



FNSACC322

ASSESSOR GUIDE

# Administer subsidiary accounts and ledgers

## Assessment 1 of 3

### Short Answer Questions



## Assessment Instructions

### Task overview

This assessment task is divided into nine [9] short answer questions. Read each question carefully before typing your response in the space provided.

### Additional resources and supporting documents

To complete this assessment, you will need to:

- download [FNSACC322\\_01\\_SAQ\\_Bad\\_and\\_Doubtful\\_Debts\\_Policy](#)
- access <https://business.vic.gov.au/tools-and-templates/financial-policies-and-procedures-manual-template>



## Assessment Information

### Submission

You are entitled to three [3] attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.



### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- the processes for conducting the assessment [e.g. allowing additional time]
- the evidence gathering techniques [e.g. oral rather than written questioning, use of a scribe, modifications to equipment]

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

## Question 1

Review The Coaching School Pty Ltd's Bad and Doubtful Debts Policy.

- [FNSACC322\\_01\\_SAQ\\_Bad\\_and\\_Doubtful\\_Debts\\_Policy](#)

Outline their procedure for identifying doubtful and bad debts.

Procedure for identifying doubtful debts [Word count 40 - 50 words]

### Marking guide

Candidates must refer to The Coaching School Pty Ltd's doubtful debts and bad debts procedures and explain the procedure for identifying doubtful debts. The answer provided by the candidate should be similar the exemplar answers below.

Annually at the end of June, the Financial Control (FC) will generate an aged debt analysis report for trade debtors exceeding the payment due date by 90 days or more. This report provides the basis for calculating the provision for doubtful debts.

A "doubtful debt" shall be deemed to be a debt owing to The Coaching School for at least one year, and, despite legal or other actions taken, no payments have been made to The Coaching School in that period. Where the FC has reasonable doubt that the monies wholly or in part will be collected, then the FC shall report such monies owing as a "doubtful debt".

For the purposes of determining the value of "doubtful debts" for inclusion in the Annual Accounts of The Coaching School, the practice of calculating 5% of the total of all debtors of The Coaching School shall continue.

Procedure for identifying bad debts [Word count 55 - 65 words]

### Marking guide

Candidates must refer to The Coaching School Pty Ltd's doubtful debts and bad debts procedures and explain the procedure for identifying bad debts. The answer provided by the candidate should be similar with the exemplar answers below.

A debt should be "written off" when all the below conditions are met:

- (a) the debt is more than two years old
- (b) no payments have been received in that two-year period
- (c) legal and other collection action has been exhausted
- (d) in the view of the relevant finance manager, there are no reasonable prospects monies owing will be collected.

## Question 2

List two [2] key features of double entry accounting.

Key features of double entry accounting [Approximate word count 15 - 30 words]

**Marking guide**

Candidates must list two key features of double entry accounting. The answers provided by the candidate should reflect the exemplar answers below.

- The debit must always equal the credits
- Each transaction must follow the basic accounting equation Assets = Liabilities + Owners Equity
- Each transaction must have at least one debit and one credit.
- Every transaction must have one giver and one receiver.
- The accounting system should be maintained as a separate entity from its owners or users.

**Question 3**

Explain the function and two features of the reports listed below.

Report	Function [Approximate word count 20 - 40 words]	Features [Approximate word count 10 - 20 words]
Aged Receivables Report	<p><b>Marking Guide</b></p> <p>Candidates should explain the function of each of the reports. The answers provided by the candidate should reflect the exemplar answers below.</p> <p>An Aged Receivables Report is a summary of all receivables due from customers at any given point in time, broken down into different aging categories based on the number of days since the respective invoices were raised.</p>	<p><b>Marking Guide</b></p> <p>Candidates should list two features of each report. The answers provided by the candidate should reflect the exemplar answers below.</p> <ul style="list-style-type: none"> <li>• Customers names</li> <li>• The total amount owed by each customer</li> <li>• Amount of time the debts have been outstanding broken down into aging periods</li> <li>• Whether any amounts are past due</li> <li>• Amounts not yet due.</li> </ul>
	<p>An Aged Payables Report shows the amount owed by a business to its suppliers. The report assists a business in organising and visualising the amounts they owe.</p>	<ul style="list-style-type: none"> <li>• Supplier names</li> <li>• The total amount the business owes each supplier</li> <li>• Amount of time the business has owed debts broken down into aging periods</li> <li>• Whether any payments are past due</li> </ul>

#### Question 4

Explain each of the following account recovery actions:

- a. Use a debt collector
- b. Engage in mediation
- c. Make a minor debt claim
- d. Take steps to collect an outstanding debt in the event of a debtor bankruptcy.

