
NSW Chamber of Fresh Produce Ltd

Accounts Receivable & Credit Control Policy

Version: 1.2
Approved by Freshmark Board: 25 June 2024
Available to Staff

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Accounts Receivable & Credit Control Policy

1. Purpose

- 1.1 The purpose of this Policy is to ensure that customers of NSW Chamber of Fresh Produce Ltd (Freshmark) pay promptly in accordance with the agreed terms of business and to provide guidelines when the debt becomes aged and overdue.

2. Scope

- 2.1 This Policy applies to all staff, directors and other stakeholders acting on behalf of Freshmark or associated with Freshmark. It should be read in conjunction with Freshmark's other policies and relevant legislation.

The Chief Executive Officer oversees and manages the enforcement of the Policy in collaboration with the Board of Freshmark.

3. Policy Statement

- 3.1 Freshmark undertakes services for the benefit of members across several areas. To ensure the viability of these services and the organisation, payment for these services must be received promptly and proactively managed by the business.
- 3.2 The Accounts receivable & credit control policy provides a framework for debt collection, monitoring and reporting.

4. Responsibilities

- 4.1 The Chief Financial Officer is responsible for:
 - Issuing of invoices;
 - Reconciling of invoices issues with amounts received; and
 - Monitoring and reporting of outstanding accounts and taking appropriate actions as per guidelines of this Policy
- 4.2 The CEO is responsible for:
 - Implementing strategies agreed to by the Board;
 - Implementing the decisions and resolutions of the Board;
 - Overseeing finance functions, including tracking of debtors and enforcing actions as per processes and guidelines under this Policy;
 - Monitoring overdue accounts; and
 - Other functions as required from time to time and authorised by the Board.
- 4.3 The Board of Directors is responsible for:
 - Setting the credit control policies in line with the Freshmark's objectives;
 - Establishing appropriate policies with respect to delegations of authority to the CEO.
- 4.4 The Finance, Audit and Risk Committee is responsible for:
 - Monitoring the effectiveness of this Policy and its guidelines.
 - Managing the Policy with respect to materiality and with regard to risk appetite.

5. Policy Guidelines

5.1 Invoicing Process

- Invoices are issued to customers on a weekly or monthly basis, depending on the service provided.
- Customers remit payments according to their set terms of trade with Freshmark.
- Funds are received into Freshmark's bank account.
- From 1 January 2024, cheques will no longer be accepted in settlement of invoices.
- All accounts are reconciled monthly, and customers are issued with a monthly account statement.

5.2 Reporting & monitoring of aged receivable

- Bank and debtors are reconciled on monthly basis with receipts allocated promptly.
- Debtor balances form part of Board and Finance, Audit and Risk Committee reports with the overdue accounts listed.
- Outstanding debts are those outside of agreed payment terms.

5.3 Overdue Accounts

- An account becomes overdue when the corresponding debt is not paid by the due date.
- Monthly statements are issued to all customers noting the status on their account.
- For balances outside of payment terms contact is made with the customer requesting payment. If no response is received after 7 days of this contact, the customer is to be notified that if payment isn't received within 14 days, the account will be placed on hold.
- For balances where the above contact has been made with the customer and the amounts remain overdue, the account can be placed on hold until payment is received.

5.4 Write – off of balances

- Any account that requires to be written off will be done in line with the Delegations of Authority.
- The customer account will not be re-opened unless written off debt is paid in the first instance.

5.5 Credits

- Where a customer has both a credit and debit amount, their invoice should display both amounts, offset to produce a net result.
- Where a customer is in credit and after six (6) months has not responded to requests for instructions, the amount should be retained and carried on the Balance Sheet.

6. Review

This Policy will be reviewed by the FAR Committee for recommendation to the Board on a yearly basis.

Policy administrative control

Policy owner:	CEO
Approved* by:	Board
Approved date:	25 June 2024
Commencement date:	25 June 2024
Review date:	June 2025
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Documents related to this policy:	Delegations of Authority
Name and commencement date of policy superseded by this version:	Not applicable as policy is new
Date this policy is superseded:	N/A

Version and approval history

Date	Version	Revision History (reason for change)	Author /Reviser
21 March 2023	1.0	New policy submitted to FAR Committee for recommendation to the Board.	Justin Hogg / Meegan George
21 March 2023	1.0	New policy approved by FAR for recommendation to the Board	FAR Committee
11 May 2023	1.0	New policy submitted to Board for approval	Justin Hogg / Meegan George
29 September 2023	1.1	Update Clause 5.1 – add point specifying that cheques no longer accepted from 1 January 2024	Michael Corcoran / Meegan George
25 June 2024	1.2	Add Clause 5.5 – provision for customers in credit; Clause 6 - Clarify FAR Committee as the reviewer	Michael Corcoran

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