

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE :	DUE DATE	Ref. No.
DEPARTMENT :	ACCOUNTING DEPARTMENT	ACT-16-01-006
TO :	AC / CASHIER / CS / BM	

OBJECTIVE

1. To know when is the expected day a customer has to pay the monthly amortization due to him for a Promissory Note he has issued in favor of the Company for a purchase of a motorcycle in installment basis.

POLICIES


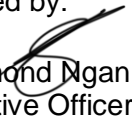
1. As a matter of policy, the first due date must fall 30 days after delivery date of the motorcycle unit.
 - 1.1 Releases with delivery date of 26 to end of the month, the due date will be 1 of the month after next.
2. Customer may extend his due date to the nearest payroll date, but in no case should exceed forty five (45) days from date of delivery. Any extension beyond the maximum limits will result to delays in collecting the monthly installments; and therefore, will affect the Company's profitability as the money cannot be plowed back into the business immediately.

Example:

Delivery date : August 03, 2015
 Payroll date : 15th and end of the month

a. 30 Days After Delivery


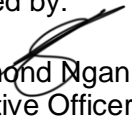
	Days
Number of Days in the Delivery Month	31
Delivery Date	03
Net	28
Less: Required Number of Days After Delivery Date	30
First Due Date September 02	<u>2</u>

Prepared by: Rizell Segovia 	Approved by: Richmond Ngan Executive Officer 	Effective January 2016	Page 1 of 2
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- b. Nearest, Payroll Date is September 15, which the customer may opt to be his first due date.

End of 30 days period, September 02	28 Days
Next Payroll Date, September 02	13 Days
Total Number of Days	<u>43 Days</u>

3. During the credit investigation stage, the Account Counselor must already come into agreement with the applicant or prospective customer as to when he prefers his first due date to fall to avoid future requests for change due date.
4. An account becomes overdue when an installment remains unpaid after the lapse of its due date and an account which is only 1 day past due is grouped under 1-30 days overdue at the end of the month which is also our Aging Report cut-off. Due to this, branch should refrain in giving due date between the 25th to end of the month. This is to give them more follow-up time before an account be considered overdue in the Company's records.
5. NO CHANGE OF DUE DATE POLICY, once the customer agrees to a certain due date and the same is already embodied in the financing contract, no further changes will be allowed as this will materially affect the core or essence of the financial contract. This should be made clear to the prospective customer at the time of credit investigation by the Account Counselor.
6. Any arrangements on due dates which are not consonance with this policy will require prior approval from authorized officer in the main office.

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