



Australian Government

FNSMCA301 Collect debts

Release: 1

FNSMCA301 Collect debts

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 research and analyse information to determine the debtor and debt settlement status of individuals or parties such as companies or associations, negotiate with debtors and collect debt.

It applies to individuals who perform debt collection functions within organisations of any size or location.

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

Mercantile agents

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. Plan and prepare initial contact	1.1 Interpret and confirm client's written instructions and any of their relevant policy and procedures 1.2 Review comments on debtor's file to enable initial action in line with own organisation's policy and procedures, and legislative requirements
2. Assess debtor	2.1 Establish credit worthiness of debtor through compilation of valid and relevant credit history 2.2 Cross-reference information on debtor for verification, when necessary, by file or document search 2.3 Determine appropriate and cost-effective recovery action

ELEMENT	PERFORMANCE CRITERIA
	options based on debtor's verified credit worthiness
3. Negotiate debt payment or settlement within defined parameters	3.1 Use appropriate means of communication to establish contact and build rapport with debtor 3.2 Develop debt settlement proposal that attempts mutual satisfaction for client and debtor, applying negotiation techniques, organisational guidelines and appropriate industry codes of conduct 3.3 Discuss debt settlement proposal with management and document reasons for proceeding or not proceeding, or taking further action 3.4 Confirm and record debtor and creditor agreement, and procedures for debt settlement 3.5 Make decision to refer debt for legal action, if necessary, in line with organisational policy and procedures

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	1.1, 1.2, 3.1	Interprets documentation from a variety of sources and consolidates information relevant to credit application
Writing	3.1, 3.3, 3.4	- Drafts reports and letters, and completes credit application records - Records agreements and documents decisions during negotiations
Oral Communication	3.1, 3.2, 3.3, 3.4	- Uses language and concepts appropriate to the audience and purpose to convey and clarify information - Uses questioning and active listening to determine and confirm debt and debt settlement requirements
Numeracy	2.1, 2.2, 2.3	- Accurately analyses, records and stores data in accordance with organisational requirements - Calculates debt status and settlement payments
Navigate the world of work	1.2, 3.2, 3.3, 3.5	Takes responsibility for adhering to organisational policy and guidelines relevant to own work context

		Recognises and follows explicit and implicit protocols
Interact with others	3.1, 3.2	- Selects the appropriate form, channel and mode of communication to build rapport, liaise with others and share information - Implements strategies to moderate conflict and resolve disputes - Negotiates with others to achieve agreeable outcomes in potentially contentious situations
Get the work done	1.1, 1.2, 2.1-2.3, 3.3-3.5	- Clearly and thoroughly analyses tasks, then plans strategies and actions to achieve optimal outcomes within given parameters - Adopts efficient and effective organisational and time management skills to sequence tasks, meet timelines and arrange meetings - Makes decisions and recommendations that lead to best possible outcomes for all stakeholders, including referral to other authorities as necessary - Identifies factors that have the potential to impact on the resolution of an issue and develops options to resolve these when they arise - Uses a range of digitally based technologies and software packages to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSMCA301 Collect debts	FNSMCA301A Collect debts	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 FNSMCA301 Collect debts

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Performance Evidence

Evidence of the ability to:

- compile debtor's credit history
- assess and establish debtor's credit worthiness
- interpret and comply with legislative requirements, industry code of conduct and organisational policy and procedures relevant to debt collection
- negotiate effectively to come to a satisfactory agreement and gain commitment from debtor to settle debt
- complete relevant documentation in accordance with industry and organisational requirements and guidelines.

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 the negotiation process
- outline and describe the basic business structure, financial arrangements and legal obligations of sole trader, partnership trusts and corporate businesses
- provide basic information on securities, loans and principals, factoring, guarantees, indemnity, securities over property, retention of title and liens
- outline creditor's obligations underpinning credit management functions and their relationship to mercantile agents
- identify relevant state or territory and Commonwealth Acts and regulatory authorities regarding debt collection and mercantile agents
- describe the role, procedures and relevant documentation of the various court jurisdictions and appeals procedures involved in debt collection processes.

Assessment Conditions

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

- office equipment, technology, software and consumables
- organisational records, policy and procedures.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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