

FNSICACC307A**Unit Descriptor****Reconcile and monitor accounts receivable**

This unit describes the functions involved in reconciling and monitoring a financial accounts receivable system.

This unit replaces FNBFIN66A.

Application of the Unit

This unit requires the application of skills and knowledge required to reconcile and monitor accounts receivables. The unit encompasses reviewing accounts receivable processes, identifying bad and doubtful debts, reviewing compliance terms and conditions, planning a recovery action and preparing reports and filing documentation.

This unit may be applied to a range of financial services sectors and can be utilised by job positions with an accounts receivable function.

Unit Sector

No sector assigned

ELEMENT**PERFORMANCE CRITERIA**

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| 1. Review accounts receivable process | 1.1 Receipts entered into accounts receivable system are checked for accuracy, consistency and thoroughness
1.2 Incorrect entries are identified and accurately recorded according to type and source of receipt
1.3 Discrepancies between monies owed and monies paid are identified and investigated according to company policy and established procedures
1.4 Receipts entered into accounts receivable system are amended according to established procedures |
| 2. Identify bad and doubtful debts | 2.1 Debtor's ledger is regularly reviewed in accordance with company policy and guidelines to identify outstanding monies
2.2 Further information required is sought from relevant sources
2.3 Bad or doubtful debt status is verified through liaison with debtors
2.4 Reporting procedures and appropriate documentation for bad and doubtful debts is completed in accordance with company policy and guidelines |
| 3. Review compliance with terms and conditions | 3.1 Clients in default of trading terms are correctly identified according to company operating procedures
3.2 Clients in default are contacted promptly and courteously to make satisfactory arrangements to pay monies outstanding
3.3 Monies owing that constitute breaches of company credit policy are actioned in accordance with company policy and procedures |

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| 4. Plan recovery action | 4.1 Previous activities and communication with clients are thoroughly reviewed to establish adequacy of follow-up procedures, and whether all usual company recovery avenues have been exhausted |
| | 4.2 Plans to pursue debt recovery or to initiate legal action are developed in accordance with company policy and guidelines |
| | 4.3 Measures to collect monies are completed within company guidelines and timelines |
| 5. Prepare reports and file documentation | 5.1 Reports are prepared which document accounts receivable debt recovery type, cause and recovery plan |
| | 5.2 Reports are distributed to supervisors, managers and other relevant parties |
| | 5.3 Documentation is filed promptly in accordance with company policy and procedures |

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential skills and knowledge and their level, required for this unit.

Knowledge requirements include:

- company policy, guidelines and procedures
- information technology and communication systems
- industry compliance requirements
- industry codes of practice
- knowledge or awareness of legal systems and procedures and relevant acts or regulations

Skills requirements include:

- computing, including spreadsheets and databases
- literacy and numeracy skills
- analytical skills
- attention to detail
- interpersonal and customer relations
- telephone skills
- letter writing
- report writing
- record keeping

KEY COMPETENCIES

The seven key competencies represent generic skills considered for effective work participation. The numbering against each of the key competencies indicates the performance level required in this unit.

Performance Level 1 - at this level, the candidate is required to undertake tasks effectively

Performance Level 2 - at this level, the candidate is required to manage tasks

Performance Level 3 - at this level, the candidate is required to use concepts for evaluating and reshaping tasks

Key Competency	Example of Application	Performance Level
Communicating ideas and information	The process of obtaining additional information and clarification on debts to determine if they should be classified as a doubtful or bad debt will require the communication and liaison with other team members and debtors.	3
Collecting analysing and organising information	During the recovery action phase previous activities and communication with clients will be reviewed and followed-up, and then reviewed and organised to determine which course of action will be taken.	3
Planning and organising activities	The process of identifying possible and doubtful debts will be completed in accordance with company policy and guidelines. The process of planning the recovery of debts will be planned in accordance with legal advice and company policies.	2
Working with others and in teams	The process of seeking further information to determine if a debt can be classified as a doubtful debt or bad debt will require teamwork with other colleagues and debtors.	2
Using mathematical ideas and techniques	The process of calculating and determining if an outstanding debt is a bad or doubtful debt will require the application of mathematical ideas and techniques.	3
Solving problems	Reviewing the debtor's ledgers in accordance with company guidelines to identify outstanding monies, as bad or doubtful debts, will require the application of problem solving skills.	3
Using technology	Technology can be applied through the utilisation of computers, organisational accounting software systems and telecommunication devices.	2

RANGE STATEMENT

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that will affect performance.

