



FNSACC413

ASSESSOR GUIDE

## Make decisions in a legal context

Assessment 2 of 3

Project

## Assessment Instructions

### Task overview

This is assessment two (2) of three (3) assessments for FNSACC413 Make decisions in a legal context.

This assessment requires you to complete four (4) tasks to test your knowledge, understanding and skills required of this unit.

To be assessed as competent, you must complete all tasks in the workbook and template provided.

### Additional resources and supporting documents

To complete this assessment, you will need:

- Access to your learning materials
- Access to a computer and the internet
- Access to Microsoft Word
- Larry's Landscapes Invoice 6204.pdf
- Larry's Landscapes Quote 6204.pdf
- Larry's Landscapes Debt Collection Procedure Template.docx

## Assessment Information

### Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- the processes for conducting the assessment (e.g. allowing additional time)
- the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

## Assessment 2

The following assessment task uses two simulated businesses, Ace Finance and Larry's Landscapes Pty Ltd.


To complete the assessment tasks, you will need to access information, templates, policies, and procedures associated with Larry's Landscapes Pty Ltd. These additional resources and supporting documents can be downloaded from the learning platform under the Module's Assessment 2 tab.

For this assessment, you will play the role of Kathinya, the bookkeeper at Ace Finance, the recently appointed accounting firm for Larry's Landscapes Pty Ltd. Larry's Landscapes is a small company that has been in the business of pool construction and landscaping for the past 15 years.

### TASK 1: Research Task / Short Answer Questions

Download copies of the following documents:

- Larry's Landscapes Invoice 6204.pdf
- Larry's Landscapes Quote 6204.pdf

	<p><i>From:</i> Andrew <i>To:</i> Kathinya <i>Email subject:</i> Research for Larry's Landscapes Pty Ltd</p>
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Hi Kathinya,

We have a new client, Larry's Landscapes Pty Ltd, located in Victoria, reaching out to us for guidance and support regarding an outstanding debtor issue.

Larry's Landscapes performed services for Molly's Motel Pty Ltd, but the final tax invoice remains unpaid. Larry, the owner of Larry's Landscapes, is unfamiliar with such situations, lacking any established debtor policy or procedures. He has explored all known debt collection avenues without success and is now seeking our advice on potential next steps.


Larry has advised the following:

- Larry sent Molly, the owner of Molly's Motel Pty Ltd, a quote before starting the work; see quote Q6204.
- Tax invoice 6204 to Molly's Motel Pty Ltd is now 45 days overdue.
- Larry sent Tax Invoice 6204 requesting payment of the final project balance to Molly's Motel Pty Ltd on the day the pool construction and landscaping was complete, which detailed the 14-day credit terms.
- Larry emailed Molly from Molly's Motel Pty Ltd with a copy of the Tax Invoice 12 days after this to remind her that payment was due in two (2) days.
- Larry left a message by phone five (5) days after the invoice had fallen due and payable (19 days after completion of the project) and sent an email of the overdue invoice as well, as a payment reminder.
- Larry tried to contact Molly from Molly's Motel Pty Ltd by telephone fourteen (14) days after the due date and left a message with the receptionist, but Molly did not return his call.
- Larry sent Molly from Molly's Motel Pty Ltd a reminder email with a copy of the original signed quote and tax invoice twenty eight (28) days after the invoice had fallen due and payable. Larry has not received a response to this email.

I would like you to research to familiarise yourself with Australian laws and regulations concerning the collection of bad debts so that we can provide Larry with the guidance he seeks.

Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)



Instructions to students:

Conduct your own research to answer the following questions.

**ASSESSOR GUIDE:**

The following documents are referred to throughout this assessment:

**Larry's Landscaping Pty Ltd**  
**ABN: 11 111 111 111**



**Address: 123 George Street**  
**Melbourne VIC 3000**  
**Email: info@larryslandscaping.com.au**  
**PH: 1300 111 111**

**Tax Invoice**

**Invoice to:**  
**Molly's Motel Pty Ltd**  
27 Short Street  
Mollymook VIC 3104

Invoice No: 6204  
  
Net Days: 14  
DATE: 10/11/20XX

Details	Invoice value
Renovations of pool and landscape of surrounding area as per quote Q6204	\$ 66,000.00
Less Initial 20% Deposit Paid	-\$13,200.00
Less 30% Instalment payment made	-\$19,800.00
<b>Balance Due Incl GST</b>	<b>\$ 33,000.00</b>
<b>Balance includes GST of:</b>	<b>\$ 3,000.00</b>

