

Title	Produce a balanced household budget and adjust the budget to reflect changing financial circumstances		
Level	2	Credits	3

Purpose	People credited with this unit standard are able to produce a balanced household budget and adjust the budget to reflect changing financial circumstances.
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Classification	Core Generic > Financial Capability
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Available grade	Achieved, Merit, and Excellence
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Criteria for Merit	The explanation of the adjusted budget includes links between adjustments and changing financial circumstances.
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Criteria for Excellence	The explanation of the adjusted budget includes a justification of how the adjustments accommodate the changing financial circumstances.
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Explanatory notes

- 1 This unit standard can be awarded with *Achieved*, *Merit*, or *Excellence*. For the *Achieved* grade to be awarded, the outcome must be achieved as specified in the outcome statement. For *Merit* or *Excellence* to be awarded, the candidate must meet the *Merit* or *Excellence* criteria specified above.
- 2 Definitions
A balanced budget balances income with expenditure and includes steps to monitor its accuracy over time.
A household budget is prepared for a situation that is typically characterised by:
 - relevance to a group of people sharing the same household finances
 - need to balance different goals and priorities
 - multiple sources of income
 - multiple commitments including shelter, food, utilities, clothing
 - need to reflect changing circumstances and/or priorities.
- 3 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.

4 References

NZ Federation of Family Budgeting Services – www.familybudgeting.org.nz;

Commission for Financial Capability – <http://www.cffc.org.nz/>;

Inland Revenue – <http://www.ird.govt.nz/>;

Ministry of Business Innovation & Employment – <http://www.mbie.govt.nz/>;

Sorted: Your Independent Money Guide – <https://www.sorted.org.nz/>;

Work and Income – <http://www.workandincome.govt.nz/>;

Studylink – <http://www.studylink.govt.nz/>;

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/>.

Outcomes and evidence requirements

Outcome 1

Produce a balanced household budget and adjust the budget to reflect changing financial circumstances.

Evidence requirements

- 1.1 A balanced household budget is produced to show current financial circumstances.
- 1.2 Household budget is reviewed and adjusted to reflect changing financial circumstances.
- Range review includes – comparing budget with actual income and expenditure, inclusion of an emergency fund for unexpected expenses; evidence of two changes to financial circumstances is required.
- 1.3 The frequency of review and adjustments to the budget are explained in terms of how they meet the needs of the household's changing financial circumstances.

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	12 December 2013	31 December 2018
Revision	2	21 May 2015	31 December 2018
Review	3	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.