#### Marking Guide

The candidate should explain each account recovery action. The candidates' responses should reflect the exemplar answers below. **Satisfactory, provided that some parts have been addressed and align with the responses outlined below.**

a. Use a debt collector

[Approximate word count  
40 - 50 words]

Engaging a debt collector to contact a customer about an outstanding payment can end payment delays on behalf of creditors.

If an agreement with a customer cannot be reached, or if agreement appears to be reached but the customer continues to default, creditors may decide to take further action.

Using a debt collection agency can take the stress of dealing with the debt off creditors. However, creditors will need to consider if the debt collection fee is worth the cost of recovering the debt as creditors will forgo a percentage of the amount owed as a commission.

Both the ACCC and the Australian Securities and Investments Commission (ASIC) enforce Commonwealth consumer protection laws relevant to debt collection. They have produced a guideline which aims to assist creditors, collectors and debtors understand their rights and obligations, and ensure that debt collection activity is undertaken in a way that is consistent with consumer protection laws. It's useful to check a list of fair debt collection practices so you understand the boundaries of debt collection.

Debt collectors are also bound by a code of conduct that sets out standards, provides a complaint resolution system and ensures consumers do not feel unduly harassed by the debt collector.

<p>b. Engage in mediation [Approximate word count 80 - 90 words]</p>	<p>Mediation is a voluntary, alternative form of dispute resolution and facilitated discussion where parties in a debt dispute can discuss the problem with the assistance of a neutral person who assists them in reaching an adequate settlement. This person is known as the mediator. If you come to an agreement, it is put in writing and it becomes legally binding.</p> <p>A mediator is a neutral third party appointed to assist by suggesting solutions and acting as a go-between during mediation. A mediator is not there to decide the outcome.</p> <p>Mediation can be better than going to trial because:</p> <ul style="list-style-type: none"> <li>• the process is informal</li> <li>• the parties decide the outcome, rather than a court</li> <li>• it may be faster because the parties do not have to wait for a decision from a court</li> </ul>
<p>c. Make a minor or small debt claim [Approximate word count 40 - 50 words]</p>	<p>Businesses may be entitled to take your complaint to your local state or territory small claims tribunal. The advantage of using the small claims court system is they are simple, inexpensive, and fairly quick to deal with claims.</p> <p>All State and Territory courts in Australia offer a small claims division of their local Court or tribunal that provides a simple debt recovery procedure. The advantages are that the process is relatively informal and that costs awarded against an unsuccessful party are limited.</p>
<p>Take steps to collect an outstanding debt in the event of a debtor bankruptcy [Approximate word count 50 - 60 words]</p>	<p>Students can provide any of the following.</p> <p>The following information on bankruptcy has been written based on guidance from AFSA.</p> <p>AFSA is the Commonwealth body responsible for the administration and regulation of the personal insolvency system, trustee services and the administration of the Personal Property Securities Register (PPSR) and proceeds of crime.</p> <p>(a) Under the Bankruptcy Act an unsecured creditor may lodge a proof of debt with the bankrupt's trustee. With limited exceptions set out in the Bankruptcy Act, an unsecured creditor may not: take or continue legal action or allow recovery action to continue against the bankrupt person; take any remedy against the person or property of the bankrupt.</p> <p>(b) A creditor or debt collector must also stop all informal collection activity against a bankrupt person for an unsecured debt.</p> <p>(c) Trying to persuade a bankrupt person that they should or must pay an unsecured debt covered by the bankruptcy will constitute misleading or deceptive conduct under the consumer protection laws. Contacting a bankrupt person about such a debt may also amount to harassment of the debtor or unconscionable conduct.</p> <p>(d) Secured creditors (including their agents) are entitled to take possession of their secured assets and sell these if the bankrupt person is in default. Contacting a bankrupt</p>

debtor to sight, inspect or recover a security interest is permissible so long as the contact is consistent with the law.

(e) In certain circumstances, a bankrupt person may also agree to pay a secured creditor to keep an asset. Ongoing communication with the bankrupt person in connection with such an arrangement is also permissible.

