

Credit Learning Center

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COURSE OR SPECIALTY CERTIFICATE

Advanced Credit Policy (ACP) - 3 modules

This is an advanced course in the analysis and formulation of credit policy, including policies regarding credit investigation, terms of sale, credit-granting and credit limits. It is intended for experienced people (typically Directors of Credit or similar positions) who must make and enforce credit policy.

Business Credit Principles (BCP) - 19 modules

This comprehensive course covers all the essential elements of business credit, including the role of credit in financial management, the components of effective credit department systems and procedures, specific government regulations that pertain to business credit, credit and policy procedures, selling terms, negotiable instruments, the Uniform Commercial Code, credit investigations, financing and insurance, business credit fraud, factors associated with credit limits, out-of-court settlements and bankruptcy.

Commercial Bankruptcy Credit Specialist (CBCS) - 6 modules

This Specialty Certificate provides a broad overview of bankruptcy to familiarize the student with the different chapters of bankruptcy and the parties involved. It will discuss the major bankruptcy chapters in depth and the student will also learn what rights he or she has as a creditor. This Specialty Certificate will also provide “how-to” basics on dealing with preference claims and customers filing bankruptcy.

Commercial Collections Specialist (CCS) - 7 modules

This Specialty Certificate will present the four basic costs of credit that businesses should consider when developing a credit policy which will aid in understanding why a customer doesn't pay. It will illustrate how documenting the credit relationship is a vital part of the preparation for lending and how to get set up properly so that the right policies and procedures are in place to ensure a good credit relationship with the customer. The student will learn how to evaluate whether a company's credit policies comply with the law. It will also cover the basics of how to make effective collection calls.

Commercial Construction Credit Specialist (CCCS) - 9 modules

This Specialty Certificate is designed especially for commercial credit executives in the building and construction arena. The course will cover construction terminology and the importance of contract terms and forms that will reduce costs and motivate a debtor to pay. A brief guide to the Uniform Commercial Code will be presented, along with descriptions and explanations of Article 2: Sales; Article 6: Bulk Sales and Article 9: Secured Transactions. The mechanic's lien filing process will be explained, including when and why to file a preliminary notice. Other topics include payment bonds, the difference between public and private entities and dispute resolution options.

Financial Statement Analysis I (FSA) - 6 modules

This is an introductory course in financial (accounting) statements and their analysis. It reviews the basic financial statements, quality issues in using these statements and the analysis of these statements for the purposes of making credit decisions.

MODULES

ADVANCED CREDIT POLICY – PART 1 ACP

The major topic in this module is making credit decisions. Topics covered include: credit policy and the goals of the firm; costs that are affected by credit decisions; methods for evaluating the costs and benefits of credit decisions; determinants of credit investigation policy; credit-granting decisions in a marginal cost framework; how to estimate credit-based costs; the effects of uncertainty on credit-granting decisions; and factors that determine whether credit-granting should be based on long-term or short-term creditworthiness. Upon successful completion of all 3 parts of this course, participants earn 2 education points toward their CCE recertification.

ADVANCED CREDIT POLICY – PART 2 ACP

The major topic for this module is the analysis of terms of sale. Topics covered include: the effects of credit enhancements on the costs of credit-granting; taking credit cards as a collection strategy; basics of negotiating the conditions of credit-granting; expert and statistical scoring systems for credit-granting; legal aspects of terms of sale decisions; the costs and benefits of changing terms of sale; electronic payments; and cash discounts as a collection strategy.

ADVANCED CREDIT POLICY – PART 3 ACP

The major topic for this module is monitoring the outcomes of credit policy. Topics covered include: information credit limits and credit investigation; risk credit limits and their application; outsourcing credit functions; credit management for the small firm; measurement error in monitoring credit outcomes; accurately measuring discount expense, days to pay and bad debt expense; budgeting credit costs; and variance analysis of accounts receivable balances.

ANATOMY OF A PREFERENCE CBCS

What is worse than your customer filing for bankruptcy? Having to give back the payments you collected in the three months before they filed. The theory behind the preference sections of the bankruptcy code are sound—equal distribution to all. In practice that is not how they are enforced. Defending against the pursuit and recovery of alleged preferential payments could cost creditors more than their initial claim for the outstanding receivables when a customer initially seeks bankruptcy protection.

This module will present the steps the credit professional can take to build a strong defense against preference claims and minimize the cost of legal fees. Practicing good Credit Department Hygiene—and knowing your customers and their payment patterns and how they align with the allowable defenses of a preference—can improve the creditor's position for a strong defense. After successful completion of this module the student will understand the keys to a good defense against a preference claim, steps to take when a customer files bankruptcy, the elements of a preference, the demand letter, statute of limitations regarding preference claims, contemporaneous exchange, ordinary course of business, and subsequent new value.

