

MARKING GUIDE

Task 5a

The candidate must review previous activities and communication with each customer and explain the next step they need to take to recover outstanding monies. They must demonstrate they have followed the steps outlined in Mel's Makeup Debt Collection Policy. They must also show they have treated customers fairly, respectfully, and courteously. They must not harass or coerce them, treat them unconscionably or mislead them about the nature of their debt, their legal obligations, or any possible outcomes if the debt is not paid.

The responses provided by the candidate must reflect the benchmark answers below.

Task 5b

The candidate must demonstrate they have followed the steps in Mel's Makeup Debt Collection Policy to develop a plan to pursue debt recovery and initiate legal action. They must demonstrate they have followed the steps outlined in Mel's Makeup Debt Collection Policy. They must also show they have treated customers fairly, respectfully, and courteously. They must not harass or coerce them, treat them unconscionably or mislead them about the nature of their debt, their legal obligations, or any possible outcomes if the debt is not paid.

The responses provided by the candidate must reflect the benchmark answers below.

Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log			
	Fiona's Face Painting	Invoice Number	1233999
		Date of Invoice	05/01/2021
	Recovery Action	Procedure	Date and Notes on Procedures
[Task 5a]	Communication with Customer	Date Statement sent	01/02/2021
		Friendly reminder [1 st contact]	12/02/2021 – Reminder sent to the customer
		Overdue reminder	17/02/2021 – No contact with the customer. Sent an overdue reminder email and left a message on the mobile asking Fiona to return the call.
		Final notice	08/03/2021 – No contact from the customer. Left a voice message on mobile. Final notice sent.
		Direct contact	17/03/2021 – Left voice messages on mobile and office phone asking Fiona to contact us regarding the outstanding invoice from January 2021.
		Formal letter of demand	31/03/2021 – No response from the customer. Formal letter of demand sent via registered mail VPPN:3984148108 – record number.

	Pursue Debt Recovery through a debt collection agency		
	Write off Debt	Write off debt	As per the Customer Debt Collection Policy, amounts under \$800.00 that remain outstanding for three months can be written off. If The Accounts Receivable Procedure must be followed when writing off bad debts.
Task 5b	Debt Recovery Plan [Plan moving forward]	<p>A write-off request should be sent to the General Manager and include the following information: A statement signed by the Finance Manager stating that the accounts are uncollectible in their opinion and should be written off. A list showing each debtor's name, the dollar amounts due, and the basis for determining the account to be uncollectible. The total dollar amount is to be written off. The total number of accounts to be written off.</p> <p>Once approval has been given from the General Manager, the debt can be written off.</p>	

Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log			
	Paint your Face	Invoice Number	1233876
		Date of Invoice	23/12/2020
	Recovery Action	Procedure	Date and Notes on Procedures
Task 5a	Communication with customer	Date Statement sent	05/01/2021 – Statement forwarded to the customer
		Friendly reminder [1 st contact	30/01/2021 – Reminder sent to the customer
		Overdue reminder	07/02/2021 – No contact from the customer. Sent overdue reminder notice.
		Final notice	25/02/2021 – No contact from the customer. Sent final notice.
		Direct contact	01/03/2021 – Phoned the office and left a message for Lewis asking him to ring us about the outstanding invoice. 31/03/2021 – Phone call not returned. Left another message on mobile phone
		Formal letter of demand	A formal letter of demand is sent to the customer via registered post.
	Pursue Debt Recovery through the debt collection agency.		

	Write Off Debt	
Task 5b	Debt Recovery Plan [Plan moving forward]	If no payment is received, the following procedure will be followed: Referred to Debt Collection agency. Debt is written off if uncollectable.

Mel's Makeup Overdue Accounts Receivable Communications and Follow-up Activities Log			
	Action Training College	Invoice Number	1233835
		Invoice Date	13/12/2020
	Recovery Action	Procedure	Date and Notes on Procedures
Task 5a	Communication with customer	Statement sent	05/01/2021 – Statement forwarded to the customer
		Friendly reminder	30/01/2021 – reminder sent to the customer
		Overdue reminder	07/02/2021 – no contact from the customer. Sent overdue reminder notice.
		Final notice	25/02/2021 – Spoke to Brad. Action Training College is experiencing a cash flow issue due to COVID-19. To try and preserve the business relationship negotiated a payment plan. Brad has agreed to pay \$5,000 of the amount outstanding by 02/04/2021. The balance will be paid within 30 days. I advised Brad I would check back in with him in early April to confirm payment will be made in April.
		Direct contact	Monitor – Promised payment received; therefore, repayment arrangement has been complied with Candidates must demonstrate they have treated the customer fairly and have not harassed them.
		Formal letter of demand	

	Pursue Debt Recovery through the debt collection agency.	Add Agency Name	
	Write Off Debt		
Task 5b	Debt Recovery Plan (Plan moving forward)	<p>If the final payment is not received following procedure will be followed:</p> <p>Formal letter of demand sent.</p> <p>Referred to Debt Collection agency.</p> <ul style="list-style-type: none"> • Debt is written off if uncollectable. 	