

E~Credit News

The Business Credit
Management
Association Wisconsin

November 2019

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International Credit Executives Group
Administered by Wisconsin Credit Association, Inc.

wcacredit.org

November 19, 2019 | 8:00 AM—4:30 PM

LC's 101 | Basic Fundamentals Track

This program will be an excellent source of information for those who are new to LC's and/or wish to brush up on the fundamentals, or are indirectly involved with LC's & wish to have a better understanding of this longstanding and venerable trade payments instrument.

AM: Basic Commercial LC's in the morning

Parties in a LC transaction

- * Transaction flow
- * Common documents
- * Advising versus confirming (basics)
- * Discrepancies
- * Charges & who pays them
- * Sight versus Time LC's
- * SWIFT – definition and importance
- * Role of the freight forwarder
- * Incoterms
- * Common discrepancies to avoid

PM: Basic Standby LC's in the afternoon

- * Bid, performance and advance payment
- * Financial versus trade related
- * Alternative to commercial LC?
- * Cancellations/Expiry
- * Affects on your company's credit line

LC's 201 | Advanced Track

This program will benefit those with more experience, who have a good fundamental understanding and experience working with LC's or are directly and primarily responsible for LC's within their company. This program will also explore best practices involving LC's and Bank Guarantees to make LC's simpler, more workable and friendlier to use.

AM: Advanced Commercial LC's in the morning

- * Incoterms
 - a) Overview 2010 vs 2020
 - b) UCC terms and Incoterms
- * Structuring your LC – your pro-forma invoice & LC guide
- * Confirmation, usance & discounting
- * Transferable LC's and assignment of proceeds
- * LC rules and the UCP
- * LC fraud & Boycott issues
 - * Different shipping locations

PM: Advanced Standby LC's in the afternoon

- * Definition of a SBLC vs bank guarantee
- * SBLC governing rules: UCP 600 | ISP 98 a deeper dive
- * URDG 758 relative to BG's versus local law
- * Challenging markets
- * Structuring counter SBLC's in support of local issued
 - * BG's | auto renewals | related fees
 - * Canceling the counter SBLC's and/or BG's
 - * Examples and case studies

Click [here](#) for more details.

NEW ASSOCIATION REPRESENTATIVE

Dennis Murphy
Design House DHI Corp

**MEMBER NEWS:**

If you have something you would like us to announce please send an email to admin@wcacredit.org
Subject line: Member News

FORUM QUESTION: CAN ANYONE TELL ME IF SEGREGATION OF DUTIES APPLIES EVEN WHEN AN EMPLOYEE IS ON VACATION OR SICK?

Question: Can anyone tell me if Segregation of Duties applies even when an employee is on vacation or sick? Or is this subject to the company's discretion?

Credit Manager, Medical Corporation

As an audit requirement or a SOX requirement, segregation of duties applies regardless of whom may be unavailable -- that's my understanding anyway. With tight staffing, it gets complicated to get things done sometimes.

Credit Exec, Steel Manufacturer

In our organization, allowances are made for out of office situations. We also have a few satellite offices where we just do not have enough staff to cover all tasks that need to be done to manage the operations. We manage these situations with allowances & acknowledgement in procedures, in audit control & testing. The "OOO" procedures, & how well we manage to those directions, are occasionally tested by our internal auditors. In fact, it is a good idea to have others cross trained in a few others tasks for support that may end up being longer than planned.

Another point: it is a good idea to test a person's work when they are out of office. This is good way to identify errors, or worse (corruption, fraud, and etcetera).