(f) Apart from becoming bankrupt, in certain circumstances a debtor may enter into a Part IX debt agreement or Part X personal insolvency agreement under the Bankruptcy Act. These agreements involve a process by which a debtor makes a proposal to the creditors. If this proposal is formally accepted by the creditors, both debtor and creditors are bound by it and creditors cannot enforce remedies to recover their debts so long as the agreements are valid and are not declared void by a court or otherwise terminated. As with bankruptcy, secured creditors' rights are not affected by these agreements.

(g) Unsecured creditors (or their agents) should contact the trustee of a bankrupt estate, or the administrator of a Part IX or trustee of a Part X agreement for information about the possibility of recovering their debt.

## Question 5

List three (3) key features of a debt recovery plan.

Key Features of a debt recovery plan [Approximate word count 15 - 35 words]

### Module 7.4.4 Manage overdue payments and debt recovery

#### Marking Guide

The candidate should list three (3) key features of a debt recovery plan. The answers provided by the candidate should reflect the exemplar answers below.

- Check contract terms to see when payments were due.
- Contact the customer in writing to request payment (friendly payment reminder)
- Keep records of all customer correspondence
- Set up regular payment reminders (overdue payment reminder)
- Send a formal letter of demand
- Consider hiring a debt collector if the customer still won't pay
- Payment negotiations
- Mediation
- Consider taking legal action
- Do a property search on the Personal Property Security Register (PPSR) to recover unpaid goods.

## Question 6

A small claim is an amount of up to \$25,000, depending on the State or Territory in which the legal action is conducted.

List the court/s that deal with small claims specific to your state/territory and describe the methods of enforcement they apply.

### Marking Guide

Candidates should identify the avenue through which they can commence a small claim debt recovery proceeding in their state or territory and the Court's enforcement methods. The answers provided by the candidate should reflect the exemplar answers below. Students can answer some parts only from below sample answers.

*Students go to 7.4.5 Other Avenues to recover debts – Should I take legal action? Table provided for the list of the small claims courts and small claims jurisdiction.*

State	Where to commence debt recovery proceedings (Approximate word count 10 - 40 words)	Enforcement (Approximate word count 50 - 100 words)
ACT	<p>ACT Civil and Administrative Tribunal (ACAT).</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>An ACAT order is treated as an order filed in the Magistrates Court and can be enforced under the rules of that Court.</p> <p>ACAT can make a monetary or non-monetary order. The order may require one or more parties to:</p> <ul style="list-style-type: none"> <li>• pay money</li> <li>• do something</li> <li>• stop acting in a particular way.</li> </ul> <p>ACAT can hear civil claims up to \$25,000.</p> <p><b>Final orders</b></p> <p>A final order resolves (ends) a case. It is a record of the outcome or decision that has been made by an ACAT Member or Registrar.</p> <p><b>Interim orders</b></p> <p>An interim order is a record of the outcome of a preliminary issue, prior to the case being finally heard.</p> <p>Some examples of interim orders are:</p> <ul style="list-style-type: none"> <li>• a stay</li> <li>• an order for substituted service [see lodging and serving documents]</li> </ul>



- a non-disclosure order (see public hearings and confidentiality).

### **Consent orders**

Interim or final orders can also be made by consent. This means the parties agree to the order being made. Consent orders are often made at a conference or mediation or parties may resolve a dispute outside of ACAT.

<https://www.acat.act.gov.au/hearings/acat-orders#Final-orders>

### **Student answers can be as follows**

ACAT can consider and resolve a range of civil disputes about:

- a debt – to recover a debt and/or interest owing on a debt
- goods – dealing with the provision of goods or services (for the value of goods or services, the recovery of goods, the provision of services, or for damages caused by the detention of goods)
- contracts – including damages for breach of contract
- a nuisance – to deal with interference with use or enjoyment of land (such as an overflow from a neighbour's burst sewerage pipe on your land), including to deal with the interference, monetary damages and/or an order to stop the interference
- a trespass – to deal with unauthorised entry onto property including to seek monetary damages and/or an order to stop the trespass (for example, an order requiring a squatter to leave your land)
- a debt declaration – to declare the amount, or the maximum amount, that you owe to someone, or to declare that

