

# € TRAINING

Accounts Receivable and Credit Policies  
Management



30 September -  
4 October 2024  
Madrid (Spain)



# Accounts Receivable and Credit Policies Management

REF: F1304 DATE: 30 September - 4 October 2024 Venue: Madrid (Spain) - Fee: 5300 Euro

## Introduction:

This course demonstrates theoretical and practical core topics in addition to introducing Excel in managing accounts receivable. The course also features role-playing and presentations by participants.

## Course Objectives:

At the end of this course the participants will be able to:

- Develop effective credit policies that meet the company's objectives.
- Use financial and non-financial analysis to assist in making the credit decision.
- Define the function of Accounts Receivable AR and its role in organizations.
- Maintain an effective collection policy.
- Evaluate the Accounts Receivable process and implement best practices.
- Apply tools and techniques to effectively monitor AR performance.

## Targeted Audience:

Accounts Receivable AR department managers, credit managers, AR staff, AR and revenue accountants, credit officers, billing and collection clerks, AR specialists, and professionals in accounting, finance, operations, and sales who interact with Accounts Receivable and credit department.

## Course Outlines:

### Unit 1: Credit Policies Management:

- Credit Department Responsibility.
- Factors Affecting Credit Policies.
- The Five Cs of Credit.
- Non-Financial Factors Affecting Credit Decision.
- Outline of a Credit Policy:
  - Credit Department Mission.
  - Credit Department Objectives.
  - Roles and Responsibilities.
  - Procedures.
  - Measuring Results.
- Review of New Accounts.
- Re-Evaluate Existing Accounts.
- Financial Statements: What to Look for.
- Analyzing Selected Financial Ratios.
- Setting the Credit Limit.
- Establishing a Profitable Relationship with the Customer.
- Meeting the Needs of the Customer.

### Unit 2: The Billing Process:

- Efficient Billing Process Means Faster Collection.
- Preventing the Fatal Mistake: Sending the Bill with Errors.
- The Use of Technology.
- Impact of Up Front Operations on Billing.
- Best Practices in Billing.

### Unit 3: You Made the Sale, It's Time to Collect Your Money:

- Cash: It's Worth your Efforts.
- Tips, Techniques, and Guidelines for Faster Collection.
- Importance of Setting a Collection Policy.
- Using Different Approaches in Collection.
- Strategies in Dispute Management.
- Best Practices in Collection.

### Unit 4: The Relationship Between Sales and Credit:

- Breaking the Ice.
- Maintaining Credit-Sales Relationship.
- Role of Sales in Issuing Credit and in Collection.

### Unit 5: Accounts Receivable Process Analysis:

- Improving the Quality of Accounts Receivable.
- Aging of Accounts Receivable and Bad Debts Reserves.
- Alternatives in Computing Bad Debt.
- Reducing Bad Debt Write-Offs.
- Calculating Accounts Receivable Turnover.
- Calculating Days Sales Outstanding DSO.
- Calculating Best Possible Days Sales Outstanding BPDSO.
- Collection Effectiveness Index CEI.
- Analyzing the Operating and Cash Cycles.
- Managing AR through Portfolio Strategy.
- Analyzing the Size, Composition, and Complexity of AR Portfolio.
- Segment the Portfolio.
- Formulating an Approach for Specific Segments.

### Unit 6: Keeping in Control:

- Internal Controls in AR Processes.
- AR and the Monthly Closing of Accounts.
- Outsourcing of Accounts Receivable Functions.