

Title	Develop, implement, manage, and review credit policy		
Level	5	Credits	10

Purpose	People credited with this unit standard are able to: <ul style="list-style-type: none"> – develop credit policy; – implement and manage credit policy; and – review credit policy.
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Classification	Financial Management > Credit Management
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Available grade	Achieved
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Guidance Information

- 1 Legislation applicable to this unit standard includes:
 Personal Properties Security Act 1999;
 Credit Contracts and Consumer Finance Act 2003;
 Companies Act 1993;
 Privacy Act 1993;
 Human Rights Act 1993;
 and all subsequent amendments and replacements.
- 2 Definitions
Continuing basis, for the purpose of assessing this unit standard, means over a three-month period.
Industry practice includes policies, procedures and standards that competent practitioners in the industry recognise as current industry best practice.
Organisational practice includes documented policies, procedures, and practices pertaining to credit.
- 3 This unit standard may be assessed on-job in the workplace using naturally occurring evidence or in off-job simulated work situations designed to draw upon similar performance to that required in work in a credit administration and/or credit management context.
- 4 All evidence is in accordance with organisational practice where possible, otherwise evidence may be based on industry practice.

Outcomes and performance criteria

Outcome 1

Develop credit policy.

Performance criteria

- 1.1 Develop credit policy that is consistent with the strategic direction, risk appetite, and values of an organisation.
- 1.2 Develop and document minimum acceptable criteria for the granting of credit.
- 1.3 Meet relevant legislative requirements in the development of credit policy.
- 1.4 Reflect the mitigation of risk to a minimum in the development of credit policy.

Range progressive billing, securities and guarantees, factoring, credit insurance, payment inducements.
- 1.5 Document recovery, repossession, and write-off procedures for overdue accounts.
- 1.6 Set the levels of authority and roles in the granting or stopping of credit.
- 1.7 Prepare documentation for credit policy.

Outcome 2

Implement and manage credit policy.

Performance criteria

- 2.1 Communicate credit policy to staff in an appropriate format.

Range includes but is not limited to – nature of credit policy, reason for change, effect(s) of change; appropriate formats may be based on but are not limited to – staff roles and responsibilities, significance of credit policy.
- 2.2 Apply credit policy fairly and consistently across an organisation.
- 2.3 Align procedures for storage, retrieval, and use of credit information with credit policy and legislative requirements.
- 2.4 Monitor the application of credit policy and note non-compliance.

Range may include but is not limited to – granting of credit, credit limits, stop credit, collection of overdue accounts, repossession of goods, write-offs.

Outcome 3

Review credit policy.

Performance criteria

3.1 Review credit policy on a continuing basis and recommend change.

Range may include but is not limited to – the economic climate, the organisation's strategic direction and objectives, market forces, the total indebtedness in the accounts receivable ledger and the cash flow requirements of the organisation.

Planned review date	31 December 2025
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	30 August 1999	31 December 2013
Revision	2	22 October 2002	31 December 2013
Review	3	28 June 2005	31 December 2021
Rollover and Revision	4	15 November 2012	31 December 2021
Rollover and Revision	5	22 May 2014	31 December 2021
Review	6	18 June 2015	31 December 2023
Review	7	24 September 2020	N/A

Consent and Moderation Requirements (CMR) reference	0121
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This CMR can be accessed at www.nzqa.govt.nz/framework/search/index.do.

Comments on this unit standard

Please contact The Skills Organisation reviewcomments@skills.org.nz if you wish to suggest changes to the content of this unit standard.