		<p>you are not indebted to another person at all.</p> <p><a href="#">Civil disputes - ACAT [act.gov.au]</a></p>
NSW	<p>NSW Civil &amp; Administrative Tribunal (NCAT)</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>NCAT can make the following orders:</p> <ul style="list-style-type: none"> <li>• an order for money to be paid</li> <li>• an order that money owed does not have to be paid</li> <li>• an order for goods or services to be provided</li> <li>• an order to fix or replace faulty goods</li> <li>• an order for a refund and the goods to be returned.</li> </ul> <p><a href="https://ncat.nsw.gov.au/case-types/consumers-and-businesses/consumer-claims.html">https://ncat.nsw.gov.au/case-types/consumers-and-businesses/consumer-claims.html</a></p>
NT	<p>Northern Territory Civil and Administrative Tribunal (NTCAT).</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>NTCAT makes decisions in accordance with the law.</p> <p>An order will accompany an NTCAT decision. There are two types of final orders that NTCAT can make under the Northern Territory Civil and Administrative Tribunal Act:</p> <ul style="list-style-type: none"> <li>• a monetary order which means a party must pay another party money (usually the order will require payment by a date given in the order); and</li> <li>• any other type of order (see section 84A of the Act). Non-compliance with such an order is an offence under section 84B of the Act.</li> </ul> <p>NTCAT does not enforce its final orders.</p> <p>The person in whose favour a final order is made (usually the applicant) may enforce the order by registering it with the Local Court.</p> <p><a href="#">NTCAT   Northern Territory Civil and Administrative Tribunal</a></p>
QLD	<p>Queensland Civil and Administrative Tribunal (QCAT)</p> <p>Note to assessors</p>	<p>At the end of a proceeding, the tribunal makes a final decision, or the parties can reach an agreement. The decision may include an order</p>

	<p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>for one or all parties to do something or stop acting in a particular way.</p> <p>If the other party does not comply with a tribunal order to pay money, do or cease doing an act, you can enforce the order.</p> <p>In Queensland, enforcement proceedings are decided in the courts, and the type of order you wish to enforce, be it monetary or non-monetary, determines the Court to which you apply.</p> <p>You have six years to enforce your order pursuant to the Uniform Civil Procedure Rules 1999.</p> <p><a href="https://www.qcat.qld.gov.au/qcat-decisions/enforcing-a-qcat-decision">https://www.qcat.qld.gov.au/qcat-decisions/enforcing-a-qcat-decision</a></p>
SA	<p>Civil claims can be made in the Supreme Court or the District Court regardless of the amount claimed</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>In a civil matter, a judicial officer can make a decision (known as a judgment), telling one party (the debtor) to pay money to the other party (the creditor). If the debtor does not pay, the creditor can apply to the Court to enforce the debt.</p> <p>The Court does not automatically enforce civil judgments. If you are the creditor and want to enforce a judgment, you must request an Investigation or Examination summons.</p> <p><b>Or students can answer the following</b></p> <p><u><a href="#">Investigation Summons</a></u></p> <p>You can request an investigation summons after you have been granted judgment for a debt and you want the judgment debtor to come to court to determine the following:</p> <p>If they are able to pay the debtor How they will pay the debt.</p> <p>To request this process you will need to provide the correct address of the judgment debtor owing the debt.</p> <p><u><a href="#">Examination Summons</a></u></p>

		<p>You can request an examination summons if:</p> <p>You have been granted judgment for a debt</p> <p>The judgment debtor has not complied with a court order to pay</p> <p>A judgment debtor is the party liable to pay a debt that the court has ordered them to pay.</p> <p>To request this process you will need to provide the correct address of the judgment debtor and the amounts and dates of at least two missed payments</p> <p><u><a href="#">Enforcement of a civil debt – CAA</a></u> <u><a href="#">[courts.sa.gov.au]</a></u></p>
Tas	<p>Civil Court deals with disputes</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>The Civil Court deals with disputes involving amounts:</p> <ul style="list-style-type: none"> <li>• up to and including \$5,000 (minor civil claim)</li> <li>• from \$5,001 to \$50,000 (civil claim)</li> <li>• more than \$50,000 if all parties agree.</li> </ul> <p>A Judgment Summons and Oral Examination are means by which the Judgment Creditor or their Solicitor can ask a Judgment Debtor under oath about their income, assets, and liabilities concerning their means of satisfying a judgment question concerning or in aid of enforcement.</p> <p>The Court will only make an order if satisfied the Judgment Debtor has the means to pay the Judgment Debt.</p> <p>An example of the type of order that may be made is for the Judgment Debtor to pay the debt in instalments of [a specific amount] per week / per fortnight / per month, with the first payment to be made on [a specific date] to the Judgment Creditor.</p>

