

Customer Accounts

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Introduction

1.1 Context

This policy is designed to regulate and manage the use of Customer Account Facilities within Pharmacies, and covers their setting up, purchases, payments and ongoing management.

1.2 Purpose

It is important that these policies are adhered to ensure that the shop debtor function on Mars and the pharmacy stock file accuracy is maintained. All sales to and payments from shop account holders are recorded on MARS and that the business receives all monies due to it from account holders.

1.3 Scope

This policy applies to all transactions relating to customers who hold an account in the pharmacy.

Procedure

2.1 Customer Accounts- Setting-up New Customers

Customer Accounts can only continue to be used where the customer is clearing the balance on their account at the end of each month.

For customer accounts which have overdue balances greater than 2 months please contact the head office cash team to discuss appropriate action with regard to collecting the amount outstanding.

No new accounts are to be opened without head office cash team approval. All customer details including contact telephone number should be entered as relevant on the MARs system used by the Pharmacy, and the customers address verified by the production of a recent utility bill.

Account can only be used for pre-approved customers who are within their credit limits.

With immediate effect shop accounts cannot be used for;

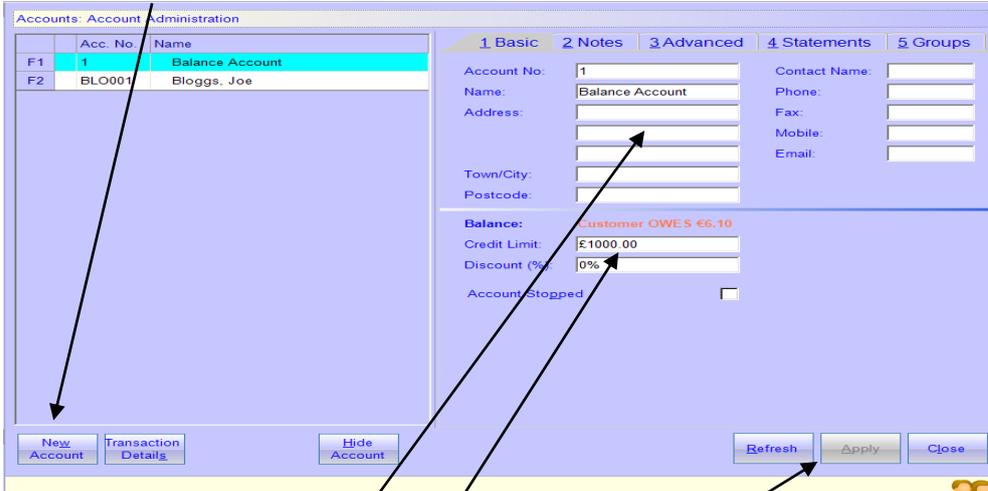
1. Pharmacy employee purchases
2. Stock issued as spot prizes (Please refer to new local sponsorship policy)
3. The use of balance accounts to reflect discount given on other customer accounts
4. Discount of any kind (Please refer to policy on discount and process on Mar reflect discounts given to customer)

The use of balance accounts must not be used for any reason within the pharmacy. If you have historically used the balance account function within your pharmacy you must contact the head office cash team for advice on correct procedures.

To open a new customer account approved by head office on Mars, please follow the following procedure;