BANKRUPTCY ALTERNATIVES BCP

There are many ways of handling the affairs of insolvent or financially distressed business debtors. One is to keep the debtor in business and restore the business to profitability. Another is to put the debtor out of business, sell the assets and distribute the proceeds among creditors. Creditors usually prefer to rehabilitate a distressed debtor by voluntary out-of-court settlement. When rehabilitation is not possible they may liquidate assets outside of bankruptcy proceedings through a general assignment for the benefit of creditors. The credit professional that is familiar with both of these methods, and their advantages and disadvantages, will be able to participate effectively in whatever action is taken when a customer becomes insolvent.

BANKRUPTCY CODE PROCEEDINGS BCP

The term bankruptcy comes from Latin and means “broken bench.” Originally, when a merchant failed to repay suppliers in a timely manner, the suppliers would break the benches that displayed the goods of the merchant. With a broken bench, that merchant was unable to conduct business. Today, bankruptcy is far more complex and is governed by federal law. This module presents the general basics of bankruptcy. As with all legal issues, credit professionals are urged to seek legal counsel.

BANKRUPTCY - EXERCISING YOUR RIGHTS AS A CREDITOR CBCS

In this learning module the credit professional will learn what rights he or she has as a creditor. The credit professional may recognize the term reclamation from state law concepts. Although reclamation is not specifically a bankruptcy concept it is implemented in bankruptcy. This module will present the topics of Reclamation, Administrative Claims and Dealings with Bankruptcy. After successful completion of this learning module the student should understand reclamation and how to exercise reclamation rights; the 20-day administrative claim (or 503(b)(9)) and how and when to file one; what a creditor should do when learning about a debtor’s bankruptcy; how to know when to file proof of claim; when a creditor is bound by an automatic stay; what a preference is and is not; and why a creditor might force a debtor into bankruptcy.

BANKRUPTCY - NAVIGATING THE CHAPTERS CBCS

This learning module discusses the major bankruptcy chapters in depth and describes how a creditor can deal with and work through the different chapters of bankruptcy. Topics include Chapter 7 (Liquidation); Chapter 13 (Wage Earners); Chapter 12 (Family Farmers); Chapter 9 (Municipal Reorganization); Chapter 15(Ancillary and Cross Border); Chapter 11 (Reorganization); and Postconfirmation Problems. After successful completion of this learning module the student should understand what each bankruptcy chapter is designed to address and how it functions, who is involved in a bankruptcy case and what their roles are, the function of the means test, the role of the creditors’ committee, the order of distribution of assets in a Chapter 11, and the absolute priority rule.

BANKRUPTCY - SETTING THE STAGE CBCS

This learning module will provide a broad overview of bankruptcy to familiarize the student with the different chapters of bankruptcy and the parties involved. Topics covered include the Chapters of Bankruptcy, the Players and What They Want, Special Unsecured Creditor Issues, Starting a Case, Exemptions, Avoidance Actions and Executory Contracts. After successful completion of this learning module the student should understand what the bankruptcy chapters are, which people are involved in a bankruptcy and what their roles

are, issues regarding post-petition credit, when and how to file proof of claim, the difference between voluntary and involuntary bankruptcy, rules regarding the automatic stay, and what exemptions are and how they function.

BASIC COLLECTION TRAINING CCS

This module introduces the credit professional to the key steps behind making an effective collection call. Information covered will include the importance of professionalism, how to prioritize and prepare for a call, details necessary for an effective call, the importance of documenting your calls, the importance of follow-up, and how to handle angry customers. In addition this module will present role-playing exercises of several collection calls.

BATTLE OF THE FORMS CCCS

You have learned the importance of having good contract and credit terms with every customer. In today's world, electronic and facsimile mail is sent back and forth between you and your customer, discussing a sale of goods. What if nothing is ever signed? When do you have an enforceable contract? Will the terms in your quote or the terms in the customer's purchase order control, when they are in conflict? How do you win the "Battle of the Forms" in a Uniform Commercial Code sale of goods? This presentation will answer these questions to help you navigate the "Battle of the Forms." After successful completion of this learning module, the student will understand different contract forms, the mirror image rule, acceptance, confirmation, the forum selection clause, notice and opportunity to cure, exclusion of express and implied warranties, and limitation of liability.