		<a href="https://www.courts.sa.gov.au/civil-cases/enforcements/">https://www.courts.sa.gov.au/civil-cases/enforcements/</a>
Vic	<p>Victorian Civil and Administrative Tribunal (VCAT)</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>VCAT decides a matter after hearing the evidence, looking at the documents provided by each party and considering how the law applies to the case. After making a decision, VCAT also makes an order.</p> <p>A VCAT order may be final or interim.</p> <ul style="list-style-type: none"> <li>• A final order is an order that resolves [ends] a case, for example, an order that a party pay another party money.</li> <li>• An interim order does not finally determine [end] a case, for example, orders setting a timetable for the filing and service of documents.</li> </ul> <p>An order may be monetary or non-monetary.</p> <ul style="list-style-type: none"> <li>• A monetary order requires a party to pay money to another party.</li> <li>• All other orders are called non-monetary orders.</li> </ul> <p><u><a href="#">Decisions and orders   VCAT</a></u></p>
WA	<p>The Magistrates Court</p> <p>Note to assessors</p> <p><b>Satisfactory, provided that some parts have been addressed and align with the responses outlined here.</b></p>	<p>The Magistrates Court of Western Australia deals with civil matters that involve:</p> <ul style="list-style-type: none"> <li>• claims for debt or damages of up to \$75,000</li> <li>• minor claims for debt or damages up to \$10,000</li> <li>• consumer/trader claims over the sale, supply or hire of goods or services</li> <li>• residential tenancy matters involving amounts up to \$10,000</li> <li>• claims for the recovery of 'real property' up to a gross rental value of \$75,000.</li> </ul> <p>Most Court judgments require a judgment debtor to pay money to a judgment creditor. The judgment creditor may request any of the</p>

	<p>following orders to enforce a judgment to recover money that has not been paid:</p> <ul style="list-style-type: none"> <li>• Time for payment order</li> <li>• Debt appropriation order</li> <li>• Instalment order</li> <li>• Property [seizure &amp; sale] order</li> <li>• Earnings appropriation order</li> <li>• Appointment of a receiver.</li> </ul> <p>To enforce an order for the return of the property, an application for property [seizure &amp; delivery] order is required.</p> <p><a href="http://magistratescourt.wa.gov.au">Civil Matters [magistratescourt.wa.gov.au]</a></p>
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**Question 7**

In your own words, explain the following **National Consumer Credit Protection Regulations 2010** [National Credit Regulations] requirements relating to collecting debts. **Note to assessors: Satisfactory, provided that some parts have been addressed and align with the responses outlined here.**

Regulation	Requirements relating to collecting debts
Regulation 36(3)  [Approximate word count 10 - 20 words]	<p><b>Marking Guide</b></p> <p>Candidates should explain in their own words how Reg 36(3) of the National Credit Regulations impacts collecting debts. The answers provided by the candidate should reflect the exemplar answers below.</p> <p>Provides that court proceedings should be brought in the jurisdiction where the debtor resides.</p> <p><a href="http://legislation.gov.au">National Consumer Credit Protection Regulations 2010 [legislation.gov.au]</a></p>
Regulation 87  [Approximate word count 50 - 60 words]	<p><b>Marking Guide</b></p> <p>Candidates should explain in their own words how Reg 87 of the National Credit Regulations impacts collecting debts. The answers provided by the candidate should reflect the exemplar answers below.</p> <p>A debt collector or agent seeking to enforce a credit contract subject to the NCC should not enter onto private residential property to take possession of secured goods unless:</p>



	<ul style="list-style-type: none"> <li>• providing a benchmark for professional behaviour and conduct in connection with ethical and compliant collection activities</li> <li>• supporting the principles of this Code and identifying the actions that must be taken where a breach of the Code occurs.</li> </ul> <p><a href="#">ACDBA - Code of Practice</a></p>
b. ePayments Code	<p><b>Marking Guide</b></p> <p>Candidates must explain the objectives of the ePayments Code. The answers provided by the candidate should reflect the exemplar answers below.</p> <p>The objectives of the Code are to provide:</p> <ul style="list-style-type: none"> <li>• a quality consumer protection regime for payment facilities</li> <li>• a framework to promote consumer confidence in electronic banking and payment systems</li> <li>• effective disclosure of information to enable consumers to make informed decisions about facilities</li> <li>• clear and fair rules for allocating liability for unauthorised transactions</li> <li>• effective procedures for resolving complaints</li> <li>• a regime that is flexible and accommodates providers of new payment facilities.</li> </ul> <p><a href="#">ePayments Code (asic.gov.au)</a></p>

### Question 9

Download Business Victoria's [Financial policies and procedures manual template](#). Answer the following questions.