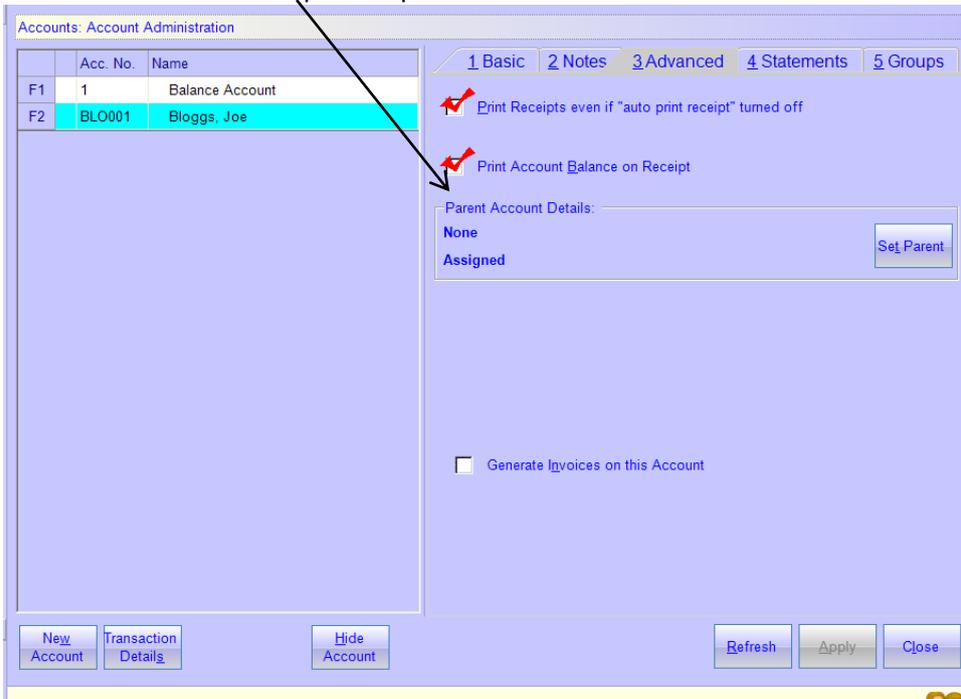
Setting up a customer account

- Menu → Accounts → Account Administration
- Click 'New Account' on bottom left of screen



The screenshot shows the 'Accounts: Account Administration' window. On the left, there is a table with columns 'Acc. No.' and 'Name'. The first row (F1) has '1' and 'Balance Account'. The second row (F2) has 'BLO001' and 'Bloggs, Joe'. Below the table are buttons for 'New Account', 'Transaction Details', and 'Hide Account'. On the right, there are form fields for 'Account No.', 'Name', 'Address', 'Town/City', and 'Postcode'. There are also fields for 'Contact Name', 'Phone', 'Fax', 'Mobile', and 'Email'. Below these are fields for 'Balance' (showing 'Customer OWES €6.10'), 'Credit Limit' (showing '£1000.00'), and 'Discount (%)' (showing '0%'). There is a checkbox for 'Account Stopped'. At the bottom right are buttons for 'Refresh', 'Apply', and 'Close'.

- Fill in customers details, i.e. name and address (account number will be auto generated if you leave this field blank)
- Enter credit limit for account (once the balance on the account reaches the credit limit set here it will prohibit any debits begin placed on the account until a payment is made, you can change the credit limit figure at any stage by going back into account administration, highlighting the customer's account and overwriting the figure in credit limit)
- Press apply to save changes
- At this stage you will be asked for an opening balance, if there is no opening balance enter 00 and 'OK'
- To show balance on receipt tick option



The screenshot shows the 'Accounts: Account Administration' window with the 'Advanced' tab selected. The table on the left is the same as in the previous screenshot. The 'Advanced' tab contains several options: 'Print Receipts even if "auto print receipt" turned off' (checked), 'Print Account Balance on Receipt' (checked), 'Parent Account Details' (set to 'None' with a 'Set Parent' button), and 'Generate Invoices on this Account' (unchecked). At the bottom are buttons for 'New Account', 'Transaction Details', 'Hide Account', 'Refresh', 'Apply', and 'Close'.

- Press 'Apply' to save changes

Setting up a customer account cont.

A credit limit as stipulated by head office cash team should only be applied to the account. New customers should be informed that it is a requirement that all accounts are cleared down to zero at month end. *With existing customers this policy needs to be introduced.*

2.2 Customer Account Purchases

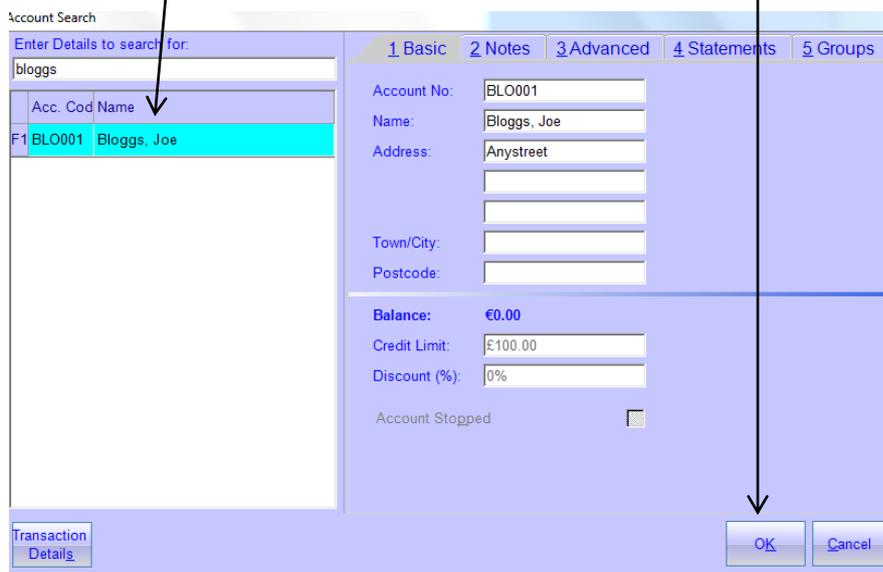
All account purchases must be processed through the MARS system to ensure shop debtor and stock file accuracy is maintained and a correct account is made of the money owed.