BUSINESS CREDIT FRAUD BCP

Predatory individuals perpetrate crimes of theft against companies by manipulating credit terms through misleading statements or actions which can cause significant financial losses. The real-life cases discussed in this chapter have been distilled into a variety of situations, circumstances and occurrences that, when identified, most often result in financial losses involving credit. These fraud warning signs are intended to serve as primary clues that a fraud against a company may be in progress. The objective of this module is to provide a description of those known circumstances that most frequently reveal the trail of fraud and help credit professionals identify the steps necessary to protect their firms from financial loss through credit risk.

BUSINESS WRITING SKILLS

You may have taken English or creative writing in college, but do the skills learned in those classes transfer to business writing? Business writing offers its unique challenges, and the good business writer understands the attributes that make for clear, direct, effective (even powerful) communication to busy people in the business world. This presentation focuses on these attributes. The viewer who adopts even a few of the suggested style changes will, without a doubt, improve his or her writing skills—and soon begin to reap the benefits of becoming a good business writer. After successful completion of this learning module the student will understand the importance of using fewer and smaller words; the benefit of using fresh thinking, imagination and original, clear language; the importance of not using slang, "techspeak" or buzzwords; the 7 Cs of Good Writing; the use of chunking to organize thoughts; the importance of using the active voice; and the Fog Index.

CBA EXAM REVIEW - PART 1

This module outlines what is covered on the CBA Exam. Material includes a review of Accounting, Inventories (LIFO and FIFO), Public and Private Credit, Federal Reserve Controls, Truth in Lending, Fair Credit Reporting Act, Fair Debt Collections Practices Act, ECOA, Antitrust Regulations, the Sherman Act, the Clayton Act, the Robinson-Patman Act and Negotiable Instruments.

CBA EXAM REVIEW - PART 2

This module outlines what is covered on the CBA Exam. Material includes Essential Components of a Credit Policy, Benchmarking, Centralized and De-centralized Credit Management, Breakdown of Selling Terms, Prepayment Conditions, Secured Conditions, Unsecured Conditions, the Uniform Commercial Code, UCC Definitions, UCC Key Aspects and Benefits, Blanket Security Agreements, Purchase Money Security Agreements, Financing and Insurance, Legal Composition of Business Organizations, Five Cs of Credit and Indirect Investigation.

CBA EXAM REVIEW - PART 3

This module outlines what is covered on the CBA Exam. Material includes Financial Statements: Balance Sheet, Income Statement, Statement of Retained Earnings, Statement of Cash Flows; Accountant's Opinions: Unqualified, Qualified, Disclaimer, Adverse and Compilation; Common-Size Analysis; Ratios; Out of Court Settlements; and Bankruptcy Acts, including Chapter 7 Liquidation Priorities.

CBF REVIEW - BUSINESS LAW, PART 1

This module outlines what is covered on the CBF Exam. Material includes the following: The Legal Environment of Law: Civil Law, Common Law, Constitutional Law, Statutory Law, Damages Available as Remedies and Elements to Prove Negligence. Contracts: Definition of a Contract, Parole Evidence Rule, Conversion, Requirements of a Contract, Types of Contracts, Methods to Terminate a Contract, Transferring Rights under a Contract, Discharge by Operation of Law, Methods to Settle a Legal Claim, Promissory Estoppel, Anticipatory Repudiation, Novation, E-Signature and the Plain Meaning Rule. Title and Risk of Loss: the Uniform Commercial Code (UCC), Contract for Sale of Goods, and Warranties and Product Liability.

CBF REVIEW - BUSINESS LAW, PART 2

This module outlines what is covered on the CBF Exam. Material includes the following: Sale and Lease of Contracts: Non-Conforming Goods Shipped, Lease, Sale, Shipment Contract, Destination Contract, Installment Contract and Bill of Lading. Negotiable Instruments: Negotiable Instrument, Draft, Parties to a Draft, Accommodation Party, Third-Party Beneficiary, Indorser, Types of Indorsements, Requirements for Negotiability, Check Collection Process, Holder and Holder in Due Course. Debtor-Creditor Relationships: Surety, Guarantor, Garnishment, Lien, Execution and Levy, and Types of Liens (Mechanic's, Artisan's, Judicial). Government Regulations: Fair Debt Collection Practices Act, Fair Credit Reporting Act, Truth-in-Lending Act, Horizontal Restraints, Vertical Restraints and Tying Agreements. Business Organizations: Partnership, General Partnership, Limited Liability Partnership, Limited Partnership, Syndicate, Joint Venture, Franchise, Business Trust, Elements of a Partnership, Partner by Estoppel, Corporations, S-Corporations, Articles of Incorporation, Bylaws, Stock Certificates, Preemptive Rights, Prospectus, Proxy, Dividends and Violations of Corporate Director's Duty of Loyalty.

