# CREDIT LIMITS

## SETTING CREDIT LIMITS

Enter the credit limit for customers in Customer Maintenance (C/M menu) in field #39.  When a customer goes over this limit the system will automatically put new orders on credit hold and warn the salesperson that this has happened.  If the salespeople should be able to enter a CRA # (credit release authorization) then an A/R Parameter is set to allow this, and another parameter is set to track the orders that are released in this manner.

To be effective, the salespeople should get a CRA # from the credit department.

## CUSTOMERS WITH JOBS

- If a credit limit of $5,000.00 is entered for a customer, then this is the total credit limit for Jobs and Non Job sales.
- When you enter a Job it will not allow you to set the credit limit higher than the Customer Credit Limit.
- You can enter multiple Jobs that add up to more than the Customer Credit Limit.
- If you enter a credit limit of $5,000 for a Customer and $3,000 is for a job, that amount is not reserved for the Job.  It is used up as each ticket is entered.  If Non-Job tickets equal $4,000 then you only have $1,000 for the job.

However:
>
> If you want the job credit limit to be separate from the customer credit limit, then go into Job Maintenance (JOB menu) and set #16 JOB TYPE to O=for job with Over-ride of Customer Credit Limit.  Then go to #19 and enter what you want the credit limit to be for the job.

## PUTTING A CUSTOMER ON HOLD

You can set a customer on Hold in the Customer Master file (field #41) with a choice of four different types of hold:

A=Active Hold

Must contact credit dept to process new orders.
Must contact credit dept to process old orders.

C=Credit Hold
If there is a pending invoice, it will be processed
In SOE, operator can release orders with a CRA number

H=Hold
If there is a pending invoice, it will be processed
In SOE, orders can be entered, but no put-up (shipping) is allowed

I=Inactive Hold
Puts the customer on Hold, but existing order can be processed with entry of CRA #.
No entry of orders in SOE

The key here is that the salespeople must be told that when the system prompts for a CRA #, they can only make an entry if they get an authorization number from the credit manager(s). If they enter a number, the system releases the order from hold. What are they to do if they cannot get in touch with a credit manager? To monitor this see the Credit Exceptions Report below.

## CREDIT REPORTS

You should start printing the Credit Exceptions Report on the EOD menu on a daily basis and

- ✓ check what orders have been released and determine if the customer's credit limit should be adjusted up or down
- ✓ verify that the salespeople are getting a number from one of you, and not just entering one to release the order
- ✓ determine if a customer should be put on hold using one of the four codes as described above.

For a list of orders on hold, use the Orders Being Held Report on the OPR menu. You can also periodically print a list of customers that are on hold using the report on the C/R menu – Credit Hold Customer List, and the Customer Open Order Values is helpful to review open $$.

## OTHER FEATURES

An A/R Parameter can be set to print the <u>RECOMMENDED ORDER RELEASE REPORT</u> after each batch of cash application.  This will print cases where the customers have had cash applied, and are now below their credit limit.  Instead of releasing their orders automatically, the operator can review the report and determine whether they should be released.

Another A/R Parameter can be set to print <u>CUSTOMERS ELIGIBLE FOR RELEASE FROM CREDIT HOLD REPORT</u> after each batch of cash application.  This shows any customers that have been put on hold with a Hold Code as described above, which have made a payment.  Besides printing this report, the system can be set to automatically take the customers off credit hold.

Another feature in Harvest is that the system can be set in the A/R Parameters to automatically put customers on Credit Hold during End of Day if they owe a minimal amount more than a specified # of days past due.  An optional number of days since the customer last made a payment can also be entered.  The system can also be set to automatically take customers off Credit Hold when their balance due falls below their credit limit.