



INSTITUTE OF CREDIT MANAGEMENT

Certificate in Credit Management Part Two

Updated syllabus to be effective from 1 January 2001

1. Economical & legislative factors of Credit Management & their impact on customer ability to pay.
2. Sources of finance available to Companies requiring working capital / growth funding
 - Overdraft
 - Asset finance
 - Factoring & invoice discounting
 - Investors
3. Credit Policy
 - Setting policy
 - Implementing policy
 - Measuring effectiveness of policy
4. Structure of a Credit Management Department
 - Organizational structure
 - Methods of management
 - Role of the Credit manager
 - Link to Senior Management & other departments
5. Understanding Budgets, Targets & Provisions
 - Importance of performing within budget
 - Setting targets & measuring achievement
 - Providing for bad debts & credit notes – impact on profit
6. Advance Assessment Skills & Decision making
 - Financial Ratios – measuring ability & willingness to pay
 - Methods of setting credit limits
 - Impact of unrealistic credit limits
 - Monitoring & reviewing limits
 - Making a decision - factors to be considered:-
 - credit worthiness
 - purchasing power
 - company's own need to trade (the bigger picture)
 - anticipated profit margin
 - risk involved
 - legislation impact

- 7. Securing an Account
 - Theory of Securities
 - Role of securities
 - Securities available
 - Documentation required
 - Cost in taking securities
 - Value of security when taken
 - Practical application of securities
 - Value of security when needed
 - Maintaining securities
 - Perfecting securities
 - Limitations of Securities
 - Insurance
 - Debtors
 - Goods
- 8. Administrative Controls
 - Role of the Computer
 - Using computers to maximum advantage
 - Understanding on – line systems & the interdepartmental links
 - Importance of passwords & authority levels
 - Exception reports & their uses
 - Importance of accuracy when capturing data
 - Individual responsibility & accountability within company policies
 - Cash Sale Reconciliation & controls
 - Documentation Controls
 - Service Procedures
- 9. Supervising the Department
 - Collection Targets
 - Measuring performance
 - Team Building
- 10. Debt re-scheduling
 - Dangers involved
 - Accepting A.O.D's
 - Acceleration Clause
 - Third party Collections
- 11. Legal Action on Delinquent debtors
 - Court Jurisdiction
 - When to consider this route
 - Instructing an attorney
 - Limitations of the legal process
 - Costs involved
 - Procedure to Judgement
 - Legal terminology

- 12. Export and International Credit
 - Terminology
 - Legal restrictions
 - Documentation
 - Assessment Procedures
 - Terms
 - Insurance
 - VAT Implications
 - Dealing with external agents
 - 13. Consumer Credit
 - Legislation restrictions & impact
 - Developing assessment models
 - Performance Scoring
 - Supervision of Collections
 - Target Setting
 - Result measurement
 - 14. Introduction to Banking Credit
 - Consumer
 - Commercial
 - 15. The role of Micro Lenders in South Africa
 - 16. Introduction to Liquidations / Insolvency
 - 17. Internal & External Audit & their requirements
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