Pay by EFT  
Bank Details  
BSB: 333 444  
ACCNT: 111 222

**Larry's Landscaping Pty Ltd**

ABN: 11 111 111 111

Address: 123 George Street

Melbourne VIC 3000

Email: info@larryslandscaping.com.au

PH: 1300 111 111

**Quote**

Invoice to:

Molly's Motel Pty Ltd

27 Short Street

Mollymook VIC 3104

Quote No: Q6204

DATE: 30/04/2000

Details	Invoice value
Renovations of pool and lands cape of s urrounding area	\$ 66,000.00
Deposit required upon acceptance of quote 20% of total = \$13,200	
Instalment at 50% completion point, 30% of total = \$19,800	
Final balance due 14 days after completion, 50% of total = \$33,000	
Total including GST	\$66,000.00
Amount includes GST of: \$	6,000.00

Terms of agreement:

Upon deposit made, work will be scheduled to commence

Final payment due 14 days after completion of work

All goods and materials provided and installed remain the property of Larry's Landscaping Pty Ltd until full payment has been received.

By signing and returning this quote along with payment of deposit you have agreed and accepted the terms and conditions.

Customer Signature: *Molly Michaels*

Customer Name: Molly Michaels \_\_\_\_\_

Position: Director \_\_\_\_\_

Date: 15/05/2000

Pay by EFT  
 Bank Details  
 BSB: 333 444  
 ACCNT: 111 222

## Question 1

According to the [www.business.vic.gov.au](http://www.business.vic.gov.au) guide on *Manage Overdue Payments and Debt Recovery*, there are eight (8) steps for businesses to use as a guide to recover an overdue payment.

List and describe your interpretation of each step in your own words.

(Approximate word count 40-70 words per step).

You assessor will confirm your interpretation of these compliance requirements in your assessment submission feedback.

### ASSESSOR INSTRUCTIONS

Students must list all seven steps and describe their interpretation of each in their own words, as per the benchmark response below.

Assessors **must** give feedback to the student to confirm their interpretation of these compliance requirements by stating:

**“You have correctly interpreted the *Manage Overdue Payments and Debt Recovery* compliance requirements in accordance with Business Victoria.”**

Question 1		
	Steps	Description
1	Send a friendly payment reminder	When payment first becomes overdue, give your customer a courtesy reminder by phone, email or by posting a letter. They might have forgotten about the bill or paid into the wrong bank account, so this first reminder might be enough to get the invoice paid.  Be sure to include payment options, banking details and contact information in your reminder to make it easier for the customer to pay you quickly.
2	Send an overdue payment reminder	If the customer misses the next agreed payment date or there's been no response to your first payment reminder, reach out again. Give the customer another call or send another email or letter reminding them of the money owing and requesting payment.
3	Send a final notice	If the customer still hasn't paid and has missed extended payment dates again, call or email to discuss the outstanding invoice and request payment.
4	Try to make direct contact	If there's still no payment or response after the final notice, consider visiting the customer in person. If your previous contact has been via email or letter, try phoning them to ask for payment. This could help build a personal relationship with the customer that could be useful for future payments.
5	Send a formal letter of demand	If all your attempts to contact them and receive payment have failed, consider sending a formal letter of demand. This has the potential to damage the business relationship with the

		customer, so think carefully before you resort to this option.
6	Consider using a debt collecting agency	<p>If you still haven't been paid, you can consider using a debt collecting agency as a last resort. The agency will try to collect the outstanding money from your customer.</p> <p>Keep in mind that you and the debt collector must both abide by the laws against banned debt collection practices.</p> <p>You can face criminal penalties if you engage a debt collector who breaks consumer protection laws in trying to recover a debt</p>
7	Review the debt collection guideline for collectors and creditors	<p>Make sure your collection activities comply with consumer protection laws and review any arrangements you may have with debt collectors.</p> <p><a href="#">Debt collection guideline for collectors and creditors   ACCC</a></p>
8	Get help with dispute resolution	<p>You could contact a government department to assist with dispute resolution such as Victorian Small Business Commission (CBSC), Victorian Civil and Administrative Tribunal (VCAT) or Consumer Affairs Victoria (CAV).</p>

## Question 2

List five (5) debt collection practices that are banned under the Australian Consumer Law.

Provide references to sites you have used in your research.

### ASSESSOR INSTRUCTIONS:

Students must list any five (5) of the banned debt collection practices from the list below and include a reference to the website they consulted for this information.

