ACCOUNT DEBTOR PROTOCOL

1. Speed to invoice is critical. Any delay in invoicing (or end of month statements) will add days to the time to get paid.

2. Determine clear credit terms and make sure those terms are communicated on the invoice and statements sent.

   Consider here: If we send an EOM statement (say by the second or third working day of the month) then you might already have had up to 30 days lapse since completing the work. (e.g. 33 days after we have done a job the statement is sent).

   Then you allow time to pay (here is where I would keep this short) for instance 7 days. Using the above example, if you allow longer then the time to payment blows out (e.g. 40 days if you have 7-day terms, 47 days if you have 14-day terms, 54 days if you have 21-day terms and 61 days if you have 28 day terms).

   These times are IF a client pays on time!!

   If they take another week, we are getting paid months after the job is done.

   I would recommend the shortest time possible post invoicing or statement.

3. Let's say our terms are 7 days post invoice / statement. Then day 8 post invoicing:
   - Level 1 text message below.

4. Day 14 post invoicing without payment (you could make this shorter):
   - Attempt to contact via phone
   - If no contact made to send Level 1 chasing letter by e-mail and/or post
   - NOTE: Any conversation had via phone should always be followed up with an email confirming the discussion.

5. Day 21 post invoicing (you could again make this shorter):
   - Attempted phone call.
   - Level 2 text message
   - Level 2 letter by e-mail and/or post

6. Day 28 (or sooner) a Final Demand Letter (Level 3 text and email)

7. What is critical here is that YOU COMPLETE NO FURTHER WORK OR TAKE ANY FURTHER BOOKINGS PENDING PAYMENT. This means that you need to ensure that your system can have these clients flagged appropriately for those answering phones.

   If a client who is in arrears calls, then the person answering the phone should be trained to take payment in full before making the next appointment (or refusing service).

8. I would avoid interest charges or account keeping fees. They can be leverage to negotiate but ultimately a book keeping nightmare and time consuming to levy.

9. I am also hesitant to recommend payment plans – only as a last resort. There are many ways payment can be facilitated nowadays and again; administration of said plans can be challenging.

Text Messages:

Level 1 – This is a friendly reminder that you have an overdue account with INSERT CLINIC NAME. We would be extremely grateful if you could contact the clinic at your earliest convenience on INSERT PHONE NUMBER to arrange payment of the outstanding balance. Many thanks

Level 2 – Despite multiple previous attempts to contact you via e-mail/post/telephone your outstanding balance at INSERT CLINIC NAME remains uncleared. Please contact the clinic on INSERT NUMBER as a matter of urgency to clear the outstanding balance. Many thanks

Level 3 – This is a notice of Final Notice with regard to your outstanding account with INSERT CLINIC NAME. All previous attempts to contact you with regard to this balance have failed. Payment is to be made in full by INSERT DATE failing which we will be left with no choice but to proceed with legal Action.
We trust this will not be necessary. Please contact us on INSERT NUMBER to arrange immediate payment.

Letters / Emails:

Stage 1:
Dear XXXX,

This is a friendly reminder that you have an overdue account with INSERT CLINIC NAME.
We would be extremely grateful if you could contact the clinic at your earliest convenience on INSERT PHONE NUMBER to arrange payment of the outstanding balance.

Many thanks

Stage 2:
Dear XXXX,

Despite multiple attempts to contact you via e-mail/post/telephone your outstanding balance at INSERT CLINIC NAME remains uncleared.
Please contact the clinic on INSERT NUMBER as a matter of urgency to make payment of the outstanding amount.

Many thanks

Stage 3:
Dear XXXX,

We refer to our numerous text messages, telephone messages and recent emails in relation to your outstanding account.

Your account is currently outstanding in the sum of $XXXX. A statement is attached herewith.

This amount must be paid in full by no later than close of business INSERT DATE.

In the event that we have not received payment in full by this date we will have no alternative but to refer the matters to our lawyers for recovery.

Please also be advised that we will be unable to assist you with any further services until such time as payment has been made in full.

We look forward to your immediate payment and trust that further action will not be necessary.

Kind Regards