CCE REVIEW - SESSION 1

This module is designed to help the student focus on exam strategies, short essay answers and case study presentation. Material includes the essay question: what is a well-written essay answer, organizing your essay, practice essay questions and sample answers.

CCE REVIEW - SESSION 2

This module covers many common legal terms and concepts that the credit manager should be familiar with. Topics covered include Contract Law Basics, Negotiable Instruments, Secured Transactions–UCC Article 9, Agency Relationships, Entity Formation and Implications for Credit Extension, Security Devices, Bankruptcy, Antitrust, Libel and Slander, Legislation. This module also includes sample essay questions and answers related to legal terms and concepts.

CCE REVIEW - SESSION 3

This module covers the case component of the CCE Exam. Topics include steps to use when doing a practice case, the 6 Cs of Credit, SWOT Analysis, Trade and Background Information, Financial Information, Liquidity, Activity, Leverage, Profitability, Security and Guarantees. This module also includes test-taking tips.

COLLECTIONS - BANKRUPTCY OVERVIEW CCS

Bankruptcy is a federal statute, although there is some variation from state to state due to individual state laws. This learning module presents an overview of the chapters of bankruptcy, giving more detail to Chapters 7 and 11. Other covered topics include The Players and What They Want, Creditor Issues, Preferences and Proof of Claim. After successful completion of this learning module the student should understand what each bankruptcy chapter is designed to address and how it functions, who is involved in a bankruptcy case and what their roles are, the function of the means test, the role of the creditors' committee, the order of distribution of assets in a Chapter 11, what a reclamation right is, what a preference is, and when to file a proof of claim.

COLLECTIONS - DELINQUENCIES & THE COLLECTION PROCESS CCS

It is critical to have a policy in place for implementing the management of credit accounts. A credit policy that provides consistency in decision making and implementation will be helpful if it is necessary to deal with a delinquent account. Topics covered in this learning module include Implementation of Policy, Examples of Collection Strategies and Steps, When to Use an Outside Source and Who to Use for an Outside Source. After successful completion of this learning module the student should understand the cost of credit (the Payment Gap, the Red Zone, the cost of delinquency over time), how payment terms or contractual terms relate to delinquency and collections, the importance of having a collection procedure with increasing pressure at appropriate intervals, when to use outside sources for collections, who to use as an outside source of collections and the role of lawyers in collections.

COLLECTIONS - DOCUMENTING THE CREDIT RELATIONSHIP CCS

Documenting the credit relationship is a vital part of the preparation for lending. Getting set up properly so that the right policies and procedures are in place can help ensure a good credit relationship with the customer. This learning module presents Preparation, the Credit Policy Manual, Requirements for Credit Decisions and the

Credit Agreement. After successful completion of this learning module the student should understand why preparation is important; the importance of a credit policy manual and what should be included in it; the requirements for a credit decision; and what a credit agreement is, what goes into it and who should use one.

COLLECTIONS - GRANTING CREDIT: REGULATORY CONSIDERATIONS CCS

It is necessary when thinking about credit policy to evaluate whether a company's credit policies comply with the law. Federal and state regulations govern the extension and enforcement of credit. This learning module will present the topics of Customer and Guarantor Information; Collections; Federal Statutes and Regulations; and State Statutes and Regulations. After successful completion of this learning module the student should understand the importance of safeguarding customer and guarantor information; what collection strategies are prohibited by the Federal Communications Commission, Federal law, State law and postal laws; record-keeping rules for merchants; the major federal statutes and regulations (ECOA, FCRA, Fair Credit Billing Act); and state statutes and regulations.

COLLECTIONS - RECOVERY, LITIGATION AND THE COURTS CCS

Compromise and settlements represent the next step after delinquencies and the collection process. It is the bridge between in-house collections and the litigation process. This learning module covers Payment Plans; Litigation; Discovery, Motions and Trials; and Judgment Enforcement. After successful completion of this learning module the student should understand when to consider negotiating a payment plan with a delinquent customer, reasonable terms for a payment plan with a delinquent customer, the risks of negotiating a payment plan with a delinquent customer, what "going legal" means, what an attorney will consider when filing a lawsuit, what happens if there is a dispute in a lawsuit, a creditor's responsibility to provide a witness and issues involved in enforcement of a judgment.

COLLECTIONS - WHY CUSTOMERS DON'T PAY CCS

In order to better understand why customers sometimes don't pay, it is helpful to understand the concept of the cost of credit. There are four basic costs of credit that businesses should consider when developing a credit policy which will aid in understanding why a customer doesn't pay, and thus enable a business to prevent some of these situations. Topics covered in this learning module include the Costs of Credit, Reasons for Non Payment, "Real" Reasons for Non Payment and Bad Intentions. After successful completion of this learning module the student should understand what the four costs of credit are and how they impact a business, the concept of the Payment Gap, the concept of the Red Zone, the reasons that customers don't pay and customers with bad intentions.