**a. What is the purpose of the customer credit limit policy? [Word count 25 - 35 words]**

#### Marking Guide

Candidates should explain the purpose of the Customer Credit Limit Policy. The answers provided by the candidate should match the exemplar answers below.

This policy ensures a customer doesn't get too far into debt with you without a payment plan being put into place or work stopped.

**b. What is the procedure once a credit limit is breached due to outstanding payments? [Word count 180 - 190 words]**

#### Marking Guide



Candidates should explain the procedure once a credit limit is breached due to outstanding payments. The answers provided by the candidate should match the exemplar answers below.

### Credit limit is breached due to outstanding payments

- must make a list of all outstanding payments.
- must ring the customer and explain that further orders cannot be processed until the account has been paid.
- If the customer is having difficulty, make a schedule of payments to bring them back in line with their credit limit.
- Get the signoff of before discussing this option with the customer.
- Phone call {example of script, students do not need to include script}  
“Hi John, how are you? Just thought I would give you a ring about your outstanding orders. Unfortunately, we have noticed that payments for previous sales have fallen behind on your account, and these will need to be paid for before we can process the next set of orders. Are you able to fix this up today so we can continue on your order?”
- If they cannot pay on the day of the phone call, then get an expected payment date from them and confirm that any outstanding orders cannot start until the payment is made.

c. What is the purpose of the Customer Debt Collection Policy? [Word count 10 – 15 words]

### Marking Guide

Candidates should explain the purpose of the Customer Debt Collection Policy. The answers provided by the candidate should match the exemplar answers below.

This policy provides guidelines for the collection of late payments from customers.

d. Explain the debt collection procedure. [Word count 400 words]

### Marking Guide

Candidates should explain the debt collection procedure. The answers provided by the candidate should match the exemplar answers below.

An aging debtor report {or insert name of customer outstanding payments report here} is to be run every {insert timing here, recommended once a week}. All overdue customer payments are to be noted and the following procedures undertaken until the recovery of outstanding amounts.

- **First Contact:** Once the payment is overdue, phone or email the customer. Remind them that payment is due and has not been received. Ask them when they will be paying and keep a record of the conversation or email. Remember to be friendly. They may have forgotten or paid into the wrong bank account.
- **Overdue reminder:** If they do not respond to the phone call or email, try contacting someone else in the business. Let them know who you are trying to contact. This often results in a return response from either the person you were trying to contact or someone else from the business. Make a note of all conversation details on the overdue customer payment record.
- **Final notice:** When a payment is overdue for {insert number of days here}, a final notice is to be sent either by phone or email. A record of this notice should be entered onto the overdue customer payment record.
- **Direct contact:** Where there has been no response to the final notice within {insert number of days here}, then {insert relevant job title here} must either visit the customer or phone where previous contact has been

by email. The purpose of this step is to secure a date of payment. A record of this notice must be entered onto the overdue customer payment record.

- **Formal letter of demand:** Where payment remains outstanding {insert number of days here}, and there has been an unsatisfactory response from the customer, authorisation from {insert relevant job title here} for the formal letter of demand to be issued must be obtained. Once authorised, this letter is to be sent via registered mail, and a record of this notice must be entered into the overdue customer payment record.

- **Debt collection agency:** Where the amount outstanding is in excess of {insert amount here} and {insert relevant job title here} has been approved, a debt collection agency is to be appointed to recover the debt.

- **Write off debt:** Customer payments that remain outstanding for {insert number of days here} are to be written off as bad debts, and no further sales are to be undertaken with that customer without approval from {insert relevant job title here}.

### Assessment checklist:

Students must have completed all questions within this assessment before submitting. This includes:

1	Nine short answer questions to be completed in the spaces provided.	<input type="checkbox"/>
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**Congratulations, you have reached the end of Assessment 1 !**

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