



Australian Government

FNSMCA311 Collect debts

Release: 1

FNSMCA311 Collect debts

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 6.0.

Application

This unit describes the skills and knowledge required to analyse information about the status of a debtor and negotiate debt repayments on original or agreed terms.

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

Note

The term “debtor” in this unit relates to any customer who may have a debt to an organisation.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those 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 with debtor	1.1 Interpret and confirm client’s written instructions and policies and procedures related to debt collection 1.2 Review comments on debtor’s file according to organisational policies and procedures, and regulatory and legislative requirements
2. Assess debtor status prior to contact with debtor	2.1 Review credit history and establish credit worthiness of debtor based on information available 2.2 Cross-reference information on debtor for verification according to organisational policies and procedures

ELEMENT	PERFORMANCE CRITERIA
	2.3 Determine cost-effective recovery action options based on debtor's credit worthiness and according to organisational policies and procedures
3. Negotiate debt payment or settlement with debtor within defined parameters	3.1 Establish contact with debtor and build rapport 3.2 Develop debt payment or settlement proposal for client and debtor according to organisational policies and procedures, and industry codes of conduct 3.3 Discuss debt payment or settlement proposal with required personnel and document reasons for proceeding, not proceeding or taking further action 3.4 Confirm and record debtor and client agreement, and procedures for debt payment or settlement 3.5 Refer debt for legal action according to organisational policies and procedures where required

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	- Accurately analyses, records and stores data according to organisational requirements - Calculates debt status and settlement payments
Oral communication	- 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
Reading	Interprets documentation and information from a variety of sources relevant to credit application
Planning and organising	Adopts efficient and effective organisational and time management skills to sequence tasks, meet timelines and arrange meetings
Problem solving	- 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 - Clearly and thoroughly analyses tasks, then plans strategies and actions to achieve optimal outcomes within given parameters

SKILL	DESCRIPTION
Self-management	• Takes responsibility for adhering to organisational policies and guidelines relevant to own work context • Recognises and follows explicit and implicit protocols • Develops and maintains strategies to manage own resilience
Teamwork	• 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
Technology	• Uses a range of digitally based technologies and software packages to complete work tasks

Unit Mapping Information

Supersedes and is equivalent to FNSMCA301 Collect debts.

Links

Companion Volume Implementation Guide is found on VETNet -

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

Assessment Requirements for FNSMCA311 Collect debts

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- negotiate a debt collection approach and refer debt for legal action as required for at least three debtors.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- organisational policies and procedures, legislative and regulatory requirements and industry codes of conduct related to debt collection and mercantile agents
- financial concepts relating to debt recovery
- procedures and requirements for determining credit worthiness and reviewing credit history
- cost-effective recovery action options
- debt settlement options
- process for developing debt settlement proposals
- implications of different debt payment and settlement procedures on parties
- reasons determining suitability of different debt settlement or payment procedures
- strategies related to building rapport with debtors
- negotiation techniques related to debt payment and settlements.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- organisational records
- organisational policies and procedures
- organisational equipment, technology and software.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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