



Australian Government

FNSCRD504 Manage the credit relationship

Release: 1

FNSCRD504 Manage the credit relationship

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to manage the overall credit management function in an organisation.

It applies to individuals in positions of responsibility who use strategic planning and other specialist techniques to perform their work and effectively manage internal and external relationships.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Credit management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Manage interaction between credit relationship and business objectives and strategies	1.1 Apply credit risk factors and knowledge of environmental factors to credit relationship and compare to business objectives and strategies 1.2 Use effective performance management techniques to achieve effective credit management
2. Deal with debtors in difficult circumstances	2.1 Implement organisational policy and procedures to identify early warning signs of debtor difficulty and address debtors experiencing difficult circumstances 2.2 Determine and apply relevant legislative requirements and industry regulations to specific debtor situations

ELEMENT	PERFORMANCE CRITERIA
	2.3 Respond considerately, using effective communication skills, to particular debtor circumstances in accordance with organisational policy and procedures
3. Terminate credit relationship	3.1 Inform clients, where relevant, that the credit relationship is terminated 3.2 Maintain all records accurately in accordance with legislative requirements 3.3 Destroy or store relevant documentation in accordance with organisational policy and procedures, and legislative requirements

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	2.3	Analyses and interprets textual information from internal and external sources to determine content relevant to individual client needs and to inform compliant actions
Writing	2.1, 2.3, 3.1	Processes records and documents strategies using clear, concise and industry specific language for others to interpret and follow
Numeracy	1.2, 2.1	Uses mathematical skills to perform calculations and interpret a range of statistical information related to credit management activity
Navigate the world of work	2.2, 2.3, 3.1, 3.2	- Takes full responsibility for following policies, procedures and legislative requirements and identifies organisational implications of new legislation or regulation - Works independently or with others in making decisions to achieve organisational outcomes and strategies
Get the work done	1.1, 1.2, 2.1-2.3, 3.1, 3.2	- Applies systematic and analytical decision-making processes for complex and non-routine situations - Accepts responsibility for planning and sequencing complex tasks and workload, negotiating key aspects with others and taking into account capabilities, efficiencies and effectiveness - Uses the main features and functions of digital tools to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSCR504 Manage the credit relationship	FNSCR504A Manage the credit relationship	Updated to meet Standards for Training Packages Rewritten and clarified performance criteria	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSCR504 Manage the credit relationship

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Performance Evidence

Evidence of the ability to:

- follow organisational policy and procedures and comply with relevant legislation when dealing with clients in difficult circumstances and, where relevant, terminating the credit relationship
- assess client accounts for credit risk by considering credit risk and environmental factors
- respond considerately to clients when managing debt matters, taking difficult circumstances into consideration
- maintain all records and dispose of appropriately as required.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- describe credit risk and environmental factors
- outline effective performance management techniques
- explain current organisational policy and procedures for credit risk identification and risk management
- explain the interrelationship between debt recovery and business strategy
- describe relevant legislative requirements, industry regulations and code of conduct in relation to credit management.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the credit management field of work and include access to:

- organisational policy, procedures and legislation relevant to credit risk factoring and invoice discounting
- common office equipment, technology and consumables
- credit product information
- relevant software systems and data.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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