To record a customer purchase on their MARS shop debtor account please follow the procedure below;

Click 'account' button on sale screen



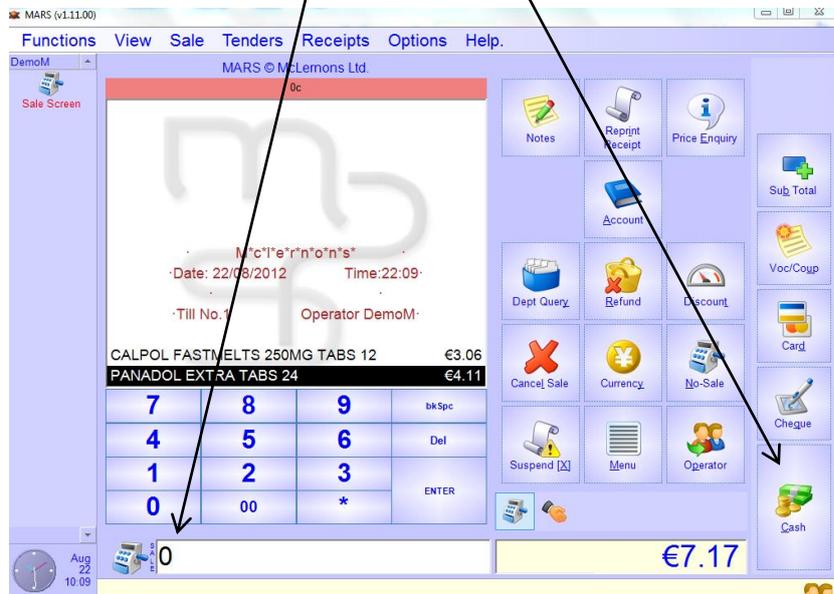
Enter customer name into search screen, highlight name and click 'ok'



Customer account purchases cont.

Scan or enter products into sale screen

To finish transaction enter '0' then click the 'cash' key



Once the account limit is reached no further purchases can be made on account.

If the account is overdue for payment no further purchases or increases in credit limit should be allowed.

Written manual accounts should not be used.

2.3 Customer Account Payments

All account payments must be processed through the MARs system to ensure that there is always an accurate record of monies owed to the business, and so that full cash accountability can be maintained.

Written manual accounts should not be used.

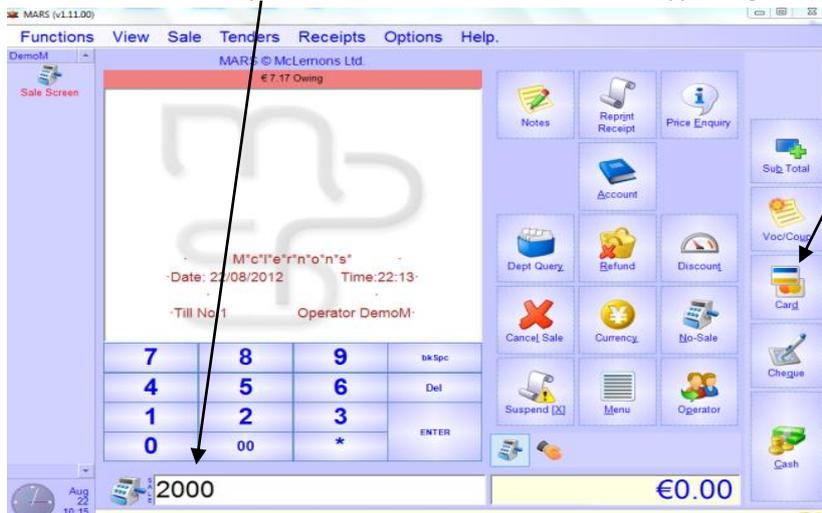
Customer account payments cont.

To record a cash or cheque receipt from a shop debtor on Mars, please follow the procedure below;

Select the account payable by clicking the 'account' button on your sale screen

Type customer name into the search screen, highlight name and click 'ok'

Enter amount to be paid to account, then click tender type, e.g. cash, card, cheque

