Unit 4: Being Responsible for Other People's Money

Unit code: Y/503/2830

QCF Level: Level 1

Credit value: 1

Guided learning hours: 10

Unit aim

This unit looks at how to handle other people's money, by considering ways to keep money safe, different methods for paying money, the responsibilities involved in looking after other people's money and simple calculations.

Unit introduction

Learners may be required to take responsibility for other people's money either in a personal situation, for example seeking sponsorship for a charity event or when they are in employment, for example handling petty cash. In this unit, learners will consider their responsibility to ensure that if they are handling other people's money, they keep it safe and use it wisely. The unit will help learners understand the different types of payment that may be used and when they are used.

A significant element of this unit is to give learners the opportunity to practise their skills in handling money. They need to know how to add and subtract money and ensure that the correct change is given. They will also need to keep records of the money they have handled, such as issuing receipts, keeping a simple log of money received, money spent and what is left.

Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

Learning outcomes	Assessment criteria
1 Know about different methods of payment	1.1 Identify different methods of payment 1.2 Identify when different methods of payment are likely to be used
2 Know procedures that might apply when responsible for other people's money	2.1 Outline procedures for handling other people's money
3 Know the importance of handling other people's money responsibly	3.1 Outline consequences of not handling other people's money responsibly
4 Be able to handle financial transactions responsibly	4.1 Carry out simple financial transactions accurately 4.2 Keep an accurate record of simple financial transactions

Unit content

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1 **Know different methods of payment**

Methods of payment: cash; cheque; credit cards; debit cards; direct debit

When different methods of payment are likely to be used: factors affecting choice, eg size of payment, convenience and speed of method of payment; where payment is made, eg shop, by post; ways to spread cost of payment; immediate payment, eg cash, debit card

2 **Know procedures that might apply when responsible for other people's money**

Basic terminology: eg cash received; cash paid; balance; receipts; petty cash float, petty cash voucher

Definition: petty cash float used for small value items of cash expense; cash received — total amount of money received or given; balance — match of cash received and cash paid; receipts — written acknowledgement that payment has been received

Procedures: confidentiality eg personal details of customers or account holders; accountability eg sign and date a petty cash voucher and attach copy of receipt (of goods or services purchased) to voucher, check accuracy of calculations; security eg keep petty cash box locked, hand in excess cash at end of each take away delivery round

3 **Know the importance of handling other people's money responsibly**

Responsibility: follow any relevant procedures or rules; being sensible and wise; honesty and accuracy

Consequences: personal eg loss of trust and respect, theft, custodial sentence, loss of job; for customer eg loss/gain money, trust in company; for business eg reputation of company, loss of business

4 **Be able to handle financial transactions responsibly**

Financial transactions: select and recognise coins and notes, add coins and notes, give correct change, recognise correct currency, receive cheques

Record keeping: receipts, expense forms, simple accounts, eg float, cash received, cash paid, balance

Essential guidance for tutors

Delivery

Learners would benefit from the opportunity to participate in situations which require handling other people's money. The money could be, for example, as part of a job, collecting for charity, or running an errand for someone else. Simulation may also be considered as an acceptable method for learners to practise the skills required for the unit.

In order to be aware of the forms of payment they could encounter when receiving money on behalf of others, learners need to have the opportunity to identify different forms of payment and when they are used. Learners could be encouraged to visit banks, post offices or building societies to find out the purpose of credit cards, debit cards, direct debits and when they can be used. Group discussions could identify the most likely scenarios or settings for using the various forms of payment. It would also be helpful for learners to be made aware of the decreasing role of cheques as a form of payment.

Learners could discuss their responsibilities when handling money on behalf of others and the consequences of not doing this effectively. Learners need to think about what is meant by responsibility when handling other people's money. It would be appropriate for learners to identify direct examples of responsibility for any given situation such as returning money collected, and safely bringing back the correct amount of change. Speakers may be invited to discuss the consequences of not acting responsibly with someone else's money. This could be an employer or police officer.

Practical situations should be encouraged where learners apply procedures for handling other people's money. This could be in the workplace or projects could be collecting sponsorship money for a charity.

To help the learner gain greater insight into handling other people's money, they need to understand the meaning of basic financial terms such as petty-cash float, petty-cash voucher, receipt, cash received and balance. This may be done through practical application, setting up a petty cash float for their project, recording calculations of the amount of the float at the end of the project, the amount paid out and the amount paid in, to provide proof of accurate handling of the money.

Learners also need to understand their role in ensuring confidentiality, for example not releasing customer details or card numbers to other people.

Learning outcome 4 focuses on the learner's ability to handle money. The level of functional skill that the learner is working towards should be reflected in the activity where they are handling someone else's money. Role-work could be used to set the learner a task which involves them receiving a sum of money, being asked to call on different people, paying out money at various times and collecting it at others. Learners could then keep an accurate record of what has occurred throughout the scenario. This need only involve simple arithmetic tasks with the emphasis on accuracy.

Learners could be encouraged to collect examples of different forms of recording money transactions, for example till receipts, handwritten receipts, cash books, expense forms.

Assessment

For 1.1 and 1.2, the learner must identify at least two different methods of payment they could encounter when receiving payment on behalf of someone else. For each method of payment, they should be able to describe when it would be used.

For 2.1, the learner should be able to outline procedures for handling other people's money. The learner may be given a scenario to consider for example collecting payment for a takeaway delivery service or running a charity stall. The learner could then outline the procedures they would need to follow to ensure safe handling of the money they are responsible for, for example keeping a money box closed and safe, checking change and correct currency.

For 3.1, the learner must outline the consequences of inappropriate handling of other people's money. They should be able to outline at least two different consequences.

For 4.1, the learner should show, via real-life or a simulated activity, an ability to carry out straightforward financial tasks involving someone else's money. These tasks would depend on the nature of the activity undertaken, but might typically include receiving money on behalf of someone else, paying money out of a float, adding up money collected, checking and giving out change and filling in petty cash vouchers.

For 4.2, the learner should produce an accurate and appropriate record of their financial activities carried out while handling someone else's money. This need only involve simple arithmetic tasks with the emphasis being on accuracy.

Links to other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the *WorkSkills from Edexcel* suite. It has particular links with:

Entry Level	Level 1	Level 2
Unit 4: Being Responsibility for Other People's Money	Unit 3: Managing Your Own Money	Unit 3: Managing Your Own Money
Unit 3: Managing Your Own Money		

Essential resources

Learners need access to real-life situations where they are required to carry out simple calculations with money.

Websites

www.bbc.co.uk/skillswise/numbers/measuring/money/factsheet.shtml

www.need2know.co.uk/money