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**PROJECT PORTFOLIO**

**ASSESSOR VERSION**

**MANAGE BUDGETS AND FINANCIAL PLANS**

**BSBFIN501**

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| Student name: | Student must include. |
| Assessor: | Student must include. |
| Date: | Student must include. |
| Business this assessment is based on: | Student must include. This may be the case study business provided or a suitable business as advised in the Assessor Marking Guide. |

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| Budgets and financial plans  *Describe the overall financial objectives for the business,*  *Describe the budget and financial plans you will use for this assessment to assist in achieving these objectives. Your description should include the purpose of the budget and financial budgets and the reporting period. You should also evaluate and report on the required outcomes for the budget and financial plan.*  *If you are completing this assessment based on the case study organisation, this will be the information in the simulation pack. If it is for your own business or workplace, you will need to access the budget and financial plan for your team.* | The student must describe the overall financial objectives for the business, as well as the budgets and financial plans they will use.  Based on the case study, the student’s answer should address the following:  Financial objectives for the business include:   * To maintain cash reserves, whilst still investing in the future. * Sales targets are $5,000,000 per year for the period of the business plan. * To maintain a net profit ratio of at least 40%.   The financial plans are indicated as above.  The budget is a marketing budget i.e. solely related to marketing. A budget of $80,000 has been allocated to marketing for the year. The required outcome for the budget is to achieve the sales targets. |
| Financial management processes  *Indicate the name of the policy and procedure/s that is utilised for financial management. Further, describe processes that are used to monitor expenditure and control costs, as well as adjust contingency plans as required.*  *If you are completing this assessment based on the case study organisation, this will be the information in the simulation pack. If it is for your own business or workplace, you will need to access your workplace’s policy/ procedures.* | The student must indicate the name of the policy and procedure/s that is utilised for financial management. For the case study organisation, this is the financial management policy and procedures.  The policy focuses on financial control through a budget policy, a finance authorisation policy, a petty cash policy, use of the business credit card and a new supplier policy.  The student must describe processes that are used to monitor expenditure and control costs, as well as adjust contingency plans as required.  For the case study organisation this is as follows:  Budgets should be monitored by each Manager every month using our accounting system, Xero, to make sure expenses are on track. Where changes are required, the finance team may be contacted to discuss this. |
| Budgets and financial plans  *Based on your evaluation of the budget/ financial plan, what changes do you believe need to be made to the budget and financial plan? Describe at least one change.* | The student must outline any changes that need to be made. For the case study organisation, they could indicate that they consider the marketing budget is not adequate especially when seen that marketing budgets usually add up to 10% of revenue. Further the current marketing budget cannot include the television advertising so this change would be required. |
| Contingency plans  *As you know contingency plans are vital for a budget and financial plan.*  *Develop a contingency plan for your budget/financial plan, describing at least three possible contingencies.* | The student must develop a contingency plan for their budget/financial plan, describing at least three possible contingencies. For the case study organisation this could include:  Reducing expenses if the marketing budget needs to be cut  Looking at a flexible budget so that the marketing budget could be increased if sales increase  Changing amounts allocated such that there is an extra amount in the budget to allow for unexpected events. |
| Negotiation  *As documented above, you have identified a change or changes that need to be made to the budget. Assume that you need to negotiate this change with a Manager. Prepare an email here to confirm your understanding of the required budget and financial plan outcomes, as well as negotiate your recommended changes to the budget. Make sure you clearly state why you are recommending the change or changes.* | The student must document an email to confirm their understanding of the required budget and financial plan outcomes, as well as negotiate the recommended changes to the budget. They must clearly state why you are recommending the change or changes.  An example email could be:  Dear XX  Thank you for providing the marketing budget which I have reviewed in detail. I understand that the marketing budget is a vital part of achieving our overall sales objectives. With this in mind I consider that there should be a greater amount allocated to the marketing budget. This is particularly the case due to the amount that I would like to include for television advertising which I believe will help with increasing our domestic student market.  I request that an additional amount of $30,000 is added to the budget.  Kind Regards  Marketing Manager |

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Complete this section *prior* to the meeting.