THE CREDIT AND SALES PARTNERSHIP BCP

The credit and sales relationship is symbiotic; one does not exist without the other in a successful organization. Both departments use much the same customer information to accomplish their objectives, albeit independent of the other, and each department can provide information that helps the other do its work more efficiently. This module looks at some ways credit and sales can work together to maximize efficiencies, make a positive impact on company profits and provide the best possible customer service.

CREDIT APPLICATIONS BCP

A well-defined credit application provides the basis for gathering information and implementing the company's policies. The credit application is the primary document which allows the credit professional to "Know Your Customer (KYC)." It may also serve as a contract.

CREDIT IN THE BUSINESS WORLD BCP

Credit is a privilege granted by a creditor to a customer to defer the payment of a debt, to incur debt and defer its payment, or to purchase goods or services and defer payment. This module provides an introduction to the topic of credit. It explores the history of credit, the primary reasons credit is offered and presents an overview of the credit process. Additionally, the types of credit are defined and discussed. Lastly, the chapter provides an overview of the Federal Reserve System (Fed) and how it controls the U.S. economy.

CREDIT IN THE COMPANY BCP

Business is concerned with the sale of goods or services for a profit. This module discusses the role and structure of the credit department in a business setting from strategic and organizational points of view. It also covers the credit department's goals and the relationships between the various departments. The daily activities of the credit department including collections are described.

CREDIT INVESTIGATIONS BCP

One of the core functions of the credit department is credit investigations. The greater the effort made to gather information at the beginning of the buyer/seller relationship, the easier it may be to collect accounts later. This module discusses all phases of gathering credit information—from the legal right to do so to the reasons such investigations are important to setting up the process. Sound credit decisions can only be made on the basis of adequate information about a customer's business, its financial condition, the character of the principals and other business matters.

CREDIT MANAGEMENT CONTRACT TERMS CCCS

Learn the importance of contract terms and forms to increase profits, lower costs and lower risk. Consider effective terms for credit applications, proposals, quotes, guarantees, lien waivers, and joint check agreements such as attorney's fee, service charge and forum selection to lower your costs and motivate a debtor to pay. Other topics include notice and an opportunity to cure to protect against back charge claims; limitations of your liability to a return of the purchase price and exclusions of express and implied warranty; limitations on claims of defect or delay; and trust fund agreements to make your customer a trustee for your receivable. After successful completion of this module the student will understand the importance of contract terms and forms, the types of contract forms, notice and opportunity to cure, limitations on claims of defect and delay and trust fund agreements. A packet of print-ready forms for immediate use are available from the presenter.

CREDIT POLICY AND PROCEDURES BCP

A well-defined credit policy allows a business to achieve established goals and serves as a guide in determining how to handle a variety of situations. In the decision-making process, credit policy is interpreted and applied to actual situations with guidelines or procedures that are devised by credit professionals to standardize the requirements assigned to the department. Companies can publish procedure manuals as ready references for employees.

DEALING WITH DIFFICULT PEOPLE

Dealing with difficult people can be challenging! Their behavior can leave you emotionally drained and distracted from focusing on more important issues. If you feel caught up in a drama that you're ready to exit, this session is for you! Learn how to stop negative patterns, set healthy boundaries and respectfully disengage from button pushers. After successful completion of this learning module the student will understand how their choices affect interactions with people, the signs of being negatively engaged with someone, how to set healthy boundaries, what unhealthy boundaries look like, when to speak up and when to stay silent, and how to respectfully disengage from a situation.

DISPUTE RESOLUTION CCCS

What are the procedures and advantages of litigation, mediation and arbitration? When are arbitration clauses enforceable? When is mediation a worthwhile use of time and money? What is Alternative Dispute Resolution (ADR)? Learn about dispute resolution procedures in contracts and in the law. Use the correct procedures to preserve rights to payment, speed up claims and lower the costs of claims. Learn how to navigate administrative claims procedures in federal and state public procurement contracts. You must understand conduit clauses, change orders and claims procedures to protect yourself from backcharges or deductive claims, and to also receive additional compensation for delay, design defects or changes on a project.

FINANCIAL STATEMENT ANALYSIS - CHAPTER 1: FINANCIAL STATEMENT OVERVIEW FSA

This module presents an overview of the financial statements of commercial firms. Topics include: why and when financial analysis is necessary in making credit decisions; the nature of the trade creditor's claim relative to that of other financial stakeholders; types of financial statements; liability issues and their effect on financial reporting; and limitations in using accounting data.

