



NEW ZEALAND FEDERATION OF  
FAMILY BUDGETING SERVICES (INC.)

TE RŌPŪ PENAPENA PŪTEA  
WHĀNAU O AOTEAROA

# **TOTAL MONEY MANAGEMENT – Minimum Standards**

**November 2004**

# **TOTAL MONEY MANAGEMENT MINIMUM STANDARDS FOR AN AFFILIATED BUDGET ADVICE SERVICE**

(Revised November 2004)

## **DEFINITION**

In the context of the Federation, the term Total Money Management means:

*“That type of budgeting assistance where the client assigns all or the majority of their income to the budgeting service which manages the account according to the agreed budget”.*

Budgeting services offering this type of assistance must have special procedures set up, including banking procedures, office systems and reporting. The client is to be provided with the opportunity to learn to be responsible for handling their own financial affairs. The following items are the minimum standards agreed by District Representatives on 4 May 2002 after feedback from interested members.

## **ANNUAL REVIEW OF BUDGETING SERVICE POLICY**

1. Every affiliated budgeting service shall make a policy relating to its position on total money management and shall review its policy at least once a year. Such policy may prescribe:
  - (a) that total money management will not be available
  - (b) or a maximum number of clients to whom the Budgeting Service will offer total money management concurrently
  - (c) signatories for financial transactions
  - (d) the persons to conduct the internal audits
  - (e) when and how a dispensation to any part of the policy shall be sought and given.
2. Every total money management case is to be managed by certificated budget advisers as assigned by the Budgeting Service's Management Committee

## **CLIENT PARTICIPATION**

3. Each client is assessed on an ability or inability to make reasoned decisions relating to his/her financial affairs and an appropriate care-giver identified if there is an assessed inability.
4. Each client offered total money management is to be contracted in writing with the respective responsibilities of the parties documented.
5. Where there is an assessed ability, the client is to:
  - (a) participate in the preparation of a budget plan,
  - (b) be involved in any reviews of that plan, and
  - (c) be involved in implementing that plan.
  - (d) have a reviewable deadline by which time the client will assume total responsibility for his/her financial affairs.

## **TRANSACTIONS**

6. A separate ledger (manual or computerised) shall be maintained for each client.

7. No finances received in trust or paid on a client's behalf are to be deposited into or taken from the Budget Service's business operational accounts. All clients' monies are to be managed in separate account or accounts for that purpose
8. The client, or in the case of client inability, the client's care-giver is to be given in person at least three-monthly or on request a statement and an oral explanation of all transactions since the last report and debt balances.
9. The client's financial records are to be open for inspection by the client (or the client's care-giver), the Budgeting Service Co-ordinator, the Treasurer and the Auditor.
10. Every ledger, whether currently open or closed, is to be internally audited at least six monthly. The Budgeting Service Management Committee will prescribe who will conduct the internal audit and that person will be other than the case manager.
11. All monies received shall be receipted and no payments to creditors shall be made in cash.
12. Signing of all cheques and all equivalent banking transfers must conform to the registered rules of the legal entity that operates the Budgeting Service. The Budgeting Service Management Committee will decide if the signatories need be independent of the client case management.
13. All financial records, including relevant correspondence, are to be retained securely for a period of seven years from last audit.
14. All financial transfers are reconciled to bank statements at least monthly.

## **SUPERVISION**

15. At least three monthly the Co-ordinator or other designated senior certificated budget adviser in consultation with the assigned budget adviser will review each client's case and the review will involve all documentation and may be conducted in the presence of the client.

## **TRAINING**

16. Every Budgeting Service offering Total Money Management must arrange for at least one key person from the Service to undergo the Federation Training module on Total Money Management. All Budgeting Services newly considering taking on Total Money Management must arrange for every-one intending to be involved in operating Total Money Management cases plus representation of its decision-making body to complete the Federation's Training module on Total Money Management. This module covers:
  - (a) TMM principles
  - (b) An explanation of the risks of TMM
  - (c) TMM minimum standards
  - (d) Guidance on how to apply the minimum standards
  - (e) Practical exercises or scenarios to test the ability of trainees to apply the minimum standards

## **QUALITY ASSURANCE**

17. The Budgeting Service's policy statement made in accordance with Standard # 1 and its implementation are to be available for inspection by a representative of the Federation.