



## GUIDELINES AND PROCEDURES

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| TITLE: ACCOUNTS RECEIVABLES           |                          |             |

### Statement/Purpose:

- To standardized policies and procedures with regards to account receivables
- To improve receivable turnover ratio in the branch.
- To minimize losses due to unclaimed receivables.
- To strengthen controls over accounts receivables.

### General Guidelines:

#### Preparing the Job Order

1. All pertinent information should be properly indicated in the Job Order / Sales Invoices.
  - a. Customer Name
  - b. Address
  - c. Contact Details – specially if transaction is not yet fully paid
  - d. Date of transaction (including the year)
  - e. Due Date and Due Time
  - f. Names / Initial of Branch Staff – Assisted and Refracted by
2. Due date and time should be specifically indicated. (Month/Day)
  - a. For transactions that can be claim within the day, instead of indicating “waiting” or “WTG” in the Job Order, specific due date and time should be indicated.
3. Due date and time in the customer’s copy should be the same with the due date in the branch copy.
4. The **Branch Manager** is responsible to see to it that all these information are indicated in the Job Order / Sales Invoices.
5. No Job Order / Sales invoice should be prepared if there is no deposit made by the customer.

#### Processing of the Job Order

6. No lenses should be processed/cut without a Job Order.
7. No lenses should be processed/cut if the deposit is insufficient to cover the cost of the lenses.
  - a. If the lenses were cut and the receivable is subject for forfeiture, the difference between the cost of the lenses against the customer’s deposit will be charged to the optometrist in charge of the transaction.

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### When is a receivable subject for forfeiture = 90 days from date of transaction

8. No orders should be placed to suppliers if the deposit is insufficient to cover the cost of the item to be ordered.

9. For photochromic / transition lenses, before giving the lenses to the optician, the optometrist in-charge is responsible to check first the lenses using the photochromic tester for the transition, color and shade of the lenses. Once the lenses are checked, the optometrist will indicate in the top right portion of the Job Order "Lenses Checked" and signed by the optometrist who conducted the checking.

a. If in case the lenses were processed/cut and the color or shade of the lenses were not checked, the cost of the lenses will be deducted from the optometrist.

10. Before processing / cutting the lenses, the optician should first check the quality, grade / power of the lenses (using a lensometer). The optician should also verify the type of lens indicated in the Job Order against the actual lenses he/she will process.

a. If in case the lenses were already processed/cut and the grades of one of the lens or both lenses are wrong, the cost of the lenses will be deducted from the optician.

**11. All Demo Lenses (especially Expensive Frames) for unclaimed receivables should be kept together with the frame until such time the customer will claim his/her transaction. (Inside the clear plastic or inside the case of the frame).**

12. The **Branch Manager** is responsible to see to it that all these procedures are carried out before processing the lenses.

### Monitoring of Accounts Receivables

13. The optician should properly record all Job Orders processed inside the laboratory in the Lab-in/out notebook.

14. The stock clerk should properly record all receivables inside the stockroom in the Accounts Receivable notebook. Stock clerk should also record all receivables that went out/claimed from the stockroom.

**15. The cashier should make sure all receivables claimed within the day are recorded immediately in the Taken notebook.**

**16. NO receivables should be release to the customer unless fully paid.**

a. **Partial Release for contact lenses can be allowed if deposit is sufficient to cover the selling price of the contact lenses to be released.**

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**Aging of Accounts Receivables****17. Accounts receivable should only be in the branch for a maximum period of 3 months or 90 days.**

- a. Branch should make an effort to follow-up and contact the customer.
  - i. The branch should contact the customer on ALL the following dates below
    - 30<sup>th</sup> day of the receivable from date of transaction
    - 45<sup>th</sup> day of the receivable from date of transaction
    - 60<sup>th</sup> day of the receivable from date of transaction
    - 75<sup>th</sup> day of the receivable from date of transaction
    - 90<sup>th</sup> day of the receivable from date of transaction

**With this, branch is required to indicate in the back of the Taken Stub the following details below on every time they contacted the customer.**

- ii. Date contacted the customer
- iii. Time the customer was contacted
- iv. Contact number of the customer, if in case the customer has 2 or more contact numbers.
- v. Person the branch staff spoke to.
- vi. Branch staff who called the customer
- vii. Remarks
- b. If receivables reached 90 days from the date of the transaction, **the branch is given 9 days more** to contact the patient to settle the transaction.
- c. **On the 100<sup>th</sup> day from date of transaction** the unclaimed receivables should be forwarded immediately to Audit Department for forfeiture.

**Forwarding of Forfeited Receivables to Head Office.**

- 18. Branch should accomplish the Forfeited Receivable Transmittal Form (3 copies) –refer to attached Annex A
  - 1st Copy – Branch Copy (Tracer copy)
  - 2<sup>nd</sup> and 3<sup>rd</sup> Copy – Forward to Audit Department (2<sup>nd</sup> Copy Audit Copy; 3<sup>rd</sup> Copy will be returned to the branch after acknowledgement)
- 19. The said receivable, together with the item, should be forwarded to Audit Department.
  - Aside from the item/s, job order document and transmittal form, the following items should also be forwarded
    - i. Demo lenses of the receivable for CEG items
    - ii. Complete Accessories of the receivable (wiper, cases, boxes, paper bag etc)
- 20. All forfeited receivables should be approved and signed by the Branch Manager before forwarding to Audit Department.

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21. Once forwarded to Audit Department, the said receivables will be validated and processed. In case the customer wishes to claim his/her forfeited transaction, **Branches can still retrieve the forwarded items IF it has not been processed by Audit. Once processed by Audit, branches can no longer take back/retrieve the forfeited items.**
22. Once forfeited items are received, Audit Department will check and validate the receivables forwarded by the branch. The following will be check:
- Insufficient Deposit to cover to cost of the cut lenses / special processed item ordered.
  - Incomplete Accessories and Demo Lenses.
  - Damaged Merchandise.
23. Audit will provide recommendation for deduction document to department concern (HR/Accounting) with regards to any deductions noted.

Management reserves the unilateral discretion to amend, modify, suspend or cancel these guidelines anytime it may deem necessary. This guideline shall supersede all existing policies, guidelines and procedures of the same subject.

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