FINANCIAL STATEMENT ANALYSIS - CHAPTER 2: THE BALANCE SHEET FSA

This module covers the balance sheet, one of the basic financial statements. Topics include: the effect of the legal form of the debtor on the balance sheet, taxes, and liability for debts; entries on the balance sheet and what each represents; structure of the balance sheet; how dollar values for balance sheet entries are computed; and an introduction to the working capital cycle. The module concludes with an assignment with problems on deferred taxes, inventory accounting and balance sheet structure.

FINANCIAL STATEMENT ANALYSIS - CHAPTER 3: INCOME & STATEMENT OF STOCKHOLDERS' EQUITY FSA

This module covers the income statement and the statement of shareholders' equity. Topics include: entries on the income statement; relevance of the income statement for creditors; subtotals on the income statement; why the entries on income statement are ordered in the way they are; and reconciling income statement figures to changes in equity. The module concludes with a problem assignment on the structure of the income statement.

FINANCIAL STATEMENT ANALYSIS - CHAPTER 4: STATEMENT OF CASH FLOWS FSA

This module covers the statement of cash flows, which is derived from the firm's balance sheets and income statement. Topics include: the types of cash flows within the cash flow statement; how to generate a cash flow statement if the debtor does not provide one; and why the cash flow statement is particularly relevant for creditors. The module concludes with a problem assignment on generating the cash flow statement from the debtor's balance sheets and income statement.

FINANCIAL STATEMENT ANALYSIS - CHAPTER 5: A GUIDE TO EARNINGS & FINANCIAL REPORTING FSA

This module covers financial statement quality, which concerns the degree to which accounting statements capture a debtor's actual financial situation. Topics include: the quality of earnings; reserve for bad debt and the actual value of accounts receivable; inventory write-downs; restating the balance sheet; unintentional and intentional errors in financial statements; and the basics of fraud by false financial statement.

FINANCIAL STATEMENT ANALYSIS - CHAPTER 6: THE ANALYSIS OF FINANCIAL STATEMENTS FSA

This module covers the use of financial statements in making credit-granting decisions. Topics include: types of financial ratios and what each measures; how firms make capital structure and liquidity decisions; trend analysis and graphing of ratios; comparison of ratios to industry averages; and types of ratios that are most relevant to trade creditors. The module concludes with a case study which requires the computation and interpretation of a debtor's ratios and cash flows.

FINANCE AND BUSINESS INSURANCE BCP

Customers often borrow money as a means of financing their operations. These sources of financing such as banks, finance companies, factors and other institutional lenders, usually have first claim on a significant portion, if not all, of the customer's assets by becoming a secured creditor through a filing under the Uniform Commercial Code. The customer's reliance on the lender, and the lender's superior collateral position, make it important for a grantor of unsecured trade credit to fully understand the relationships between the two parties. This module explores the various choices available to borrowers, as well as alternative methods of financing.

I HAVE MY FIRST PREFERENCE CLAIM— WHAT SHOULD I DO NOW? CBCS

This presentation will outline what you should do if you find that you have a preference claim. The presenter will cover the definition of a preference, why they exist and defenses; preferential transfers, including their policy and purpose; the process of recovery of preferential transfers and what can be recovered; how the creditor can defeat preference claims; statutory elements; ordinary course of business; and subsequent value. After successful completion of this module the student will understand what a preference is, why they exist and the defenses for them; four things not to do if you get a preference claim; the best things to do if you get a preference claim; the process for recovery of preferential transfers and what can be recovered; what the affirmative defenses are against preference claims; what an ordinary course of business must show; and the best practices regarding preference actions.

INTERNATIONAL TRADE BCP

Companies selling internationally have a number of unique decisions to make before shipping an order. The first of these will be based on an analysis regarding the country in which a seller is planning to do business. Once the country risk is understood, a credit decision can then be made on the customer placing the order. Consideration should be given to how the shipment will be billed and financed. The simplest way of extending credit is on open account, however, with this method comes the greatest risk. Other methods of payment include selling by means of various drafts, letters of credit and cash prior to delivery. All of these methods are used extensively in international trade and will be discussed later in this module.

LEGAL ENVIRONMENT OF CREDIT - ANTITRUST REGULATIONS BCP

There is a critical need to be aware of the specific government legislation that pertains to business credit. Government legislation not only creates and protects the rights of creditors but also imposes limitations on business activities. Credit department policies and procedures should be in place to ensure that all actions taken by the department and its employees are within the boundaries of the law. Specifically, this module covers the four critical antitrust laws and how they affect the credit professional on a daily basis.

