workplace or with simulations and scenarios developed by Financial Counselling Australia capturing the full range of contexts and situations.</p> <p>Assessment must ensure access to:</p> <ul style="list-style-type: none"> <li>■ suitable facilities, equipment and resources, including:             <ul style="list-style-type: none"> <li>◦ client information</li> <li>◦ organisational policies, procedures and resources</li> </ul> </li> <li>■ modelling of industry operating conditions, including:             <ul style="list-style-type: none"> <li>◦ scenarios that involve complex interactions with other people</li> <li>◦ scenarios that involve problem-solving.</li> </ul> </li> </ul> <p>Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.</p>
<b>LINKS</b>	Companion Volume Implementation Guide