



## Credit Policy

Bounce Fitness values its relationship with customers and endeavours to continuously meet its obligations in a prompt and efficient manner. It has the same expectations of its customers regarding their relationship with Bounce Fitness **Sydney Centre**.

A good cash flow allows Bounce Fitness **Sydney Centre** to function smoothly and work within 30 days from the date of invoice. This collection period will allow the majority of payments to be received before the BAS has to be submitted.

All customers requesting credit for the purchase of goods or services from Bounce Fitness **Sydney Centre** will:

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| <p><b>Be subject to a Credit Check</b></p>           | <p>Customers to complete a Credit Application with Dun and Bradstreet:</p> <ul style="list-style-type: none"> <li>• At least two referees will be conducted to check the customer's account conduct</li> <li>• The customer credit limit and credit terms to be offered will be explained</li> <li>• If, as a result of this investigation, there are any doubts, the client must pay cash for the first invoice and then work to a 30-day account.</li> </ul> |
| <p><b>Trading Terms</b></p>                          | <p>Bounce Fitness Sydney Centre offers all customers a period of 30 days from the date of the invoice to settle their account.</p> <ul style="list-style-type: none"> <li>• Trading terms are included in the invoice</li> </ul>   |
| <p><b>Invoices</b></p>                               | <p>When invoices will be sent out;</p> <ul style="list-style-type: none"> <li>• Memberships – On the first of the month during which the membership will expire</li> <li>• Services – Weekly or on completion of the service</li> <li>• Property – On despatch of the item purchased</li> </ul>  |
| <p><b>Person in Charge of Account Recoveries</b></p> | <p>Martin Saunders, Assistant Manager (Sydney Centre):</p> <ul style="list-style-type: none"> <li>• Review Debtor's Trial Balance weekly</li> <li>• Target Debtor Days (Refer to Procedures / Financial Procedures/ Credit Collection)</li> <li>• Reminder letters, emails, taxes (Refer examples Documents / Financial / Reminder letters)</li> </ul>   |

## Credit Collection Procedure

**Bounce Fitness Sydney Centre** has prepared a guide to assist in the collection of outstanding account procedures to ensure proper internal controls, segregation of duties, and adequate safeguards of **Bounce Fitness Sydney Centre** assets and cash flow.

Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

**The Sydney Centre Manager, Jacinta Scotts**, is responsible for the collection of outstanding accounts and complying with credit policies and procedures.

The General Manager Finance has final responsibility and is consulted by the Sydney Centre Manager, Jacinta Scotts, when required as per the schedule following.

### Collection Procedures Schedule

[For amounts outstanding in excess of 30 days]

|   | Timing Action                   | Action to be Taken  | Responsibility                                     |
|---|---------------------------------|---|--|
| 1 | Memberships – Monthly           | Invoice sent on the first of the month, during which the membership will expire | Martin Saunders, Assistant Manager [Sydney Centre] |
|   | Services – Weekly               | Weekly or on completion of the service  |  |
|   | Property – At the point of sale | On despatch of item purchased   |  |
| 2 | One week after Month End        | Print out Debtors Trial Balance   | Martin Saunders, Assistant Manager [Sydney Centre] |
| 3 | 28 Working Days later           | Email, fax. or post Letter 1 to all customers                                   | Martin Saunders, Assistant Manager [Sydney Centre] |
| 4 | 28 Working Days later           | Email, fax. or post Letter 2 to all customers                                   | Martin Saunders, Assistant Manager [Sydney Centre] |
| 5 | 10 Days later                   | Ring customers, if unsuccessful, send Letter 3                                  | Martin Saunders, Assistant Manager [Sydney Centre] |
|   |                                 | Consult with the General Manager to be advised to:                              | Jacinta Scotts, Sydney Centre Manager              |
| 6 | 10 days later                   | Stop credit, send Letter 4  | Martin Saunders, Assistant Manager [Sydney Centre] |
|   |                                 | Negotiate to arrange payment  |  |
| 7 | Within 10 Days                  | Order solicitor's Letter of Demand  | General Manager Finance                            |

## Monitor and Review

| Version | Date       | Description  | Review completed by | Next review schedule |
|---------|------------|--|---------------------|----------------------|
| 1.0     | 03.08.2022 | The document includes Credit Collection Policy, Credit Collection Procedure and Collection Procedures Schedule | Jacinta Scotts      | 03.11.2022           |
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