LEGAL ENVIRONMENT OF CREDIT - BEYOND ANTITRUST REGULATIONS BCP

There is a critical need to be aware of the specific government legislation that pertains to business credit. Government legislation not only creates and protects the rights of creditors but also imposes limitations on business activities. Credit department policies and procedures should be in place to ensure that all actions taken by the department and its employees are within the boundaries of the law. Specifically, this module covers specific legislation, beyond antitrust laws, that impact the credit profession on a daily basis.

LEGAL FORMS OF BUSINESS BCP

The legal form of a debtor's business may represent a key risk factor for creditors. Consequently, it is important that credit professionals understand the different forms of business, particularly as they affect the rights of creditors and debtors. State laws primarily govern the legal forms of business. For details of how the topics in this module relate to each state, consult the NACM Manual of Credit and Commercial Laws.

LIENS AND BONDS: THE CRITICAL NATURE OF THE PRELIMINARY NOTICE CCCS

Construction-orientated credit professionals know the value of the lien and bond process and the basics: A perfected lien starts with a statutorily correct notice. In this session, the preliminary notice will be stripped down to its basic components. This module will address the when, why and how of the preliminary notice as it relates to retaining lien rights, while leveraging receivables down the ladder of supply. From state-to-state nuances through timeframes and required elements, this must-view module will get you started down the right path.

MAKING CREDIT DECISIONS BCP

The basic objective in making credit decisions is to find ways to approve an order with reasonable expectation that the customer will pay in accordance with established credit terms. A decision to grant or not to grant credit affects sales revenue, profit, production

and procurement. If the customer is a good credit risk, the order may be approved as submitted. Otherwise, alternatives should be developed that are acceptable to the credit department and the sales department—and still meet the customer's needs.

It is desirable to establish routine procedures for making most credit decisions. Credit approval, through the use of order limits or overall credit limits, can streamline the workload in the credit department. The goal is to approve credit with minimum delay, provide customers with prompt service and control administrative costs. If routine orders can be processed quickly and efficiently, the credit professional has additional time to devote to more demanding credit matters. This module discusses approaches and decision factors associated with making credit decisions with speed, accuracy and efficiency.

MAKING SENSE OF MECHANIC'S LIENS, A PRACTICAL INTRODUCTION CCCS

The first mechanic's lien was filed in Maryland in 1791, and today mechanic's liens remain a vital part of construction credit. Topics covered in this module include the History Behind Mechanic's Liens, Construction Credit Terminology, Justifying Extension of Credit, Lien Right Requirements, the Three Steps of the Mechanic's Lien Process, Capturing Information, Managing State Statutes, Lien Foreclosure and Public Construction. After successful completion of this module the student will understand the unique nature of construction credit, the three lien right requirements, when and why to file a preliminary notice, the three parts to the mechanic's lien filing process (preliminary notice filing, mechanic's lien filing and foreclosure), how to collect and use information, and the difference between dealing with a public or private entity.

MY CUSTOMER FILED BANKRUPTCY—WHAT SHOULD I DO NOW? CBCS

This presentation will show you what to do when you think a customer has filed bankruptcy, how to check on the filing and how to react to the different types of bankruptcy that can be filed. Learn about the new laws that apply in bankruptcy and how the courts are ruling on matters like reclamation, new administrative claims and creditors' committee issues so you can act quickly and decisively the next time a customer says those dreaded words. After successful completion of this learning module the student will understand how to confirm that there has been a filing, how to find the case, how to determine the type of case, how the filing will affect their company, the basic steps to take when faced with a customer filing bankruptcy, how to determine if their company has critical vendor status, reclamation claims administrative claims and creditors' committees.

NEGOTIABLE INSTRUMENTS BCP

As commerce and trade developed, people moved beyond the reliance on barter to the use of money. Gradually, there was a need to use substitutes for money, such as commercial paper. Commercial paper is a contract for the payment of money. It can serve as a substitute for money payable immediately, such as a check, or it can be used as a means of extending credit. Commercial paper, consisting of notes and drafts, reflects the needs of merchants, traders and importers. These groups were responsible for the development of the negotiable instrument and the eventual creation of a set of rules for settling disputes in the courts they established for that purpose. These instrument's rules became known as the law of negotiable instruments.

Gradually, the rules were codified and a uniform negotiable instruments act was passed by every state legislature. When the Uniform Commercial Code was drafted, Article 3

contained the statutory law that governs commercial paper. This Article (as enacted in different states) was in part superseded in 1987 when the U.S. Congress passed the Expedited Funds Availability Act, implemented by Availability Act Regulation CC of the Federal Reserve Board, which effectively superseded prior state laws. Article 3 of the UCC was then rewritten to comply with applicable federal laws and regulations and is now the principal source of law governing negotiable instruments.