Senior Manager, Credit & Collections

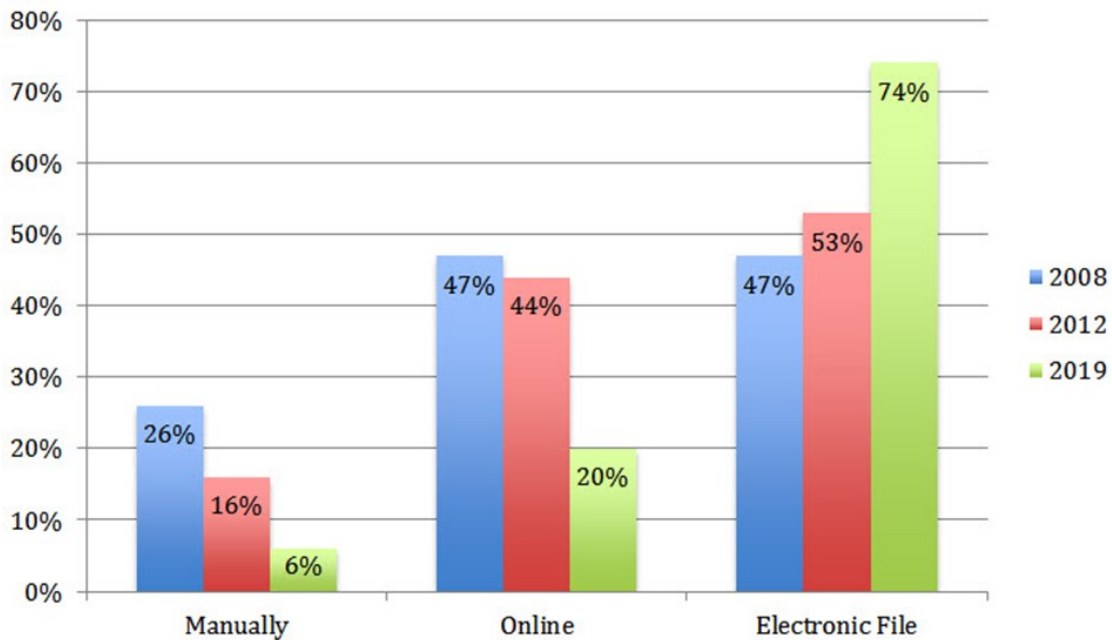
As far as SOD violations, there needs to be a mitigating control with management sign off to ensure proper oversight. If a mitigating control cannot be found, then try for an additional management approval in those 'out of office' situations -- we use SAP's GRC which allows for the creation of 'fire-fighter' roles. Fire fighter roles are created for emergency situations and are strictly monitored with additional management approval in SAP (every key stroke is recorded on a log which is then emailed to the manager for their required approval). Fire-fighter roles work well and certainly help with concerns over SOD violations for SOX (or in our case, JSOX -- the Japanese version of SOX -- a bit

FORUM QUESTION: CAN ANYONE TELL ME IF SEGREGATION OF DUTIES APPLIES EVEN WHEN AN EMPLOYEE IS ON VACATION OR SICK? (Continued)

tougher on the documentation side than SOX, if you can believe there is one tougher than SOX!). If you don't have anything like fire-fighter in your systems, you can create fire-fighter roles that track what would normally be considered SOD violations by granting a separate sign-on and password to be used only for these occasions and then ensure there is sufficient reporting around it for management to review and approve.