Question 2
<p>Certain debt collection practices are banned in Victoria. These include:</p> <ul style="list-style-type: none"> <li>• entering or threatening to enter a private residence without lawful authority</li> <li>• using any threat, deception, or misrepresentation to obtain consent to enter a private residence</li> <li>• refusing to leave a private residence or workplace when asked to do so</li> <li>• exposing or threatening to expose a person or a member of that person's family to ridicule or intimidation</li> <li>• using a document that looks like an official document but is not</li> <li>• impersonating a government employee or agent</li> <li>• attempting or threatening to possess any property to which you are not entitled. For example, when collecting a debt, you must not say you are going to seize a home or other property that you cannot legally take</li> <li>• disclosing or threatening to disclose debt information, without the debtor's consent, to any person who does not have a legitimate interest in the information</li> <li>• making a false or misleading representation regarding the nature or extent of a debt, or the consequences of not paying a debt. For example: <ul style="list-style-type: none"> <li>○ falsely representing that a debt is a fine or other penalty imposed by law, or that a person has committed an offence</li> <li>○ threatening to make a false or misleading credit report.</li> </ul> </li> </ul>

- contacting a person by a method that they have asked not to be used unless there is no other means available. For example, you must not contact a debtor at their workplace when they have asked to be contacted only at home, or contact them directly when they have asked that all communications be handled by their lawyer or financial counsellor
- contacting a person about a debt after they have advised in writing that no further communication should be made about that debt. This applies unless you:
  - contact the debtor through an action issued by a court or VCAT
  - are threatening the debtor with court or VCAT action that the creditor intends to take
  - are communicating with the person to comply with a requirement under the National Credit Code. For more information, visit [Credit - ASIC](#).
- communicating with a person under 18 about a debt, if the person is not the debtor
- demanding payment of a debt from someone without having a reasonable belief that they are the debtor. For example, demanding payment from every 'J Smith' who resides in a suburb in an attempt to collect a debt owed by John Smith
- communicating with a person in a manner that is unreasonable in its frequency, nature, or content. For information on appropriate hours and frequency of contact, visit [Debt collection guideline: for collectors and creditors - ACCC](#).

Source: <https://www.consumer.vic.gov.au/licensing-and-registration/debt-collectors/banned-debt-collection-practices>

### Question 3

Sometimes, a court decision may be 'persuasive' by courts of other states and territories, even if they do not have binding authority.

Review the case *Megalift v Terminals [2009] NSWSC324* where the Supreme Court of New South Wales made a decision. The decision made may have persuasive authority for courts of another jurisdiction, therefore it can be useful to look into the details.

In your own words, provide a summary of the case in point form. Your answer must include:

- Where the case was heard
- The background and facts of the case
- The case findings/outcomes

Reference your source/s.

Briefly explain how this case could be relevant to the case study provided (Larry's Landscaping vs Molly's Motel).

(Approximate word count 400-450 words)

### ASSESSOR INSTRUCTIONS

Students must summarise the case in point form and include the background/facts of the case, the court it was heard in and the court outcomes and case findings. A benchmark response is below.

Question 3
Where was the case heard?
Megalift v Terminals [2009] was heard in the Supreme Court of NSW
Background/facts of the case
<ul style="list-style-type: none"> <li>• Terminals employed Megalift to elevate a 270-tonne sphere by means of a barge on Terminals' land.</li> </ul>



- Megalift needed to excavate some of Terminals' land to lift the sphere from the barge and safely transport it.
- This resulted in unnecessary delay and added costs.
- Megalift claimed from Terminals the extra amount it incurred owing because of the excavation and sent Terminals a tax invoice more than the initial quote.
- Terminals cross-claimed the excavation costs.
- Megalift submitted 2 quotes to Terminals.
- The first quote was sent on 21.03.06 and Terminals issued a Purchase Order on 04.04.06.
- A revised quote was sent on 28.04.06 and accepted by Terminals on 01 May 2006.
- Terminals claimed that the parties had entered into a contract the day when Terminal issued a Purchase Order.
- In reply, Megalift submitted that the original quote was nothing but a "budget offer" which was not capable of acceptance.
- Megalift emphasised Clause 5 of the Special Conditions in the quotation wherein it was mentioned that the "quotation" was provided for "budget purposes only".

#### Court findings / case outcomes

Megalift v Terminals [2009] was heard in the Supreme court of NSW  
Background of case:

The court found the following:

- The acceptance of Megalift's terms of the quote dated 21.03.06 by Terminals and the issuing of a Purchase Order (the first agreement) established the contractual relationship between the parties and therefore the same was legally binding.
- An estimate provided by one commercial party to another may amount to an offer capable of acceptance".
- The original quote included both fixed prices and estimates for a Naval Architects assessment and the supply of spacer barges for an amount of \$12,000 and \$20,000 respectively and therefore it amounted to an offer and Terminals was liable to pay Megalift all costs that accrued in vicinity of the approximate charges.
- Terminals' issue of Purchase Order evidenced the acceptance of the quotation terms.
- The acceptance of the second quote by Terminals created a new agreement but that did not take away Terminals' right to sue for damages for breaching the first agreement.
- Megalift's conduct amounted to repudiation of the first agreement and Terminals was entitled to seek damages for breach of contract.
- It was decided that the term "quote" is capable of being a contractually binding offer.

Source: <https://www.owenhodge.com.au/commercial-litigation/quote-binding-offer/>

#### Relevant to Larry's Landscaping vs Molly's Motel case study.

The court case demonstrates how an accepted quote has binding authority in an agreement.

Acceptance: The initial quote (Q6204) sent by Larry to Molly serves as an offer. Megalift v Terminals may provide insights into what constitutes acceptance in a contractual agreement and how it applies to the communication between Larry and Molly.

Quote and Offer: The quote (Q6204) can be viewed as an offer from Larry, and Megalift v Terminals might shed light on the legal implications of quotes as offers and how they contribute to the formation of a contract.

Consideration: In the context of Tax Invoice 6204 and its 14-day credit terms, Megalift v Terminals could provide guidance on the concept of consideration—what each party is obligated to give or do in the contractual relationship.

Communication of Offer and Acceptance: The various reminders and communications from Larry, including the email sent 12 days after completion and the subsequent phone calls and emails, may

be analyzed in light of *Megalift v Terminals* to determine the effectiveness of communication in reinforcing the terms of the agreement.

## Question 4

Refer to quote number Q6204 provided by Larry's Landscapes Pty Ltd to Molly's Motel Pty Ltd and explain if this is a legally binding contract based on the principles of Australian contract law.


Your response must include the principles of Australian contract law. You must reference your source/s.

(Approximate word count 100-200 words)

### ASSESSOR INSTRUCTIONS

Students must clearly state whether the quote from Larry's Landscapes Pty Ltd constitutes a legally binding contract and provide reasoning for their response. Their analysis must incorporate the principles of Australian contract law as the foundation for their overall answer.

Additionally, students must reference the sources they consulted.

<b>Larry's Landscaping Pty Ltd</b> ABN: 11 111 111 111 Address: 123 George Street Melbourne VIC 3000 Email: info@larryslandscaping.com.au PH: 1300 111 111																			
<b>Quote</b>																			
Invoice to: Molly's Motel Pty Ltd 27 Short Street Mollymook VIC 3104	Quote No: Q6204  DATE: 30/04/2000																		
<table border="1"><thead><tr><th>Details</th><th>Invoice value</th></tr></thead><tbody><tr><td>Renovations of pool and lands cape of s urrounding area</td><td>\$ 66,000.00</td></tr><tr><td colspan="2">Deposit required upon acceptance of quote 20% of total = \$13,200</td></tr><tr><td colspan="2">Instalment at 50% completion point, 30% of total = \$19,800</td></tr><tr><td colspan="2">Final balance due 14 days after completion, 50% of total = \$33,000</td></tr><tr><td colspan="2" style="text-align: right;">Total including GST</td></tr><tr><td colspan="2" style="text-align: right;">Amount includes GST of: \$</td></tr><tr><td colspan="2" style="text-align: right;">\$66,000.00</td></tr><tr><td colspan="2" style="text-align: right;">\$ 6,000.00</td></tr></tbody></table>		Details	Invoice value	Renovations of pool and lands cape of s urrounding area	\$ 66,000.00	Deposit required upon acceptance of quote 20% of total = \$13,200		Instalment at 50% completion point, 30% of total = \$19,800		Final balance due 14 days after completion, 50% of total = \$33,000		Total including GST		Amount includes GST of: \$		\$66,000.00		\$ 6,000.00	
Details	Invoice value																		
Renovations of pool and lands cape of s urrounding area	\$ 66,000.00																		
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\$66,000.00																			
\$ 6,000.00																			
<b>Terms of agreement:</b> Upon deposit made, work will be scheduled to commence Final payment due 14 days after completion of work All goods and materials provided and installed remain the property of Larry's Landscaping Pty Ltd until full payment has been received. By signing and returning this quote along with payment of deposit you have agreed and accepted the terms and conditions.																			
Customer Signature: <u>Molly Michaels</u> Customer Name: <u>Molly Michaels</u> Position: <u>Director</u> Date: <u>15/05/2000</u>																			
<table border="1"><tr><td>Pay by EFT Bank Details BSB: 333 444 ACCNT: 111 222</td></tr></table>		Pay by EFT Bank Details BSB: 333 444 ACCNT: 111 222																	
Pay by EFT Bank Details BSB: 333 444 ACCNT: 111 222																			

The basic principles of contract law are the following: agreement, consideration, intention, capacity, genuine consent and legality. Source: <https://peacefulpath.com.au/six-principles-of-contract-law/>

The quote is a legally binding contract due to offer and acceptance.

Larry's Landscapes Pty Ltd has made an offer of services to Molly's Motel Pty Ltd for a certain fee and stated the terms and conditions of the quote. Molly's Motel Pty Ltd signed the quote, thereby accepting the offer and the conditions set out on the quote.

A quote tells your customers your terms of service and how much you'll charge. If a customer accepts your quote, it becomes a legally binding contract. Preparing good quotes can have many advantages for your business.

Source: [www. https://business.gov.au/products-and-services/contracts-and-tenders/prepare-quotes,](https://business.gov.au/products-and-services/contracts-and-tenders/prepare-quotes) accessed 5/2/2022)

A quote is legally binding if it forms part of a contract. A quote becomes a contract when the trader offers work for a fixed price and the consumer accepts the offer including the conditions of the quote. Neither party can withdraw from or change the contract without the other's consent.

Source: [www.](https://nt.gov.au/law/rights/quotes-and-estimates#:~:text=A%20quote%20is%20legally%20binding,contract%20without%20the%20other's%20consent)

[https://nt.gov.au/law/rights/quotes-and-estimates#:~:text=A%20quote%20is%20legally%20binding,contract%20without%20the%20other's%20consent.](https://nt.gov.au/law/rights/quotes-and-estimates#:~:text=A%20quote%20is%20legally%20binding,contract%20without%20the%20other's%20consent)

## TASK 2: Client Letter



*From:* Andrew  
*To:* Kathinya  
*Email subject:* Client letter

Hi Kathinya,

Thanks very much for the research you conducted. It has been most useful.

Could you please draft a letter to Larry from Larry's Landscapes Pty Ltd to advise whether they have followed the proper guidelines to collect the debt in compliance with Victorian guidelines.

Please include in your letter the steps they can take moving forward to collect the outstanding debt.



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

### Instructions to students

Read the email from Andrew your manager at Ace Finance.

In the letter template below, draft a letter to Larry Green from Larry's Landscapes Pty Ltd advising him on whether the debt collection procedures undertaken align with Victorian guidelines and comply with ACCC and ASIC requirements.

Summarise Larry's actions taken so far, pointing out any potential areas of non-compliance. Offer guidance to Larry on the next steps and suggest sources he may find helpful for each phase. Ensure your letter maintains a professional tone while being grammatically correct.

(Approximate word count 400- 500 words)

### ASSESSOR INSTRUCTIONS

Students must draft a professional letter that is grammatically correct. It must outline the debt collection activities taken so far and whether they are compliant and the steps to be taken going forward with sources for Larry to refer to. A benchmark letter is provided below:



Ace Finance & Accounting  
PO Box 343  
Melbourne Vic 3000  
PH: 03 9999 9999  
Email:business@acefinance.com.au

Mr. Larry Green  
Larry's Landscapes Pty Ltd  
123 George Street  
Melbourne Vic 3000  
Australia

21/08/20XX

Dear Larry,

**RE: Guidelines to debt collection with Victorian Guidelines**

Thank you for your enquiry with regards to debt collection in compliance to follow with Victorian guidelines.

I have investigated the contact history with your client and according to the guidelines you have taken the appropriate steps to following up on the outstanding debt of \$33,000.

The process to follow in compliance with the ACCC and ASIC are highlighted below, please note that you will be following the steps from 3 as you have already completed step 1 and 2 as your final contact via email was 28 days after the invoice was due.

So far you have sent two emails as a reminder that count toward the 'reminder notice' being sent to Molly's Motel Pty Ltd, however, in step three, due to your circumstances not offering a payment plan, I suggest you offer the option in your third contact 'final notice'.

**Steps to follow:**

1. Send a friendly reminder by contacting the customer by email or phone
2. Send an overdue payment reminder of the details of the invoice and amount that is overdue and payable. A request of immediate payment should be made and include an option of a payment plan.
3. Send a final notice email to firmly request an immediate payment and note that further action will be taken should the amount not be settled. Ensure to include in the email:
  - a. Details of the invoice
  - b. Due date and period the invoice is overdue
  - c. Your previous attempts of contacting them to follow up on the debt
  - d. Include an option of a payment plan

- e. Provide them with a due date to settle the invoice or respond with an agreement for a payment plan within 7 days or you will pursue further action.
4. As you have previously attempted to contact them via telephone, I suggest you make another attempt to contact them via telephone and if there is no response at this time, you may visit the customer in their premises at the prescribed hours of contact in compliance with the regulations. Ensure to login your contact attempts for your records.
  - a. Contact by telephone hours: 7.30am to 9pm Monday to Friday
  - b. Contact in person: 9am to 9pm Monday to Friday
5. Send a formal letter of demand to persuade the customer to make a payment within a certain timeframe to avoid formal proceedings
6. Consider a debt collection agency
7. Contact either of the following government agencies for a dispute resolution before taking further action via a court system:
  - a. Victorian Small Business Commission (CBSC),
  - b. Victorian Civil and Administrative Tribunal (VCAT) or
  - c. Consumer Affairs Victoria (CAV).

I hope that helps with the steps you can take at this stage. I advise that we exhaust these avenues before taking a formal legal action as it may be costly.


Please do not hesitate to contact me on (03) 9999 9999 if you have any queries or would like further assistance.

Yours Sincerely

Name **Kathinya**

Ace Finance & Accounting

### TASK 3: Email Client

	<p><i>From:</i> Andrew <i>To:</i> Kathinya <i>Email subject:</i> Client email</p>
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Hi Kathinya,

Thank you for providing such clear and sound advice to Larry Green. He has followed all the steps highlighted in your letter but unfortunately still has not recovered any of the \$33,000 debt from Molly's Motel Pty Ltd.


Larry now wishes to take legal action based on the Victorian Court System.

Please draft an email to Larry to advise what action Larry's Landscapes needs to take to commence proceedings with the Victorian Civil and Administrative Tribunal (VCAT). In your response make sure you reference relevant legislation, statutes, regulations and legal precedents to support your advice.

Before sending it off to Larry, I will check the email to ensure it is accurate.

Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)



### Student Instructions

In the email template below, draft an email to Larry Green from Larry's Landscapes guiding him on initiating proceedings with VCAT. Support your advice by referencing relevant legislation, statutes, regulations, and legal precedents.

(Approximate word count 150-200 words)

### ASSESSOR INSTRUCTIONS

Students must draft an email to Larry from Larry's Landscapes Pty Ltd, providing guidance on how to initiate proceedings with VCAT. A benchmark email is provided below:

### Email Template

To:	Larry Green
From:	Kathinya
Date:	30/08/20XX
Subject:	Initiating proceedings with VCAT

Dear Larry,

Andrew has advised that you wish to commence legal proceedings against Molly's Motel Pty Ltd through the Victorian Civil and Administrative Tribunal (VCAT).



As the applicant, the first step you need to take is to obtain an 'Application to Civil Claims List' form by calling the VCAT Civil Claims List Registry on (03) 9628 9830 or 1800 133 055 outside the Melbourne metropolitan area or by downloading the form from [www.vcat.vic.gov.au](http://www.vcat.vic.gov.au). A copy of the 'Civil Claims Guide' can also be obtained at the website.

Fill in the application form and send it off to VCAT with the appropriate fee. Once received, the Registrar will send a copy of your application to Molly's Motel Pty Ltd [the respondent] Shortly thereafter, you will be notified of the time, date, and place for the hearing of your claim. You must attend the tribunal at the time and date set out in the letter.

Please let me know if I can be of any further assistance in this matter.

Yours sincerely,

Student name



## TASK 4: Debt Collection Procedure



*From:* Andrew  
*To:* Kathinya  
*Email subject:* Debt Collection Procedure

Hi Kathinya,

I have discussed with Larry Green from Larry's Landscapes Pty Ltd the importance of having a debt collection procedure in place. Larry has decided to enlist our services to handle this matter.

I would like you to create a Debt Collection Procedure for Larry's Landscapes using the template provided, based on [Manage overdue payments and debt recovery | Business Victoria](#) guidelines.

I've already formatted the template and incorporated the logo for Larry's Landscapes Pty Ltd as authorised for this project.

Please draft letters, emails, and telephone scripts according to the guidelines and include these in the policy. Clearly specify the relevant stage of the debt collection procedure for each document.

I would like this task completed for review by the end of next week.



Warm regards,

Andrew | Manager  
[andrew@ace.finance](mailto:andrew@ace.finance)

### Student Instructions

Download [Larry's Landscapes Debt Collection Procedure Template.docx](#)

Complete the provided Debt Collection Procedure Template for Larry's Landscapes, based on [Manage overdue payments and debt recovery | Business Victoria](#) guidelines and ACCC's [Debt collection guideline for collectors and creditors](#).

You must complete the following sections of the Debt Collection Procedure Template:

1. Review the terms of the contract
2. First Contact
3. Overdue Reminder
4. Final Notice
5. Direct Contact
6. Formal Letter of Demand
7. Debt collection agency
8. Appendix

Save the Debt Collection Procedure Template with the following naming convention: *FNSACC413\_Project\_Debt Collection Procedure\_yourname\_yymmdd*.

## ASSESSOR INSTRUCTIONS

Students must complete the following sections of the Debt Collection Procedure template:

1. Review the terms of the contract
2. First Contact
3. Overdue Reminder
4. Final Notice
5. Direct Contact
6. Formal Letter of Demand
7. Debt collection agency
8. Appendix

The Appendix must include downloadable templates from [www.business.vic.gov.au](http://www.business.vic.gov.au) *Manage Overdue Payments and Debt Recovery* guidelines (source: <https://business.vic.gov.au/business-information/finance/get-paid-on-time/manage-overdue-payments-and-debt-recovery>) and be customised to meet the needs of Larry's Landscapes.

Students must be able to set clear and reasonable timeframes within the debt collection policy's relevant section as indicated in the sample answer.

Students must include a realistic timeframe for each step, to align with statutory deadlines, in accordance with the guidelines and relevant legislation.

A benchmark response is provided in the Debt Collection Procedure Template Assessor Guide.



## Customer Debt Collection Policy

Policy Number: {insert unique number}

Policy Date: {insert date of policy}

For phone and email templates to assist you with your debt recovery process, visit the Business Victoria [manage overdue payments and debt recover page](#).

### Purpose of the Policy

This policy provides guidelines for the collection of late payments from customers.

Debt Collection is an essential part of the accounting function and integral to the business's cash flow as required by the Corporations Act 2001 and in compliance with legislative bodies and government.

This policy and procedure provide a framework for applying and managing debt collection.

### Procedures

An aging debtor report is to be run once a month. All overdue customer payments are to be noted, and the following procedures are undertaken until the recovery of outstanding amounts.

1. Review the terms of the contract. {to be completed by student}

[Approximate word count 60-70 words]

Review the terms of the agreements regarding payment conditions and debt recovery options. Whether it's an oral agreement or a partially oral/partially written agreement, they hold the same validity as an entirely written contract, given there is evidence of the agreed-upon terms.

If you encounter difficulties understanding the contract terms, consider seeking legal advice for clarification.

2. First Contact {to be completed by student}

[Approximate word count 60-70 words]

Once the payment is 7 days overdue, phone or email the customer. A missed payment could be a general oversight. Remind them that payment is due and has not

been received. Ask them when they will be paying and keep a record of the conversation or email. Remember to be friendly; they may have forgotten or paid into the wrong bank account.

**Friendly reminder email template (see Appendix)**

3. Overdue reminder {to be completed by student}  
[Approximate word count 60-70 words]

If they do not respond to the phone call or email within 14 days of the invoice being overdue, try contacting someone else in the business. Let them know who you are trying to contact. This often results in a return response from either the person you were trying to contact or someone else from the business. Make a note of all conversation details on the overdue customer payment record.

**Overdue email template (see Appendix)**

4. Final notice {to be completed by student}  
[Approximate word count 30-40 words]

When a payment is overdue for 30 days, a final notice will be sent by phone or email. A record of this notice must be entered into the overdue customer payment record.

**Final notice email template (see Appendix)**

5. Direct contact {to be completed by student}  
[Approximate word count 50-60 words]

Where there has been no response to the final notice, either visit the customer or phone where previous contact has been by email. The purpose of this step is to secure a date of payment. A record of this notice must be entered into the overdue customer payment record.

**Follow up contact script (see Appendix)**

6. Formal letter of demand {to be completed by student}  
[Approximate word count 30-40 words]

Where payment remains outstanding, and there has been an unsatisfactory response from the customer, a formal letter of demand is sent via registered mail, and a record of this notice is entered into the overdue customer payment record.

### Letter of demand template (see Appendix)

7. Debt collection agency: {to be completed by student}  
[Approximate word count 20-30 words]

Where the outstanding amount exceeds \$1500.00, and all the above options have been exhausted, a debt collection agency will be appointed to recover the debt.

**Write off debt:** Customer payments that remain outstanding for 6months are to be written off as bad debts, and no further sales are to be undertaken with that customer without approval from the business owner

### APPENDIX

[Approximate word count 600-700 words]

### Friendly reminder email template

To: (Insert recipient email -generally accounts payable- here)

CC: (Insert other relevant emails (e.g. Business Director or owner) here)

Subject: Invoice Payment Reminder - IMPORTANT

Dear (insert accounts payable name)

Note: it is best if you use their name as it makes it more personal.

