

BEST PRACTICES

CCB asked clients, “What are the best practices you utilize to collect your receivables?” The responses varied, but most agreed on the following:

- Have a process in place and stick to it!
- Timing is everything. Here’s a timeline some of our clients use when an invoice becomes past due:

10 Days	Courtesy call is made, determine why payment is late and when it will be paid, follow up as necessary
30 Days	Tone of urgency in calls, goal of at least one contact per week (multiple attempts)
45 Days	Calls continue and payment need in 15 days
60 Days	Urgency increases in calls and communication that addition action may ensue
75 Days	Controller/CFO call with firm deadline and communicate that collection activity will happen
90 Days	Place with agency Letters sent at each interval

How Much and When? Be Fair, but Firm!

- Get an executed credit application AND personal guaranty for every customer.
- Customers that are avoiding, breaking promises, complaining about cash flow, making minimal payments monthly, and/or are nonchalant about their past due balances should be placed for collections sooner rather than later. Every day that goes by decreases the likelihood of collecting the account:

