Credit Policy and Credit Collection Procedure

HiFlex Physio

Policy

HiFlex Physio 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 in regard to their relationship with HiFlex Physio. A good cash flow allows HiFlex Physio to function smoothly and work on 30 days from date of invoice. This collection period will allow the majority of payments to be received before the BAS have to be submitted.

All customers requesting credit for purchase of goods or services from HiFlex Physio will:

1. Be subject to a Credit Check

- Customers to a complete a Credit Application with Dun and Bradstreet
- At least two referees will be contacted to check the customer's account to conduct
- The customer credit limit and credit terms to be offered will be explained
- If as a result of this investigation, there are any doubts, the client must pay cash for the first invoice then work to a 30 day account

2. Trading Terms

- HiFlex Physio offers all customers a period of 30 days from the date of invoice within which to settle their account
- Trading terms are included on the on the invoice

3. Invoices

- When invoices will be sent out:

  - Memberships – On the first of the month during which the membership will expire
  - Services – Weekly or on completion of the service
  - Property – On dispatch of item purchased

4. Person in Charge of Account Recoveries

- Marion Stevens – Administrative Assistant

  - Review Debtors Trial Balance weekly
  - Target Debtor Days (Refer Procedures / Financial Procedures / Credit Collection)
  - Reminder letters, emails, faxes (Refer examples Documents / Financial / Reminder letters).

Credit Collection Procedure

HiFlex Physio 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 HiFlex Physio 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 Administrative Assistant to the General Manager in Head Office is responsible for collection of outstanding accounts and complying with credit policies and procedures.

The General Manger Finance has final responsibility and is consulted by the Administrative Assistant when required as per the schedule following.

Collection Procedure Schedule

[For amounts outstanding in excess of 30 days]

Timing of Action	Timing of Action	Timing of Action
1. Memberships – Monthly Services – Weekly Property – At point of sale	Invoice sent on the first of the month during which the membership will expire Weekly or on completion of the service On despatch of item purchased	Administrative Assistant
One week after Month End	Print out Debtors Trial Balance	Administrative Assistant
28 Working Days later	Email, fax, or post Letter 1 to all customers	Administrative Assistant
28 Working Days later	Email, fax, or post Letter 2 to all customers	Administrative Assistant
10 Days later	Ring Customers, if unsuccessful, send Letter 3	Administrative Assistant

Timing of Action	Timing of Action	Timing of Action
10 Days later	Consult with General Manager and be advised to: Stop credit, send Letter 4 Negotiate to arrange payment	Administrative Assistant
Within 10 Days	Order Solicitors Letter of Demand	General Manager Finance