



COURSE OUTLINE

INTERNATIONAL 'CAREER PROGRESS' DIPLOMA PROGRAM ON CREDIT CONTROL & MANAGEMENT

Any business which sells goods or provides services '**on credit**' - that is, without receiving payment at once - is exposed to the very real risk that customers or clients might '**default**', that is, not settle their debts when they fall due for payment. Such '**bad debts**' can seriously affect the operations and profitability of a business, and so must be kept to the bare minimum. It is the important task of the "credit manager" - whether the owner or manager of a small business, or an appointed official or executive of larger businesses - to formulate a '**credit policy**' to control and manage the **credit** extended to its customers or clients. Before accepting a new credit customer, adequate checks on "creditworthiness" must be made, and '**credit limits**' (how much credit is allowed and for how long) must be set. A major responsibility of a credit manager is to ensure debts are collected on time, that any signs a customer might default are acted upon early, and that any overdue debts are "chased" to avoid losses. This Program covers all those topics, and many more of great value to all businesses.

Major Topics Covered in this Diploma Program:

The meanings of credit, credit policy, credit terms, credit limits; major forms of credit; benefits to manufacturers/producers, vendors and consumers of credit availability. Risks in allowing credit. Importance of liquidity and its management; methods of improving liquidity. Responsibilities of the credit control function. Internal and external sources of information about customers or clients. Financial analysis of customer accounts: liquidity and profitability indicators, financial position, cash flow, working capital. Using the performance indicators. Using a credit scoring system; shortcomings. Granting credit and setting up customer accounts; factors affecting the decision. Opening a new credit account. Refusing credit. Changes in credit terms. Interest penalties for late payment. Discounts; types, why they are offered. Credit insurance; overseas sales & export credit insurance. Customers and contracts; elements of contracts; offer and acceptance. Breaches of contract. Selling and statute law; trade descriptions acts, consumer credit acts. Methods of "chasing" debts. Monitoring and controlling customer accounts; techniques. Receivables (aged debtor) reports. Credit control policy. Doubtful and bad debts, provisions. Methods of collecting trade debts. Collecting debts and dealing with insolvency. Using third parties for debt collection. Taking a customer to court; legal terms, enforcement of judgements. Insolvency practitioners. Writing off.