Director of Financial Services, Building Products Company

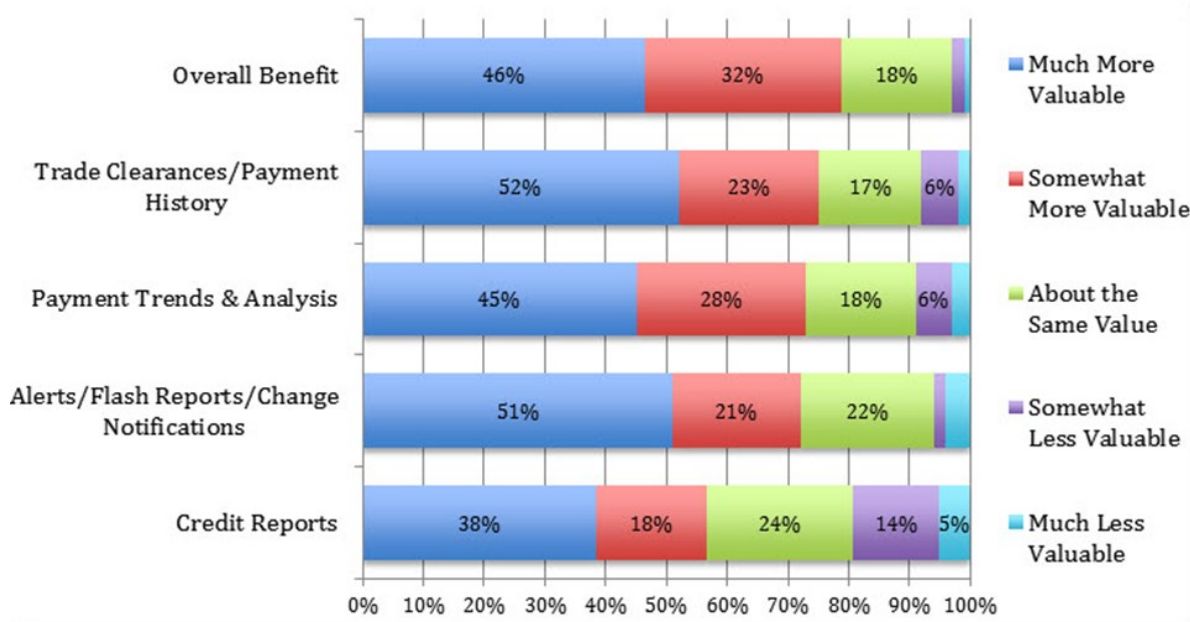
Credit Today Benchmarking: Thinking of your primary or most significant credit industry group, how do you submit payment data or other credit information?



As you can see, the sharing of credit group data has become increasingly automated. If anything, the trend accelerated over the last 6 years. Here are additional details as to the meaning of the labels on the above chart:

- ◆ Manually involves paper or hard copy
- ◆ Online is done through an Internet web service with customer data entered one-by-one
- ◆ Electronic Files involve the submission of a trade tape or batch file (many customer records at once)

Question: In comparison to your primary credit reporting bureau, how valuable is your membership in your primary or most significant credit industry group in each of the following categories?



Analysis:

- In all five of the above categories, survey participants indicate that their industry credit groups provide more value than their credit reporting bureaus
- In all categories except credit reports, the perceived value received is significantly higher
- These responses tracked very similarly to those recorded in our 2012 survey

Meet Your Customers' Accounts Payable People in Person

Making it as easy as possible for customers to pay you is a credit management dictum. And the best first step, according to Don Buehler, Controller at a major Midwest produce company, is to take the time to meet your customers' accounts payable people in person. "I introduce myself and work toward developing personal relationships," he says. While he spends time in their offices talking business, he also likes to take the A/P people to lunch and develop an additional dimension to the relationship.

During his visits, Buehler gathers as much information on the customers' posting and approval procedures as he can. He finds out exactly how they like paperwork to be submitted, so that his department can make it as easy and convenient as possible for the accounts payable people to perform their jobs. Next, it is important to be able to provide timely paperwork and information to customers. This involves several steps:

Meet Your Customers' Accounts Payable People in Person (continued)

1. Find out when their account period deadlines are so that you can submit your paperwork before their deadlines. This not only helps you get paid quicker, but it also makes it easy for the accounts payable people to apply the charges to the proper accounting periods.
2. If customers need additional copies of invoices or other documentation, be able to provide them immediately. "We have created in-house procedures that allow us to access customer paperwork almost immediately when they request it," states Buehler.
3. While some smaller companies may prefer to "stretch you out" as long as possible, most larger companies have sufficient cash flow and want to pay in a timely manner. For this reason, Buehler stays on top of any apparent delinquencies, and contacts customers' accounts payable people as quickly as possible to notify them of any potential oversights or other problems. "If I ended up calling them at 45 days or so, I would be embarrassed," he admits. "I want to call them much quicker than this." Customers appreciate his notification of such problems. "They consider it a service and a courtesy for us to notify them of delinquencies," he adds. Post customer payments, credits, and adjustments immediately. "We keep our customers' accounts clean, and if we make any mistakes, we correct them as quickly as possible to eliminate miscommunication," he states.
4. Finally, if you need to call an accounts payable person about anything, try not to do it during the time they are posting invoices, unless the issue must be addressed immediately. "Accounts payable people are very busy during these times, so I don't want to bother them unless it is absolutely necessary," he explains.