The following variables may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts. If bold italicised text is shown in Performance Criteria, details of the text are provided in the Range Statement.

Receipts may include:

- cheques (personal, bank)
- credit cards (direct, mail, telephone)
- postal order
- bankers orders
- cash
- direct debits
- direct drawing
- cash journal entry

Discrepancies between monies owed and monies paid may occur as a result of:

- part payments
- under payments
- deduction of brokers/agents commissions
- key stroke errors
- over payments
- termination of policies
- incorrect account allocation
- system errors

Bad or doubtful debts are identified through:

- dishonoured cheques
- Australian Securities and Investments Commission (ASIC) action
- banks foregoing overdrafts
- closure of business
- notices of administration
- returned mail
- letters from solicitors/accountants
- sheriff notices/advertisements
- utilities being cut off
- gazette listings

Clients may include:

- policy holders
- agents
- customers
- solicitors
- brokers
- intermediaries
- accountants

Company policy, procedures and guidelines may include:

- overall company goals and objectives
- internal control guidelines
- trading terms and credit limits
- suspension of credit facilities
- operations manuals
- computer system documentation
- legal obligations

Recovery action and measures to collect monies may include:

- liaison with clients
- letters of notice
- advice to supervisors/managers/legal officers
- return of goods
- legal action
- plaint
- dunning letters
- letters of demand without prejudice
- third party intervention
- summons
- write-offs

Reports may be periodic or on demand, manual or computer generated, and may include:

- consumer statements
- statistical/financial or management reports
- user reports
- legislative requirements

EVIDENCE GUIDE

Assessment of performance requirements in the unit should be undertaken in an industry context. The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competency for the unit. Competency is demonstrated by performance of all stated criteria including the Range of Variables applicable to the workplace.

Overview of assessment requirements

To achieve competency in this unit, a person must be able to demonstrate:

knowledge of company policies and procedures for monitoring accounts receivable

knowledge of industry compliance requirements

knowledge of relevant legislation

ability to review accounts receivable process

ability to identify bad and doubtful debts

ability to review compliance with terms and conditions

ability to plan recovery actions

ability to prepare reports and file documentation

Evidence required for demonstration of consistent performance:

- Competence in this unit must be assessed over a period of time in order to ensure consistency of performance over the Range of Variables and contexts applicable to the work environment.

Delivery/relationship to other units:

- This unit may be assessed on its own or it may be assessed with other units that cover related skills and knowledge.
- Evidence is most relevant when provided through an integrated activity which combines the elements of competency for the unit, or a cluster of units of competency.

Method of assessment:

- For valid and reliable assessment of this unit, evidence must be gathered through a range of methods to indicate consistent performance.
- Assessment of this unit of competence will usually include observation of processes and procedures, oral and/or written questioning on underpinning knowledge and skills and other methods as required.

Context of assessment:

- Assessment of performance requirements in this unit should be undertaken within the financial services industry context and should cover aspects of personal/financial responsibility and accountability.
- Aspects of competency, including the attainment of relevant knowledge and skills, may be assessed in a relevant workplace, a closely simulated work environment, or other appropriate means that clearly meet industry competency requirements.

Resources required for assessment:

- Unless otherwise specified, there are no significant resource implications for assessment of this unit, apart from access to a relevant workplace or closely simulated office environment and the use of a range of office equipment, technology and consumables. These may include standard commercial computer hardware, software, telephones, facsimiles, and other relevant office equipment.