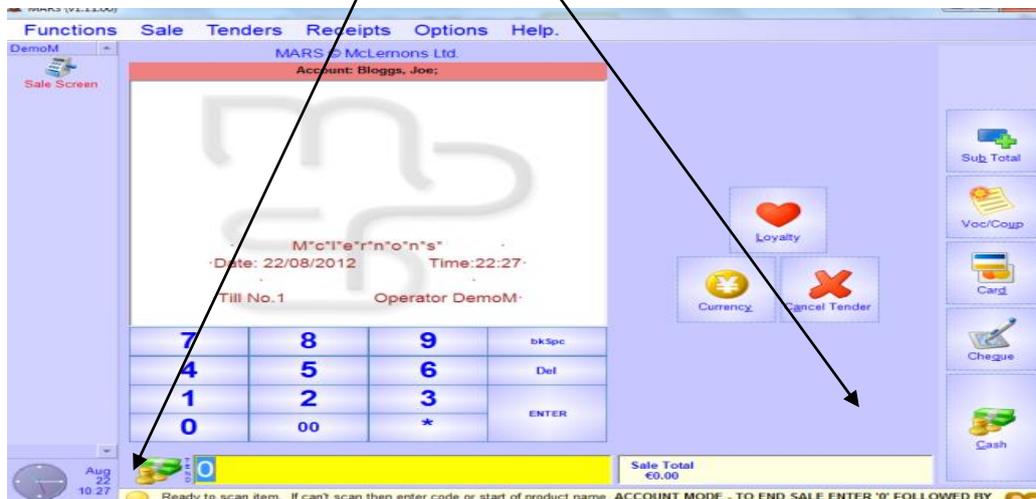


You will be asked to confirm the amount actually being tendered, this is to allow the system to work out what change if any is due.



Customer account payments cont.

To complete transaction enter '0' then click 'cash'



The cash or cheque received from the shop debtor is now included in your branch cash total in the manage branch cash function. It should be combined with and included as part of your next bank lodgement like any other sales receipt.

It will then come through to the head office system as part of this lodgement.

Payment received directly into bank account should be treated the same as a cheque. The support office will contact the Pharmacy on the receipt of a Payment. Please make note of the amount and include it in the Cheque section of your Count Suspended Cash Up. In the Manage Branch Cash section please post a lodgement for the Bank Payment Amount.

2.4 Customer Accounts - Management

The Pharmacy Manager should review the Customer Accounts on a monthly basis, and take appropriate action as described below on overdue accounts.

The Business Manager should review the Customer Accounts on a monthly basis to ensure that the above procedure is being adhered to.

Where an account is overdue for payment by one month a polite telephone call should be made to the customer reminding them of the monies owed and enquiring when payment could be expected? If there is a suspected problem with payment then the Business Manager should be informed.

Where payment is still not received after a further month, (ie two months overdue), "Letter A" should be sent to the customer.

If payment is still not received after a further month, (ie three months overdue), then the Business Manager should call the customer and agree a schedule of payment, and a note should be made of the date of the call. If the customer cannot be contacted or an agreement reached then the Operations and Finance Directors should be informed of the situation. With their agreement "Letter B" should be sent to the customer.



If payment is still not received as a result, then the Directors and BM should discuss and agree their next course of action.

Deviations from the above policy can only be made in agreement with the Business Manager.

Appendix 3.1

Letter A

ACCOUNT NUMBER

Dear *name*

Upon review of our Customer Accounts it appears that you have an outstanding balance of € *amount* which was due for payment on *date*.

I'm sure this is an oversight on your behalf, and we would be grateful if you could arrange payment at your earliest convenience. If there is any issue with the outstanding figure please call me to discuss.

If you have made payment in the last couple of days please disregard this letter and accept my apologies for disturbing you.

Yours sincerely,

Name

Pharmacy Manager

Letter B

ACCOUNT NUMBER

Dear *name*

Further to our letter of *date*, and telephone calls of *dates* it appears that there is still an outstanding amount of € *amount* owed against your Credit Account.

We would be grateful if you could arrange immediate payment of the above amount. If there is a problem with the amount owed or payment being made then please telephone me to discuss.

Failure to do this may result in us having to take further action to recover the outstanding payment.

I look forward to hearing from you in the near future.

Yours sincerely,

Name

Pharmacy Manager



3.3 Pharmacy Manager Declaration

Pharmacy.....

Pharmacy Manager.....

Accountability Statement – Protecting Our People and Assets

1. The process for accounting for customer accounts at a pharmacy level comes under the direct ownership of the Pharmacy Manager, who is responsible for cash compliance either directly or through your designated accountable staff members, who must be direct employees and have completed their probationary period of at least 3 months.
2. I understand the role of the pharmacist in the collection of outstanding customer accounts.
3. Customer Accounts can only be used in circumstances as stipulated in the cash policy.
4. All procedures are followed as per the Customer Account Policy Document and using the correct forms.
5. Collectability of old or historic customer account balances prior to the issue of this policy has been discussed with my business manager and issues on collectability have been raised with them.

Declaration

I confirm that my pharmacy is fully aware of the customer account policy and fully adheres to the accountability statement described above. I understand that if I have any doubts about correct procedure, that full guidance is available from the Customer Accounts Policy or my Business Manager.

Signature.....

Date...../...../.....

PRINT NAME:..... POSITION:.....

Return signed declaration to: Operations Department at Allcare Pharmacy.

To be received no later than: Three weeks after Launch of Policy.

Customer Accounts will be monitored/reviewed as part of a BM's visit to the pharmacy and by Head Office Finance and discrepancies and collectability of balances investigated when highlighted.