Be Accurate

"For the most part, accounts payable people in large companies only deal in paperwork," notes Buehler. "If you send them paperwork that is complete, accurate, and all in order, they will pay it." For this reason, accuracy and completeness are very important. "We do everything that we can to provide customers with quality paperwork, organized in the way they like it," he emphasizes. In fact, Buehler has trained his employees to review all paperwork before it is sent to customers and make sure it is all in order. "If they notice that something is missing or that something just doesn't seem right, they flag it immediately, and we take care of it before we send it on to the customer," he says.

TSYS Merchant SolutionsSM (Partners)

Need credit card payment solutions for your business? Whether large or small, TSYS has the customized solutions to fit your business needs. BCMA partners with TSYS because they are focused on creating more value in our client relationships than ever before, and their voice has emerged as one of the most trusted in the payments industry. This true spirit of partnership, and the accompanying understanding that our success is determined by our clients' success, infuse everything we do. Whether you're LOOKING TO BEGIN ACCEPTING CREDIT CARDS, or LOOKING TO LOWER YOUR CREDIT CARD SUR-

CHARGE FEES...TSYS will help. Contact the Association at 262.827.2880. We'll put you in touch with a representative that will assist you. TSYS was named to Ethisphere's 2013 World's Most Ethical Companies List!

**NACS Credit Services, Inc*

**Pennsylvania Association of Credit Management*

**The Business Credit Management Association Wisconsin*



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Director of Education
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GOT AN IDEA?

Would you like to contribute to the BCMA Newsletter? The most important part is your idea. We can handle the polishing. Just write to us at BCMAEditor@CreditToday.net with your idea!



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Data Transmissions
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Davy J. Tyburski
Rob Lawson
Stu Sturzl, CCP, CPC
Barry Elms

So Many ways that you
connect to The Association



UPCOMING INDUSTRY CREDIT GROUP MEETINGS

NOVEMBER 8, 2019

Electrical Suppliers Industry Credit Group,
Delafield, WI

NOVEMBER 12, 2019

Fine Paper/Graphic Arts Industry Credit Group
Teleconference Call

Regional Paper & Packaging Industry Credit Group
Teleconference Call

NOVEMBER 13, 2019

Plumbing & Heating Industry Credit Group
Brookfield, WI

NOVEMBER 14, 2019

Food Suppliers Industry Credit Group
Madison, WI

Metals & Industrial Suppliers Credit Group
Delafield, WI

Iowa Plumbing Heating Electrical & Construction
Industry Credit Group
Teleconference Call

NOVEMBER 15, 2019

IL Fine Paper Industry Credit Group
Downers Grove, IL

November 18, 2019

Western Electrical Suppliers Industry Credit Group
Madison, WI



"These lunch meetings are a lot more fun than conference calls."

NOVEMBER 19, 2019

Building & Construction Materials Credit Group
Milwaukee, WI

Minnesota Fine Paper Credit Group
Teleconference Call

NOVEMBER 20, 2019

Food Service Supply Hospitality Industry Credit Group
TBD

Minnesota Electrical Suppliers Credit Group
Brooklyn, MN

NOVEMBER 21, 2019

Construction Industries Credit Group
Appleton, WI

November 26, 2019

WI/IL HVAC Industry Credit Group



Education Events

November 19, 2019

LETTERS OF CREDIT WORKSHOPS

December 18, 2019

"INCOTERMS 2020" Webinar

January 16, 2020

"How To Manage The Emerging Challenges In Credit & Collections" Webinar

February 12, 2020

"Commercial Collections" Webinar

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