

MITSUKOSHI MOTORS PHILIPPINES, INC.		
POLICY AND PROCEDURE		
POLICY TITLE:	PROMPT PAYMENT DISCOUNT	Ref. No.
DEPARTMENT	ACCOUNTING DEPARTMENT	ACT-16-01-002
TO :	MA / AC / CASHIER / CS / BM	

OBJECTIVE

1. To encourage customers to pay on or before due date, certain amount is given as discount from their monthly installments.

POLICIES

1. Prompt Payment Discount Rate is two hundred pesos (P 200.00) per MI on all terms. In some instances, there are certain changes in the rebates to improve market share on certain branches or area. This revision or adjustments shall be covered by circulars or memorandum duly approved by authorized company officers.
2. Prompt Payment Discount should only be granted to customers on the following condition:
 - 2.1. The customer's account is **up-to-date**.
 - 2.2. Installment paid **on or before due date**.
 - 2.3. Installment amount is paid in the **Branch or Main Office**.
 - 2.4. For Cheque payment, cheque date must be **on or before due date**.
3. Replacement payment on dishonored/bounced check is no longer subject to PPD after due date. The discount that was previously granted should be collected from the customer. Furthermore, the due portion should be charged with penalty of five (5%) percent if it exceed the five (5) days limit.
4. If the customer, instead of replacing the dishonored check with cash, requests that the check be re-deposited in the bank, the subject payment shall not be entitled to a discount if re-deposited after its due date. The corresponding penalty charges of five (5%) percent should also be collected from the customer if the date of re-deposit exceed the five (5) days limit.

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5. Partial Payment of account is not subject to discount, unless the full payment is made on or before due date.
6. If customers pay two (2) or more monthly installments, only the up-dated installment amount is entitled to PPD.
7. Full advanced payments are entitled to PPD

PROCEDURE

1. The cashier must ensure that all conditions are present before giving PPD to the customer.
2. If all conditions are present, the rebate or PPD of two hundred pesos will be deducted to the monthly installment of the customer.

For example, if the customer has a monthly installment of P2, 059.00 pesos and avails the rebate, amount to be paid will be P1, 859.00 only.


3. The rebate of P 200.00 is included on the amount to be credited or deducted to customer's outstanding balance.

3.1 Sample Customer Ledger:

Inst. No.	Due Date	Paid Date	OR No.	Amount Received	Rebate	Penalty	Credited M.I.	Balance
1	10/15/14	10/15/14	001	1,859	200		2,059	72,065
2	11/15/14	10/31/14	003	1,859	200		2,059	70,006
3	12/15/14	1/10/15	006	4,021		103	2,059	67,947
4	1/15/15	1/10/15	010	4,021	200		2,059	65,888

3.1.1 In installment No. 3 and 4 only the up-dated installment amount is entitled to PPD.

4. Cashier updates the manual ledger and post payment of customer in the Branch Monitoring System.

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