

Title	Manage credit facilities		
Level	4	Credits	10

Purpose	This unit standard is for people who are involved in or intending to be involved in the management of accounts receivable and credit processes, including the management of credit staff. People credited with this unit standard are able to: manage credit processes; manage credit approval processes; and manage collection processes.
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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 the Personal Properties Security Act 1999, Credit Contracts and Consumer Finance Act 2003, Credit (Repossessions) Act 1997, and subsequent amendments.
- 2 Definitions

Organisational practice includes documented policies, procedures, and practices, and policy, and procedure manuals pertaining to credit.

Terms of trade include any conditions of purchase, credit limit billing cycles, payment due dates, discounts for prompt payment, repossession under the Romalpa clause, and any trade card conditions.

Romalpa clause includes any terms of trade statement that refers to retention of title made and agreed to by both parties before delivery of goods.

Industry practice includes policies, procedures and standards that competent practitioners in the industry recognise as current industry best practice.
- 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

Manage credit processes.

Performance criteria

- 1.1 Allocate resources to administer credit ledgers.
- 1.2 Prepare departmental budgets.
- 1.3 Administer credit policy and procedures.
- 1.4 Monitor credit collection performance.
Range day sales outstanding, collection percentages, bad debt write-off.
- 1.5 Check credit facilities to ensure compliance with legislative requirements.

Outcome 2

Manage credit approval processes.

Performance criteria

- 2.1 Process credit applications.
- 2.2 Analyse credit worthiness.
- 2.3 Secure credit facilities.
Range debentures, mortgages, guarantees, retention of title, charge over chattels, hire purchase, lease.
- 2.4 Manage export credit.
Range letters of credit, bank documents, foreign exchange.
- 2.5 Maintain and review credit terms.
Range credit limits, payment inducements, terms of trade, conditions of purchase, Romalpa clauses.
- 2.6 Classify and rate debtors.
- 2.7 Record debtors' credit data.
- 2.8 Monitor rate of credit rejections.

Outcome 3

Manage debt collection processes.

Performance criteria

- 3.1 Age debtors' accounts.

- 3.2 Answer queries on accounts.
- 3.3 Stop credit facilities for overdue accounts.
- 3.4 Collect overdue accounts.
- 3.5 Record communication with debtors regarding overdue accounts.
Range debtor management files.
- 3.6 Diarise follow-up action.
Range bring-up diary.
- 3.7 Take legal action taken on overdue accounts.
Range legal firms, credit bureau, organisational legal officers.
- 3.8 Manage reporting of indebtedness.
Range percentage at three months and over, day sales outstanding, total debtors' ledger indebtedness.
- 3.9 Write off unrecoverable debts.

Replacement information	This unit standard was replaced by unit standard 32189.
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This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

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 2021
Review	7	24 September 2020	31 December 2023

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