ORGANIZING THE CREDIT DEPARTMENT BCP

The properly organized credit department plays a critical role in managing accounts receivable portfolio risk to protect profits, prevent potential losses and help the company sell more products or services. This module discusses the role of the credit department from an organizational point of view. Proper structuring of the credit department—from a one-person operation to a multi-tiered, multifunctional entity—ensures that the role of credit contributes to the overall success of any company regardless of size.

PAYMENT BONDS CCCS

How can your company quote a project without knowing whether you are a secured creditor or unsecured? The most important question never asked is whether a project is bonded. When can you be confident that a project is bonded? How do you obtain a copy of the bond? What information do you need to collect to determine whether your company is secured? Who is protected under a bond and how do you preserve rights? Can you ever recover your costs of collection under a bond? Can you accidentally waive your rights in your contract or in progress payment waivers? How do you motivate a surety company to promptly pay claims? This payment bond session will answer these questions and provide an overview of the federal Miller Act, the state Little Miller Acts and private bonds.

REVIEWING AND REVISING CONSTRUCTION CONTRACTS CCCS

Appreciate the costs, leverage and risk inherent in construction contract terms. What do you really need in your contracts? What can you live with? What can you change? What are the deal breakers? Understand Conduit or Pass Through Provisions; Pay when Paid and Pay if Paid Clauses; Change Orders and Claims Procedures; Scheduling and Delays; Limitations of Liability; Notice of Default and an Opportunity to Cure; Dispute Resolution Procedures, Venue and Arbitration; Waivers; and Preserving Security Rights.

TERMS AND CONDITIONS OF SALE BCP

Arrangements that specify the contractual conditions of transactions between sellers and buyers for the sale of goods or services are known as terms and conditions of sale. In other words, these arrangements are the rules that govern the sales transaction. They include payment terms, which specify whether or not open credit is to be part of the sales transaction, the length of time for which credit is to be granted and other features such as discounts. Although this module will focus on payment terms, terms and conditions of sale also include other nonpayment conditions, such as warranties, return privileges and insurance coverage. From a legal standpoint, the words terms and conditions are interchangeable and will be treated accordingly in this module.

The impact of terms on an organization's operations is significant. The granting of time for the customer to make payment represents a commitment of operating funds by the seller. Also, in most instances, the granting of open credit will permit the customer to receive product and/or services before payment is rendered. This situation increases the seller's risk of loss in the event of customer insolvency or irreconcilable disputes.

Both of these elements, the seller's ability to finance its receivables and exposure to losses from bad debts or disputes, must be factored into the seller's credit policies with respect to terms decisions.

THE UNIFORM COMMERCIAL CODE BCP CCCS

Laws governing sales began in England when merchants developed the law of merchants or a system of rules, customs and usages that regulated their transactions. Eventually, the law of merchants was combined with British common law. By 1882, the English Bills of Exchange Act was adopted by the British Parliament, followed by the Sale of Goods Act in 1893.

Using these two English laws as an example, two sets of laws were created by the National Conference of Commissioners on Uniform State Laws in the United States: the Uniform Negotiable Instruments Act (1896) and the Uniform Sales Act (1906). Other laws relating to commercial transactions were also created in the early 1900s such as the Uniform Warehouse Receipts Act (1906), the Uniform Stock Transfer Act (1909), the Uniform Bills of Lading Act (1909), the Uniform Conditional Sales Act (1918) and the Uniform Trust Receipts Act (1933). By the mid-1900s, it became clear that these various laws needed revision to keep current with business and to be integrated into one set of laws.

In 1942, the Uniform Commercial Code was designed as a joint project between the American Law Institute and the National Conference of Commissioners of Uniform State Laws. It took 10 years for the appointed editorial board and drafting committees to produce an official text, which underwent several revisions. Today, the Permanent Editorial Board (PEB) for the UCC is the body responsible for the uniformity of enactment and construction of the UCC and for evaluating and preparing proposals for amendment.

UNIFORM COMMERCIAL CODE-SALE OF GOODS CCCS

Understand the terms the Uniform Commercial Code adds to your contract automatically unless you "otherwise agree." When does the UCC apply? Learn to limit your liability to a return of the purchase price to avoid defect and delay damage claims. Get a waiver of express and implied warranties. When do you have the right to stop shipments and demand adequate assurance of payment? What are your rights to cure any default in your performance? How do you reclaim your goods if the customer defaults? This module will answer these questions and help you better understand the Uniform Commercial Code Sale of Goods.

Learn more at clc.nacm.org or education_info@nacm.org.



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