

Modification history

Release	Comments
Release 1	This version released with AHC Agriculture, Horticulture, Conservation and Land Management Training Package Version 4.0.

AHCBUS510XX	Manage finance, insurance and legal requirements
Application	<p>This unit of competency describes the skills and knowledge required to manage finance, insurance and legal requirements for a production-based business.</p> <p>This unit applies to individuals who take responsibility for their own work and provide and communicate solutions to a range of predictable and sometimes unpredictable problems.</p> <p>All work must be carried out to comply with organisational requirements, work health and safety legislation and codes and in consultation with the management team.</p> <p>No occupational licensing, legislative or certification requirements are known to apply to this unit at the time of publication.</p>
Prerequisite Unit	Nil
Unit Sector	Business (BUS)

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Manage the legal requirements of the business	1.1 Identify, implement and monitor legislative requirements to meet compliance requirements 1.2 Identify where expert legal advice is required to ensure compliance 1.3 Identify, maintain and store legal documents 1.4 Review legislative requirements regularly
2. Process and maintain the insurance requirements for the business	2.1 Identify insurable items of the business 2.2 Conduct a risk assessment to determine the likely consequences of adverse risk outcomes 2.3 Identify suitable insurers or brokers and obtain quotations on price and premium payment options 2.4 Conduct a cost/benefit analysis to determine the requirement for insurance 2.5 Identify and evaluate the potential for under- or over-insurance 2.6 Review legislative requirements for insurance cover 2.7 Acquire adequate insurance policies and cover 2.8 File documents to ensure security and accessibility
3. Identify sources, types and cost of finance	3.1 Conduct research on the types of finance for production-based businesses 3.2 Determine costs associated with different forms of finance 3.3 Identify the opportunity cost of utilising internal funding sources instead of external sources 3.4 Assess the advantages and disadvantages of each type of finance 3.5 Assess repayment structures for finance options 3.6 Assess the taxation implications of finance options
4. Prepare application for finance or investment	4.1 Access business and financial data and prepare an application for finance or investment 4.2 Check the finance application for accuracy and submit it to the relevant body 4.3 Maintain and store documentation

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
5. Manage finance repayments	5.1 Develop a budget for the business to demonstrate repayment and interest commitments can be met 5.2 Establish contingencies to ensure finance costs are met when cashflow is restricted

Foundation Skills	
<i>This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.</i>	
Skill	Description
Numeracy	<ul style="list-style-type: none"> Analyse and forecast trends in income and expenditure

Unit Mapping Information			
Code and title current version	Code and title previous version	Comments	Equivalence status
AHCBUS510XX Manage finance, insurance and legal requirements	AHCBUS510 Manage finance, insurance and legal requirements	Performance criteria clarified. Foundation skills added. Assessment requirements updated.	Equivalent unit

Links
Companion Volumes, including Implementation Guides, are available at VETNet: https://vetnet.education.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72

TITLE	Assessment requirements for AHCBUS510XX Manage finance, insurance and legal requirements
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Performance Evidence

An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit. There must be evidence that the individual has managed the finance, insurance and legal requirements of at least one business, including:

- interpreted financial reports and business data
- maintained basic accounts for the business
- processed and maintained the insurance requirements for the business
- identified sources, types and cost of finance
- prepared an application for finance or investment.

Knowledge Evidence

An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:

- legislation and regulations relevant to business
- legal requirements related to insurance, including Work Cover
- risk assessment processes
- cost/benefit analysis processes
- opportunity cost calculation
- finance processes utilised within the business
- taxation and account keeping requirements.

Assessment Conditions

Assessment of skills must take place under the following conditions:

- physical conditions:
 - skills must be demonstrated in an environment that accurately represents workplace conditions
- resources, equipment and materials:
 - access to financial and insurance records for a business.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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