This is a friendly reminder that the following invoice is now 7 days overdue:

Invoice Date: (insert date of original invoice)

Invoice No: (insert invoice number)

Invoice Amount: (insert invoice amount)

We understand that oversights happen but would appreciate prompt payment of this amount.

Could you please let me know when I can expect payment? If payment has already been made please disregard this email.

Thanks in advance for your cooperation.

Best regards,

(Insert Name)

(insert position title)

Larry's Landscapes Pty Ltd

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ASSESSOR GUIDE

FNSACC413 Make decisions in a legal [context](#)

## Overdue email template

To: (insert recipient email here - generally accounts payable)

CC: (insert other relevant emails e.g. Business Director or owner)

Subject: Overdue Invoice Reminder – URGENT ACTION REQUIRED

Dear (insert accounts payable name here)

Note: it is best if you use their name as it makes it more personal.

We regret to advise that the following invoice is now 14 days overdue:

Invoice Date: (insert date of original invoice here)

Invoice No: (insert invoice number here)

Invoice Amount: (insert invoice amount here)

We require immediate payment of this amount to avoid further action. Could you please let me know when we can expect payment?

If payment has already been made please disregard this email.

Thanks in advance for your understanding and cooperation.

Best regards

(insert Name)

(insert position title)

Larry's Landscapes Pty Ltd

## Final notice email template

To: (insert recipient email here - generally accounts payable)

CC: (insert other relevant emails here e.g. Business Director or owner)

Subject: FINAL NOTICE Overdue Invoice – URGENT ACTION REQUIRED

Dear (insert accounts payable name)

Note: it is best if you use their name as it makes it more personal.

We have tried contacting you on numerous occasions regarding the following unpaid invoice which is now over 30 days overdue:

Invoice Date: (insert date of original invoice here)

Invoice No: (insert invoice number here)

Invoice Amount: (insert invoice amount here)

This matter has now reached a critical point and we require immediate payment of this amount to avoid further action. Please contact me immediately to advise when we can expect payment of this outstanding amount.

If payment has already been made please disregard this email.

Thanks in advance for your understanding and cooperation.

Best regards

(Insert Name)

(insert position title)

Larry's Landscapes Pty Ltd



## Follow up contact script

To: (insert recipient email here - generally accounts payable)

CC: (insert other relevant emails here e.g. Business Director or owner)

Subject: FINAL NOTICE Overdue Invoice – URGENT ACTION REQUIRED

Dear (insert accounts payable name)

Note: it is best if you use their name as it makes it more personal.

We have tried contacting you on numerous occasions regarding the following unpaid invoice which is now over 30 days overdue:

Invoice Date: (insert date of original invoice here)

Invoice No: (insert invoice number here)

Invoice Amount: (insert invoice amount here)

This matter has now reached a critical point and we require immediate payment of this amount to avoid further action. Please contact me immediately to advise when we can expect payment of this outstanding amount.

If payment has already been made please disregard this email.

Thanks in advance for your understanding and cooperation.

Best regards

(Insert Name)

(insert position title)

Larry's Landscapes Pty Ltd

## Letter of demand template

(Insert Name here)

(Insert address line 1 here)

(Insert address line 2 here)

Dear (insert payers name here),

Re: Letter of Demand for unpaid invoice

Invoice Date: (insert date of original invoice here)

Invoice No: (insert invoice number here)

Invoice Amount: (insert invoice amount here)

As you are aware the above invoice remains unpaid by you. Despite numerous reminder emails and telephone calls requesting payment of this account, the debt remains owing.

Accordingly, we advise that if payment in the sum of (insert invoice amount here) is not received by this office within seven days of the date of this letter, we will instruct our solicitor to issue proceedings against you, to recover the unpaid debt together with our legal costs.

Yours sincerely

(insert name)

(insert position title)

Larry's Landscapes Pty Ltd

## Assessment checklist

Students must have completed all activities within this assessment before submitting. This includes:

Task 1		
1	Short answer questions – Assessment 2 Workbook	<input type="checkbox"/>
Task 2		
1	Letter to Larry’s Landscapes– Assessment 2 Workbook	<input type="checkbox"/>
Task 3		
1	Email to Larry’s Landscapes– Assessment 2 Workbook	<input type="checkbox"/>
Task 4		
1	Debt Collection Procedure Template	<input type="checkbox"/>

**Congratulations you have reached the end of Assessment 2!**

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