

# Cash Mangament



## Mapping of your evidence to outcomes and criteria

Title (and reference number)		Principles of cash management (K)			
Level 3					
Learning outcomes – learners will:		Assessment criteria – learners can:		Your evidence*	Assessor (tick)
1	Understand how the external environment impacts on how an organisation manages cash assets.	1.1	Understand how the external environment impacts on how an organisation manages cash assets.		
		1.2	Explain how recording and accounting practices may vary in different parts of the organisation.		
		1.3	Describe how an organisation's principles of cash management will be determined by their specific financial regulations, guidelines and security procedures.		
		1.4	Identify statutory and other regulations relating to the management of cash balances in different types of organisations.		
2	Be able to make informed decisions regarding the management of cash balances within an organisation.	2.1	Identify the characteristics of the main types of cash receipts and payments of <ul style="list-style-type: none"> <li>• regular revenue receipts,</li> <li>• capital receipts,</li> <li>• exceptional receipts and payments,</li> <li>• drawings.</li> </ul>		
		2.2	Explain how an organisation can raise finance from a bank through overdrafts and loans, and the basic terms and conditions associated with each of these types of financing.		

		2.3	<p>Explain different types of investment, the risks and terms and conditions associated with them, including:</p> <ul style="list-style-type: none"> <li>• certificates of deposit,</li> <li>• government securities,</li> <li>• local authority short term loans,</li> <li>• shares.</li> </ul>		
3	Understand a range of accounting and other business techniques used to improve the efficiency of cash management procedures within an organisation.	3.1	Identify the component parts of cash budgets and how these are presented to aid decision making.		
		3.2	Explain the effects of lagged receipts and payments upon an organisation's cash management.		
		3.3	Describe the relationship between cash flow accounting and accounting for income and expenditure.		
		3.4	Identify the principles of liquidity management.		
		3.5	<p>Explain techniques that can be used for estimating future trends</p> <ul style="list-style-type: none"> <li>• moving averages</li> <li>• allowance for inflation.</li> </ul>		
		3.6	Identify the ways to manage risk and exposure when investing, to minimise potential losses to the organisation.		

\*You can use a number of different types of evidence to demonstrate your competence, for example a letter, excel spreadsheet, report or witness testimony. Your training provider will be able to give you guidance so it is important that you discuss it with them. As you may be referring to an individual piece of evidence more than once in your evidence summary you will need to cross reference all pieces of evidence by giving each a unique number and refer to page number, paragraph number etc. This number should be included in the evidence document name when you submit it.

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Title (and reference number)		Cash management (S)			
Level 3					
Learning outcomes – learners will:		Assessment criteria – learners can:		Your evidence*	Assessor (tick)
1	Prepare forecasts of income and expenditure for a given accounting period	1.1	Determine the likely pattern of cash flows over the accounting period, and anticipate any exceptional receipts or payments.		
		1.2	Ensure forecasts of future cash payments and receipts agree with known income and expenditure trends.		
		1.3	Prepare cash budgets and clearly indicate net cash requirements.		
2	Use forecasts to monitor cash flow within the organisation	2.1	Monitor cash receipts and payments against budgeted cash flow.		
		2.2	Identify significant deviations from the cash budget and take corrective action within organisational policies.		
3	Use cash balances effectively	3.1	Observe the organisation's financial regulations and security procedures		
		3.2	Take account of trends in the economic and financial environment in managing cash balances		
		3.3	Manage cash, overdrafts and loans in order to maintain an adequate level of liquidity in line with cash forecasts.		
		3.4	Anticipate cash requirements and arrange overdraft and loan facilities on		

			the most favourable terms available.		
		3.5	Invest surplus funds according to organisational policy and within defined financial authorisation limits.		

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