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| Meeting preparation  *As per the instructions in the assessment, you are required to prepare a presentation in order to communicate the financial management plans to your team.*  *Your presentation can be in a form of your choice such as a PowerPoint presentation.*  *Your presentation is to include:*   * *Details of the agreed budget and financial plans (assume your change/s to the budget were approved).* * *Information on the processes that will be used to monitor expenditure and control costs and adjust contingency plans as required.* * *Details of the resources and systems that your team need to access in order to be able to perform their roles (this will be as per the information you completed in Section 1).*   *Your presentation must be clear and concise and use a logical structure and language that your audience can understand.*  *List the name of your presentation here and attach it to your Portfolio*. | The student must list the name of their presentation here. Their presentation must reflect their work in Section 1. | |
| *Paperclip* Attach: | Presentation |  |

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| Budget and expenditure reporting  *You are required to report on the variance between the actual and budgeted amount for your budget/financial plan following financial management procedures. If you are completing this assessment based on the case study organisation, this will be the information in the simulation pack. If it is for your own business and you can access this information, then report on it. Otherwise review the Budget Report information section in the Simulation Pack, as well as the Financial Management Policy and Procedures.*  *Please also report on contingencies in this section i.e. how well they were implemented and modifications.* | | The student must report on the variance between the actual and budgeted amount.  For the case study organisation, this is as follows:  The total marketing budget allocated was $80,000 with specific amounts allocated to specific marketing activities.  The actual marketing budget amounted to $94,590.  This is an approximately 18% difference which as per the Budget Policy is not acceptable.  According to the policy, contingencies should have been built in as soon as the budget started to go over.  A recommendation for next year is to have more regular monitoring for contingency purposes. | |
| Financial management processes  *Review current financial management processes. If you are completing this assessment based on the case study organisation, review the Financial Policy and Procedures, as well as reflect on the financial plan and budgeting planning and implementation process you have followed, as well as any budget variances.*  *If you are completing this for your own business, review your current workplace processes and the budgeting/financial planning process you have followed for this assessment.*  *What do you believe could be improved? Describe at least three recommendations. Note that you will need to implement at least one of these below.* | | The student must review current financial management processes. For the case study organisation, their answer may broadly address:  Based on the calculations above, clearly the marketing budget has gone significantly over.  A review of the budget report information shows that there were issues in terms of a lack of contingency amount being factored in and monitoring not being conducted as regularly as it could be. There appears to be a lack of staff knowledge/skills on budget monitoring.  The student should include three recommendations. For example,, for the case study organisation this could include:   * Include a contingency amount in the budget for next year * Have second checks for budget monitoring e.g. another manager checking * Provide clearer procedures on budgeting and monitoring i.e. updating budget policy and procedures | |
| Financial management processes improvement  *Select one of the improvements and implement it. You will also need to provide evidence of this. For example, you may decide that the budget policy section of the financial management policy needs updating and in this case you will provide an updated policy. You may also decide to recommend a specific amount for inclusion as a contingency.*  *You must also develop an email to send to your team in order to implement the improvement. Document the email in this section.*  *Submit your Portfolio to your assessor now and then when you receive feedback complete the next and final sections.* | | The student must select one of the improvements they have recommended. For example, they may decide that the policy needs more detail and provide an updated version. They could also decide that every budget needs a mandatory contingency amount.  The student should also include text for an email to send to their team to implement the improvement. | |
| *Paperclip* Attach: | | Evidence of financial management improvement |  |
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| *Provide an evaluation here of the improvement you implemented based on the feedback from your assessor.* | The student must provide their evaluation here based on the feedback provided. For example:  Based on the feedback I received, I believe that the updated procedure for budget monitoring has worked very well as it was clear that staff understood the procedure much better. | |
| Record keeping  *As indicated in the assessment task, you must create logical folders for all of your work. Submit a screenshot of these folders. This will ensure you follow record keeping requirements. List the name of your file here.* | The student must include a screenshot of all of their files in logically ordered folders. | |
| *Paperclip*Attach: | Screenshot of folders |  |